IWIRX/GINNX

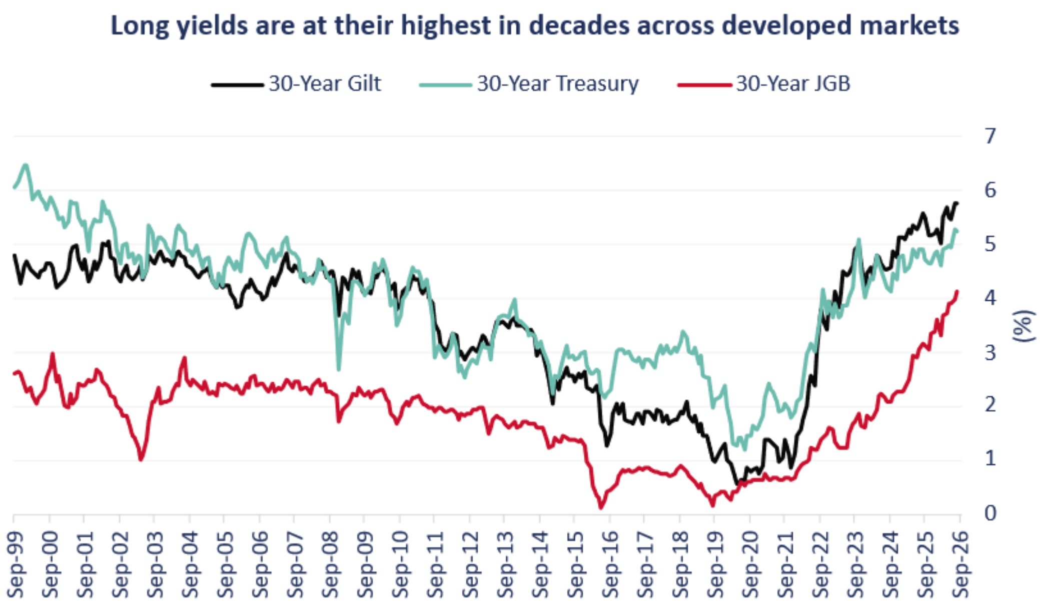
Guinness Atkinson Global Innovators Fund
September 2026 Update

August in Review

Quantitative (Fiscal) Easing Might Be Back

On August 19th, U.S. Treasury Secretary Scott Bessent announced that, beginning September 9th and running through November 4th, 2026, the U.S. Treasury would “at least” double the maximum size of its long end “liquidity support” buybacks. The maximum size will rise from $2bn to at least $4bn per operation, targeting securities in the 10-20 year and 20–30-year segments, with the aim of reducing yields at the long end of the curve. For now, however, the scale remains far below pandemic-era quantitative easing (QE), when the Fed was purchasing as much as $120bn of securities per month.

The announcement comes amid a surge in global government bond yields (see chart below), driven by growing concerns over fiscal deficits, rising debt levels and persistent inflation. At the same time, heavy debt issuance linked to the AI investment boom is adding to the supply of bonds competing for investor capital. More supply means investors can demand higher yields, creating a broader crowding-out effect across bond markets.



Source: Bloomberg, Guinness Atkinson as of 31st August 2026

The initial market reaction was supportive, with long-term Treasury yields falling after the announcement. However, the move quickly reversed, with yields returning to around pre-announcement levels as the move signaled the Treasury’s willingness to look for ways to suppress long-term borrowing costs rather than tackle the underlying fiscal problem, potentially reinforcing investor concerns over deficits, inflation and debt sustainability. More specifically, the Treasury plans to buy longer-dated bonds funded by issuing shorter-term debt, effectively shortening the maturity profile of U.S. government debt and making future interest costs more sensitive to short-term rates. Unlike long-term yields, short-term rates can be influenced more directly by the Fed, potentially creating a political problem, as the Fed’s mandate is to support employment and keep inflation under control, not to manage the government’s deficit.

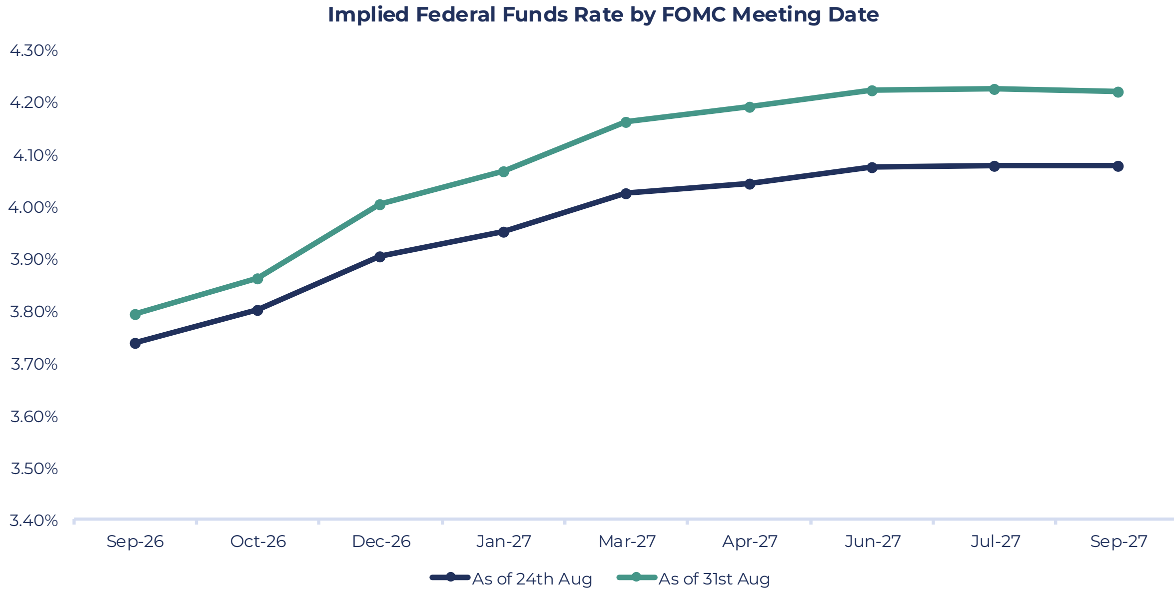
Markets will be watching closely, potentially drawing parallels with Japan's Abenomics and later Yield Curve Control. Japan's experience offers a useful precedent: the Bank of Japan kept long-term government borrowing costs artificially low, easing pressure on fiscal policy, but at the expense of distorting bond-market signals and, over time, increasing pressure on the Yen. The concern is that, if investors begin to see the Fed moving in the same direction, monetary policy could become increasingly shaped by the government's financing needs – a form of fiscal dominance – potentially weakening the U.S. dollar on concerns over eventual debt monetization. Interestingly, some of this dynamic may already be visible in markets, with the dollar weakening while gold and Bitcoin have risen strongly since the announcement.

The move has also drawn criticism from veteran investor Stanley Druckenmiller, Bessent's former boss at Soros Fund Management, who has argued against suppressing the signal coming from the bond market. In his view, lower deficits and structural fiscal reform offer a more durable solution than attempting to manage long-term borrowing costs.

The Fed versus the Treasury?

This announcement from the Treasury came in the days leading up to Jackson Hole, the annual economic symposium, where Federal Reserve (Fed) Chair Kevin Warsh would be speaking. Warsh has been clear about his desire for the Fed to reduce its forward guidance, communicating less with the market to reduce the reliance on signals from the central bank. This has been criticized for creating further uncertainty for investors, who understandably try to predict what the Fed will do, since their Open Market Committee (FOMC) is indeed responsible for setting short-term US rates.

This created significant anticipation for Warsh's speech at Jackon Hole. Previously, he had expressed openness to alternative measures of inflation, such as using trimmed mean measures. However, during his speech, Warsh encouragingly committed to the existing 12-month change in the personal consumption expenditures (PCE) index and cited the 2% price-stability objective remained a "firm, fixed target". Inflation continues to run above this target and Warsh stated that labor market data is consistent with full employment, indicating rates are likely to rise in the near-term. Accordingly, the futures markets increased the odds of a hike at the September meeting to more than 50% taking the implied rate to 3.8% and shifting the future Federal funds rate curve upwards after the conference, as depicted in the chart below.



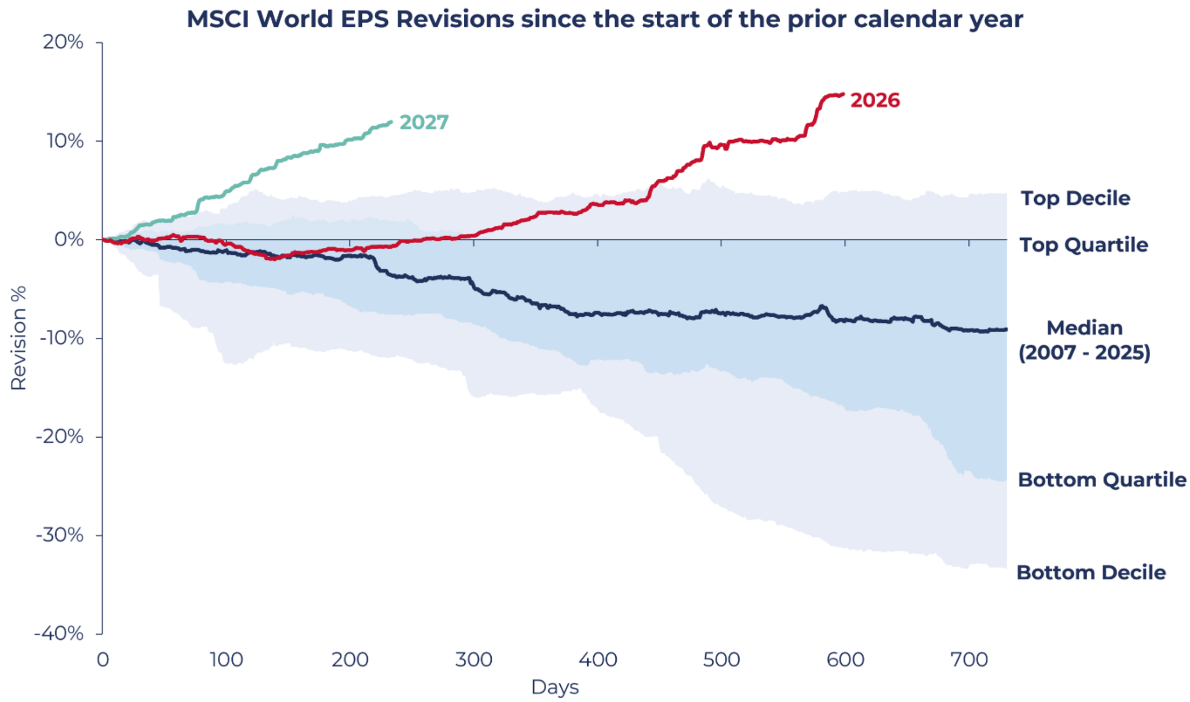
Source: Bloomberg, Guinness Atkinson, as of 31st August 2026

This raises a question of how to reconcile the view of Warsh with the actions of Bessent. The Fed Chair is advocating for less central bank communication to prevent individual views being crowded out, while the Secretary of the Treasury is leading intervention in the bond markets arguing "yields don't reflect the underlying fundamentals". Both would presumably like long-term rates to be lower; Bessent wants it to be cheaper to fund US government spending, but Warsh sees lower rates as the result of a stronger fiscal discipline. Ultimately, their mandates are currently at odds, which only re-emphasises the importance of central bank independence.

Equities keep moving higher

Despite the significant rise in bond yields, though, equities have continued to broadly rally. Typically, we might see the former disrupt the latter, but recently this has not been the case because of some extraordinary activity in the markets. Technology companies have seen remarkable growth in profits, strengthening their financial position and perhaps giving them greater willingness to borrow as they look for cash to fund AI-related capital expenditures (capex) that they see as critical for future growth. Some argue this has made them relatively price insensitive, meaning corporate issuance has not reduced in response to rising yields – which, in turn, contributes to higher borrowing costs for non-corporate entities.

Another potential explanation for the correlation between stocks and bonds having been positive in this post-pandemic period is the incredible strength of corporate profits. Higher yields can be interpreted as a corollary of higher long-run growth expectations given the productivity benefits AI could bring. So far this year, in particular, equity fundamentals have been remarkably strong. Ultimately, earnings are what sustain stock prices over time, and on that front the picture has continued to improve. As the chart below shows, 2027 MSCI World earnings per share expectations have been revised sharply higher since the start of the year, moving well above the historical range.



Source: Bloomberg, Guinness Atkinson

Earnings Season

In last month's commentary, we identified 10 themes which we believed characterized this earnings season so far. In this section, we will continue to build on the previous exercise, finding further comments to support the previous trends from companies that reported during the month of August.

Theme 3: Increasing focus on margin protection measures across industries

EMERSON (Not held) **Emerson Electric Chief Financial Officer, Mike Baughman:** *"Margin expansion exceeded expectations due to better volume than expected and favorable segment mix. Price-cost and cost reductions more than offset inflation."*

Theme 4: Grid transformation and data center infrastructure demand

AMETEK (Held in Fund) **Ametek, Chairman & CEO, David Zapico:** *"RTDS Technologies, a leader in real-time digital simulation of power system infrastructure and hardware in the loop testing, recently received a key order from a data center hyperscalers to help de-risk the power profile of a broader data center buildout. And we have the RTDS business that I talked about, helping hyperscalers build out* *local power grids when they can't wait for the utilities to do it. So just another example of a growing area that's positioned to help build out the critical physical layer of the AI build-out."*

(Not held) **Cisco, Chairman & CEO, Charles H. Robbins:** *"We believe the accelerating adoption of agentic AI is fuelling a networking supercycle. As customers look to manage increasing traffic and costs, they are investing in Cisco's Networking stack for inferencing across cloud, on-premise and edge environments. At the same time, the rise of agentic AI is expanding the threat landscape, driving demand for our security and observability solutions to help monitor agent behaviour and mitigate evolving threats. This presents a unique opportunity for Cisco, and we believe we're only at the beginning of this supercycle."*

Theme 5: Many firms caught up in the software sell-off are continuing to deliver solid fundamentals

(Held in Fund) **Salesforce President, Chief Operating & Financial Officer and Director, Robin L. Washington:** *"In the 3 quarters since we launched Agentforce, we have now won more than 6,000 paid deals and more than 12,500 overall. And 40% of our Agentforce new bookings this quarter came from existing customers extending their investment with Salesforce. [...] Agentic AI and data make the capabilities of our unified platform, the information, the logic and the workflows, more important and valuable than ever before. [...] This is why Data Cloud and AI ARR continues to scale, reaching $1.2bn in Q2, growing 120% year-on-year. "*

Theme 6: Transition toward value-based, hybrid, and consumption-based pricing models

(Held in Fund) **Tencent, Chief Strategy Officer, James Mitchell:** "*Our belief is that by providing the superior intelligence that we can achieve through state-of-the-art models through market-leading AI applications, that superior intelligence, we can then convert into superior economic returns over the longer term, for example, by selling tokens through the WorkBuddy application."*

(Held in Fund) **Salesforce Chair & CEO, Marc Benioff:** *"See, customers want to buy and want to price in different ways. This is something I've learnt really aggressively recently. Some are still buying by user and by agent and that's important for them. Some of them want to buy consumption and that's important to them. Some of them are just basic usage customers, and they want to pay that way."*

Theme 8: AI and high-performance compute hyper-growth

Earnings season provided further evidence that the semiconductor investment cycle remains exceptionally strong.

(Held in Fund) **Nvidia, Executive Vice President & CFO, Colette Kress:** *"The surge in AI demand is driving a global infrastructure build-out, supported by an expanding and diverse set of growth opportunities, spanning hyperscalers, AI labs, AI natives, enterprises, and sovereign customers. We expect to grow revenue by approximately 70% in fiscal 2028. This is a supply-constrained outlook."*

Fund Holdings – Monthly Performance Case Studies

Salesforce (+40.0% USD)

Salesforce, the market-leading provider of cloud-based Customer Relationship Management (CRM) software, delivered a standout set of results in the quarter. The shares had been under pressure previously amid a broader sell-off in software and the potential threat to the firm's 'per-seat' based pricing model from AI agents automating workflows and reducing the number of human workers. However, from a fundamental perspective, we had been really encouraged by Salesforce's underlying performance, as evidenced by their previous earnings releases. This was further reinforced by their latest results, with the company delivering a standout quarter and proving its ability to monetize enterprise AI at scale. Revenue grew 11% year-over-year, with the firm's current remaining performance obligation growing even faster at 14% to support a strong demand pipeline in the coming quarters. Salesforce's AI offering, Agentforce, was exceptionally strong, with annual recurring revenue seeing year-over-year growth of 240%, meanwhile Slack achieved record net new annual order value as Slackbot users grew over 150% sequentially. Management spoke to AI "delivering value across every layer" of their platform, which is particularly encouraging as AI usage supports both higher pricing and more seats employed (via charging for Agents). This not only allays fears around the aforementioned pricing model concerns but points to a positive outlook for the stock. This was reiterated by management raising their FY27 revenue guidance from $45.9-46.2bn to $46.1-46.4bn and lifting their diluted net income per share outlook by ~18% at the midpoint. This was a pleasing set of results that reinforced our view that Salesforce is well placed to capitalize on the AI opportunity as the leading CRM provider.

Applied Materials (-9.6% USD)

Applied Materials is a semiconductor equipment manufacturer that provides wafer fabrication equipment (WFE). WFE companies sit at the heart of the semiconductor value chain, supplying the highly specialized tools needed to manufacture advanced chips. As demand for AI, high-performance computing and data center infrastructure has accelerated, foundries and integrated device manufacturers have responded with record levels of capital expenditure, driving a strong upcycle in WFE spending. The AI infrastructure buildout is particularly supportive, as hyperscalers require not only more chips, but increasingly complex and advanced architectures, materially increasing equipment intensity across the manufacturing process. As a result, these companies have been printing strong quarterly earnings reports, and last quarter for Applied Materials was no exception. It is the broadest player across front-end, process control and advanced packaging, so remains well positioned to capture share as chipmakers invest across the full manufacturing stack. Their latest print showed continued acceleration across segments, supporting above consensus revenue growth of 25% year-over-year and 15% sequentially. Their Services end-market was a bright spot, coming in above expectations due to strong tool utilization and their rapidly expanding installed base. Customer visibility now stretches 8-10 quarters for major customers, with positive signals for Applied Material's market share of the WFE space. Management also raised guidance for the year, with CY26 equipment growth now expected to be above 30% versus 20% prior. However, this was not enough for the market, which had also hoped to see gross margin expansion rather than the essentially flat guide that was given. While management confirmed the business should "strengthen" into 2027, they declined to provide a hard quantitative target, further contributing to the negative share price reaction. Although, Applied Materials is still up 79% year-to-date. In our view, this name remains well-positioned to benefit from structural AI demand, rising equipment intensity, and highly recurring service revenues.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA   Dr Ian Mortimer, CFA

Summary performance

For the month of August, the Guinness Atkinson Global Innovators Fund provided a total return of 3.24% (USD) against the MSCI World Index net total return of 2.58% (USD). Hence the Fund outperformed the benchmark by 0.66% (USD).

Following a volatile July, global equities rebounded in August, with the MSCI World Index rising 2.6% in USD terms. The recovery was supported by a strong earnings season, which helped reinforce confidence in the underlying profit outlook after the previous month's sharp sell-off in technology and semiconductor stocks. However, the month was not without volatility. Long-term government bond yields remained elevated amid persistent concerns around deficits, debt issuance and inflation, while Treasury Secretary Scott Bessent's decision to expand long-end Treasury buybacks drew further attention to the rising cost of government financing. Despite these macroeconomic pressures and geopolitical tensions, equities nevertheless remained resilient supported by continued earnings growth.

Over the month of August, the Fund's relative performance can be attributed to the following:

- Information Technology was the benchmark's second-best performing sector (+6.1% in USD). As the Fund's largest overweight, this provided a positive allocation effect. Notably, the Software industry group outperformed the benchmark, within which the Fund benefitted from owning Salesforce (+40.0%), which was its top-performing stock over the month. This mitigated the drag from Applied Materials (-9.6%), which saw some weakness despite printing strong results.

- The Fund's overweight exposure to the Communication Services segment (11.7% weight versus benchmark at 7.8%) was a headwind, as it lagged the wider index at -0.5% USD. However, this was offset by positive stock selection in the segment, with Netflix returning +13.0% in August.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com or calling 800-915-6566.

- There were strong stock selection effects from a number of industries including Financials (London Stock Exchange Group +8.4%, Intercontinental Exchange +5.4%), and Healthcare (Danaher +9.5%, Thermo Fisher +7.5%). This more than offset the aforementioned negative effects of stock selection within the Semiconductor industry.

- Finally, the Fund having no exposure to Materials (+9.7% USD) was a detractor, as this was the best performing sector in August. On the other hand, the Fund benefitted from its zero-weight to Utilities (-3.2%), Real Estate (-2.1%) and Consumer Staples (-1.2%).

Performance

As of 8/31/2026	1 Year	3 Years	5 Years	10 Years
IWIRX [1]	19.34%	19.01%	9.40%	14.99%
GINNX [2]	19.63%	19.30%	9.67%	15.28%
MSCI World Index NR	20.37%	20.09%	11.20%	13.00%

As of 6/30/2026	1 Year	3 Years	5 Years	10 Years
IWIRX [1]	16.83%	19.37%	9.91%	15.71%
GINNX [2]	17.12%	19.67%	10.18%	16.00%
MSCI World Index NR	21.34%	19.22%	11.47%	13.13%

All returns after 1 year annualized.

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[1] Investor class (IWIRX) Inception	12.15.1998 Expense ratio*	1.24% (net); 1.24%(gross)
[2] Institutional class (GINNX) Inception	12.31.2015 Expense ratio*	1.00% (net); 1.08% (gross)

[2] Performance data shown for Global Innovators, Institutional Class (GINNX), prior to its launch date on 12/31/15, uses performance data from the Global Innovators, Investor Class (IWIRX).

*The Advisor has contractually agreed to reimburse expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.24% for the Investor class and 0.99% for the Institutional class through June 30, 2029. To the extent that the Advisor absorbs expenses to satisfy this cap, it may recoup a portion or all of such amounts absorbed at any time within three fiscal years after the fiscal year in which such amounts were absorbed, subject to the expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

Mutual fund investing involves risk and loss of principal is possible. Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The Fund also invests in medium and smaller companies, which will involve additional risks such as limited liquidity and greater volatility. The Fund's focus on the technology, internet and communications sectors are extremely competitive and subject to rapid rates of change.

Securities mentioned are not recommendations to buy or sell any security.

Current and future portfolio holdings are subject to risk.

Top 10 holdings for the Global Innovators Fund, as of 8/31/2026:

1. Salesforce, Inc.	4.03%
2. Microsoft Corp	3.83%
3. Nasdaq Inc	3.78%
4. Amazon.com Inc	3.78%
5. Roper Technologies Inc	3.72%
6. Thermo Fisher Scientific Inc	3.68%
7. Visa Inc	3.65%
8. NVIDIA Corp	3.56%
9. Broadcom Inc	3.55%
10. Apple Inc	3.52%

For a complete list of holdings for the Global Innovators Fund, please visit: https://www.gafunds.com/our-funds/global-innovators-fund/

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information and can be obtained by calling 800- 915-6565 or visiting www.gafunds.com. Read and consider it carefully before investing.

Earnings growth is not representative of the Fund's future performance.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

Basis points (BPS) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Indexes are unmanaged. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

Hyperscalers are large-scale data centers that provide a wide range of cloud computing and data solutions for businesses that need vast digital infrastructure, processing, and storage. The hyperscalers dominating the cloud market are Amazon Web Services (AWS), Microsoft Azure, and Google Cloud, alongside other tech giants like Meta and Oracle.

Margin Protection provides coverage against an unexpected decrease in operating margin

Free cash flow (FCF) is the cash a company has left over after paying for its day-to-day operations and building or fixing long-term assets.

Market capitalization shows a company's value based on the total price of its outstanding shares.

The price-to-earnings ratio (P/E ratio), or P/E multiple, is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

Capital Expenditure (CAPEX) Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

One cannot invest directly in an index.

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