Guinness Global Dynamic Bond

Investment Commentary – November 2026

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and KIIDs for the Fund (available on our website), which contain detailed information on its characteristics and objectives and full information on the risks, before making any final investment decisions.

The Guinness Global Dynamic Bond Fund is a fixed income fund. Investors should be willing and able to assume the risks of bond and fixed income investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. The Fund may invest in lower-rated securities which will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. The Fund may also invest up to 30% of its net assets in convertible bonds and other eligible asset classes as detailed in the Prospectus.

Past performance does not predict future returns.

The investment objective of the Fund is to provide a total return for investors through a combination of income and long-term capital growth. The Fund is actively managed without reference to a benchmark or comparative index for performance comparison purposes.

For definitions of any terminology used in this commentary, please refer to our glossary available here: https://www.guinnessgi.com/glossary.

ABOUT THE STRATEGY

Launch	13.07.2026
Sector	TBC
Manager	Craig Veysey
EU Domiciled	Guinness Global Dynamic Bond Fund

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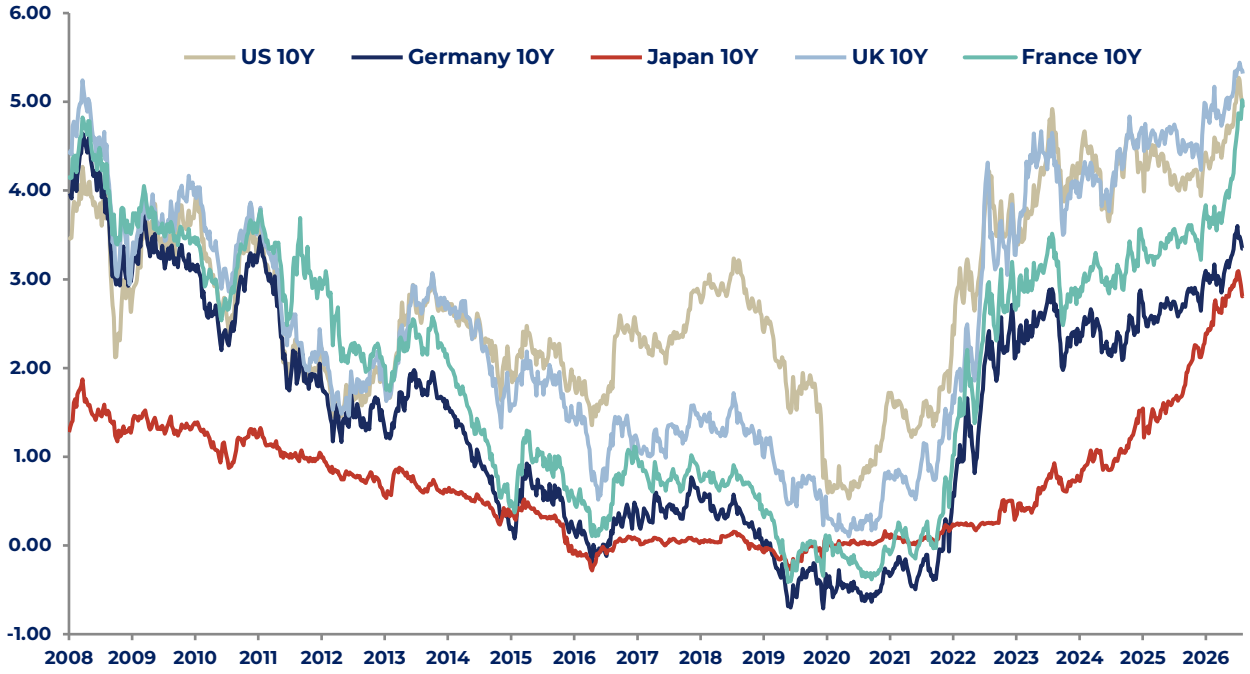
COMMENTARY

Government bonds rallied in October after three months of losses, even as oil prices rose. Credit spreads widened.

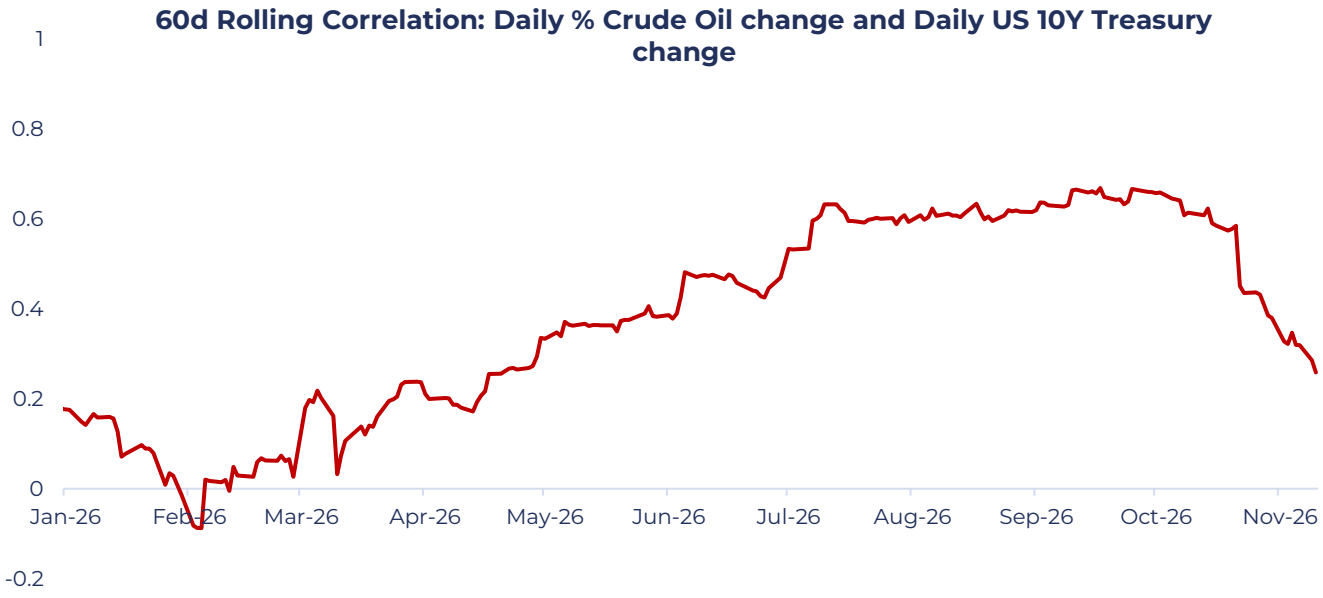
Government bond yields fell across most developed markets in October after rising for three consecutive months. The US 10-year yield peaked at 5.37% in early October, the highest since 2007, and closed the month at 4.93%, down 35 basis points and its largest monthly fall since December 2023. 10-year gilts reached 5.52% on 8 October, also the highest since 2007, and ended the month at 5.29%. Earlier, on 1 October, 30-year gilts traded above 6% for the first time since 1998. 10-year Bunds fell from 3.59% to 3.32%. Japan moved most: the 10-year JGB yield touched 3.13% on 1 October, its highest since 1996, and finished the month at 2.77%.



Source: Bloomberg, 27 October 2026

Market positioning unwinds did much of the work. Speculative short positions in government bonds had become extreme by the end of September. Once yields reached new multi-decade highs and buyers returned on credit and equity weakness, that positioning started to reverse, first from early October and again towards month-end. Volatility in technology shares and concerns over the scale of AI-related spending added to demand for government bonds as they started to work well as a safe haven late in the month. Central banks did not stand in the way. The Federal Reserve held rates on 28 October, although two committee members voted for an increase; the European Central Bank held on 29 October after discussing one; and the Bank of Japan held on 30 October. Christine Lagarde said higher bond yields had tightened financial conditions, and Kevin Warsh said conditions had tightened, though he would not describe them as tight. In mentioning tighter financial conditions, both highlighted the risk of higher bond yields for the real economy through mechanisms such as mortgage and credit card borrowing rates.

The close link between oil and bond yields seen in September broke down over the month. Brent crude rose 13.6% over the month to $117.64 a barrel, its highest close since the end of April, as an attack on a tanker in the Strait of Hormuz deepened concerns over Middle East supply. Bond yields fell regardless.



Source: Bloomberg, November 2026

In the UK, the Budget on 28 October was the uneventful Budget the gilt market needed after a difficult period. There were no large unfunded giveaways after the Chancellor, John Healey, set out the constraints of elevated energy prices, their effect on inflation and the rising cost of government borrowing. Alongside the Budget, the Debt Management Office (DMO) cut planned long-dated conventional gilt sales by £7.7bn, cancelling three long auctions and a long syndication.

Credit did not share fully in the rally. Investment grade and high yield spreads both widened during October as equity markets turned more cautious, with US high yield spreads around 30 basis points wider over the month. For investment grade, falling government bond yields more than offset the wider spreads, and the global investment grade market returned 1.62%. Global high yield, which is less sensitive to government bond yields, returned just 0.09%.

PORTFOLIO ACTIVITY

We managed duration particularly actively through the month. Duration ended September at 9.6 years, near the top of our zero-to-10-year range. We used the mid-October rally to cut duration to around six years by the first week of November, selling longer-dated gilts and our 30-year US Treasury, which had been the Fund's largest holding. As volatility picked up towards month-end and the squeeze on short positions gathered momentum, we added again, and duration ended October at 9.4 years.

Most of the activity was in government bonds, which rose from 38.7% to 42.5% of the Fund. At the start of the month we sold our remaining German, Italian and French government bonds. We built Japanese government bonds from 7.6% to 15.6% of the Fund, concentrated at the long end and mainly in the second half of the month, and added to longer-dated gilts again in the days around the Budget, as gilts had lagged the safe haven driven rally in other core bond markets.

We made no significant new credit investments, adding only modestly to existing holdings. High yield fell from 17.9% to 14.3%, mainly because Telecom Italia moved to investment grade, the catalyst we identified when we bought the bonds at launch. Moody's upgraded it on 9 October and S&P on 30 October, and Fitch followed on 12 November after Poste Italiane took an 87% stake. The average credit rating rose from BBB+ to A-.

Reference to specific securities is for illustration of the investment approach only and does not constitute a recommendation to buy or sell.

MARKET OUTLOOK

Yields have turned higher again, and markets now price substantial tightening

The safe haven rally did not last. After falling to a two-month low of 4.81% on 6 November, the US 10-year yield rose to 5.14% by 16 November. US payrolls rose by 165,000 in October against forecasts of around 60,000, consumer prices rose 0.35% with core prices up 0.30%, both above expectations, and demand at the November Treasury auctions was soft. Central bankers have sounded more hawkish too. Markets now fully price three Fed rate rises by June next year, against two a week earlier, and two rises from the ECB by April rather than July. The Bank of England raised Bank Rate to 4% on 5 November, its first increase since August 2023, and markets expect three more by June.

A great deal of tightening is now priced. A key risk is that central banks may not be able to deliver on their newfound hawkishness, should energy prices continue to fall as they have in recent weeks and initial rate rises bite hard into growth and financial markets. Higher yields are already feeding through to mortgage and credit card rates, so slower growth may soon replace inflation as the market's main worry, and that is when high-quality government bonds tend to do best.

The AI build-out is a double-edged sword for bonds. Heavy, largely debt-funded spending is lifting growth and bond supply today, but if that spending slows, or AI starts to reduce demand for workers, the same theme could pull yields lower. We generally expect yields and credit spreads to move gradually lower into the year end. Having cut duration before the sell-off in November, we have room again to add at higher yield levels.

Yields still pay investors to wait

The test we set out last month still holds. At 5.14%, a US 10-year Treasury can absorb a rise in yields of around 66 basis points over a year before its total return turns negative. In August 2020, when it yielded 0.52%, the cushion was just 5 basis points. Starting yields are now high enough for income to carry returns while markets wait for clarity on rates, with room for capital gains once the rate cycle turns.

Illustrative one-year return for a parallel move in yields, ignoring convexity and changes in credit spreads:

	Yield	Duration	Yields fall 0.5%	Unchanged	Yields rise 0.5%
US 10-year, August 2020	0.52%	9.7	5.4%	0.5%	-4.3%
US 10-year, 16 November 2026	5.14%	7.8	9.0%	5.1%	1.2%

Source: Bloomberg, October 2026

Some investors have responded to higher yields by moving into short-dated bonds, locking in income while avoiding interest rate risk. That is a reasonable holding position, but it gives up most of the gain if central banks deliver fewer rate rises than markets expect, and short-dated yields reset lower quickly once rates fall. We prefer to keep duration flexible: cutting it when the risk is not paid for, as we did in early November, and adding when yields offer a sufficient cushion.

Gilts: the Budget removed a risk, and the rally came quickly

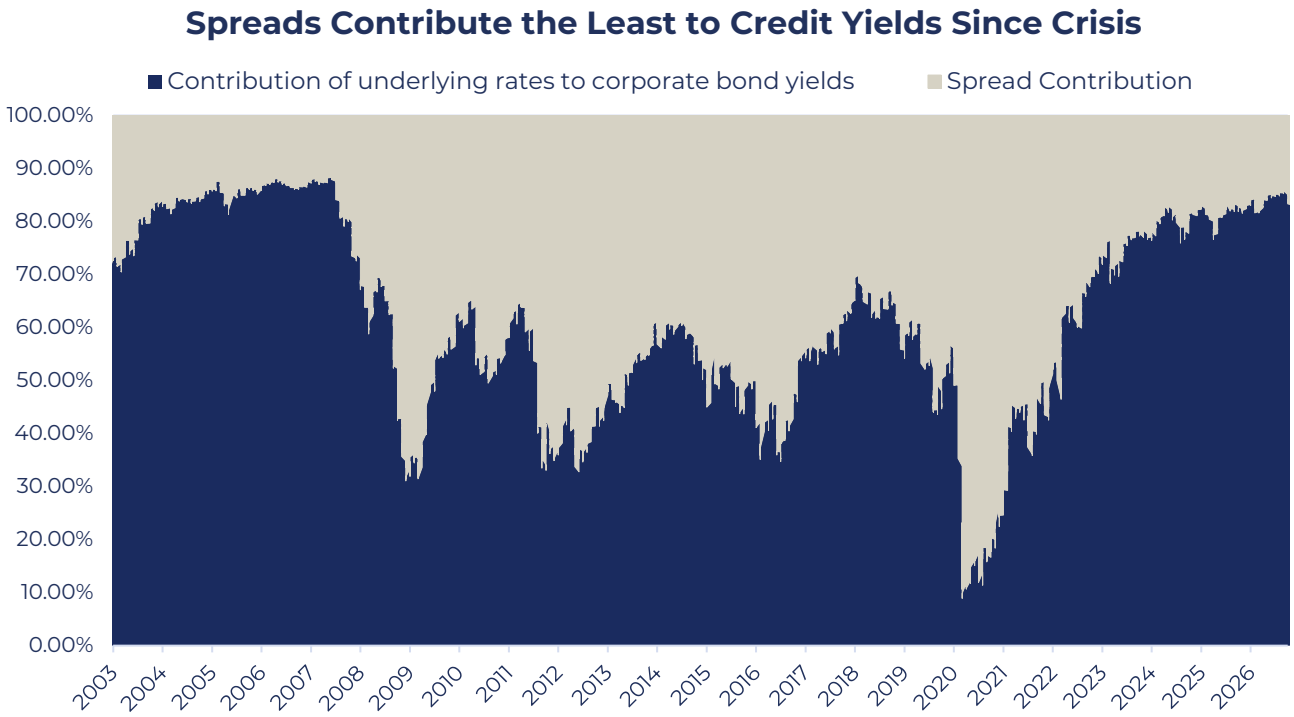
The Budget removed a key risk for gilts, and they caught up quickly. The 10-year yield fell from 5.31% on Budget day to 5.08% on 9 November, its lowest since the September break-out, and we used that rally to reduce our gilt exposure significantly in the first week of November.

The yield has since risen back to 5.31%, still the highest 10-year yield in the G7, and at that level we see value in gilts again. Supply is also more supportive: the DMO's move towards shorter-dated issuance, reinforced in its latest remit revision,

reduces the long-dated gilts the market has to absorb. The risks to watch are the Bank of England, after its first rate rise in more than three years, and energy prices, which remain very high by historical standards.

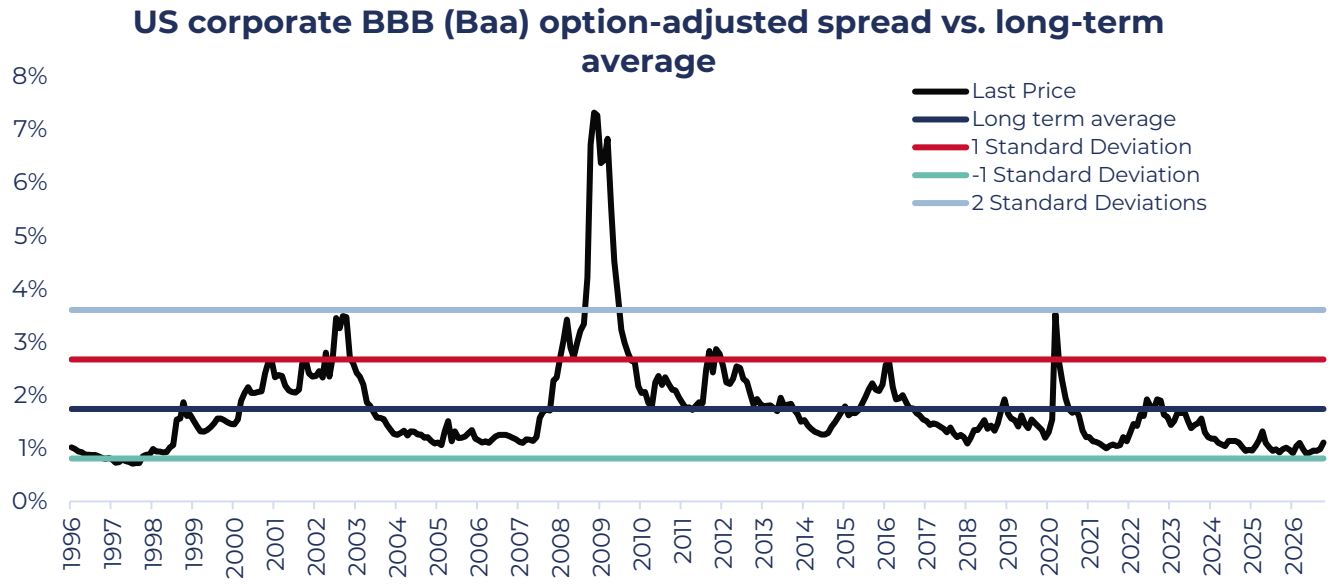
Is there value in corporate bonds? In places, but not in the index

It is the question we are asked most often at present. All-in yields on corporate bonds look attractive, but most of that yield comes from government bonds. Spreads account for only around 15% of the yield on the global investment grade index, close to the lowest share since before the Financial Crisis.



Note: Global Investment Grade, as of Oct 30 2026. Source: Bloomberg Indices

Spreads have widened from their lows earlier this year, but not by much. On 16 November US BBB spreads were 1.08%, up from 0.90% in May but still below their five-year average of 1.26%, and US high yield spreads were 3.16%, up from 2.50% in January but below their five-year average of 3.43%.



Note: Bloomberg US Corporate Baa Index, month-end OAS, Jan 1996 to Oct 30 2026. Average and standard deviation bands use the full period. Source: Bloomberg Indices

AI borrowing is reshaping the index

US investment grade issuance reached a record $1.88 trillion by 4 November, and Amazon, Alphabet, Meta, Microsoft and Oracle sold more than $370bn of it, about a fifth of the total. In Europe, syndicated bond sales have passed €2 trillion for the first time, according to Bloomberg data, with Alphabet, Amazon and Meta among the four largest non-financial issuers in European currencies this year. Technology's weight in the US corporate index has risen from 9.2% to 10.7% since the end of 2024. As we noted in July, AI-related capital spending could reach around $5.5 trillion by 2030, three quarters of it funded by debt, so this supply is unlikely to fade. A market capitalisation weighted index lends most to whoever borrows most, the point we made about government bonds last month.

What this means for multi-asset investors

Most multi-asset investors already hold a great deal of AI exposure through equities, and buying the corporate bond index increasingly adds more of the same, much of it at the long end. It hasn't been well rewarded either: the steady stream of large deals has forced hyperscalers to pay sizeable new issue premiums, and in Europe their bonds now trade in line with bonds rated several notches lower.

Protection is better found in government bonds. With 10-year yields above 5% in the US and UK, they can again do the defensive job in a portfolio, as they did in late October. They have also historically been more reliable diversifiers when inflation is low, so further falls in energy prices would strengthen that role. Corporate bonds earn their place through income and selection, not as a hedge.

Where we see value

Because the Fund is not constrained by a benchmark, we do not need to own the largest issuers, and we will not buy hyperscaler bonds unless they offer significant value. Even in an expensive market there are many more interesting opportunities, and that is where we focus:

New issues. Heavy supply means new bonds often come with a concession to existing ones.

Subordinated debt from high-quality issuers. Hybrid and other subordinated bonds from investment grade companies can pay meaningfully more for a step down in the capital structure, rather than in the quality of the issuer.

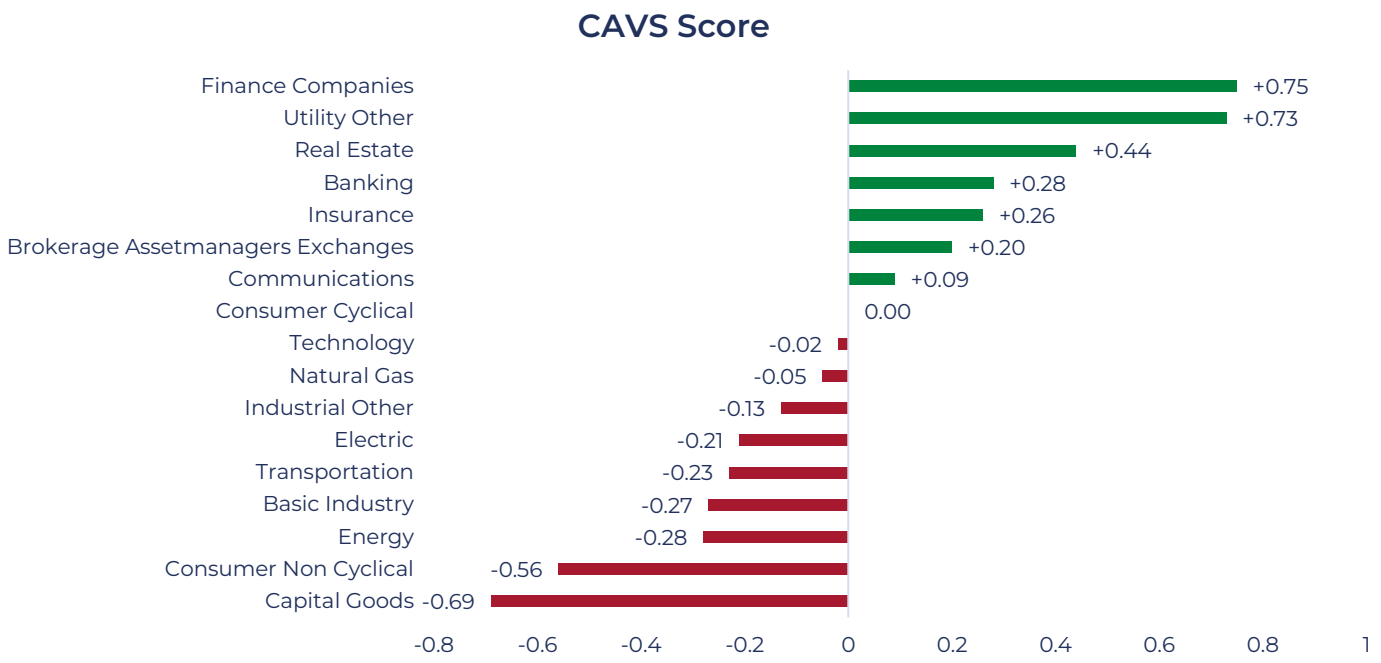
Financials. Parts of the bank and insurance capital markets still look attractive.

Individual situations. Catalysts specific to an issuer, such as rating upgrades, tenders and takeovers, can drive returns whatever the direction of the wider market.

Dislocations. Forced selling, heavy supply and technical pressure create mispricing even when overall valuations are full. We aim to be ready to provide liquidity when this happens.

Our proprietary CAVS valuation framework shows how wide the dispersion is beneath the index. Finance companies, some utilities, real estate, banks and insurers screen cheap, while capital goods and consumer non-cyclicals screen rich. Despite record supply, the sectors where the hyperscalers sit (technology, communications, and consumer cyclicals) screen only around fair value, which is why we are not yet buyers.

Beneath an expensive market, sector value varies widely



Source: Guinness Global Investors, October 2026. CAVS is a proprietary framework developed by the investment team and in use since 2012. The CAVS score measures our relative valuation of a bond, or a sector's bonds, relative to comparable bonds or sectors. It is capped at +4 to -4. A positive score means the bonds are cheaper than their comparables; a negative score means they are richer.

High yield is 14% of the Fund against an internal limit of 30%, which leaves ample room to add when spreads offer better value.

POSITIONING

Government bonds rose from 38.7% of the Fund at the end of September to 42.5% at the end of October. Investment grade credit rose from 41.6% to 43.0% and high yield fell from 17.9% to 14.3%, with 0.2% in cash. The average credit rating rose to A- from BBB+. Portfolio duration was 9.4 years at month-end, within our zero-to-10-year range.

Key Facts	
Yield to Maturity	6.52% (USD Hedged Yield 7.00%)
No. of holdings	35
Average rating	A-
Portfolio Duration	9.38 years
Income Yield	5.89%
Distribution Frequency	Monthly

Top 10 Holdings	Coupon	Maturity	Sector	%
US Treasury	4.625%	15/02/2035	Government	7.4%
UK Gilt	0.500%	22/10/2061	Government	7.0%
UK Gilt	3.750%	22/10/2053	Government	6.9%
Japan	2.000%	20/12/2044	Government	5.4%
Japan	2.800%	20/06/2055	Government	5.2%
Japan	3.700%	20/03/2056	Government	5.1%
Nationwide	10.250%	PERPETUAL	Financials	4.5%
Co-Operative Grp	8.250%	01/06/2028*	Consumer, Non-Cyclical	4.1%
Energy Transfer	6.750%	15/11/2035*	Energy	3.3%
Telecom Italia	7.721%	04/06/2038	Communications	3.1%

** Expected call date*

Source: Bloomberg and Waystone, as of Oct 30 2026

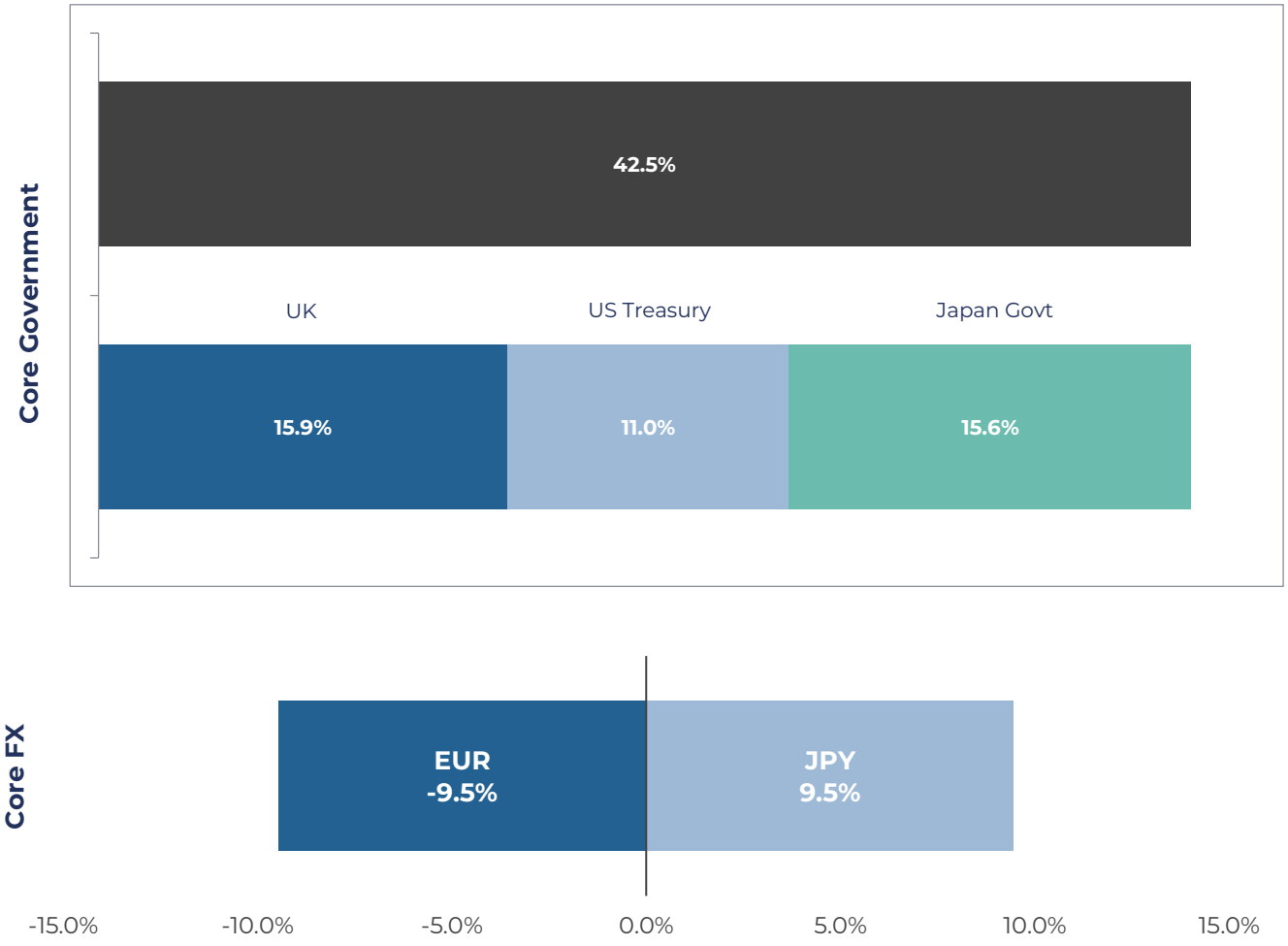
Government bond exposure was spread across the UK at 15.9%, Japan at 15.6% and the US at 11.0%, with no euro area government bonds at month-end. Individual credit positions are sized between roughly 1.5% and 4.5%, concentrated on situations specific to the issuer or instrument rather than the direction of markets.

We have been active again since month-end. In the first week of November, as yields stabilised at their lowest levels since the September break-out, we significantly reduced our gilt and US Treasury exposure, cutting duration back to around 6 years ahead of a key US inflation report and heavy Treasury and corporate bond issuance. Yields then rose sharply in the second week of the month. We reduced Japanese government bonds from around 15% to 10% of the Fund after a weak auction, as global yields looked to be bottoming. With yields now higher, we expect to add duration from these levels.

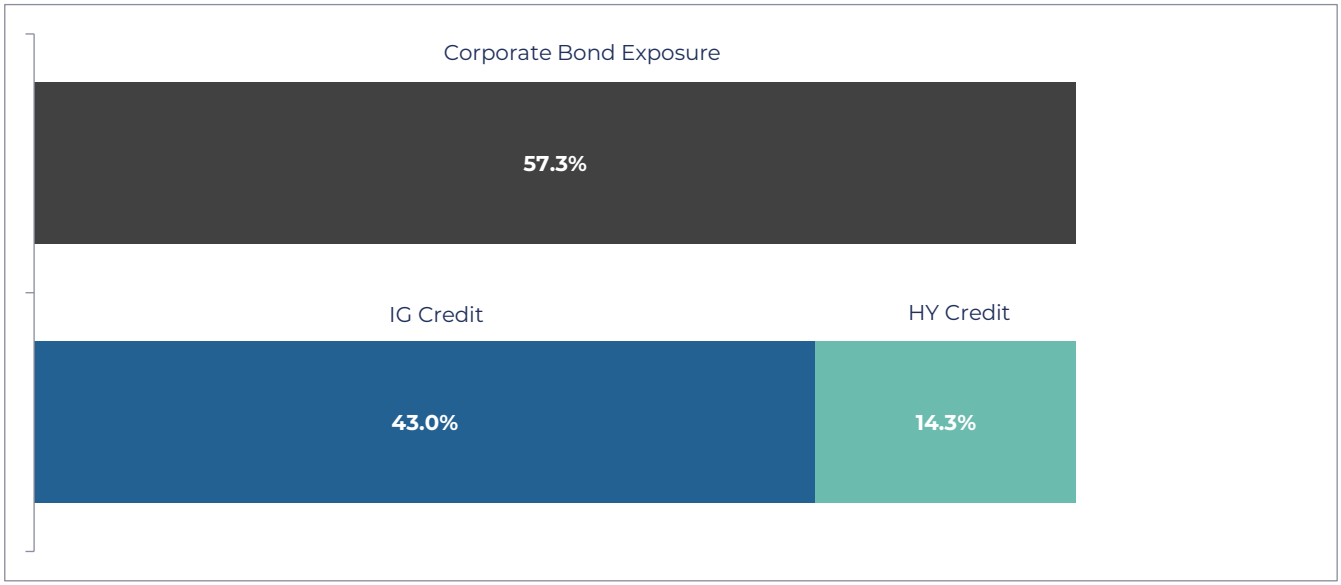
On currencies, we held a long yen position against the euro through most of October and closed it around month-end, as the safe haven move began to reverse and ahead of the Bank of Japan meeting and the US midterm elections. Should volatility pick up, funding currencies such as the Japanese yen can outperform. The yen may act as a safe haven, given improving fiscal and current account balances and a reversal of capital flows from US equities. Non-base currency bond exposure is otherwise fully hedged.

The Fund's yield to maturity was 6.5% at month-end, or 7.0% hedged into US dollars. Alongside credit selection we will continue to manage government bond exposure, duration and currency risk actively as conditions change.

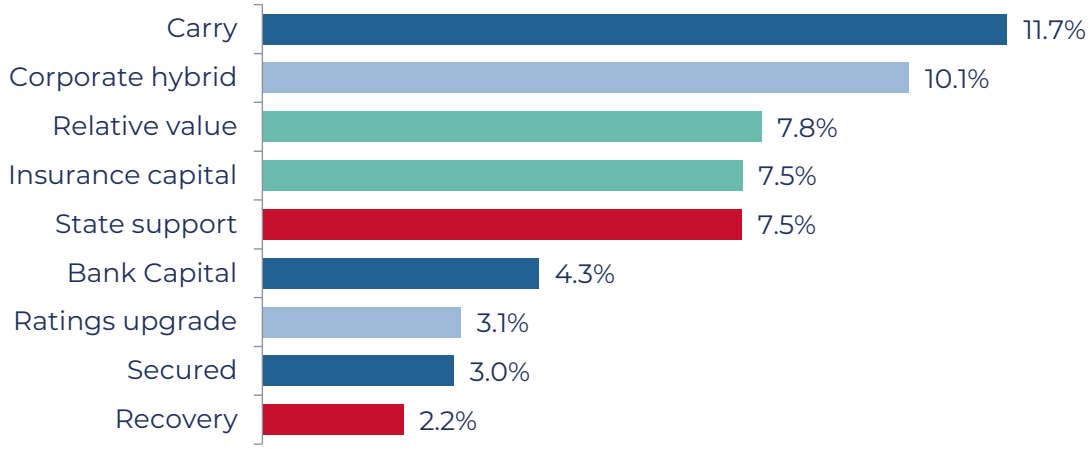
Tactical Positioning
Active Macro Overlay



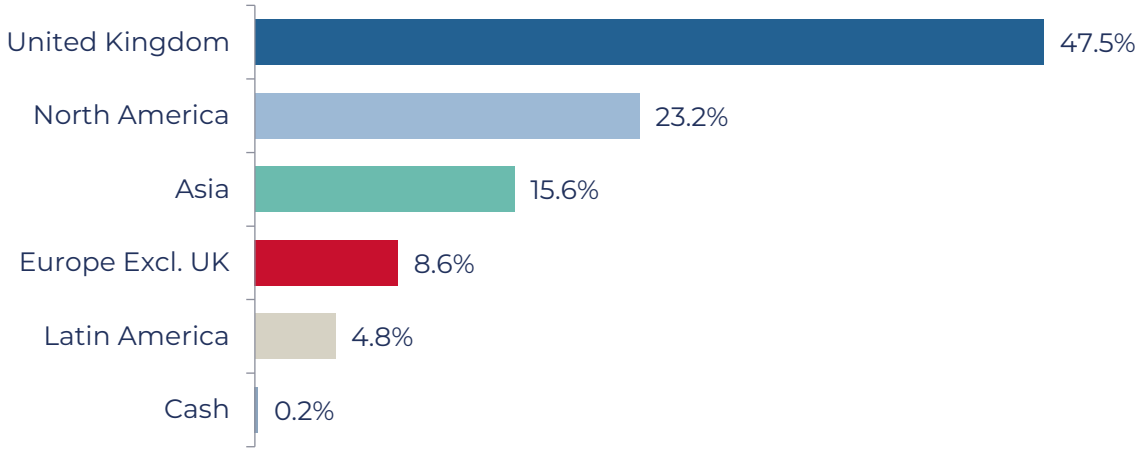
Strategic Positioning
Value Driven Credit Approach



Corporate Bonds breakdown by strategy

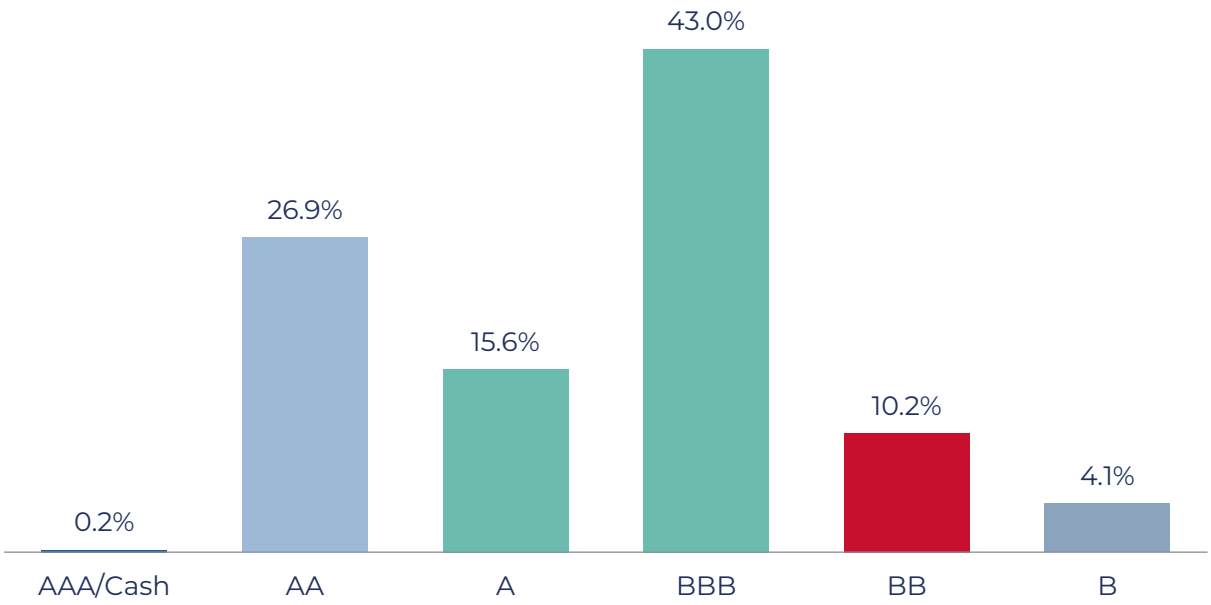


Geographic Allocation

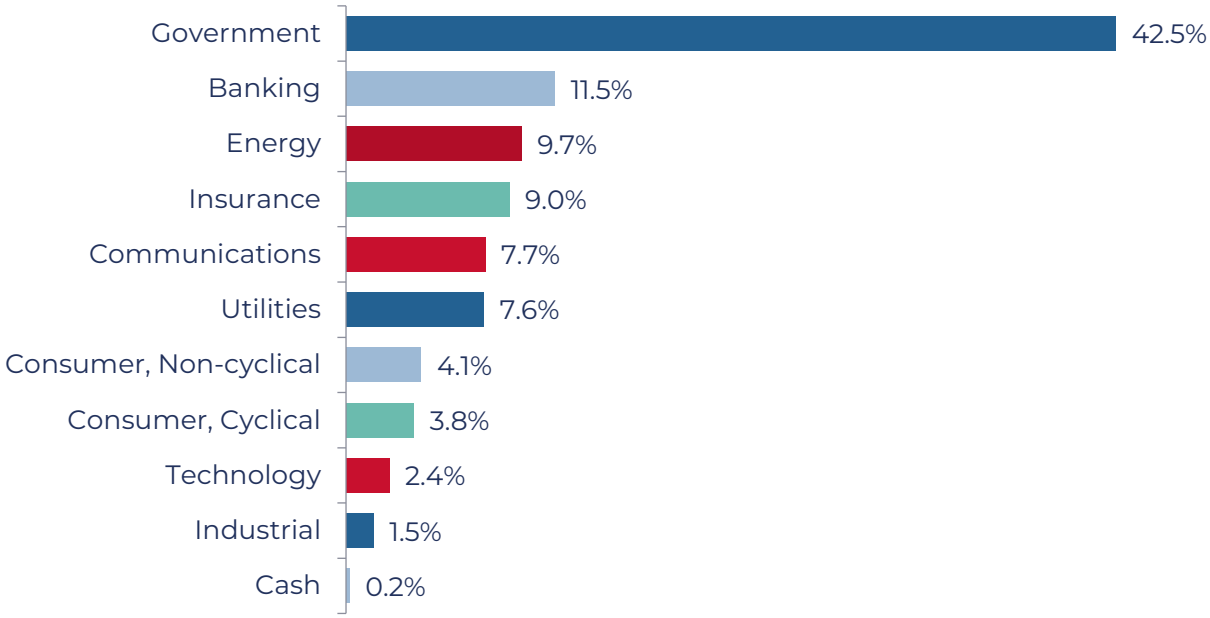


Source: Guinness Global Investors. Data as of 30.10.2026

Credit Ratings



Sector Exposure



Source: Guinness Global Investors. Data as of 30.10.2026

We look forward to keeping you informed and thank you for your support of the Fund.

Portfolio Manager
Craig Veysey

IMPORTANT INFORMATION

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This report is primarily designed to inform you about fixed interest securities invested in by the Guinness Global Dynamic Bond Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

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Documentation
The documentation needed to make an investment, including the Prospectus, Supplement, Key Information Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this Fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

Investor Rights: A summary of investor rights in English, including collective redress mechanisms, is available here: https://www.waystone.com/waystone-policies/

Residency
In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. **NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

The Fund is recognised in the UK under the Overseas Funds Regime (OFR) but it is not a UK-authorised fund. UK investors should be aware that they may not be able to refer a complaint against the Fund's Management Company or its Depositary to the UK's Financial Ombudsman Service. Any claims for losses relating to the Management Company or its Depositary will not be covered by the Financial Services Compensation Scheme, if either entity should become unable to meet its liabilities to investors. For more information, please see the Country Supplement for this Fund on www.guinnessgi.com.

Structure & regulation
The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland
This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Intesa Sanpaolo Wealth Management S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.

Singapore
The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS"), and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

Glossary of Terms: A glossary explaining key investment terms used in our marketing materials is available here: https://www.guinnessgi.com/glossary.

Telephone calls will be recorded and monitored.