Guinness Sustainable Global Equity Fund

Investment Commentary – June 2022

This is a marketing communication. Please refer to the prospectus and KIID for the Fund, which contain detailed information on the Fund's characteristics and objectives, before making any final investment decisions. Past performance does not predict future returns.

ABOUT THE FUND

Launch date	15.12.2020
Index	MSCI World Index
Sector	IA Global
Team	Sagar Thanki CFA Joseph Stephens CFA

Aim

The Fund is a global growth fund designed to provide exposure to high quality growth companies, with sustainable products and practices. The Fund holds a concentrated portfolio of midcap companies in any industry and in any region. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

RISK

Lower risk			Risk & reward			Higher risk
1	2	3	4	5	**6**	7
Typically lower rewards						Typically higher rewards

The risk and reward indicator shows where the Fund ranks in terms of its potential risk and return. The Fund has been classed as 6 because its volatility has been measured as above average to high. Historic data may not be a reliable indicator for the future. 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.

PERFORMANCE

Past performance does not predict future returns

31/05/2022	YTD	1 Yr	Launch*
Fund	-16.5	0.6	7.4
Index	-6.5	7.4	14.8
Sector	-9.6	0.0	7.4

Full discrete 12m performance is shown at the end of this commentary. Source: FE fundinfo, 0.89% OCF, bid to bid, total return. *Launch date 15/12/2020. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The performance shown has been reduced by the current OCF of 0.89% per annum. Returns for share classes with different OCFs will vary accordingly. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

MAY IN REVIEW

For the month of May, the Guinness Sustainable Global Equity Fund provided a total return of -1.7% (in GBP) against the MSCI World Index net total return of -0.3%. Hence the Fund underperformed the benchmark by -1.39%. Year-to-date, the Fund has produced a total return of -16.5% against the MSCI World -6.5%.

After April had offered the worst monthly performance for the S&P 500 since March 2020 (and the worst month since May 2008 for the NASDAQ 100), May offered a level of respite, with the MSCI World finishing broadly flat in USD terms. Nevertheless, the month was not without volatility. With uncertainty surrounding the potential success rate of global central banks' policy in both taming inflation and avoiding a recession, with even the chair of the Federal Reserve, Jerome Powell, stating that the Fed couldn't guarantee a soft landing, it seems only logical that a level of market anxiety continued to drive equities lower in the first half of the month. In addition, rising yields, sustained inflationary pressures and further supply chain disruption gave equity investors little to be positive about. The S&P 500 even dipped its toe into bear territory during the middle of the month. Despite this, the second half of the month saw a reversal of these declines, bringing major equity market total returns into positive territory in all but the US (MSCI US Index TR -0.2% USD).

It is difficult to pinpoint the catalyst for this reversal, with a number of factors present during this improvement in market sentiment. It emerged that the Biden administration was considering rolling back some of the Trump-era tariffs on Chinese goods. Several high-profile comments at the World Economic Forum in Davos from CEOs such as Jamie Dimon (JP Morgan), Jane Fraser (Citigroup) and Brian Moynihan (Bank of America) stated their belief that US economy was in good shape. Inflation showed signs of moderation in the US following eight months of consecutive growth, with headline inflation 20bps down on the previous month to 8.3% and core inflation in the dropping from 5.2% to 4.9%.

Perhaps most importantly, the Federal Reserve indicated a potentially more dovish stance, despite raising rates by 50bps for the first time in 20 years. The bank had discussed a more aggressive string of hikes but was concerned over the effect on the labour market, instead confirming its intention of 50bp rate hikes at the next two FOMC meetings, expediting hikes to the neutral rate. Subsequently, it would then reassess where to go next, opening the door for a less aggressive tightening path than market expectations.

From a factor perspective, value remained very much in favour during May, continuing the broad trend seen throughout much of the year. Tighter money has created a sizeable headwind for growth, with the increase in the equity risk premium leading to depressed valuations for 'high-duration' firms. 'Speculative' growth stocks are impacted particularly hard, where concerns over supply chain disruption and rising yields spur a rotation towards quality companies with real, positive earnings which can rely on the strength of their balance sheets, alongside high margins in which to absorb the shocks of rising costs. These 'quality growth' factors are all typical of stocks within the Fund.

Over the month of May, Fund performance can be attributed to the following:

- The Fund benefited from having no exposure to the Consumer Discretionary and Real Estate sectors and a relative underweight position to Consumer Staples – the three weakest sectors over the month.
- However, the Fund's zero exposure to the Energy sector was a large drag over the month, with the sector up 13.5% over the month.
- Additionally, the Fund's exposure to Health Care, although a positive from an asset allocation perspective, was an overall drag on performance as weakness in our pharmaceuticals names, Recordati and Jazz Pharmaceuticals, resulted in a negative stock selection effect.

Whilst the rotation to growth has impacted the Fund in the short term, it is pleasing to see the Fund ranks 15th/44 since launch vs ESG peers*.

Total return in GBP as of 31.05.2022	YTD		1 Year	Rank (Quartile)	2021	Rank (Quartile)	Since launch	Rank (Quartile)
Guinness Sustainable Global Equity	-16.5%		0.6%		27.8%		7.4%	
MSCI World	-6.5%		7.4%		22.9%		14.9%	
Avg. ESG peer fund*	-14.2%	n/a^	-2.6%	22/44 (2nd)	17.0%	2/44 (1st)	3.5%	15/44 (2nd)

Source: Bloomberg, Cumulative Total Return in GBP
**A custom universe of 44 funds created by screening the IA Global Sector for all Responsible, Sustainable and Impact funds which have similar investment policies and risk profiles to the Guinness Sustainable Global Equity Fund. ^YTD ranking not shown in order to comply with European Securities & Markets Authority rules*

COMPANY IN REVIEW

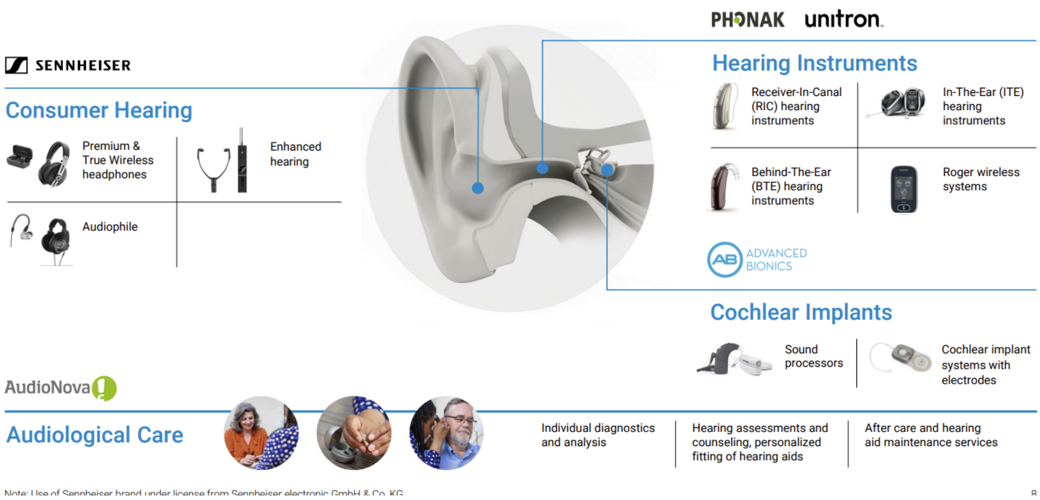
A core differentiating tenet of the Fund is its focus on mid-cap businesses. We find that the 'ESG' fund space is crowded with large-cap stocks and as such the Guinness Sustainable Global Equity Fund provides access to high-quality growth businesses which tend to be different to those found in the majority of peer funds. Consequently, whilst there may be stocks known to many investors in the Fund, there will likely be names investors are less familiar with. In this section, we will take a brief look at one of the Fund's holdings:

Company Name: Sonova Group

Market Capitalisation: $20bn

Business

Sonova is one of the broadest hearing care providers in the world, serving a growing global market with a comprehensive range of innovative hearing solutions across hearing instruments, implants, aftercare, and consumer. Major brands include Phonak, Unitron, Advanced Bionics and Sennheiser.



Source: Sonova Group Investor Presentation 2022

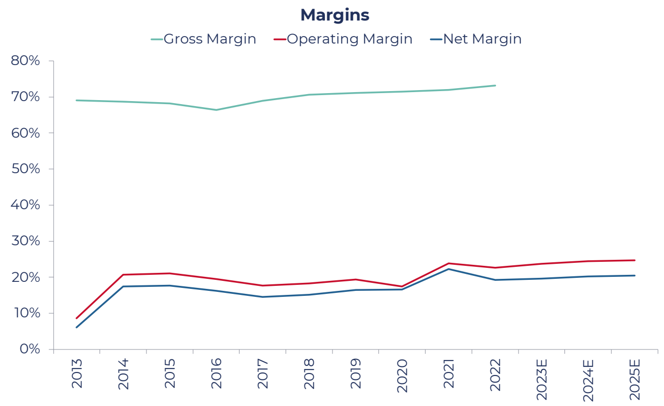
Sustainability

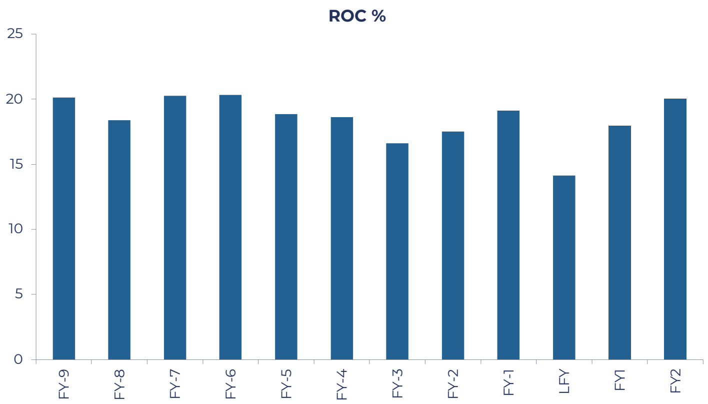
Product: Sonova's portfolio of products fit within our Health and Wellbeing sustainability theme. Perhaps self-explanatory, its products and services address every type of hearing loss at all ages, with incremental innovations continuously matching the evolving consumer needs, ensuring that each new product provides a significant improvement in the quality of hearing experience.

Practice: While Sonova's products create a direct positive impact on society's wellbeing needs, its ESG practices are also robust; from a third-party perspective, major rating agencies and sustainability indices such as the Dow Jones Sustainability Index and FTSE4Good continue to confirm its industry-leading performance in ESG. Internally, the business is driven by its ESG strategy, InAct, which focuses on four key areas of protecting the planet, serving society, advancing Sonova's people, and acting with integrity. This includes quantitative goals which have either been achieved or are on track to be achieved. Examples include carbon neutrality by 2021, the increase in unit sales of hearing instruments to low and middle-income countries by 50% vs 2019 by 2024, and to strive for 40% women in key positions by 2026.

Operational Excellence

Intertwined with the growth opportunities created by Sonova's exposure to Health & Wellbeing, as well as its numerous goals to reduce ESG practice risks, we assess more broadly the company's fundamentals, trajectory, and outlook. In the case of Sonova, the company has been able to consistently generate return on capital above our 10% threshold – a very high hurdle rate that puts the company in the top quartile globally – and more recently, has begun to see margin expansion after a period of reinvestment and competition within the industry. This enabled a strong end to 2021 and has contributed to the stock's outperformance in 2022. Company management also continue to see strong growth both in the short and long term, forecasting +17% to 21% sales growth for 2023 and +6% to +9% in the longer term. With the company now trading on par with its long-term average price-to-earnings multiple, coupled with the new margin expansion story, continued top-line growth, and ever robust sustainability credentials, we continue to see upside for the company.





Source: Bloomberg as of 31.05.2022

Thank you for your continued support.

Portfolio Managers

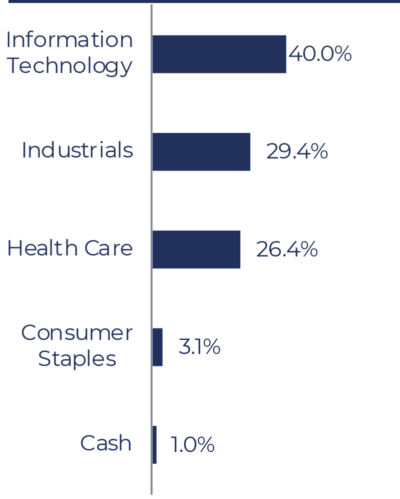
Joseph Stephens, CFA
Sagar Thanki, CFA

PORTFOLIO

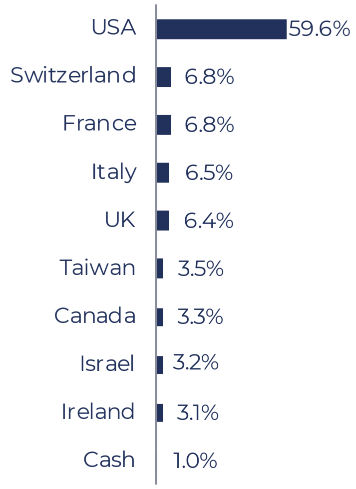
Fund top 10 holdings

KLA-Tencor	3.7%
Cadence Design Systems	3.6%
Worldline	3.5%
Sonova	3.5%
Delta Electronics Inc	3.5%
Agilent Technologies Inc	3.4%
Entegris Inc	3.4%
DiaSorin SpA	3.3%
Tetra Tech Inc	3.3%
Teradyne Inc	3.3%
% of Fund in top 10	34.5%
Total number of stocks	30

Sector analysis



Geographic allocation



PERFORMANCE

Past performance does not predict future returns.

Discrete years % total return (GBP)	May '22
Guinness Sustainable Global Equity (0.89% OCF)	0.6
MSCI World Index	7.4
IA Global sector average	0.0

Cumulative % total return (GBP)	YTD	1 year	Launch*
Guinness Sustainable Global Equity (0.89% OCF)	-16.5	0.6	7.4
MSCI World Index	-6.5	7.4	14.8
IA Global sector average	-9.6	0.0	7.4

RISK ANALYSIS

Annualised, weekly, since launch, in GBP	Index	Sector	Fund
Alpha	0.00	-4.06	-4.72
Beta	1.00	0.81	1.10
Information ratio	0.00	-1.03	-0.50
Maximum drawdown	-10.92	-14.37	-19.97
R squared	1.00	0.80	0.74
Sharpe ratio	0.52	0.02	0.12
Tracking error	0.00	5.63	8.37
Volatility	12.73	11.52	16.30

*Fund launch date: 15.12.2020.

Fund returns are for share classes with a current Ongoing Charges Figure (OCF) of 0.89%; returns for share classes with a different OCF will vary accordingly. Source: FE fundinfo bid to bid, total return.

IMPORTANT INFORMATION

Issued by Guinness Global investors, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

This report is primarily designed to inform you about Guinness Sustainable Global Equity Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report.

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Fund or to buy or sell individual securities, nor does it constitute an offer for sale.

Risk
The Guinness Sustainable Global Equity Fund is an equity fund. Investors should be willing and able to assume the risks of equity 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. Details on the risk factors are included in the Fund's documentation, available on our website. Shareholders should note that all or part of the fees and expenses will be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment.

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

- the Manager: Link Fund Manager Solutions (Ireland) Ltd (LFMSI), 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or,the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

LFMSI, as UCITS Man Co, 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 is available here:https://www.linkgroup.eu/policy-statements/irish-management-company/

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.**

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 KIID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Ile, 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
Telephone calls will be recorded and monitored.