Guinness Global Innovators Fund

Investment Commentary - August 2022

This is a marketing communication. Please refer to the prospectus and KIID for the Fund before making any final investment decisions. Past performance does not predict future returns.

Innovation. Quality. Growth. Conviction.

ABOUT THE FUND

Fund/strategy size	£491m/£622m
Fund/strategy launch	31.10.2014/01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
Analysts	Sagar Thanki, CFA Joseph Stephens, CFA Will van der Weyden Jack Drew

Aim

The Fund is a global growth fund designed to provide exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. The Fund holds a concentrated portfolio of large and medium-sized 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						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 Guinness Global Innovators 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.

PERFORMANCE

Past performance does not predict future returns

31/07/2022	1 Yr	3 Yrs	5 Yrs	10 Yrs
Strategy*	-7.1	45.9	77.2	357.5
Index	3.8	32.4	65.2	240.4
Sector	-2.9	23.8	49.8	180.8

Discrete 12m performance is shown at the end of this commentary. Source: FE fundinfo, bid to bid, total return in GBP. *Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same team using the same investment process. 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 fund performance shown has been reduced by the current OCF of 0.87% per annum. Returns for share classes with different OCFs will vary accordingly. Performance returns do not reflect any initial charge; any such charge will also reduce the return.

SUMMARY

For the month of July, the Guinness Global Innovators Fund provided a total return of 10.24% (GBP) against the MSCI World Index net total return of 7.72% (GBP). Hence the Fund outperformed the benchmark by 2.52% (GBP). Year-to-date, the Fund has produced a total return of -12.69% (GBP) against the MSCI World's -4.49% (GBP).

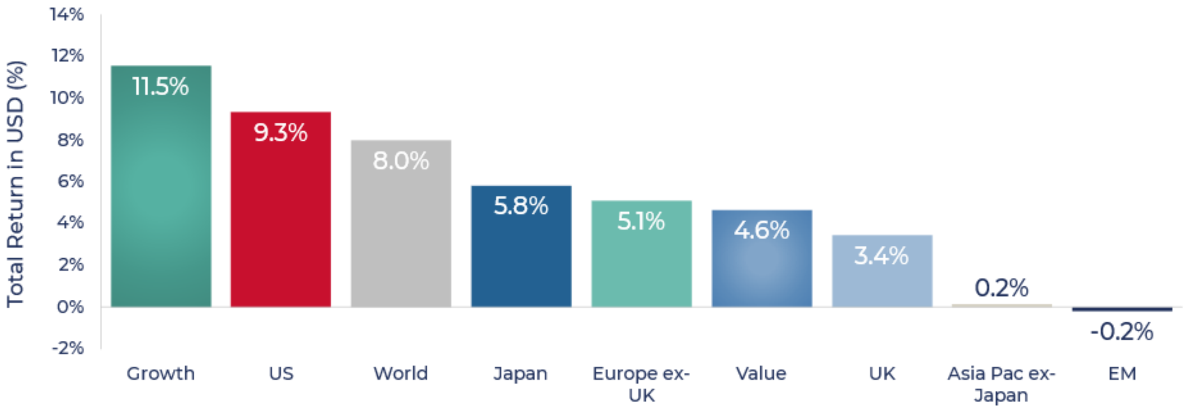
Despite the weakening outlook for economic growth, developed equity markets delivered their best monthly returns since November 2020. In the US, the only major region to outperform the MSCI, there were several indications that a recession is looming. A preliminary GDP print of -0.9% for Q2 (quarter-on-quarter) meant two consecutive quarters of economic decline (the definition of a technical recession for many), the 10-year and 2-year yield curves for US treasuries inverted to the largest spread since 2000, and the US composite flash PMI fell to 47.5 – a number below 50 indicating a contractionary environment.

Falling GDP, declining inventories, and a drop in private investment over the quarter all indicated that the Fed's tight monetary policy was beginning to impact the economy, leading to market optimism that inflation may soon also be brought under control. Inflation continues to run hot, with CPI of 9.1% for July in the US, although core inflation (CPI minus food and energy) has been slowly falling since March from 6.5% to 5.9%. Falling commodity prices, induced by fears that a recession will stunt demand, have also contributed to expectations of easing inflation.

For the first time in history, the Federal Reserve raised its policy rate by 75bps for the second consecutive meeting. However, markets were focused on the commentary of Chair Jay Powell, who indicated that interest rates could already be near a "neutral level". These comments were interpreted as the central bank 'tapping the brakes' of hawkish monetary policy, with investors scaling back their expectations of how far the Fed will tighten. With markets now expecting a lower peak policy rate and earlier rate cuts, this provided a tailwind for growth stocks, which are typically 'higher duration' and thus more sensitive to changes in interest rates expectations.

Growth sectors such as Consumer Discretionary and Information Technology therefore outperformed their value counterparts. This could also be seen at a regional level, with the tech-heavy, growth-tilted US market significantly outperforming the cheaper European and UK markets.

MSCI World Indices Performance (USD): July 2022



Source: Guinness Global Investors, Bloomberg

Corporate earnings season also provided a boost to market sentiment, with 73% of companies in the S&P reporting EPS above analyst estimates, and 66% reporting 'beats' to revenue expectations. The fall in equities since the beginning of the year has predominantly been driven by a decline in valuations rather than earnings downgrades, suggesting that markets had already moved to price in a more volatile economic backdrop and recessionary risks. Although there is still potential for earnings downgrades to bring additional risk to the downside, current valuation levels suggest these could already be priced in.

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

- The Fund's overweight position to growth-oriented sectors gave the Fund a significant positive allocation effect over the month. Having zero exposure to more value-oriented sectors, such as Consumer Staples, Materials and Utilities, which all underperformed the MSCI World, also acted as a strong tailwind.
- Good stock selection, particularly within Health Care, Industrials and Information Technology was a strong contributing factor to Fund outperformance over the month.
- The Fund has a significant overweight position to the Information Technology sector, which was the MSCI World's second top-performing sector over the month. Not only did the Fund benefit from this allocation effect, but strong selection from names such as PayPal (+23.9% USD), KLA (20.2%) and Nvidia (19.82%) helped drive outperformance.
- The Fund has a slight underweight position to the Consumer Discretionary sector, which was the top-performing sector during the month, creating a slight drag from an allocation perspective. The sector also contained the Fund's bottom-performing stock over the month, Anta Sports (-10.5% USD), which struggled with regional headwinds.

Whilst the rotation away from growth for the majority of the year has impacted the Fund over shorter time periods, it is pleasing to see the Fund ranking in the top quartile versus the IA Global Sector over the longer time frames of three, five, and 10-year periods. It is also pleasing to see that over the past three months, with growth returning to favour, that the Fund has ranked in the top quartile of IA Global Equity Sector peers.

Cumulative % total return in GBP to 31.07.2022	YTD	1 year	3 years	5 years	10 years*	Launch*
Guinness Global Innovators	-12.69	-7.14	45.93	77.24	357.54	924.23
MSCI World Index	-4.49	3.78	32.39	65.24	240.37	545.46
MSCI AC World Index	-4.96	2.28	28.59	58.17	214.63	528.37
IA Global sector average	-8.45	-2.88	23.78	49.76	180.83	433.00
IA Global sector ranking	n/a^	345/482	11/401	30/331	5/218	7/99
IA Global sector quartile	n/a^	3	1	1	1	1

Source: FE fundinfo.

** Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01.05.2003. ^Ranking not shown in order to comply with European Securities and Markets Authority rules.*

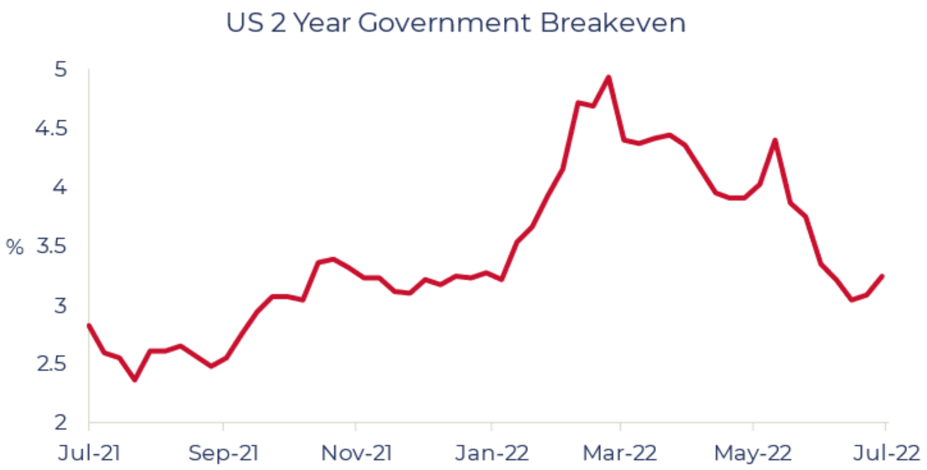
JULY IN REVIEW

Over the first half of 2022, there was a significant divergence in performance between growth and value, a trend which was particularly pronounced over the first five months of the year. Inflationary pressures, stemming from Covid-induced supply chain disruption, the European energy crisis and the war in Ukraine led global central banks to pivot to more hawkish monetary policy, creating an environment that was not conducive to strong equity performance. This particularly impacted 'high-duration' growth stocks, leading to a significant outperformance of the MSCI World Value Index to the MSCI World Growth Index (although both delivered negative returns over the period). Whilst we avoided some of the extreme downgrades seen at the more 'speculative' end of the growth spectrum, this factor rotation was a drag on Fund performance.

MSCI World Growth vs MSCI World Value

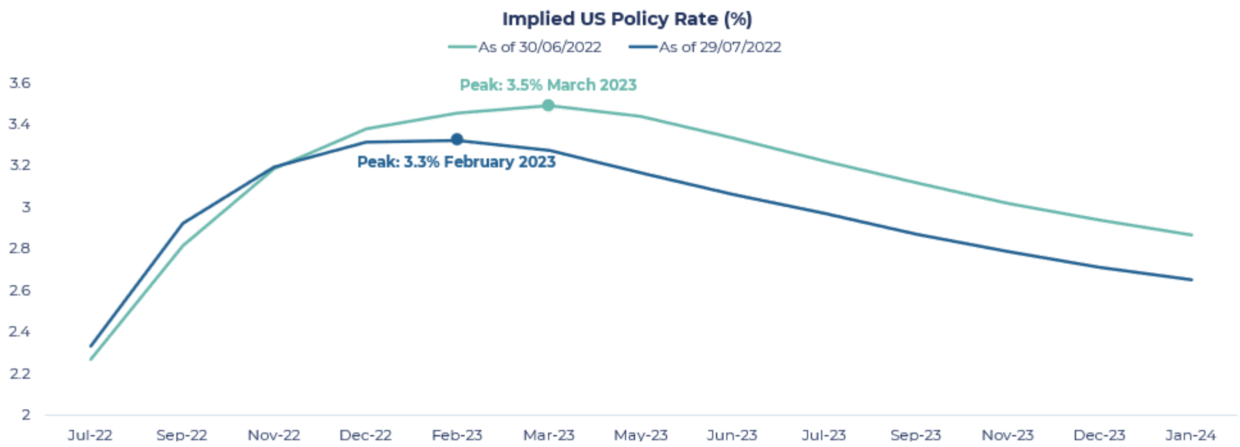
Source: Bloomberg, Guinness Global Investors in USD

Since late May, markets have become increasingly worried that aggressive monetary tightening policies may tip economies into a recession – a concern which became increasingly likely following Q2's GDP prints. Despite inflation numbers coming in higher than expected to reach new 40-year peaks (9.1% CPI in the US for June 2022), markets seemed to have reached a peak in inflation expectations. This can be seen in the 2-year breakeven, which implies what market participants expect inflation to be over the next two years, on average.



Source: Bloomberg, Guinness Global Investors. Data as of 29.07.2022

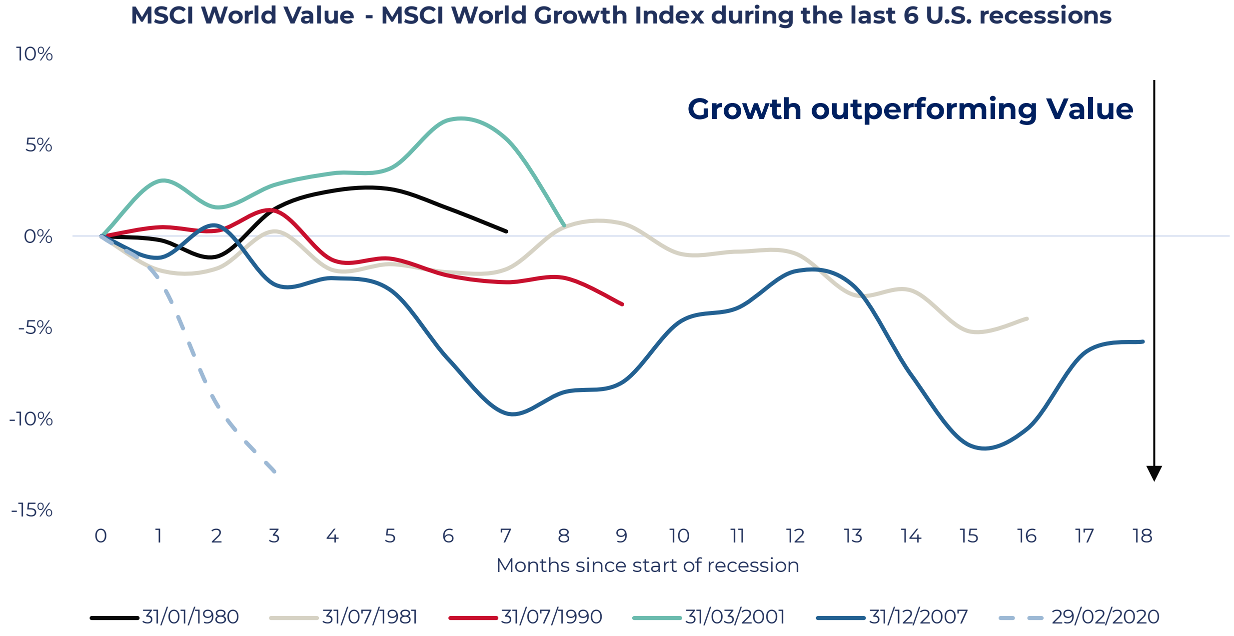
With a slowing economy and heightened expectations of inflation coming under control, markets began to expect a sooner-than-previously-expected pivot to looser money by central banks. This can be seen in the graph below, where investors were forecasting the US Federal Reserve to begin *cutting* rates sooner and from a lower peak than had been forecasted one month prior.



Source: Bloomberg, Guinness Global Investors. Data as of 29.07.2022

This has multiple benefits for growth businesses. In a low-growth or recessionary environment, it becomes increasingly important to invest in businesses that can continue to grow, and a lower policy rate implies a lower cost of capital in order to invest. Additionally, a lower interest rate sooner would decrease the discount rate applied to company valuations, helping to support stock prices – particularly for growth companies. The net effect has been a rotation back in favour of growth.

In recent recessions, investors have sought companies that can continue to grow despite a low-growth environment. Over the last six recessions in the US, growth has tended to outperform value by the end of the recessionary period.



Source: Bloomberg, Guinness Global Investors. Data as of 29.07.2022 in USD

Whilst behind the MSCI World Index year-to-date, the Fund has made up good ground and the focus on quality growth businesses through a low growth or recessionary period should put the Fund in good stead for the remainder of the year. Within the Fund, holdings are exposed to long-term secular growth themes that we believe are somewhat isolated from the business cycle and less susceptible to weakness in the macro environment. The Fund's quality tilt is particularly important in periods of economic volatility. With higher margins (on average) than the broader index, companies held within the Fund are likely to be able to withstand greater inflationary pressures and continue investing in growth when others cannot. Over the month of July, we have been encouraged by a strong set of earnings announcements across Fund holdings, with these quality attributes and long term, secular growth trends demonstrating their resilience over the past quarter.

Of the 22 companies that had reported at the time of writing, 91% reported comparable sales above or in line (±1%) with analyst estimates with an average 'beat' of +2.8%, and 95% reported sales growth (or flat, ±1%) with an average of +12.7%. Of the 21 companies that also reported earnings, 81% reported adjusted earnings above or in line with analyst estimates with an average 'beat' of 4.3%, and 67% reported earnings growth with an average of 9.1%.

Over the course of the earnings season, a number of key themes emerged. These included resilience in recurring revenue streams, strength in cloud businesses, strong demand in the enterprise segment, incremental easing of supply chain disruption, and a difficult advertising environment.

RESILIENCE IN RECURRING REVENUE STREAMS

Recurring revenue is the portion of a company's revenue that is expected to continue indefinitely in the future, as customer transactions are made more predictable though either subscription or service contracts. This helps firms to weather cyclical events and leads to more consistent revenue figures through time. It was pleasing to see a number of Fund holdings offering positive updates on their recurring revenue streams.

Apple contended with a very difficult macro environment over the past quarter, with inflation generating a moderation in consumer spending, significant FX headwinds and a heavily disrupted supply chain. Despite this, the firm posted solid earnings, growing revenues 2% to $83bn, alongside gross margin expansion of 45bps to 43.26%. Particularly promising was the growth in the services segment (+12% year-on-year) and a record number of service subscribers (860mn people), which offers a high-quality recurring revenue stream with significant 'stickiness'. This growth was facilitated by all-time high numbers for the "installed base of devices", with Tim Cook noting that Services continued to be a "strategic growth priority for the firm".

Adobe posted Q2 results which beat on both the top and bottom line (revenues of $4.39 billion and EPS of $3.35 came in 1.1% and 1.2% ahead of consensus). The firm also announced a $464 million net increase in 'new digital media' annually recurring revenue stemming from better-than-expected performance in the Creative Cloud and Document Cloud segments. Management reiterated their previous bullish guidance and explained that the full-year outlook of a $1.9 billion increase in Annual Recurring Revenue is still on track.

Roper also posted impressive quarterly results, most notably growing software recurring revenues by 12%, which now makes up over 60% of total group sales. Additionally, Roper is making good progress in streamlining its portfolio to 26 high-quality operating businesses (down from a peak of 46). Once the industrial asset sales are completed by year-end, 75% of Roper's business will be in software, with the remaining 25% focused on medical and water products. The combination of its recurring (software-related) and recurring (parts, services, and consumables) revenue base leaves the business far less cyclically exposed compared to history. CEO Neil Hunn noted that Roper is able to charge customers on both the cost of perpetual software and related maintenance, while weaker players can only charge on the initial maintenance. This demonstrates the firm's significant moat and ability to pass through prices, on top of a strong recurring revenue base.

STRENGTH IN CLOUD BUSINESSES

A core theme we identify for the Global Innovators investment universe is the growth of cloud computing. Cloud vendors including Amazon Web Services (AWS), Microsoft Azure, and Google Cloud (Alphabet) give companies access to faster, more flexible resources and economies of scale. We view the shift to Cloud as a long-term, secular growth theme that is likely to grow whatever the economic environment. The Fund currently holds all three businesses, which together collected over 65% of global cloud computing spend.

Amazon was the Fund's top performer for the month, returning +27.06% in USD in July. This strong performance followed 7% yearly revenue growth ($121.23 billion) and an optimistic outlook for the rest of the year. Leading the charge was the AWS segment, expanding 33% year-on-year to net sales of $19.7 billion, an annualised run rate of nearly $79 billion. Driven by continued innovation and customer engagement, AWS has cemented its dominant market position. However, CFO Brian Olsavsky believes that we are still only "in the early stages of the adoption curve for companies and governments. We see great opportunity to continue to make investments on behalf of AWS customers and … (keep) expanding AWS to new regions". We remain confident that Amazon retains a market-leading cloud hosting position and is well placed to benefit from sustained growth.

Despite a mixed quarter for cloud computing giant **Microsoft**, including a contraction in the personal computer market, a strong US dollar, and lower Bing and LinkedIn advertising revenues, there were clear pockets of strength. The firm's Intelligent Cloud Segment posted revenues of $20.9 billion for the quarter, an increase of 25% in constant currency terms. In addition, server products and cloud services revenue increased 22% and 26% respectively, with Azure growing 46% continuing its on-premises dominance. CEO Satya Nadella explained that the firm has taken "share across all major categories", specifically cloud security, where revenues increased 40%. He also commented on the strength of their mid- to long-term deal pipeline, noting particular progress with the larger $100m+ and $1bn+ deals, boding well for future growth.

Finally, **Alphabet**'s Google Cloud platform, whose market share continues to lag industry behemoths AWS and Azure, recorded promising yearly growth of 36% and surpassing $6.3 billion in sales for the quarter. They grew across all geographies, and notably rolled out the Google Public Sector offering in June, aimed at helping U.S. government agencies and public institutions accelerate their digital transformations. CEO Sundar Pichai remains confident in Google Cloud's growth runway, referencing their "leadership in the data cloud market because they unify data lakes, data warehouses, data governance and advanced machine learning into a single platform that can analyse data across any cloud." CFO Ruth Porat corroborated a similar sentiment to the rest of the industry, explaining that this is a "long-term opportunity and enterprise customers are still early in their move to the cloud." We share this optimism and feel that Google is also well placed to benefit from the significant industry structural tailwinds.

STRENGTH IN ENTERPRISE DEMAND

Despite an environment with persistent inflationary pressures, we were encouraged to see strong enterprise demand across a number of the Fund's holdings. ABB, Schneider Electric, TSMC and Lam Research all offered insight into the general enterprise demand environment.

ABB's CEO Bjorn Klas Otto Rosengren opened its earnings call stating that "It was really good to see that demand remains on a high level despite the challenges from high inflation … all business areas increased orders at a double-digit growth rate." As a result, ABB posted a solid set of Q2 2022 earnings, booking 6% organic revenue growth. Whilst the majority of this came from price increases, volume was also up 1% for the period, signalling strength in the end markets and a firm ability to pass through prices in an inflationary environment.

Schneider Electric's quarterly revenues of €8.5 billion were up +10% organically, with strong end-market demand allowing significant pricing growth, although volume expansion also contributed. Jean-Pascal Tricoire, CEO, stated that the firm was "facing accelerating demand… we see a sustained demand on all sites". There were particularly good readings from the energy management division, which grew revenues by 12% and expanded EBITDA margins to an impressive 20.4% on the back of category strength and good execution. Further positive news came in the form of growth upgrades, as the firm improved its full-year top line guidance by 2%. Tricoire noted that structural demand is very strong, and customers are increasing their orders for energy efficiency technologies in a bid to mitigate against higher energy prices. We are encouraged by the clear structural demand from enterprise customers which should continue to be a positive tailwind for both margins and group profitability.

The Fund has high exposure to the semiconductor space, through foundries, chip designers and equipment manufacturers, with holdings such as TSMC, Nvidia and Lam Research. **TSMC**'s earning release helped allay investor concerns surrounding the strength in chip market this year (supply chain disruptions, Russia-Ukraine War, rising material costs), with TSMC posting a record set of results. Revenue was up by 43.5% year-on-year to 534.14 billion Taiwanese dollars, an all-time high for the chip maker. Whilst TSMC did identify some weakness in the consumer end market, CEO C. Wei noted particularly "strong HPC, IoT and automotive-related demand". He also sees a continuation into the next quarter; "we expect our business to be supported by continued demand for our industry-leading 5-nanometer and 7-nanometer technologies". In terms of equipment manufacturers, the global chip shortage has prompted manufacturers such as TSMC and Samsung to spend more than ever on capacity expansion. Multiple $100-billion capex per year spend across the industry being clear tailwinds for capital equipment vendors such as Lam Research, Applied Materials and KLA. Lam Research CEO Timothy Archer noted that despite "some macro-driven pockets of weakness, particularly in consumer-focused markets… overall semiconductor demand remains robust" particularly in logic/foundry customers.

INCREMENTAL EASING OF SUPPLY CHAIN DISRUPTION

One of the core drivers of the multi-decade high inflation in many regions is a result of disruption in supply chains, driven predominantly by lasting Covid-19 impacts. Most recently, parts of China have been in strict lockdown due to their zero-Covid policy, forcing factories to close and freight routes to be disrupted. It was noticeable in company earnings updates that several firms were experiencing a slight easing of supply chain constraints that have plagued industries over the last six months, perhaps in another indication that inflation could soon ease. In some cases, supply chain disruption was improved through enhancements in operations and in other cases through improvements in the operating environment. It is important to note that this trend was certainly not the case universally, and companies often reminded investors of the changing and dynamic nature of the supply chain, with China being a key factor. Some important insights from company earning calls include the following:

Apple: In terms of outlook, the firm guided to an acceleration in year-on-year growth in FQ4, stating that *"the situation on supply is improving"*.

Schneider: *"Western Europe was up 18% for the quarter with some easing of supply chain pressures… though we see pressures on electronics remaining, and that's a big part of our attention on transformation. We see a strong recovery in China post Q2."*

Lam Research: *"On addressing the supply chain challenges we've previously talked about, it will take more time for them to be fully resolved. Despite the supply chain improvements and higher factory output levels, we still exited the June quarter with $2.2 billion in deferred revenue, which was an increase of $129 million sequentially."*

Danaher: *"(We have) done an incredible job leveraging the Danaher Business System to help mitigate supply chain constraints, manage inflationary pressures and improve our competitive positioning with impactful new innovation."*

ABB: *"While the general supply chain eased slightly compared to Q1, our revenues were still somewhat hampered."*

DECLINE IN ADVERTISING SPEND

Despite a broadly strong set of results from our Fund's holdings, it was clear that the Big Tech names are facing a slowdown in advertising spending, often viewed as discretionary spending, as their customers take a more cautious approach due to the uncertain macroeconomic outlook.

Alphabet grew net advertising revenue 12% to $56.3 billion, although this is compared to 36% growth over the previous year. The net slowdown in the growth rate can be attributed in part to inflationary pressures, as many firms are cutting their advertising spend in order to maintain healthy margins. This pullback affected both the network advertising revenues and the YouTube business, which saw quarterly revenues of $7.34 billion (vs. $7.52 billion consensus), citing stiff competition from short-form TikTok videos as part of the underperformance. Chief Business Officer Philipp Schindler noted that for the third quarter, given the uncertain macro picture, "we expect an ongoing headwind from the slowdown in buyer spend that impacted results in the second quarter".

Furthermore, **Meta** issued a mixed outlook, citing similar concerns. CEO Marc Zuckerberg said that "we seem to have entered an economic downturn that will have a broad impact on the digital advertising business". Chief Financial Officer David Wehner elaborated that "advertising revenue growth slowed throughout the second quarter as advertiser demand softened. The deceleration has been broad-based across verticals, and we believe businesses are lowering their advertising spend in response to the increased economic uncertainty". However, part of the declining ad revenue can be explained by the growth of their short-format video reels, a like-for-like competitor to TikTok. The segment reached $1 billion in annualised revenue and now accounts for 30% of total Instagram engagement (vs 20% in the previous quarter). Reels don't currently monetise at the same rate as feed or stories, so this growth has displaced revenue from higher monetising surfaces. Nonetheless, over the long run, management believe that the greater prominence of Reels will grow total engagement and bring monetisation closer to the feed, hence our continued optimistic outlook for the business.

PORFOLIO HOLDINGS

PayPal (+23.9% USD)

PayPal was the Fund's second top performer over July, behind Amazon (discussed above), and outperformed the MSCI World Information Technology Index by 10.8% USD. During the month, there were a number of tailwinds that benefitted the stock, including: the general rotation into growth; strong read-across from other technology firms, particularly payments providers Mastercard and Visa, which reported significant increases in payments volume; a number of analysts from firms such as Berenberg, JPM and RBC maintaining their overweight or buy ratings; and reports that activist investor Elliott was building a stake in the company, causing a one-day jump of 12%. The company announced 2Q22 earnings in early August which were somewhat ahead of estimates and guidance, leading to a strong positive market reaction. Net revenue increased 10% year-over-year, and 14% excluding the eBay headwinds. The firm's recent shift in strategy towards higher-quality users (rather than simply driving new user numbers) is helping to drive the quality of its cash flows, and it was reassuring to see that 'transactions per active account', a key indicator, was up +12% year-on-year. The firm also saw Total Payments Volume up 9% year-on-year. The headwind from the eBay disposal (c.2% of revenues) is diminishing and growth avenues such as Buy Now Pay Later and Venmo are carrying strong momentum. Expansion into new product areas such as credit cards and cryptocurrency offer further visibility to future growth catalysts. With its strong outlook and solid fundamentals, we continue to view PayPal as an attractive opportunity.

Anta Sports (-10.5% USD)

Anta Sports was the Fund's bottom performer despite limited stock-specific news. Weak investor sentiment on the Chinese region was the core driver, although there was also a negative read-across from Adidas, which cut its full-year guidance noting a slower recovery in Greater China. Nonetheless, we continue to remain optimistic about the firm's future growth prospects and believe that it is well placed to benefit from positive secular trends in the region. The Chinese government is driving sports participation with initiatives such as China's "Action Plan to Stimulate Sports Consumption (2019-2020)", the "Healthy China 2030" Plan and the "National Fitness Program (2016-2020)". In addition, the growing Chinese middle class and increasing disposable income should help lift the overall clothing market for some years to come. The business fundamentals remain robust; the firm has a strong balance sheet, peer leading margins and a FCF yield in the high teens. We therefore maintain our positive outlook for the stock, despite short-term weakness in the region.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA

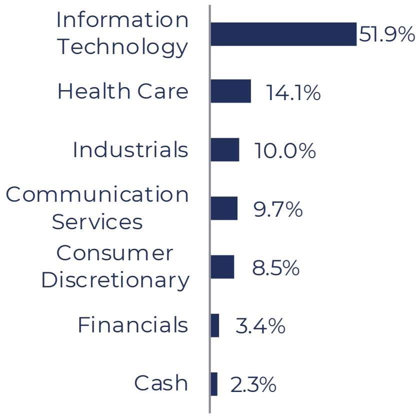
Dr Ian Mortimer, CFA

PORTFOLIO

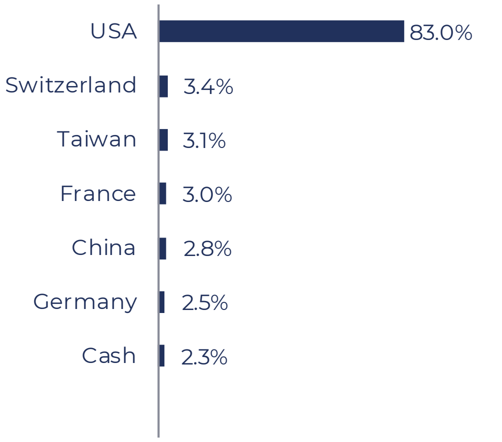
Fund top 10 holdings (%)

Thermo Fisher Scientific	4.0%
KLA-Tencor	3.9%
Microsoft	3.8%
Mastercard Inc	3.8%
Visa	3.7%
Roper Industries Inc	3.7%
Amphenol Corp	3.6%
Bristol-Myers Squibb Co	3.6%
ZOOM VIDEO COMMUNICA	3.6%
Danaher Corp	3.5%
% of Fund in top 10	37.2%
Total number of stocks	30

Sector analysis (%)



Geographic allocation (%)



PERFORMANCE*

Past performance does not predict future returns.

Annualised % total return from strategy inception (GBP)	31/07/2022
Guinness Global Innovators strategy*	12.8%
MSCI World Index	10.2%
IA Global sector average	9.1%

Discrete years % total return (GBP)	Jul '22	Jul '21	Jul '20	Jul '19	Jul '18
Guinness Global Innovators Fund	-7.1	31.5	19.4	5.6	15.0
MSCI World Index	3.8	27.5	0.0	11.0	12.4
IA Global sector average	-2.9	26.8	0.5	9.8	10.2
IA Global sector ranking	355/455	89/436	26/401	295/368	70/331
IA Global sector quartile	3rd	1st	1st	4th	1st

Cumulative % total return (GBP)	YTD	1 Yr	3 Yrs	5 Yrs	Launch*
Guinness Global Innovators strategy	-12.7	-7.1	45.9	77.2	924.2
MSCI World Index	-4.5	3.8	32.4	65.2	545.5
IA Global sector average	-8.5	-2.9	23.8	49.8	433.0

RISK ANALYSIS			31/07/2022
Annualised, weekly, 5 years, in GBP	**Index**	**Sector**	**Fund**
Alpha	0	-0.07	2.20
Beta	1	0.83	1.07
Information ratio	0	-0.27	0.36
Maximum drawdown	-24.58	-21.61	-22.25
R squared	1	0.84	0.84
Sharpe ratio	0.43	0.35	0.60
Tracking error	0	6.25	7.22
Volatility	15.56	14.07	17.61

*Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01.05.2003. Discrete 12m performance is shown below.

Source: FE fundinfo, bid to bid, total return. Fund Y GBP class (0.87% OCF): Fund returns are for share classes with a current Ongoing Charges Figure (OCF) stated above; returns for share classes with a different OCF will vary accordingly.

DISCRETE 12-MONTH PERFORMANCE*

Past performance does not predict future returns.

Discrete 12m % total return (GBP)	Jul '22	Jul '21	Jul '20	Jul '19	Jul '18	Jul '17	Jul '16	Jul '15	Jul '14	Jul '13
Guinness Global Innovators Strategy	-7.1	31.5	19.4	5.6	15.0	26.8	18.2	8.6	15.1	37.7
MSCI World Index	3.8	27.5	0.0	11.0	12.4	16.9	17.0	13.5	4.1	27.4
IA Global sector average	-2.9	26.8	0.5	9.8	10.2	17.8	12.5	9.4	4.3	24.0

	Jul '12	Jul '11	Jul '10	Jul '09	Jul '08	Jul '07	Jul '06	Jul '05	Jul '04	Jul '03
Guinness Global Innovators Strategy	9.7	14.9	16.5	1.2	-11.2	20.4	6.2	23.1	-3.9	-
MSCI World Index	2.7	13.1	16.3	-6.3	-8.6	10.4	7.2	21.6	3.9	-
IA Global sector average	-3.0	13.0	16.4	-8.4	-9.4	13.5	10.0	24.1	5.3	-

Source FE fundinfo. *Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same team using the same investment process as applied to the UCITS version.

IMPORTANT INFORMATION

Issued by Guinness Global Investors. Guinness Global Investors is 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 Global Innovators 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 Global Innovators 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.

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