TB Guinness Global Equity Income Fund

Investment Commentary - October 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.

ABOUT THE FUND

Fund size	£25.1m
Strategy size	£2,995m
Fund launch	09.11.2020
Strategy launch	31.12.2010
Index	MSCI World
Sector	IA Global Equity Income
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
Analysts	Sagar Thanki, Joseph Stephens, Will van der Weyden, Jack Drew

The TB Guinness Global Equity Income Fund is designed to provide investors with global exposure to dividend-paying companies. The Fund is managed for income and capital growth and invests in profitable companies that have generated persistently high return on capital over the last decade, and that are well placed to pay a sustainable dividend into the future.

The TB Guinness Global Equity Income Fund was launched on 9th November 2020. It is a UK-domiciled UCITS fund, authorised and regulated by the Financial Conduct Authority. Where stated, portfolio data prior to 9th November 2020 and other information in this document relates to the Guinness Global Equity Income Fund, an Irish-domiciled, FCA-recognised UCITS fund launched on 31st December 2010. Both funds are managed in accordance with the same investment process and with the same portfolios.

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 5 because its volatility has been measured as above average to high. Historic data may not be a reliable indicator for the future. The 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

% total return in GBP	YTD	1 year
Fund	-1.3	7.3
Index	-9.5	-2.9
Sector	-6.4	-0.6

Source: FE, bid to bid, total return to 30.09.22. 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 0.79% 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: PERFORMANCE

In the third quarter of 2022, the Fund returned 1.9% (in GBP), the MSCI World Index returned 2.1%, and the IA Global Equity Income sector average return was 0.1%.

The Fund therefore underperformed the Index by 0.2% over Q3 and outperformed its peer group average by 1.8%.

Over the year to date, the Fund returned -1.3% (in GBP), the MSCI World Index returned -9.5%, and the IA Global Equity Income sector average return was -6.4%.

The Fund therefore outperformed the Index by 8.2% over the year to date and outperformed its peer group average by 5.1%.

Global equity markets were volatile over the third quarter, with an initial recovery in the earlier months quickly running out of steam. Despite a strong rally in July, led primarily by growthier names and a 'risk-on' sentiment, the early optimism was cut short as high inflation persisted and market expectations priced in tighter monetary policy. Global central banks adopted an ever more hawkish tone whilst also hiking rates by significant increments at an unprecedented pace. It became clear that an aggressive rate hiking cycle would persist, and the hopes of a so-called 'soft-landing' largely abated. As investors weighed up the impacts of such drastic policy changes, the question quickly turned to the likely depth and duration of an impending recession, given the news that the US economy had notched two consecutive quarters of negative economic growth (the commonly accepted technical definition). The increasingly bearish outlook drove further poor performance over the back half of the quarter, with more defensive sectors outperforming.

SUMMARY: DIVIDENDS

So far in 2022, we have had dividend updates from 32 of our 35 holdings.

- 27 companies announced increases for their 2022 dividend vs 2021
- 5 companies announced a flat dividend
- 0 companies announced dividend cuts
- 0 companies announced dividend cancellations

The average dividend growth across all companies that have announced dividend actions in the Fund has been 7.7%. The average dividend growth from the 27 that announced increases is 9.1%.

Many of the Fund's Financials holdings have declared the largest year-on-year dividend increases:

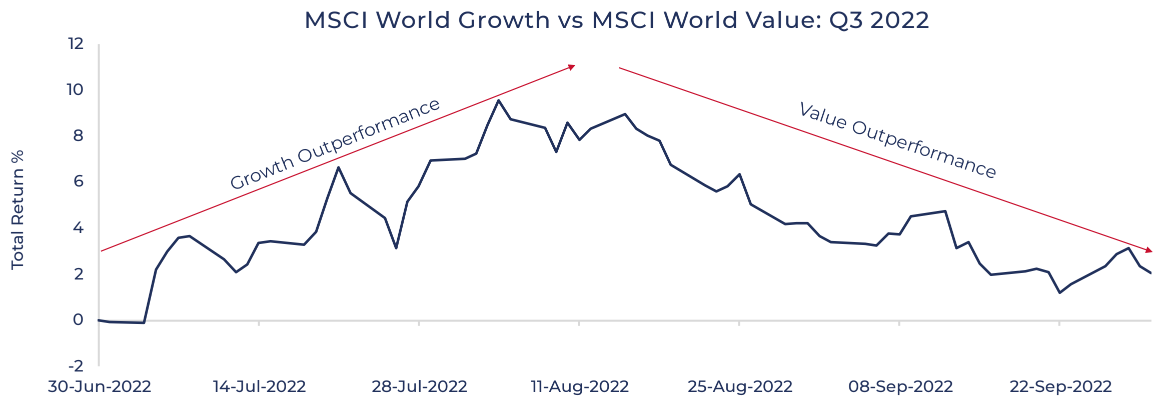
- Aflac grew its dividend by 21.2% for 2022, following the 17.9% growth in 2021.
- Blackrock grew its dividend by 18.2% for 2022, following the 13.8% growth in 2021.
- CME Group grew its dividend by 11.1% for 2022, following the 5.9% growth in 2021.
- Deutsche Boerse grew its dividend by 6.7% for 2022, following the 3.4% growth in 2021.
- Arthur Gallagher grew its dividend by 6.3% for 2022, following the 6.7% growth in 2021.

The Fund's dividend yield at the end of the quarter was 2.5% (net of withholding tax) vs the MSCI World Index's 2.2% (gross of withholding tax). A moderate dividend yield – albeit higher than that of the Index – is characteristic of the Fund because our focus is not on simply finding the highest-yielding companies, but instead on finding high-quality, cash-generative businesses which can consistently grow their dividend stream year-on-year.

Explicitly screening for persistently profitable companies also means that many industries – regulated sectors such as Utilities, Telecommunications and banks, and commodity-led sectors such as Energy and Materials – tend not to appear in our investible universe. These excluded industries often contain companies that exhibit the highest dividend yields, though we believe these same companies have a relatively greater risk of dividend cuts (as we saw in 2020) and are less likely to grow their dividend over time.

QUARTER REVIEW

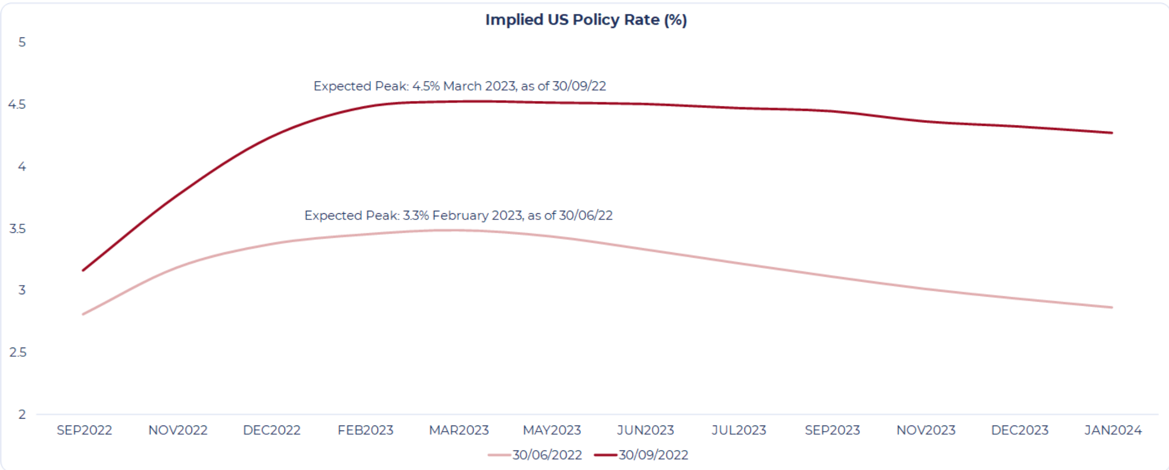
The quarter started with a broad rally across all global equity markets, with the US leading the gains. Despite the usual warning signs (inflation, rate hikes, and a technical recession in the US), markets were buoyed by the assumption that the Fed would start cutting rates sooner in order to stimulate the economy. This rally gained momentum as news of lower commodity and gas prices gave further cause for optimism as 'risk-on' assets, particularly growthier sections of the market, outperformed over the first half of the quarter.



Source: Bloomberg, Guinness Global Investors

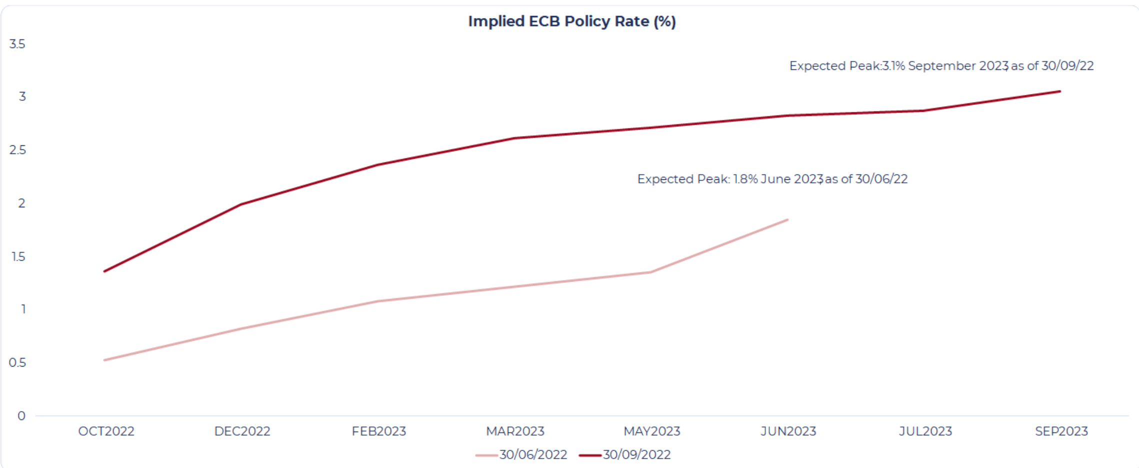
However, this optimism was ultimately short-lived as the release of US Fed Chair Jerome Powell's comments from the July FOMC meeting (where rates were raised by 75bps) reset market expectations. Powell indicated that interest rates would need to be kept at levels that restrict the economy "for some time", a clear signal of the Fed's serious intention to curtail inflation. The resulting negative sentiment was compounded by Powell's speech at the three-day annual conference for central bankers and policy makers at Jackson Hole which received particularly close scrutiny this year given the current challenging inflationary environment. In his speech, Powell reiterated the Fed's hawkish stance, noting that "the historical record cautions strongly against premature loosening policy". Further macroeconomic data compounded the gloomy outlook, with the global composite Purchasing Managers' Index, which shows business strength across both the manufacturing and services sector, coming in at 50.8, a 22-month low.

As September began there was little respite, as much of the prior month's negativity continued to feed through into forward expectations. The September inflation read came in at 8.3%, 20bps ahead of consensus, which not only rekindled fears of persistent inflationary pressures but also enabled a continuation of aggressive global monetary policy. There was even talk of a 100bps rise in the Fed's September meeting and, whilst this failed to materialise, it did show the significant increase in implied policy rates which the market has built into consensus. The chart below shows that US policy rates were expected to reach a peak of 3.3% at the start of the quarter, which has risen significantly to a peak of 4.5% at quarter end. The market is also forecasting rates to stay higher for longer, given inflation reads that continue to remain at elevated levels.



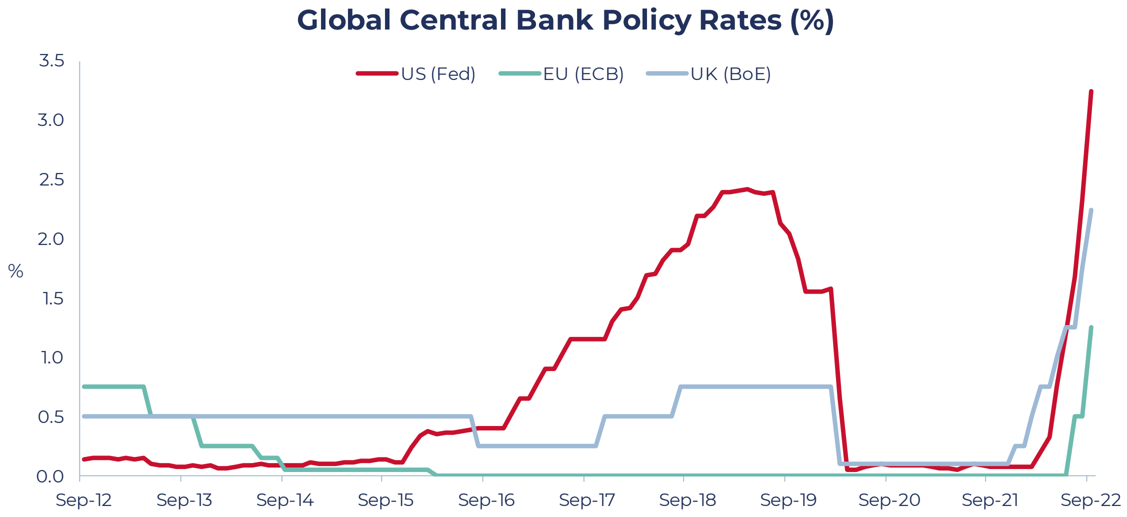
Source: Bloomberg, Guinness Global Investors

Similarly, the market has shifted expectations for European Central Bank policy and is now forecasting a 3.1% rate in September 2023, up from June's consensus of 1.8%. This sizeable increase came off the back of all-time high inflation readings for the Eurozone which strengthened the case for further rate hikes. The ECB duly obliged, increasing rates by 75bp at its September meeting.



Source: Bloomberg, Guinness Global Investors

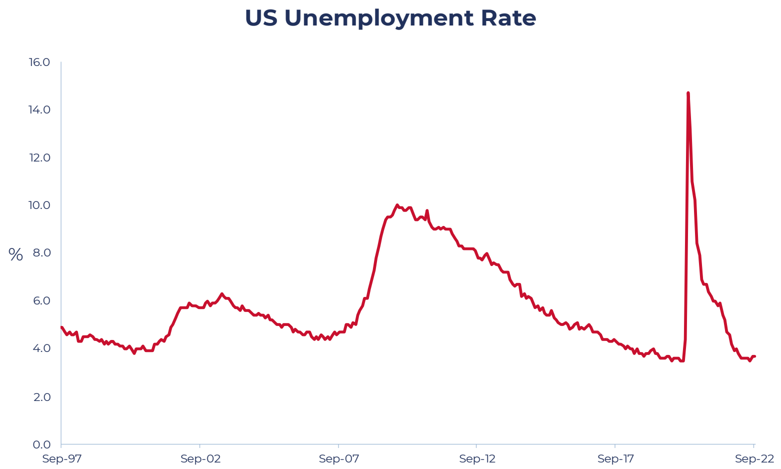
When looking at global markets as a whole, it is also clear that the US is leading the way with rate hikes. To date, the Federal Reserve has increased rates faster and more aggressively than other developed economy central bank, which explains the relative strength of the US Dollar this year (the dollar index is up 15.89% year-to-date).



Source: Bloomberg, Guinness Global Investors

Are we in a recession?

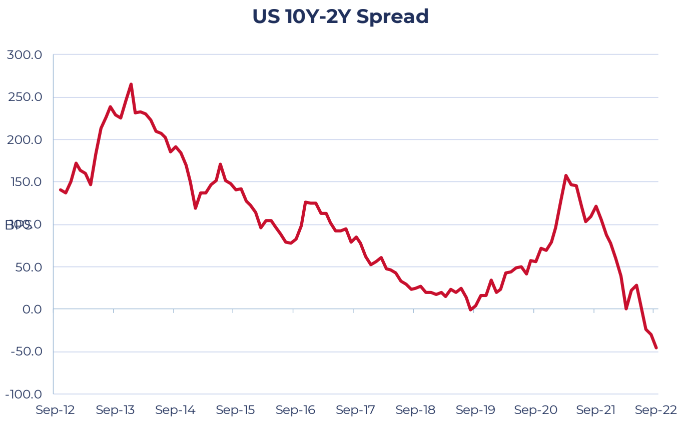
In his latest comments to the market, Powell noted that "there is still a way to go" in order to keep long-term inflation expectations well anchored, and thus committed to a bold hiking cycle. In comparing the pace of current interest rate increases with past policy going back to 1983, it is evident that the Fed has never raised rates by such a great amount over such a short time period. This has created a consensus of inevitability; in other words, the market believes that it's increasingly difficult for the US to avoid a recession given the Fed's "forceful and rapid" hikes. In theory, the US is already in a technical recession, since in July the US economy recorded two consecutive quarters of negative economic growth, the widely accepted definition. The National Bureau of Economic Research (the official recession arbitrator) is unlikely to formally declare a recession at this stage given low unemployment and a robust labour market, which have afforded the Fed greater flexibility regarding monetary policy.

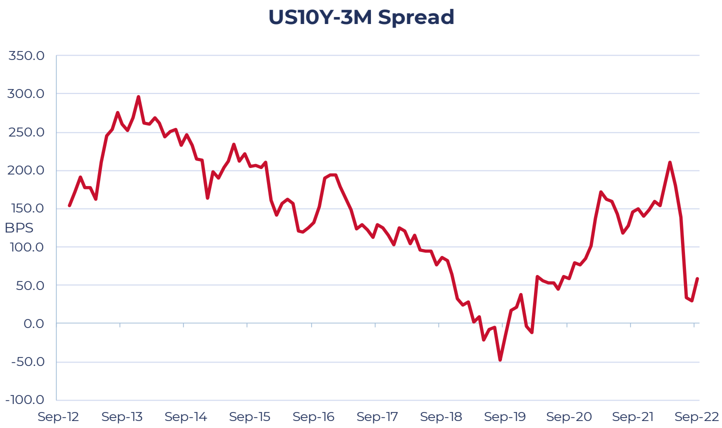


Source: Bloomberg, Guinness Global Investors

Yield Indicators

However, the commonly used yield curve spread, a favoured technical recession indicator, points to a worsening economic outlook. In 'normal' economic conditions, debt with longer maturity carries a higher interest rate than short-duration debt. When fearing an impending recession (and subsequently lower short-term interest rates) investors move out of the short end of the curve, causing prices to drop and yields to rise. This leads to the yield curve inverting and signals a collective pessimism about the near-term market outlook. Perhaps the most commonly used 10Y-2Y spread suggests that we are already heading into a recession given a current 45bps inversion. The 10Y-3M spread, whilst not yet inverted, did come close over the quarter. On the whole, yields of short-term U.S. government debt have been rising across the board in anticipation of forward-looking fed policy.





Source: Bloomberg, Guinness Global Investors

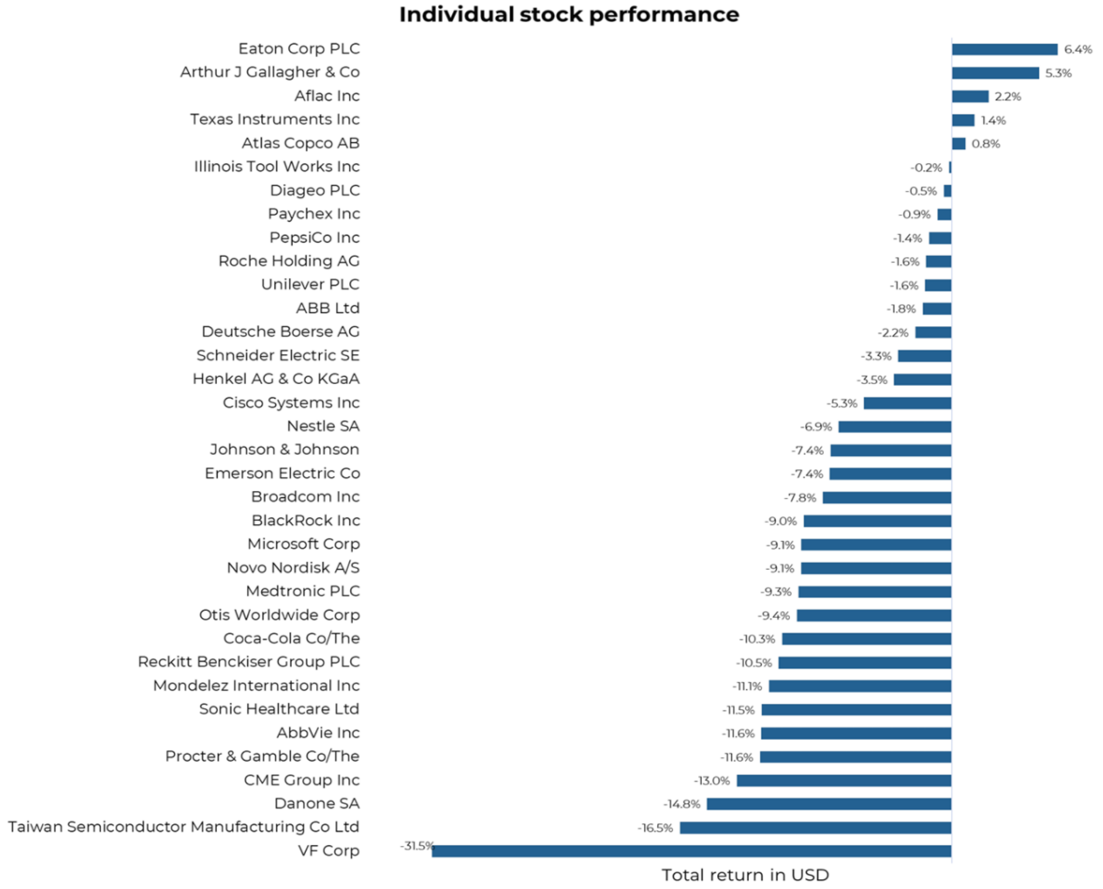
Global Markets

This pessimistic outlook is also faced by a range of international markets. In fact, both the UK and EU economies are forecast to experience even more anaemic growth, and when coupled with weaker currencies, higher imported inflation and weaker energy dependence, paint a worrying picture. Asian markets are also struggling since China's zero-covid policy has weighed heavily on its own domestic growth and has also caused a ripple effect for the broader region. Therefore, we believe that the US will likely endure a less pronounced recession on a relative basis, given its strong currency, energy independence and higher forecasted growth rates. It is worth noting that the Fund's highest geographic allocation is to the US market.

Growth outlook

Whilst we cannot predict whether the US will enter a recession or not, it seems increasingly likely that we are entering into a period of lower growth. The inability to forecast future macroeconomic outcomes with certainty gives weight, we believe, to the case for the Fund's approach – investing in quality businesses with consistently high returns on capital across market cycles, strong pricing power, and robust balance sheets which can help insulate them from inflationary environments, rising costs of debt and general market volatility.

STOCK SELECTION



Source: Guinness Global Investors. Returns 30th June 2022 – 30th September 2022

Eaton Corp was the Fund's best performer over the quarter (+6.42% USD). The power management firm announced record adjusted EPS of $1.87 for the period, up 9% year-on-year. Even with flat top-line growth, (revenues coming in fractionally under consensus at $5.22bn), the firm posted record segment margins of 20.1%, a 150bps improvement from the previous year and above the upper end of guidance. We are also encouraged by strong order numbers (12-month rolling average up 29% and backlog up 89%), indicating a positive growth runway ahead. This demand was particularly pronounced for the Electrical and Aerospace segments, but the company is well positioned to benefit from long-term secular trends including digitisation, EV demand and an energy efficiency super-cycle. Despite a challenging macroeconomic backdrop, Eaton raised its full-year 2022 guidance: it now sees organic growth up 11-13% (previously 9-11%) and forecast adjusted EPS of between $7.36 and $7.76, a 1% improvement on the bottom line. The market reacted positively to the optimistic outlook, the strong exposure to secular growth trends and a strong demand pipeline, which should insulate the business amidst a backdrop of macroeconomic headwinds.

Texas Instruments, the world's largest manufacturer of analogue semiconductor chips, also performed well over the quarter (+1.38% USD). The US-based firm posted a strong set of results early in the quarter and guided for better-than-expected full-year targets, which led to strong performance despite significant market volatility. Interestingly, unlike much of the semiconductor market, Texas Instruments has not been increasing prices to offset inflation. Instead, it is continuing to price "aggressively" relative to peers (i.e. below competitors) in order to gain market share. Whereas peers must often outsource manufacturing to capacity-limited foundries (which are continually raising prices), Texas Instruments operates its own foundries and can therefore exert a greater control over the supply chain (incl. logistics and cost structures). As such, it has avoided some of the more damaging input cost inflation and can maintain demand through lower prices, whilst still maintaining margins. The firm grew its gross margin by 240 basis points from a year ago and even with an expected Q3 revenue decline of 10% (growing inventory and demand slowdown), this was still ahead of consensus.

The American apparel and footwear conglomerate **VF Corp** was the weakest performer over the quarter (-31.5% in USD); investors reacted poorly to a significant miss on the bottom line (adjusted eps of $0.09 vs $0.14 expected). This was due to a significant contraction in gross and operating margins (260bps & 640bps respectively) amid a softer consumer environment, a deteriorating mix, and higher freight costs. On a segment level it was a tough quarter for Vans, the firm's largest brand and key growth driver, which contracted 4% organically. However, on a more positive note, strong growth from North Face (+37%) and Timberland (+14%) more than offset this decline and contributed to the group's 7% organic top-line expansion. This shows that the firm's strategic repositioning remains on track. Management outlined a forward-looking strategy which relies on opening new direct-to-consumer channels and growing out their digital-first initiatives. To this extent, VF Corp increased its strategic investment spend by 7% over the quarter and also maintained its operating outlook for FY2023 (+7% year-on-year in constant currency terms). This highlights the strength and resiliency of its brand portfolio and despite a difficult quarter, we remain optimistic on the firm's future outlook.

Danone (-14.53% in USD) was also one of the weaker performers over the quarter, as the market reacted negatively to the food & beverage conglomerate's 30% year-on-year earnings decline. Additionally, operating margin fell 101bps from the previous year, with c.8% input cost inflation partially responsible for the contraction. The highly profitable Chinese baby formula business also contributed to the decline as regional exports were impacted significantly by domestic lockdowns, a headwind which is likely to abate into 2023. However, we think there was much to be positive about from the quarter as the firm showed strong revenue growth across a broad range of end markets. Group revenues increased 7.7% on an organic basis, and management raised FY2022 guidance to 5-6% whilst also reiterating operating margins of 12% or more. Danone managed to increase prices by +6.8% over the quarter and also grew volumes by +0.9%, showing strong pricing power across the board. The firm is very much in a turnaround; during its 2022 Capital Markets Day, management stressed that 2022 was a 'foundational year' for transitioning the business from part commodity branded player towards a healthy brands pureplay. While it is early in this transition, we believe that Danone is firmly on track and we're therefore optimistic about the future prospects of the business.

CHANGES TO THE PORTFOLIO

We made four changes to the portfolio holdings over the quarter.

We sold positions in British American Tobacco (BATs), Imperial Brands, BAE Systems and Raytheon Technologies. The four companies we sold each rank within the top five best-performing companies in the portfolio so far in 2022 and we felt this was an opportune time to bank the strong relative performance of these names.

As part of our 'one in, one out' process, we bought new positions in Coca Cola, Mondelez, Emerson Electric and Atlas Capco.

In terms of sector allocation, having bought and sold two Consumer Staples stocks and two Industrials stocks, the overall positioning of the Fund remains largely unchanged. We continue to maintain a fairly even balance between quality defensive and quality cyclical/growth companies. We have approximately 45% in quality defensive companies (e.g. Consumer Staples and Healthcare) and around 55% in quality cyclical or growth-oriented companies (e.g. Industrials, Financials, Consumer Discretionary, Information Technology, etc).

Regionally, the changes increase our US and European ex-UK exposure, whilst reducing our UK exposure.

Imperial Brands and British American Tobacco

Markets this year have favoured deeper-valued tobacco names, and our decision to sell these were therefore largely motivated by an opportunity to bank profits. Although the re-rating we have seen this year in British American Tobacco and Imperial Brands has been strong, nothing dramatic has changed in terms of the outlook for the companies over the course of this year. They continue to offer low levels of growth driven by price increases that offset volume declines, and the extent to which they can diversify their businesses away from tobacco and into next-generation products (NGPs) remains the big question. BATs has arguably performed better in this regard, with clear indications of success in growing its NGP user base and strong forward guidance on sales into 2025. It has also benefited from a reduction in debt to more manageable levels and embarked on a buyback programme which will boost reported earnings, all of which were rewarded by the market in terms of a re-rating from low levels. Imperial is somewhat behind BATs in NGP growth and has not initiated a buyback programme. We see risks to execution in terms of NGP growth for both companies and note that the regulatory headwinds seem unlikely to abate. We felt that this was an opportune time to bank the c.27% relative outperformance for Imperial Brands and c.39% outperformance of British American Tobacco (year-to-date vs the MSCI World Index) which in part was the market rewarding higher-yielding equites in 2022.

We have replaced the two tobacco names with two Consumer Staples companies in Coca-Cola and Mondelez. As we have written above, and previously in our commentaries, we believe Consumer Staples companies with premium brands have very strong pricing power, and this was demonstrated very clearly in their Q2 earnings results.

Coca-Cola requires no introduction. It is the world's largest non-alcoholic beverage company and owns five of the world's top six carbonated drinks: Coca-Cola, Sprite, Fanta, Diet Coke, and Coke Zero. Operationally, the firm focuses its manufacturing efforts early in the supply chain, making the concentrate (or beverage bases) for its drinks that are then processed and distributed by its network of more than 100 bottlers. Concentrate operations represent roughly 85% of the company's unit case volume and 55% of total revenue. Further, Coca-Cola reaches thirsty consumers in more than 200 countries: North America is the largest geographic segment, accounting for about 35% of revenue; the EMEA segment provides nearly 20%; Asia Pacific regions generate about 15%, followed by Latin America, which brings in approximately 10% of total revenue. Through its strong brand and huge scale, Coca-Cola has a wide moat and pricing power which drive strong gross margins of c.60%. The company has also increased its dividend for 61 years.

Mondelez is one of the world's largest snack companies and owns a pantry of billion-dollar brands including Cadbury, Toblerone and Milka chocolates; Halls candy; LU, BelVita, and Oreo biscuits; Trident gum; and Tang powdered beverages. Mondelez's portfolio of brands is organised into five product categories; its two largest – biscuits (cookies, crackers, and salted snacks) and chocolate – together account for about 80% of total revenue. The remaining product categories include gum & candy (c. 10%), cheese & grocery (c. 5%), and beverages (c. 5%). Although the company is US-based, Europe represents nearly 40% of revenue, North America brings in c.30%, Asia c.20%, and Latin America c.10%. Mondelez split from Kraft Foods' grocery business in 2012 and has grown its dividend every year since at an annualised rate of 13%. Fundamentally, the company also has a strong balance sheet and a high cashflow return on investment which it has increased every year for the last six (from 17% to 24%).

BAE Systems and Raytheon Technologies

The two defence names BAE Systems and Raytheon Technologies have seen strong performance this year on the back of expectations of higher levels of defence spending in the West in response to the Russian invasion of Ukraine. BAE Systems has been the best-performing company in the FTSE100 this year, up 46%, and its valuation is at a 10-year high. While one can attempt to justify this valuation by the new outlook for defence spending, changes in defence spending do not happen overnight, and many of the items the companies produce take many years to plan and execute. Both Raytheon Technologies and BAE Systems produce highly sophisticated pieces of hardware in which volumes cannot be straightforwardly increased.

In their place, we have purchased two industrial companies: a US conglomerate in Emerson Electric, and Swedish Atlas Copco. These companies offer faster growth in less regulated markets than the defence companies, and we believe that both are likely to be better rewarded in the eventual recovery phase of the cycle.

Emerson Electric is a multi-industrial conglomerate that operates under two business platforms: Automation Solutions and Commercial and Residential Solutions. The latter is further subdivided into two operating segments: Climate Technologies, which sells HVAC and refrigeration products and services, and Tools and Home Products, which sells tools and compressors, among other products and services. Commercial and Residential Solutions boasts several household brands, including Copeland, InSinkErator, and RIDGID. Automation Solutions is most known for its process manufacturing solutions, which consist of measurement instrumentation, valves and actuators, and other products and services. Roughly half of the firm's sales take place in the US, 30% in Asia and MENA, and 20% in Europe. The company has a leading market share position in various product categories as switching costs and brand awareness are high. There is a large addressable automation market creating a large potential growth runway, and the business also benefits from high free cashflow generation, a strong balance sheet and 65 years of dividend increases.

Atlas Copco is a 140-year-old Swedish company and a pioneer in air compression technology. Today, the company is still the world's leading air compressor manufacturer, with around 25% market share. The company's product portfolio includes power tools and vacuum pumps; equipment is highly engineered, often with customization and application-specific variations. To that point, equipment sales are done by engineers, and end-markets for the company's compressors are diverse, ranging from automotive assembly to food processing. The economic cycle can cause short-term demand volatility, but the company's flexible cost structure and large portion of service revenue underpin gross margins of c.40%. Maintenance services and spare parts contribute more than 30% of group revenue, and Atlas Copco leverages its large service operation by training its technicians to service competitors' equipment as well its own.

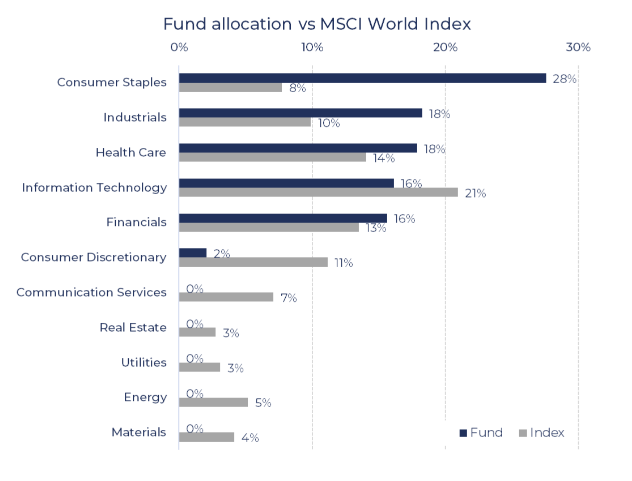
Further, as a pioneering company, Atlas Copco possesses a patent-protected deep expertise in air compressors. Its portfolio is geared toward high-end compressors, with less exposure to lower-end basic compressors available, for example, in hardware stores. Through the years, Atlas Copco has developed several important innovations that allow it to charge a premium for its products and defend its leading market share position. The most recent of these innovations is its line of variable-speed compressors, which offer 35% energy savings on average versus fixed-speed compressors.

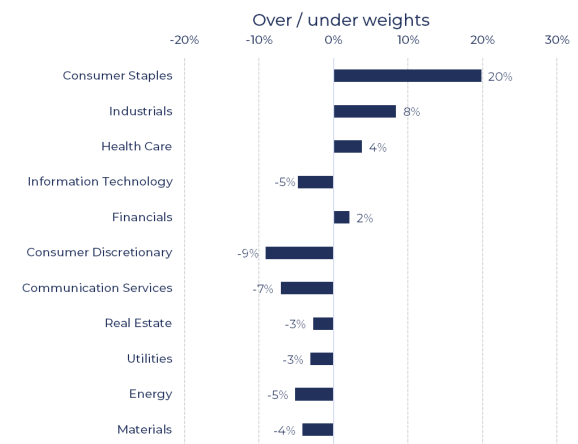
PORTFOLIO POSITIONING

We continue to balance quality defensive and quality cyclical/growth companies. We have approximately 45% in quality defensive companies (e.g. Consumer Staples and Healthcare) and around 55% in quality cyclical or growth-oriented companies (e.g. Industrials, Financials, Consumer Discretionary, Information Technology, etc.).

While the defensive names tend to have lower beta and hold up better when markets are falling, the cyclical holdings allow the Fund to maintain performance when markets are rebounding and rising. However, it is important to note that we believe that within these more cyclical sectors we are owning the 'quality' businesses. All the companies we seek to invest in have strong balance sheets and a history of performing well in difficult market environments. Within Financials, for example, we hold no banks, which helps to dampen the cyclicality of our Financials, but we do own exchange groups such as CME and Deutsche Boerse (which do well in periods of market volatility as volumes tend to increase).

The strategy also has zero weighting to Energy, Utilities, Materials, Real Estate and Communication. The largest overweight is to Consumer Staples.

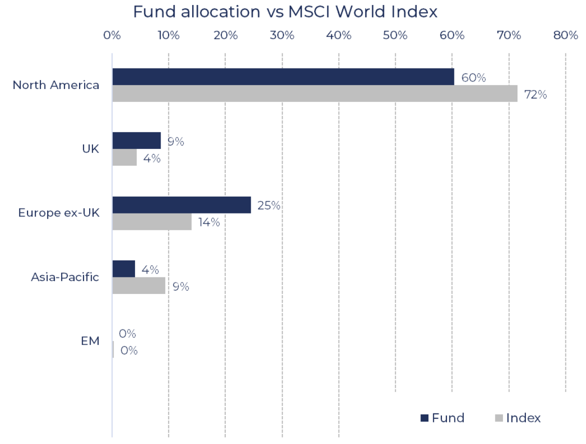


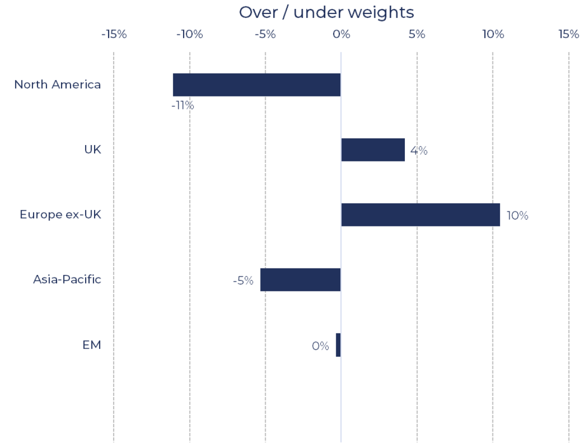


Source: Guinness Global Investors. Data as of 30th September 2022

In terms of geographic exposure (shown below), the largest difference between the strategy and the benchmark is our exposure to the US (as measured by country of domicile). The strategy at quarter end had c.60% weighting to North America, which compares to the index at c.72%.

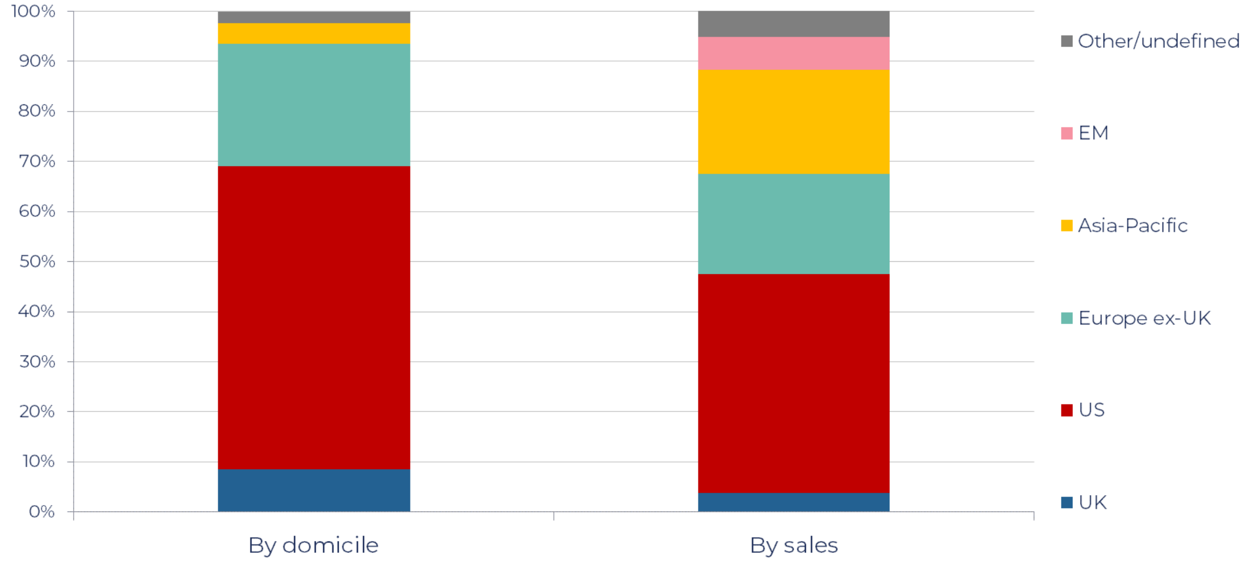
The largest geographic overweight remains Europe ex-UK and the UK, although the portfolio is diversified around the world with 60% in the US, 36% in Europe and 4% in Asia Pacific. Within Asia Pacific we have one company listed in Taiwan (Taiwan Semiconductor Manufacturing) and one company listed in Australia (Sonic Healthcare).





Source: Guinness Global Investors. Data as of 30th September 2022

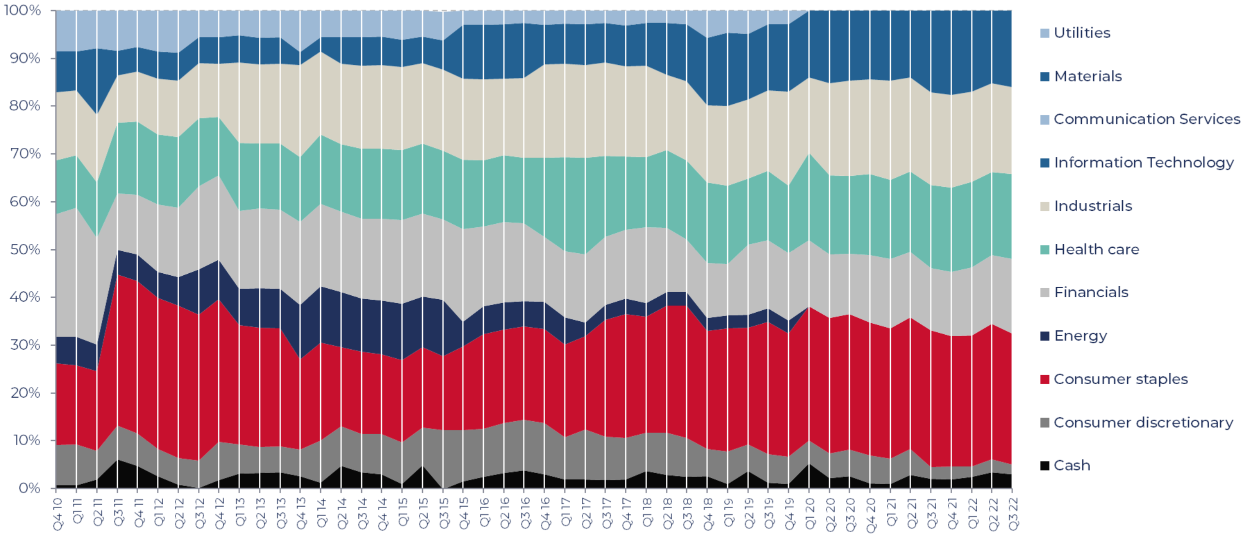
We note, regarding the strategy's UK exposure (shown below), (i) the strategy has lower exposure to the UK when considered in revenues (c.4%) versus by domicile (c.9%). This is because we have favoured UK-domiciled companies with more global exposure (such as Unilever). (ii) There is greater exposure to Asia Pacific by revenues (c.21%) than by domicile (c.4%).



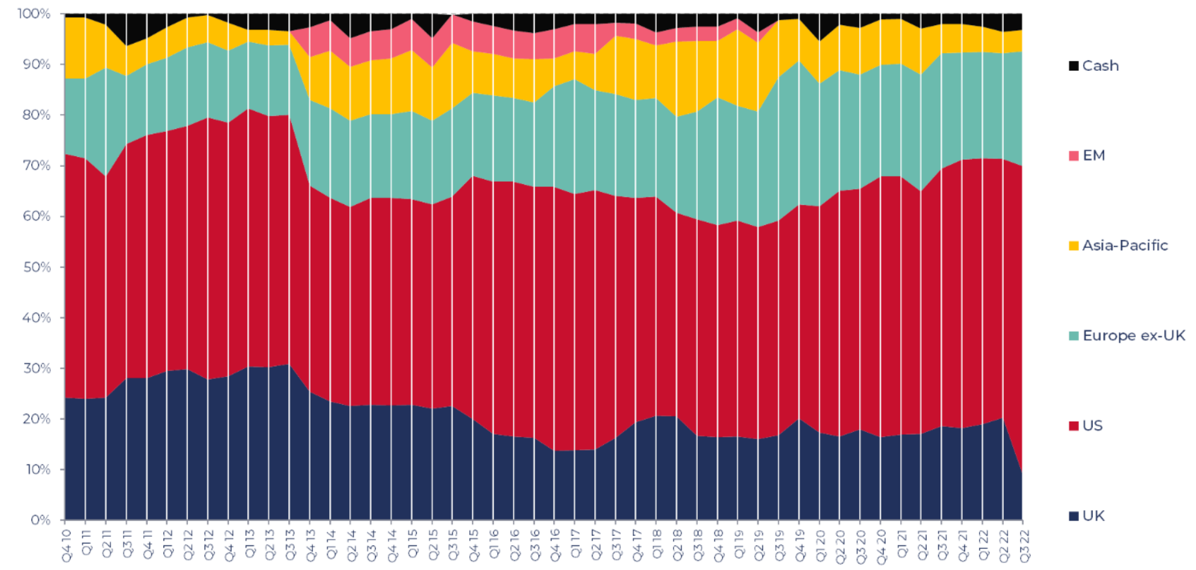
Source: Guinness Global Investors. Data as of 30th September 2022

The two charts below show how the exposure of the strategy has evolved since we launched the Guinness Global Equity Income Fund in 2010.

TB Guinness Global Equity Income



Sector breakdown of the strategy since launch.
Source: Guinness Global Investors. Data as of 30th September 2022



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Source: Guinness Global Investors. Data as of 30th September 2022

OUTLOOK

The four key tenets to our approach are quality, value, dividend, and conviction. We follow metrics at the portfolio level to make sure we are adhering to them.

		Fund	MSCI World Index
Quality	Weighted average return on capital	18.5%	8.6%
	Weighted average net debt / equity	62%	71%
Value	PE (2022e)	16.6	14.3
	FCF Yield (LTM)	4.8%	5.8%
Dividend	Dividend Yield (LTM)*	2.5% (net)	2.4% (gross)
	Weighted average payout ratio	56%	42%
Conviction	Number of stocks	35	1650
	Active share	89%	-

*Portfolio metrics versus index. Data as of 30th September 2022 * Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date above. It does not include any preliminary charges. Investors may be subject to tax on the distribution. Source: Guinness Global Investors, Bloomberg*

Whilst the portfolio has tended to trade at a discount to the broader market, at the end of the quarter it was trading on 16.6x 2022 expected earnings; a c.16% premium to the broad market. This has been a result of relative outperformance in the near term and potentially reflects a market multiple which is already discounting a drop in earnings. If the 'E' in the market PE ratio is actually expected to fall (as many commentators are predicting, given the slow reaction of company analysts to a changing macro environment) then, all things equal, the PE ratio of market should, in fact, be higher. This blunt analysis also assumes that the Fund 'E' is less likely to fall – which we can argue makes sense with the higher quality characteristics seen across the Fund holdings. We will have to wait and see how this progresses, but it is clear the market is anticipating the upcoming earnings season to result in downgrades of earnings at the index level. We also note the outsized effect of the Energy sector on Index multiples today. Despite accounting for approximately 5% of the MSCI World Index, the Energy sector currently trades at PE levels of 6.1X 2022. Looking at the index ex-Energy, we estimate its PE to be around 15.5X, an 8% discount to the Fund.

The Fund continues to offer a portfolio of consistently highly profitable companies with strong balance sheets and pricing power to pass on higher costs. As ever, we believe our unchanging approach of focusing on quality compounders and dividend growers should continue to stand us in good stead in our search for rising income streams and long-term capital growth.

We thank you for your continued support.

Portfolio Managers

Matthew Page

Ian Mortimer

Investment Analysts

Sagar Thanki

Joseph Stephens

William van der Weyden

Jack Drew

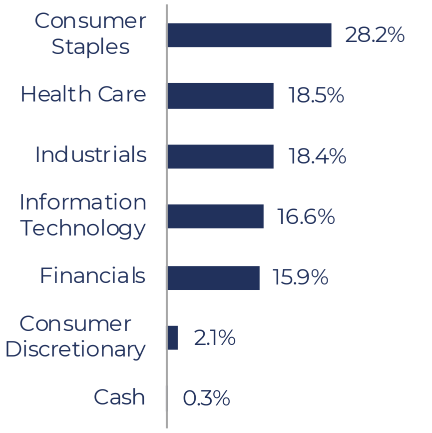
TB Guinness Global Equity Income

PORTFOLIO

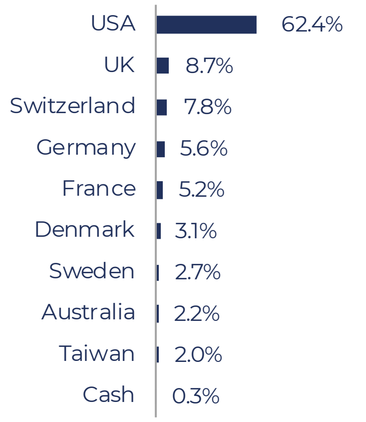
Fund top 10 holdings

Abbvie	4.4%
Johnson & Johnson	3.5%
Aflac	3.5%
Gallagher, Arthur J	3.5%
Paychex Inc	3.4%
Pepsico	3.3%
Deutsche Boerse	3.3%
Unilever	3.1%
Novo Nordisk	3.1%
Cisco Systems	3.1%
% of Fund in top 10	34.3%
Total number of stocks held	35

Sector analysis



Geographic allocation



PERFORMANCE

Past performance does not predict future returns.

30.09.2022	YTD	1 yr	Launch
Fund (0.79% OCF)	-1.3%	7.3%	27.7%
MSCI World Index	-9.5%	-2.9%	15.3%
IA Global Equity Income sector	-6.4%	-0.6%	16.0%

Source: FE fundinfo, bid to bid, total return. 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. Launch date: 09.11.2020

The TB Guinness Global Equity Income Fund was launched on 9th November 2020. It is a UK-domiciled UCITS fund, authorised and regulated by the Financial Conduct Authority. The fund employs the same strategy as the Guinness Global Equity Income Fund, an Irish-domiciled, FCA recognised UCITS fund launched on 31st December 2010. Both funds are managed in accordance with the same investment process and with the same portfolios. Performance data for the Guinness Global Equity Income Fund can be found here.

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 TB Guinness Global Equity Income 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 TB Guinness Global Equity Income 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 as described below. 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.tbaileyfs.co.uk or free of charge from:-

T. Bailey Fund Services Limited ("TBFS")
64 St James's Street
Nottingham
NG1 6FJ
General enquiries: 0115 988 8200
Dealing Line: 0115 988 8285
E-Mail: clientservices@tbailey.co.uk

T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority.

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.

Structure & regulation
The Fund is a sub-fund of TB Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.

Telephone calls will be recorded and monitored.