Guinness Global Equity Income Fund

Investment Commentary - December 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	£3,046m
Launch date	31.12.10
Historic Yield† (Class Y GBP)	2.2%
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 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 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 value of an investment and the income from it can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested.

PERFORMANCE

Past performance does not predict future returns.

30.11.22	**1 Yr**	**3 Yrs**	**5 Yrs**	**Launch***
Fund (%)	10.8	41.3	75.1	267.7
Index (%)	-1.0	35.0	62.1	250.9
Sector (%)	3.9	23.9	38.6	160.8

Discrete 12m performance is shown at the end of this commentary

Source: FE, bid to bid, total return. *Simulated past performance. Performance prior to the launch date of Class Y (11.03.15) is a composite simulation based on the actual performance of Class E (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP.

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 0.78% 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.

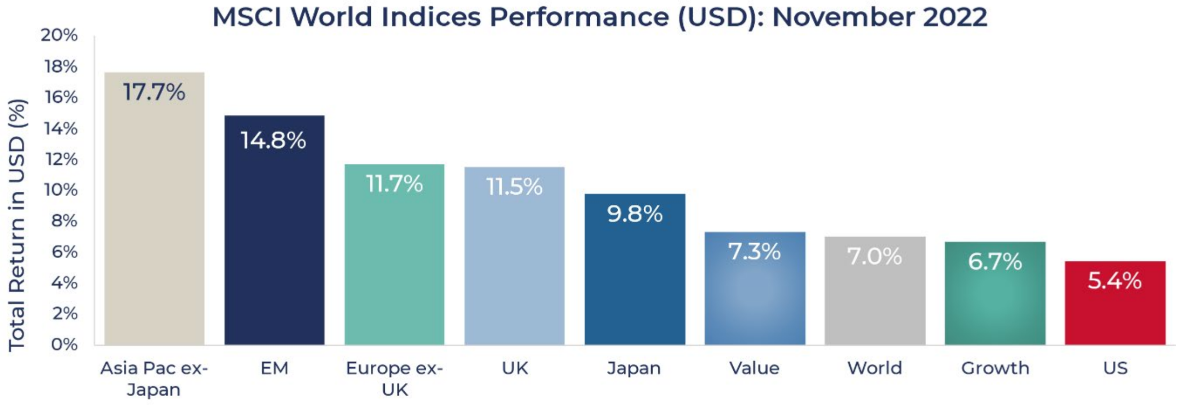
† Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

SUMMARY: PERFORMANCE

In November, the Fund returned 5.1% (in GBP), the MSCI World Index returned 3.4%, and the IA Global Equity Income sector average return was 4.1%. The Fund therefore outperformed the Index by 1.7% and outperformed its peer group by 1.0%.

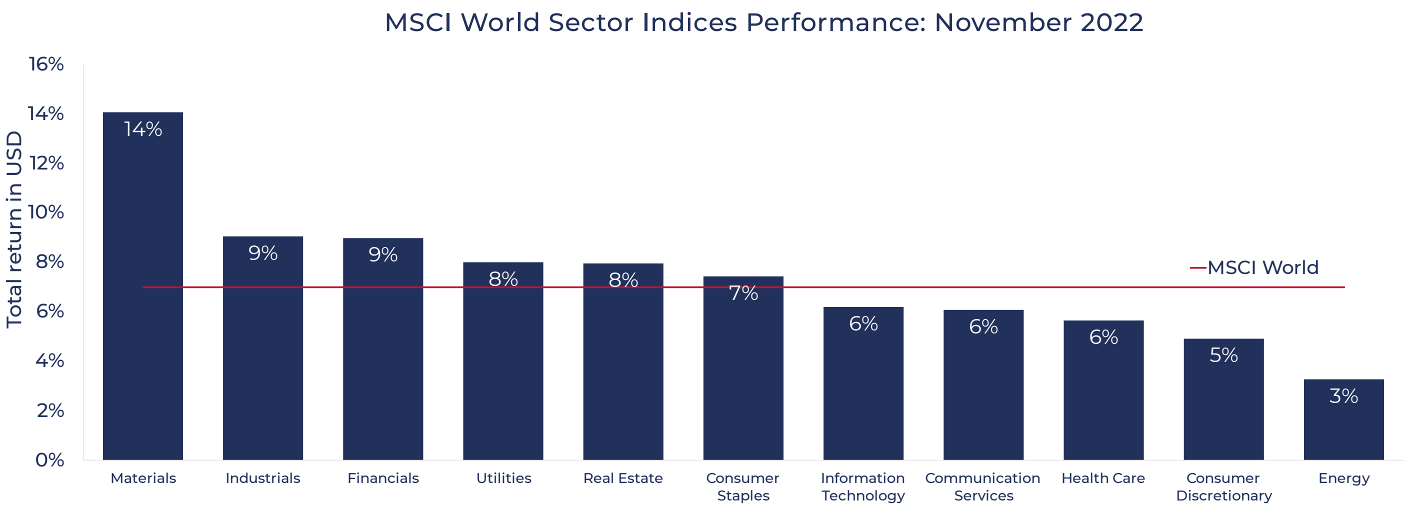
Year-to-date, the Fund has returned 5.5%, the MSCI World Index has returned -2.8%, and the IA Global Equity Income sector average return has been -0.1%. The Fund has therefore outperformed the Index by 8.3% and outperformed its peer group by 5.6%.

It was a good November for equity markets, with the first back-to-back monthly gain since 2021. Early in the month, US stocks notched their strongest day in more than two and a half years, with investors emboldened by promising US CPI data. The November read showed that consumer prices were increasing at a lower rate than expected, which may set the stage for a slower pace of interest rate rises by the Fed. As ever, Fed action is going to be a key driving factor for markets over the coming months, but this positive data point was a rare cause for optimism. An equity rally ensued across the majority of indices, although there was a notable divergence in performance by both sector and geography.



Source: Bloomberg, as of 30/11/2022

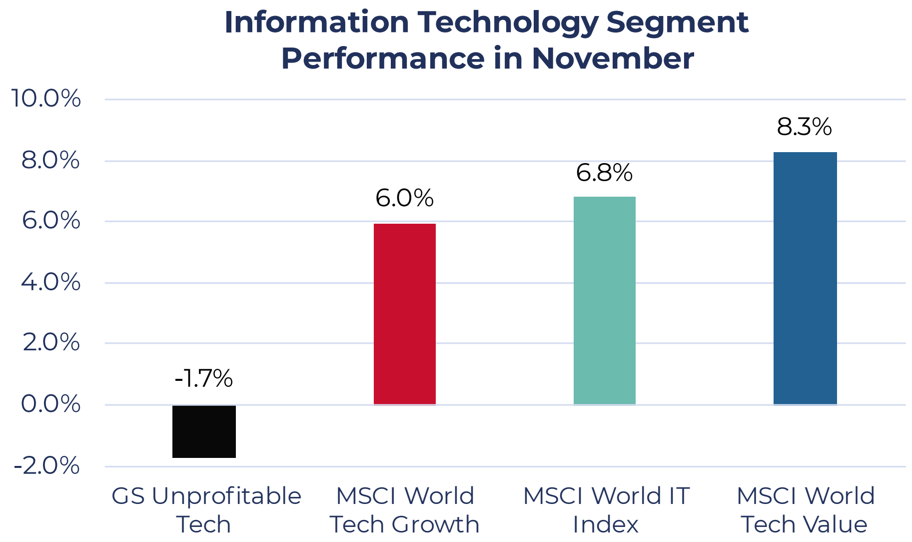
The US was the worst-performing region over the month. US markets were initially buoyed by the prospect of a so called 'Red Wave' in the crucial midterm elections which would bring gridlock to Washington and make it harder to pass new bills, ensuring greater fiscal responsibility. Although the Republicans did gain control of the House, such sweeping progress failed to materialise and as the Democrats kept control of the Senate, US equities gave back much of their earlier gains. It was a different story for emerging markets, particularly in Asia, as the news of a potential Chinese relaxation of the strict zero-Covid policy buoyed investor sentiment. Even with a rare display of civil unrest which boiled over in major eastern Chinese cities towards the end of the month, the touted reopening of the world's second-largest economy drove APAC indices higher. Other emerging markets also benefited from the news as the prospect of greater trade, coupled with a weakening dollar, offered significant respite and led to double-digit gains over the month.



Source: Bloomberg, as of 30/11/2022

On a sector basis, IT underperformed the index by 1%, even with a strong 4% rally on the last day of the month. This relative underperformance is more significant when looking at the IT sector from a stylistic perspective. There has been a clear shift away from the more speculative IT names, which have fallen out of favour over the past year, and November proved no different. The Goldman Sachs Unprofitable Tech index closed the month down -1.7% and is a clear sign of the shift towards higher-quality names within the IT sector. Furthermore, value-orientated IT stocks performed better over the month than their growthier counterparts. To this extent, it is encouraging to see the Fund's IT names up by 12.9% over the month, a result of their clear quality focus which was rewarded by the market.

GUINNESS GLOBAL INVESTORS



Source: Bloomberg, as of 30/11/2022

That said, there are a number of challenges facing the industry, illustrated by sweeping headcount reductions at industry leaders including Twitter, Meta, and Microsoft, which all announced layoffs in the thousands. Whilst this has, in some cases, been rewarded by the market as indicating closer scrutiny of the cost base, it is nonetheless a clear sign of the substantial headwinds facing the sector from lower advertising spend to declining consumer demand. Conversely, it was a strong month for many of the value-orientated sectors, with Materials, Financials and Industrials the three best performers in November, and leading the market higher. Notably, these are also three of the four cheapest sectors on a P/E basis therefore the rotation towards value was a clear tailwind to performance for these indices.

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

- A zero exposure to Materials, Utilities and Real Estate was a headwind from an allocation perspective, as these were three of the five best-performing sectors.
- However, the significant overweight allocation to Industrials, coupled with the overweight position in Financials, acted as a tailwind, with both sectors outperforming the benchmark.
- The Fund also benefited from strong stock selection in IT & Industrials. Good performance from names such as TSMC (+31.6%), Broadcom (+17.2%), Atlas Copco (+13.5%) and Schneider Electric (+12.9%) were sources of relative outperformance over the month.

Over the longer term, we are pleased that the Fund has outperformed the IA Global Equity Income Sector average over 1 year, 3 years, 5 years and 10 years and since launch.

Cumulative % total return in GBP to 30/11/2022	YTD	1 year	3 years	5 years	10 Years*	Launch*
Guinness Global Equity Income	5.5	10.8	41.4	75.2	234.4	267.9
MSCI World Index	-2.8	-1.0	35.0	62.1	234.5	250.9
IA Global Equity Income sector average	-0.1	3.9	23.9	38.6	143.7	160.8
IA Global Equity Income sector ranking	n/a^	6/56	3/51	2/47	2/28	2/13
IA Global Equity Income sector quartile	n/a^	1	1	1	1	1

**Simulated past performance. Performance prior to the launch date of the Y class of the Fund (11.03.15) is a composite simulation for Class Y performance being based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP.*

Source: FE fundinfo. All funds in the sector have a similar investment policy and risk profile to the Guinness Global Equity Income Fund. ^Ranking not shown in order to comply with European Securities and Markets Authority rules.

DIVIDENDS

So far in 2022 we have had dividend updates from 34 of our 35 holdings, and the average dividend growth in the Fund has been 7.3%.

- 29 companies announced increases for their 2022 dividend vs 2021. The average dividend growth of these companies has been 8.6%.
- 5 companies announced a flat dividend vs 2021.
- 0 companies announced dividend cuts.
- 0 companies announced dividend cancellations.

This follows the Fund seeing 0 cancellations in 2021 and 2020.

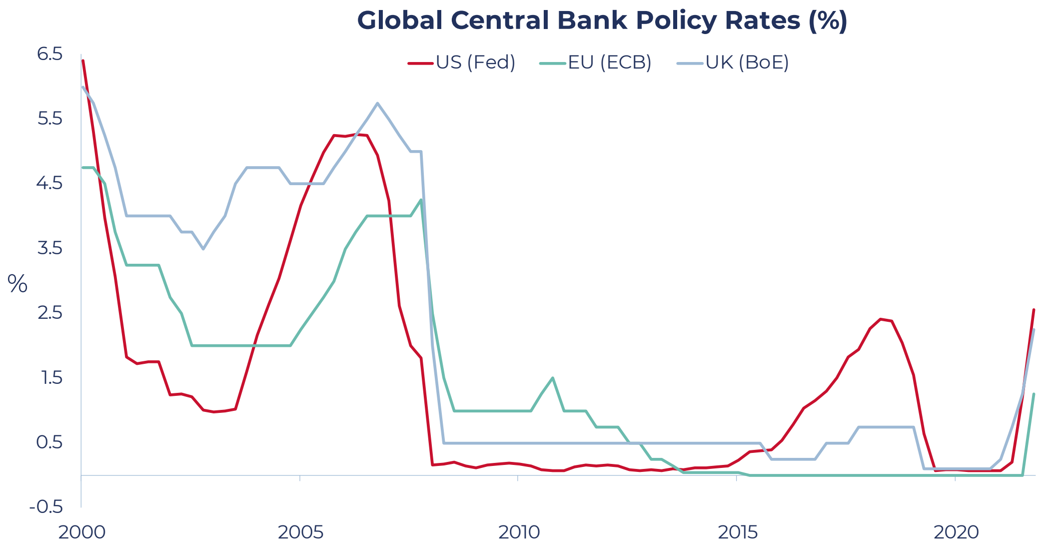
The Fund's dividend yield at the end of the month was 2.22% (net of withholding tax) vs the MSCI World Index's 2.16% (gross of withholding tax).

Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

NOVEMBER IN REVIEW

Rates are rising – but moderation ahead?

The extent of loose monetary policy over the past two years has required central banks to tighten with vigour. The past six months have seen the most rapid tightening of western monetary policy in more than two decades, with the Fed, ECB, and Bank of England all increasing rates in 75bp increments, and the central banks of Canada and Australia raising by 100bps. In short, the speed and scale of increases has been unprecedented in recent times. Even though it remains clear that keeping inflation under control is the predominant goal of almost every global central bank, there are notable signs that the future rate of increases will temper to more palatable levels for investors.

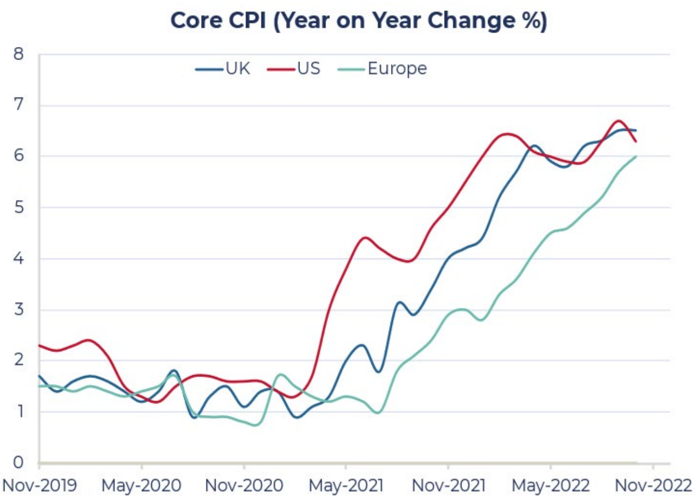


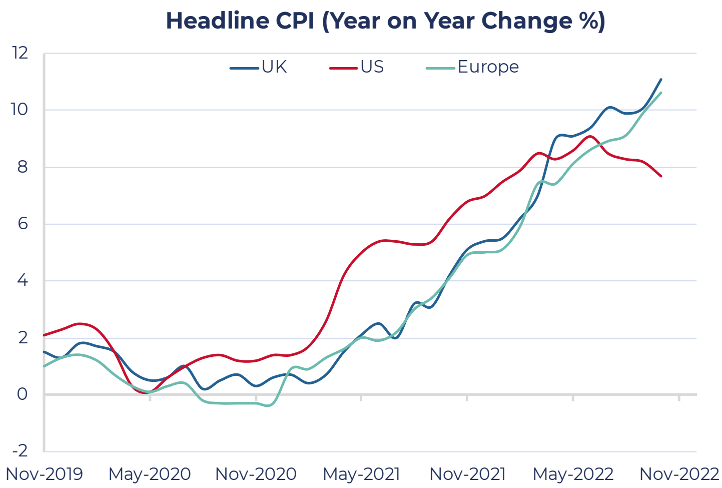
Source: Bloomberg, as of 30/11/2022

In fact, the Bank of Canada has already started downsizing rate hikes with a 50bp lift in late October, and the market seems confident that the Fed will follow suit (70% of FactSet investors believe the next US rate hike will be of a smaller increment). At the end of the month, the Federal Open Market Committee's (FOMC) November minutes were released, showing that a "substantial majority" of FOMC members believed it "likely soon appropriate" to slow the pace of interest rate hikes. It appears that the calculus has changed, given that rates have risen so far so fast, with a more measured approach seemingly likely from now on. On the last day of November, Fed chair Jay Powell gave his most explicit statement yet, saying the Fed will "moderate the pace of rate increases… (and show) restraint" with future monetary policy. Whilst the market is clearly aware that we are yet to reach terminal interest rates, there seems to be a growing consensus that smaller rate hikes are in store.

Latest inflation data – where are we?

The Fed has on numerous occasions reiterated its 'data-driven approach' to assessing inflation, which poses the key question – what are the data saying? Earlier in the month, equity markets were buoyed by a positive US CPI print, which showed that consumer prices rose 7.7% in October, 0.3% less than expected and the smallest 12-month increase since January. The market reacted positively, anticipating peak inflation and a potential slowdown in future interest rate increases. Bond yields fell substantially on the inflation news, as did the US dollar, with global stocks rallying dramatically. The S&P 500 closed up 5.5%, with European and Asian markets following suit over the subsequent trading sessions due to a renewed sense of optimism. Although clearly a step in the right direction, it is just one data point in isolation, and the broader picture is more complex.





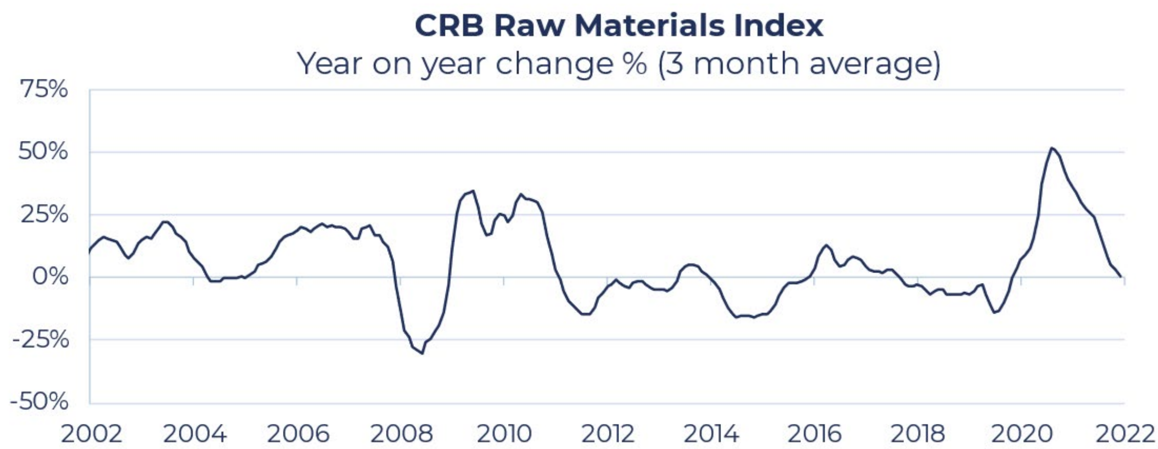
Source: Bloomberg, as of 30/11/2022

The Case for Moderating Inflation: Positive Data

There are additional data points which signal an improving outlook. Goods prices have fallen materially from pandemic highs, helped by a sharp fall in global shipping rates. The price of sending a 40-foot container from Shanghai to New York surpassed the $16,000 mark at its peak but is now back down to just over $4,000 and falling further (in line with other routes). Furthermore, the Global Supply Chain Pressure Index has eased significantly from its peak of 4.2 in November 2021. The latest reading of 1.0 is nearing a range closer to its long-term historical average and is a positive sign given material prior concerns over supply-side constraints.

Data via Bloomberg, as of 30/11/2022

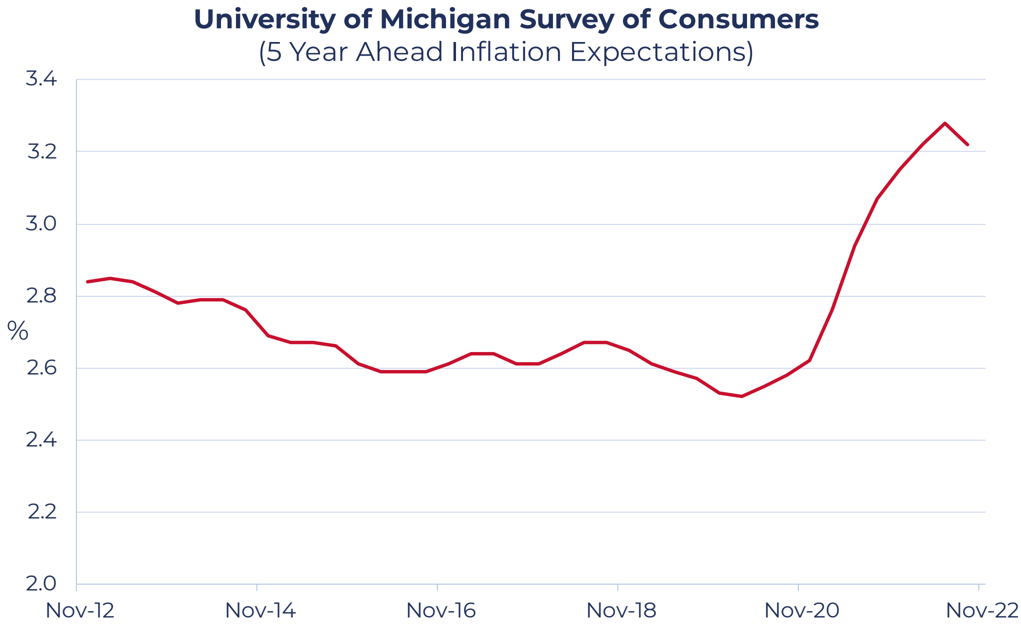
On a company level, inventories have recovered from the rock-bottom lows reached last year and are back at pre-pandemic levels as evidenced by the Purchasing Managers' measure of unfilled orders. Even on an input cost basis, the CBR Raw Materials Index, which measures the movements of 22 basic commodities, has shown a stabilisation (c.0% year-on-year change over the past three months), causing US goods inflation to fall off sharply. Short-term imbalances over the past two years drove prices for major commodities including oil, gas, metals, agricultural products and semiconductors to multi-year highs, but at present, a range of data highlights an improving picture on both the supply and the demand side.



Source: Bloomberg, as of 30/11/2022

The Case for Stubbornly High Inflation: Think Long-Term

Despite these easing indicators that show an improving inflation outlook, perhaps the most important data point is the long-term market inflation expectation. In past minutes, Fed Chair Jay Powell has discussed the major role that forward expectations play in "influencing inflation behaviour" at present. In other words, when the market forecasts higher inflation, it can drive up current prices in a self-fulfilling manner. It is therefore understandable that the Fed remains very sensitive to this extended outlook. The preliminary Survey of Consumers was released over the month and showed that five-year ahead inflation expectations had risen from 2.9% to 3%. This has become an unwanted trend, given that just a few months ago, five-year ahead inflation expectations were at 2.7%. This trend was backed up by Consumer Expectations from the New York Fed, where three-year ahead expectations jumped materially from 2.8% to 3.1% over the month. It seems that expectations have been moving in the wrong direction recently, especially given that for much of the last decade they have been relatively well anchored. The further out in the future, the greater the consensus between projected rates. The issue arises given a sharp divergence in upcoming expectations for the next five years, as the latest survey shows that 25% of consumers expect deflation, while the same amount see inflation in excess of 4%. Whatever one reads from the vast array of data, it is likely that the Fed will want to see a more coherent and unified forward inflation expectation before pausing rate rises.



Source: Bloomberg, as of 30/11/2022

PORTFOLIO HOLDINGS

TSMC was the Fund's top performer, gaining +31.6% over November (all returns in USD). It was a strong month for the world's largest semiconductor foundry, and investors reacted strongly to news that Warren Buffet's Berkshire Hathaway had taken a $4.1bn dollar stake in the business. TSMC is a key provider of 4 nanometer chips to Apple (Berkshire Hathaway's largest position by far) and the stock jumped 12%. This was compounded by a positive month for chip makers across the board, with strong earnings from key names including ASML and Tokyo Electron pushing sentiment higher. Additionally, President Biden and Chinese leader Xi Jinping's first meeting as leaders sought to stabilise geopolitical relations, with recent flair ups and chip sanctions weighing heavily on the sector. Looking forward, a number of structural tailwinds are set to endure, with semiconductor sales expected to surpass $1 trillion annually in the next decade, thanks to improvements in manufacturing capacity and subsidies for factory building by governments in the U.S. and Europe. We remain bullish on the sector and are encouraged by TSMC's strong performance over the month.

VF Corp also performed strongly, closing the month up +16.2%. It has been a difficult year for the apparel conglomerate, but with solid earnings, the company seems to be turning a corner. Its active-outdoor focussed portfolio is seeing structural growth tailwinds as demand for athletic apparel endures. Its North Face brand is seeing particularly strong demand and grew revenues 21% YoY. The company is also making a concerted push to grow out its emerging markets exposure. Supreme, a rapidly growing portfolio brand, is making inroads into the Chinese market, where the company recently opened its first Supreme point of distribution. Its core brands are also growing domestic presence in this geography, which has led to group-wide revenues of 13% from the Chinese market, a figure that looks set to expand over the coming years. News of a potential Chinse reopening was a significant tailwind over the month, and the relaxation of Covid lockdowns into FY2023 and beyond should continue to support sales for VF Corp. The business maintains its strong operational focus on direct-to-consumer sales, and with the sustained growth of its core portfolio brands, we believe the business remains in good shape.

Medtronic was the worst performer over November, closing down -9.5%. The world's largest medical device manufacturer reported a decent set of results, with 2% organic revenue expansion and key pockets of strength, including growth in its stronghold cardiovascular market and in the more nascent diabetes segment. Despite forecasting an acceleration in top-line revenue growth into H2, there seems to be significant negative sentiment surrounding the stock. Broader issues including hospital staff shortages and the supply chain still loom large and notably, key clinical trial data from the Spyral Renal Denervation Study came in weaker than expected, missing its primary endpoint. However, the safety data from the study was good and we therefore see this as a delay in the study as opposed to a total write-off. In any case, the firm has a long pipeline of diversified product releases which should continue to fuel new growth in emerging segments, and its competitive advantages in its core areas of competency persist. Whilst we acknowledge the short-term headwinds, we remain optimistic on the business outlook and think Medtronic is well placed to capitalise on a range of structural growth trends.

Roche was the Fund's second-worst performer, down -2.8% over November. It was a challenging month for healthcare stocks, although Roche was particularly impacted on news that its latest Alzheimer's drug trial had failed to prove effective. Roche's experimental Gantenerumab treatment used a similar approach to that of Eisai Co. and Biogen Inc., which both achieved breakthroughs earlier in the year for market tests on a new dementia drug. Disappointingly, Roche's long-awaited trial data showed that its drug failed to make a meaningful amyloid reduction and therefore did not significantly reduce patient memory loss outcomes. However, Roche remains upbeat, claiming a minor setback and striking a positive tone when discussing further product developments. The Swiss drugmaker is making progress on another amyloid focused product, this time using Gantenerumab alongside an additional mechanism that allows the drug to efficiently enter the brain. Whilst we wait on the results of further product iterations, and acknowledge the setback of the latest clinical data, we remain positive on the outlook of the business. This drug is but one treatment in a large portfolio of solutions across Oncology, Immunology, Neuroscience and Biologics. The firm continues to invest heavily in R&D (at 21% of sales, it is at the top end of the pharma sector), and we are confident in its ability to bring new and innovative drugs to market over the long term.

CHANGES TO THE PORTFOLIO

We made no changes to the portfolio holdings in the month.

We thank you for your continued support.

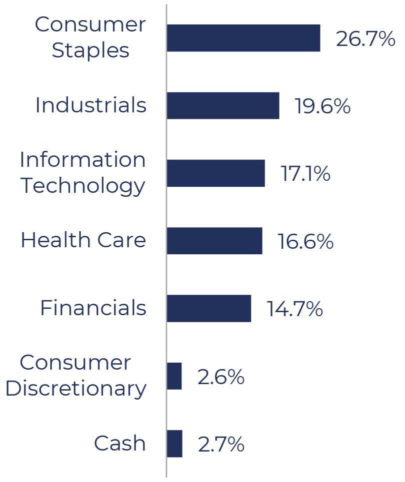
Portfolio Managers	**Investment Analysts**
Matthew Page	Sagar Thanki
Ian Mortimer	Joseph Stephens
	William van der Weyden
	Jack Drew

PORTFOLIO

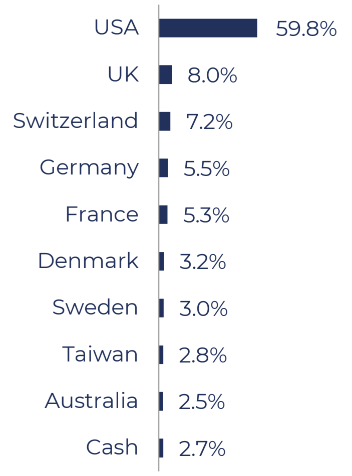
Fund top 10 holdings

Cisco Systems	3.2%
Johnson & Johnson	3.2%
Novo Nordisk	3.2%
Pepsico	3.2%
Deutsche Boerse	3.2%
Emerson Electric Co	3.1%
Paychex Inc	3.1%
Atlas Copco	3.0%
Eaton	3.0%
Aflac	3.0%
% of Fund in top 10	31.2%
Total stocks held	35

Sector analysis



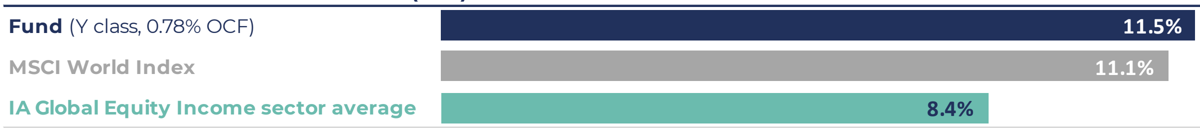
Geographic allocation



PERFORMANCE*

Past performance does not predict future returns.

Annualised % total return from launch (GBP) **30/11/2022**



Discrete 12m % total return (GBP)	Nov '22	Nov '21	Nov '20	Nov '19	Nov '18	Nov '17	Nov '16	Nov '15	Nov '14	Nov '13	Nov '12
Fund (Y class, 0.78% OCF)	10.8	19.3	7.0	15.1	7.7	9.7	23.5	0.4	13.6	23.6	8.8
MSCI World Index	-1.0	22.9	11.0	13.0	6.2	14.1	24.3	3.3	13.9	23.7	11.5
IA Global Equity Income Sector average	3.9	15.9	2.9	10.2	1.5	12.8	18.8	0.1	8.9	20.2	13.5
IA Global Equity Income Sector ranking	6/56	19/55	12/51	5/48	4/47	34/44	14/40	24/37	3/34	11/28	18/18
IA Global Equity Income sector quartile	1	3	1	1	1	4	1	3	1	2	4

Cumulative % total return (GBP)	1m	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch
Fund (Y class, 0.78% OCF)	5.1	5.5	10.8	41.3	75.1	234.3	267.7
MSCI World Index	3.4	-2.8	-1.0	35.0	62.1	234.5	250.9
IA Global Equity Income Sector average	4.1	-0.1	3.9	23.9	38.6	143.7	160.8

RISK ANALYSIS **30/11/2022**

Annualised, weekly, from launch on 31.12.10, in GBP	Index	Sector	Fund
Alpha	0.00	0.30	2.08
Beta	1.00	0.74	0.84
Information ratio	0.00	-0.33	0.09
Maximum drawdown	-24.58	-22.41	-21.78
R squared	1.00	0.78	0.88
Sharpe ratio	0.50	0.39	0.60
Tracking error	0.00	6.84	5.03
Volatility	14.54	12.24	13.03

*Simulated past performance. Performance prior to the launch date of the Y class of the fund (11.03.15) is a composite simulation for Y class performance being based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP. Source: Financial Express, bid to bid, total return. Fund Y class (0.78% 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.

GUINNESS GLOBAL INVESTORS

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 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
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.

TB Guinness Global Equity Income Fund
UK investors should be aware that the Guinness Global Equity Income Fund is available as a UK domiciled fund denominated in GBP. The TB Guinness Global Equity Income Fund is available from 0.79% OCF. The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available at www.guinnessgi.com/funds/tb-guinness-global-equity-income-fund.

Telephone calls will be recorded and monitored