Guinness Global Innovators Fund

Investment Commentary – February 2023

This is a marketing communication. Please refer to the prospectus and KID/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	£472m/£593m
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

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. Further details on the risk factors are included in the Fund's documentation, available on our website.

PERFORMANCE

Past performance does not predict future returns

31/01/2023	1 Yr	3 Yrs	5 Yrs	10 Yrs*
Strategy* (%)	-8.1	38.5	60.1	296.2
Index (%)	0.9	33.3	58.3	206.5
Sector (%)	0.1	25.7	43.9	152.8

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 January, the Guinness Global Innovators Fund provided a total return of 8.2% (GBP) against the MSCI World Index net total return of 4.6% and the IA Global sector returned 4.4%. Hence the Fund outperformed the benchmark by 3.6% (GBP) and outperformed the IA Global Sector by 3.8%.

The first month of 2023 was a positive one for global equities, with markets becoming more optimistic about the macro-economic outlook. In particular, markets turned more optimistic on many of the key concerns that drove equities downward in 2022 such as inflation, Covid lockdowns in Asia, interest rates, recessionary risk and an energy crisis. In Asia, a Chinese re-opening attracted a wave of investment back into the region as markets bet on a surge in re-opening demand. In Europe, growth risks eased on the news of the Chinese unlocking, and a warmer-than-expected winter allowed the region to avoid a full-blown energy crisis, supporting economic growth that could result in a shallower recession than expected. In the US, which underperformed China and Europe, there was renewed hope that a 'soft' economic landing may yet be possible. The consequence was a broad rotation towards riskier assets, with bonds selling off across maturities and growthier stocks rallying the hardest.

This renewed optimism that the US may yet achieve a soft landing was based on moderate progress on both of the Fed's dual mandates, jobs and inflation. During 2022, a 'hot' jobs market had markets concerned that wage growth could make inflation entrenched in the economy. Although unemployment actually dropped slightly in the month of December, wage growth decelerated from 4.8% to 4.6%, in a material improvement from the 5.6% peak. Headline inflation came in at 6.5%, in line with expectations but a modest deceleration from November (7.1%) – the sixth consecutive month of falling CPI numbers and a 15-month low.

Markets were also buoyed by indications of softening demand, with the US Manufacturing PMI falling to 48.4, and US Services PMI falling 6.9 points in December to 49.6 – any number below 50 indicating a deterioration in economic activity that could help slow inflationary pressures.

Source: Guinness Global Investors, Bloomberg. Data as of 31.01.2023

All in all, moderate disinflation paired with signs that economic growth may cool enough to satisfy the Fed's goal of cooling inflation (but not so much that it slips into recession) drove equity markets higher. Markets have grown increasingly sensitive to any indication over the future path of interest rates. While news in January has been positive for equity markets, we are cognisant of the fact that this data is volatile, and it is certainly too early to say with any certainty that inflation will continue to behave as investors would like, that Europe will fully avert an energy crisis, and that the US has avoided a recession.

Corporate earnings season got off to a relatively unremarkable start, with average sales (+1.2%) and earnings beats (+2.5%) below their long-run averages (5-yr average of 1.9% and 8.6%), even after analysts downgraded EPS expectations by 6.5% over the course of Q4. Despite this, equities still rallied, less driven by fundamentals but through an improved market perception of the macro environment. Whilst markets have been broadly positive since the beginning of Q4, January saw a reversal of market drivers, with significant outperformance from growth and cyclically orientated stocks – a result of this new macro optimism.

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

- Both stock selection and asset allocation contributed to Fund outperformance to the MSCI World benchmark during the month of January. The broad rotation towards growth stocks was a core driver, as was the relative underperformance of more defensive sectors such as Consumer Staples, to which the Fund has a zero allocation.

- The Fund's overweight position to Information Technology, which outperformed the MSCI World by 3.0% (USD), acted as a tailwind to performance. In particular, the Fund's high exposure to Semiconductor stocks, the MSCI's second top performing industry over the month, benefited the Fund from an allocation perspective.

- The Fund's Information Technology exposure was also positive from a stock selection perspective, particularly within Software and Services. Of the Fund's 17 tech stocks, 16 registered positive returns and 10 of them double-digit returns. There was particularly strong performance from Nvidia (+33.7% USD), Salesforce (+26.7% USD) and TSMC (+24.5% USD), the Fund's top three performing stocks over the month.

- Outside of the Information Technology sector, Fund performance also benefitted from stock selection within Industrials, Health Care and Communication Services. There was a relatively neutral impact from an allocation perspective within these sectors.

- The Fund's zero allocation to the defensive-orientated Consumer Staples sector and the value-tilted Energy and Utility sectors acted as a positive from an allocation perspective, with each sector materially underperforming the MSCI World.

Past performance does not predict future returns

Whilst the rotation away from growth for the majority of 2022 has impacted the Fund's relative performance over a one year period, it is pleasing to see the Fund ranking in the top quartile versus the IA Global sector over the longer time frames of 3, 5, & 10 year periods, as well as since launch.

Cumulative % total return, in GBP, to 31.12.2022	YTD	1 year	3 years	5 years	10 years	Launch*
Guinness Global Innovators	8.23	-8.06	38.54	60.11	296.24	906.51
MSCI World Index	4.62	0.86	33.32	58.25	206.48	551.73
IA Global sector average	4.44	0.05	25.65	43.88	152.81	440.78
IA Global sector ranking	40/529	455/508	45/432	66/357	6/225	6/95
IA Global sector quartile	1	4	1	1	1	1

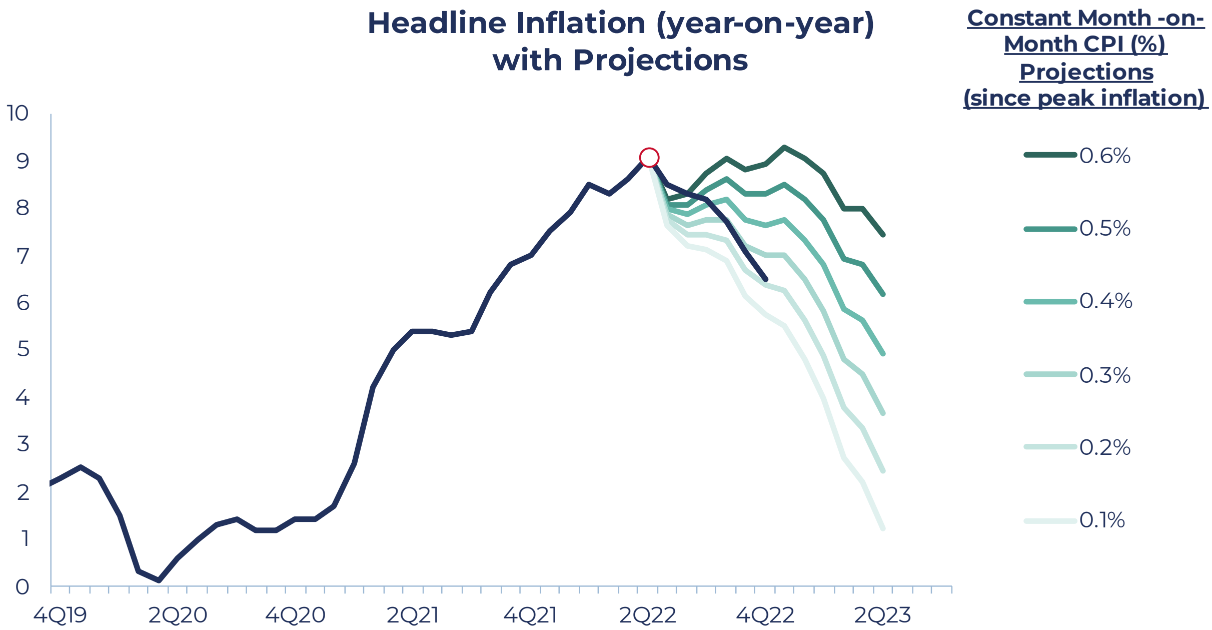
Source: FE fundinfo

** 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.*

JANUARY IN REVIEW

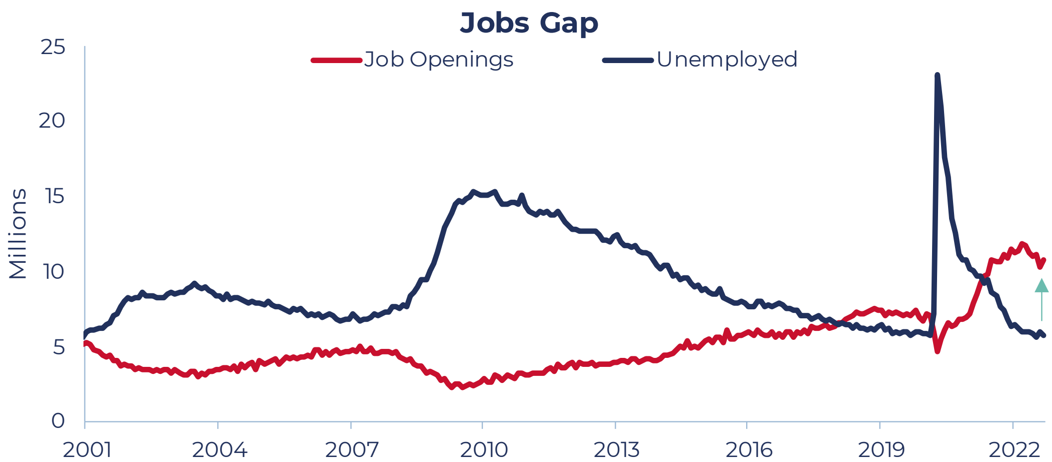
Many of the key market concerns that drove equity markets downwards over 2022 abated somewhat over the course of January. Following the speedier-than-expected removal of the controversial zero-Covid policy in China, market expectations of a quick economic recovery drove equities +12% USD higher in the region. This also provided European equities with a boost due to the intertwinement of the two economies, with Europe accounting for 22% of Chinese imports (2Q21), and China accounting for 10% of European exports. Also buoyed by a warmer winter that saw European gas storage reach 75% of capacity in January (35% during the same time last year), together these factors drove indicators of economic activity higher in the Eurozone, with the composite PMI reaching 50.2 (49.3 Dec 22).

US markets rallied with renewed hope that the Federal Reserve can in fact achieve a 'soft landing', something that was all but ruled out just a few months ago. Inflation fell from 7.1% to 6.5% in December, and wage pressures eased to 6.1% (according to the Atlanta Fed Wage Growth Tracker) from 6.4% in November, following a peak of 6.7% in August. Whilst the Federal Reserve remains hawkish in its commentary, markets are betting that the peak in rates may already be imminent and can now see a potential pathway towards the Fed's target inflation rate of 2%. The following graph takes the peak rate and forecasts out over a 12-month period, with differing positive month-on-month CPI rates (held constant over a 12-month period). The graph suggests that headline CPI is on track to dip below 3% just 12 months after peak inflation. The latest month-on-month headline CPI print was -0.1%.



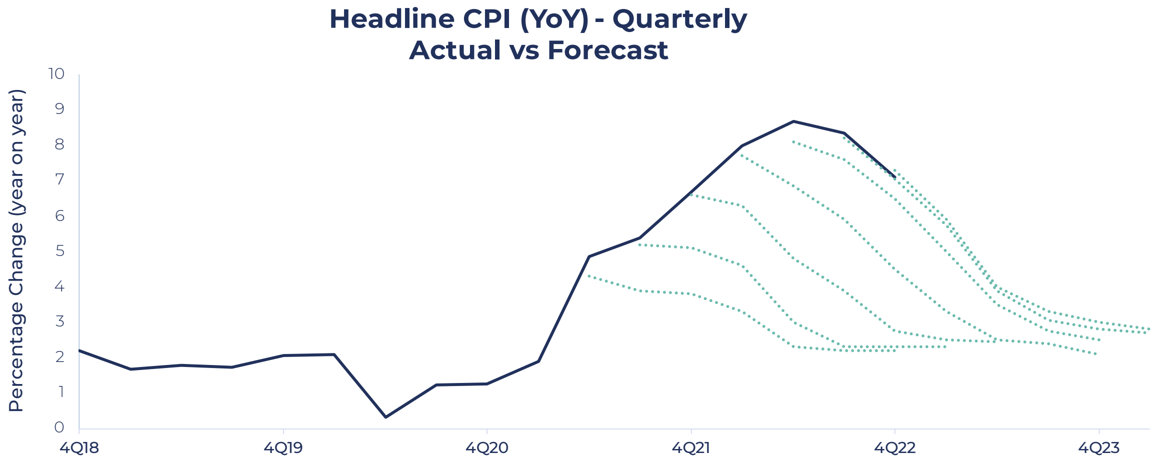
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

Despite positive developments, we remain cautious over the macro outlook. In our view, the strength of the argument for a much improved macro environment is based on fragile evidence and volatile data points. Whilst we are not ruling out a continued positive run for equities, the developments over January are far from definitive. Although wage growth may have slowed slightly, unemployment remains at record lows, the four-month low in weekly jobless claims suggests a robust labour market, and the jobs gap actually increased over the month.



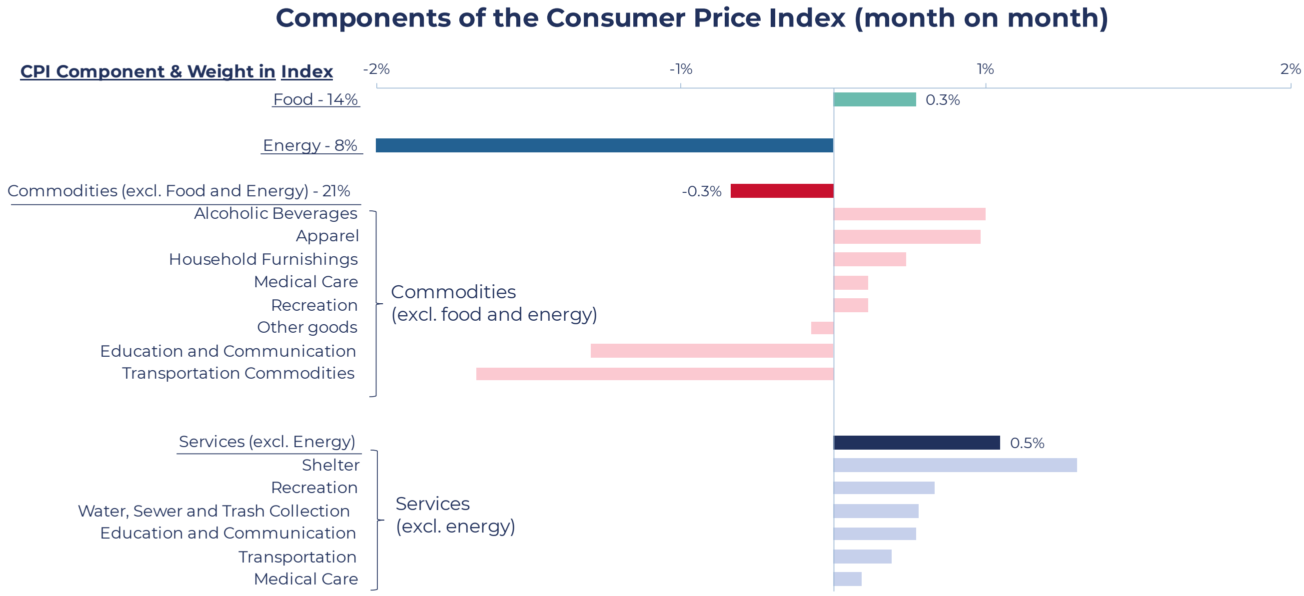
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

Market inflation expectations have been wrong before, and have been more wrong than right throughout much of the Covid-induced inflationary period. Only recently have CPI forecasts started matching actual prints, and we are cognisant of the fact that this could very quickly reverse. For example, the re-opening of China could be a meaningful inflationary force.



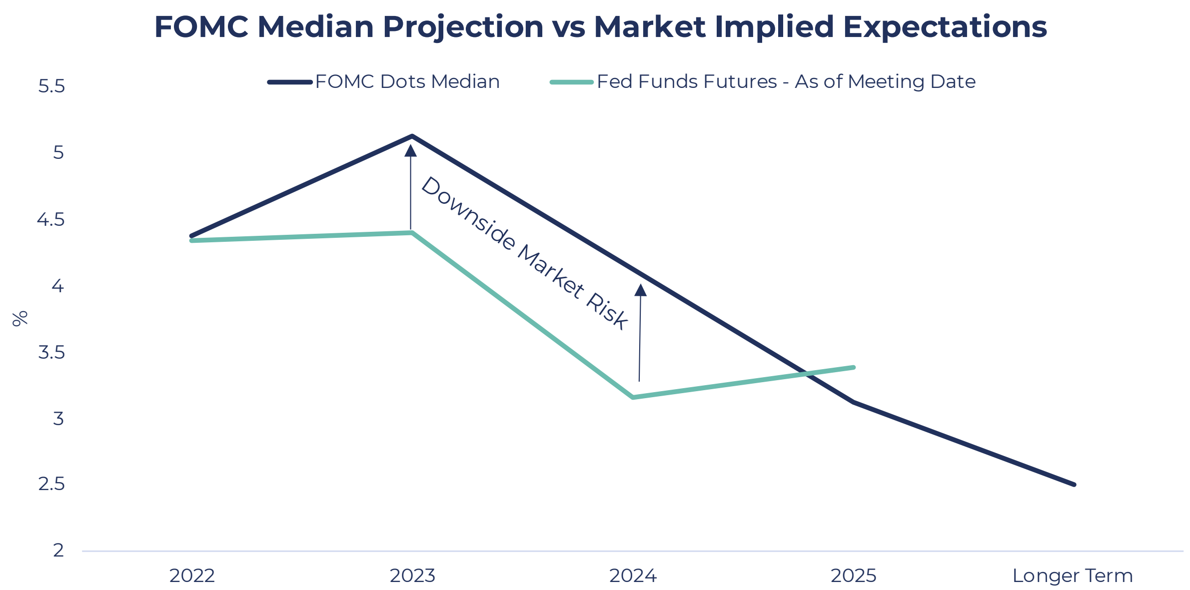
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

It is also important to point out that inflation is being driven by services rather than goods – the former being traditionally more 'sticky' than the latter. This could result in the rate of disinflation tapering, or even reversing, quicker than expected. It is also important to note that goods deflation is being driven by very few sources, namely transportation and education. In our view, it is certainly too early to state that inflation will behave as expected and remain predictable. It remains at levels significantly ahead of the 2% target, and the macro environment remains volatile.



Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

In addition, there is a significant divergence between market expectations and commentary from the Federal Reserve. The Federal Open Market Committee (FOMC)'s median 'dot' (expectation for the base rate) in 2023 sits 73.5 basis points above the market-implied expectation. In 2024, it is 96.5 basis points higher. This divergence has been a core driver behind the equity rally. Higher equity prices are linked with higher consumer spending, an inflationary force and the opposite of what the Federal Reserve wants to see. We therefore see moderate downside risk to market expectations of flat rates over 2023, with expectations materially below Federal Reserve commentary. Should market expectations shift upwards, we are likely to see multiple contraction – particularly in growth stocks.



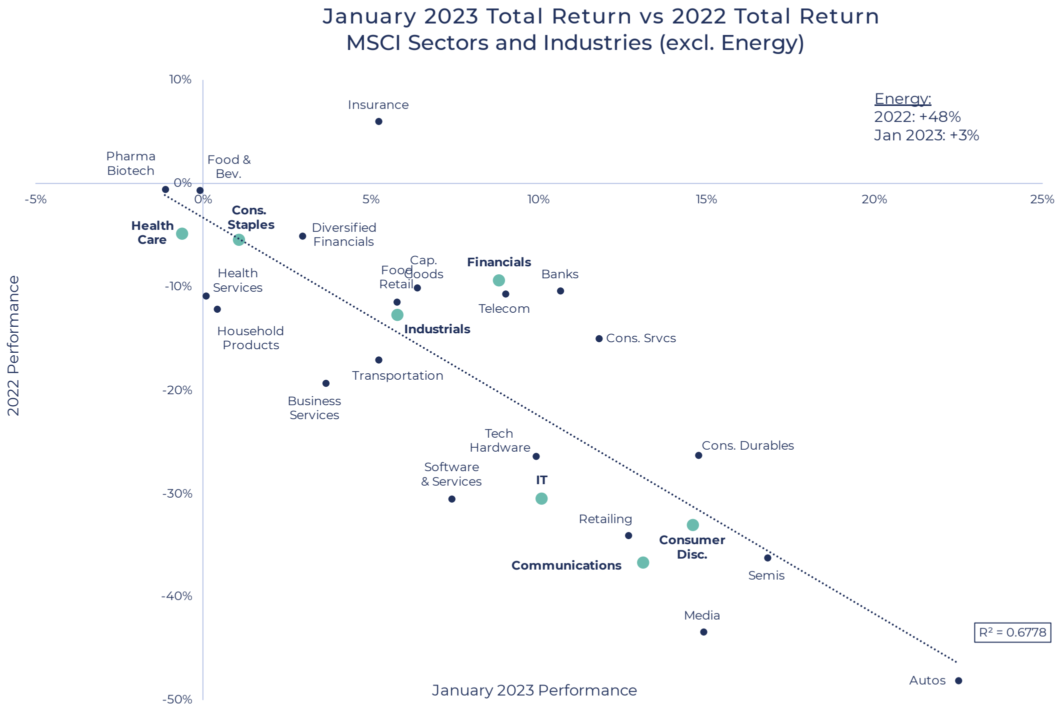
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

Moderating inflation, a central bank pivot and fading recessionary risks could already be in the price. Looking at the MSCI World, valuations appear to be 'running out of track', as they near one standard deviation away from their pre-Covid long-run average (2.7% away), suggesting the balance of valuation risk is to the downside. To bring valuations back down to long-term averages, we need to see earnings growth – but average analyst expectations for 2023 earnings actually fell over January (discussed in more detail below).

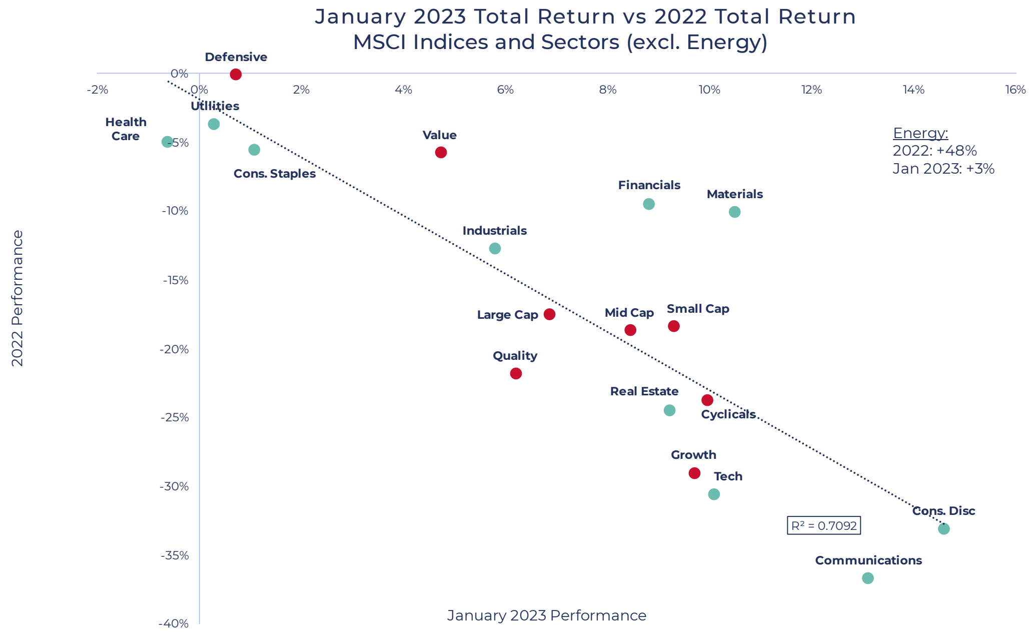
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

The rally seen in January has largely been based on hope of an improved macro backdrop, rather than fundamentals. There has been a strong positive correlation between areas of the market that sold off the most in 2022, when markets were pricing in a material deterioration in the macro environment, and performance in

January 2023, when macro-expectations have pivoted substantially. This could be seen at both the industry and sector level…

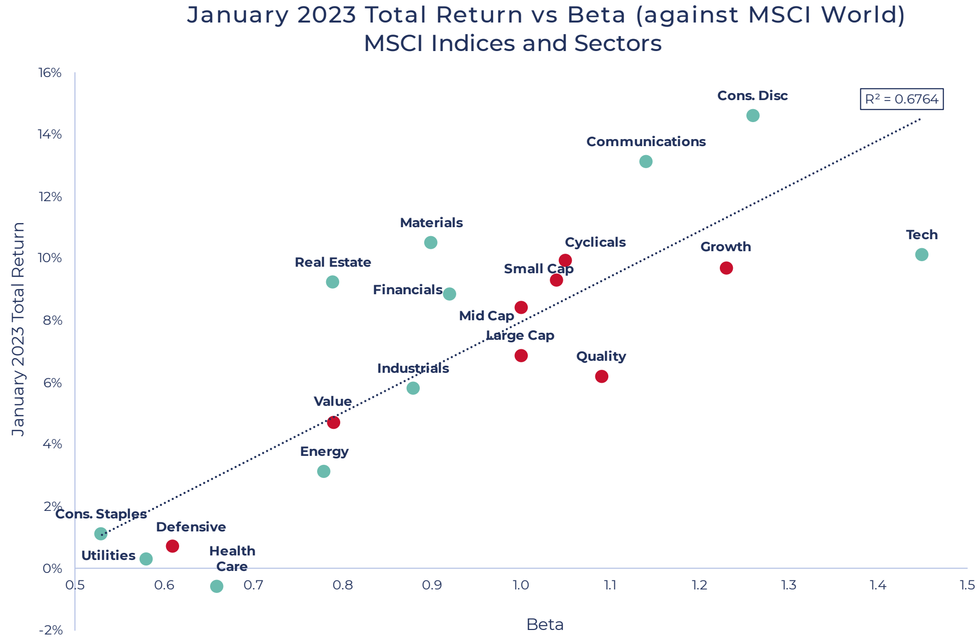


….as well as on a factor basis.

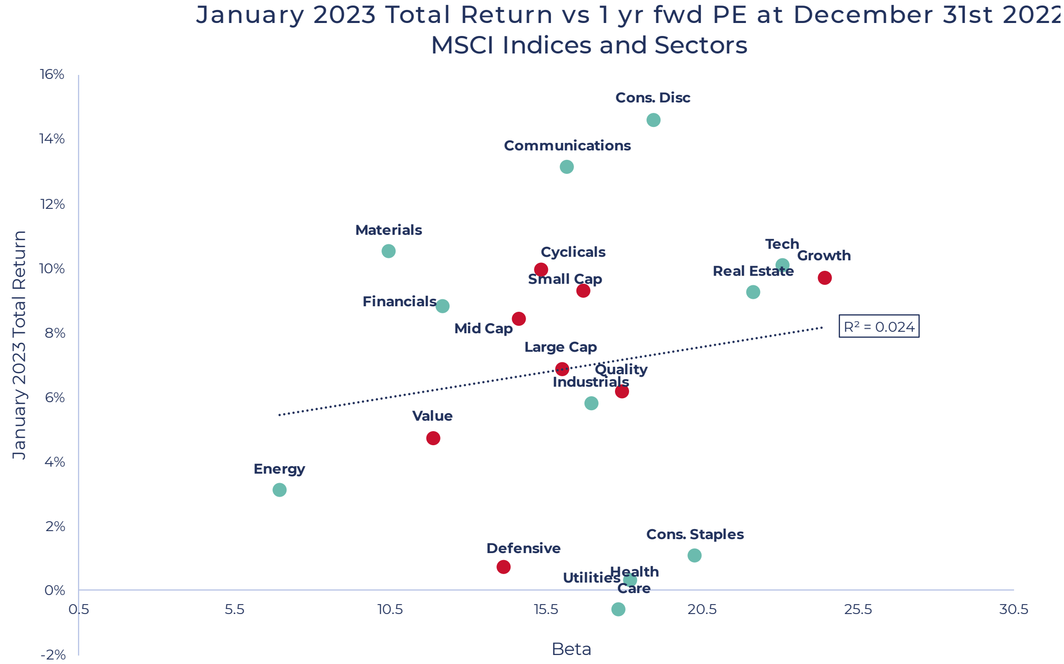


Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

There was also a strong correlation between the two-year beta of the indices (as of 31st January, Bloomberg) and their total return over January. This again suggests that performance was not driven by fundamentals, but by sentiment.

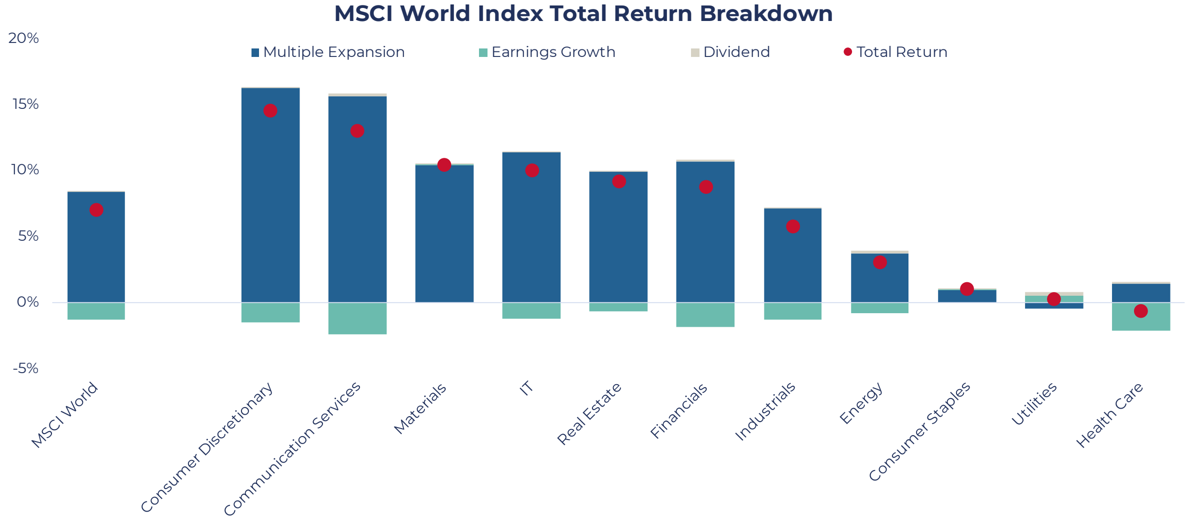


Plotting returns against valuation gave an R-squared of 0.02, suggesting no correlation between the two metrics. Valuation is therefore having a minimal impact on performance, again, suggesting a sentiment-driven rally. This suggests the rally was driven by positive sentiment towards growth, rather than weakness in value.



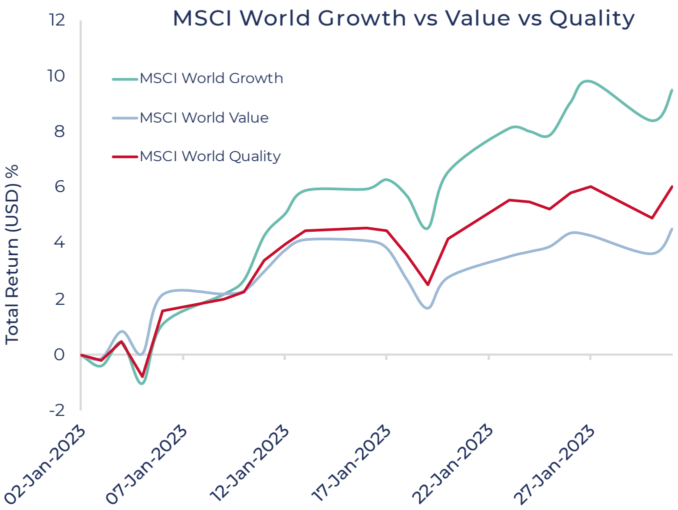
Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

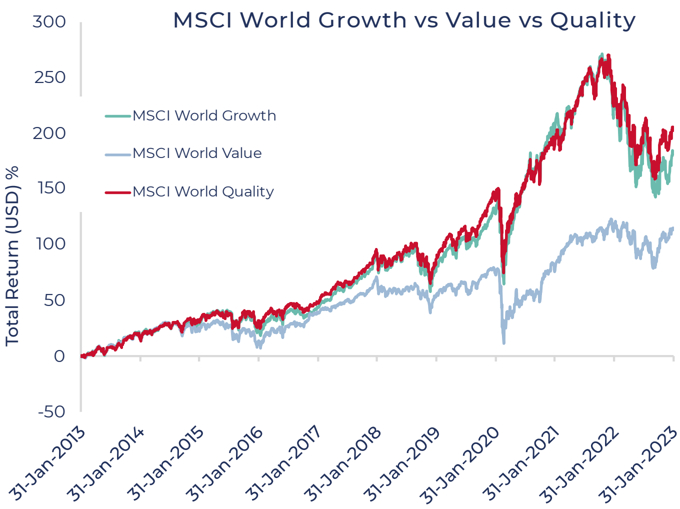
Further corroborating this argument, multiples expanded almost universally across sectors, despite earnings downgrades from analysts. Counter-intuitively, two of the only three sectors not to exhibit any earnings downgrades, Consumer Staples and Utilities, were two of the three worst performing sectors over the month. In fact, Utilities was the only sector to offer positive earnings upgrades, and the only sector to suffer multiple contraction. At the other end of the spectrum, two of the four sectors that had the greatest earnings downgrades over the month were the top two performing: Consumer Discretionary and Communication Services.



Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

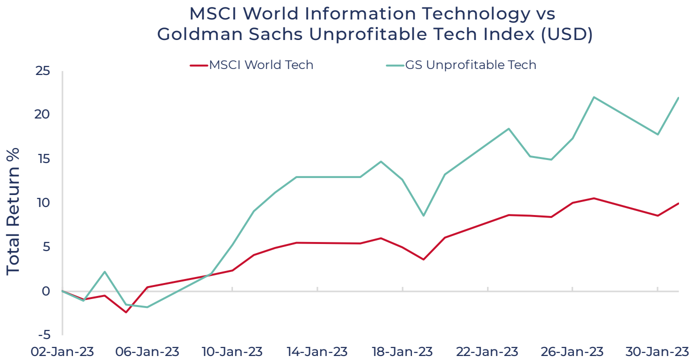
Whilst outperforming value, quality underperformed the broader MSCI World Index over the month. Typically, growth and quality perform broadly in line, with a correlation of 0.996 over the past 10 years. On the other hand, value and quality have a correlation of 0.953. The divergence in performance over the past month could imply a rally led by lower-quality growth stocks.

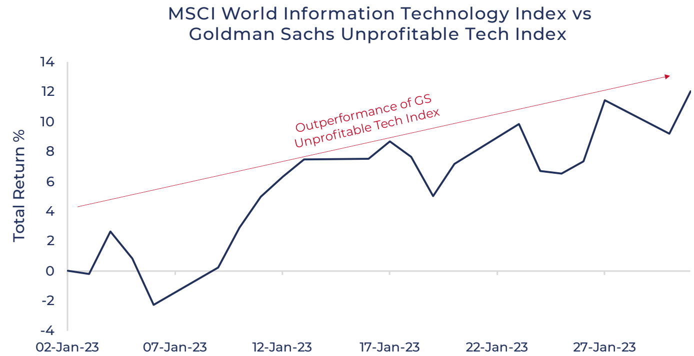




Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

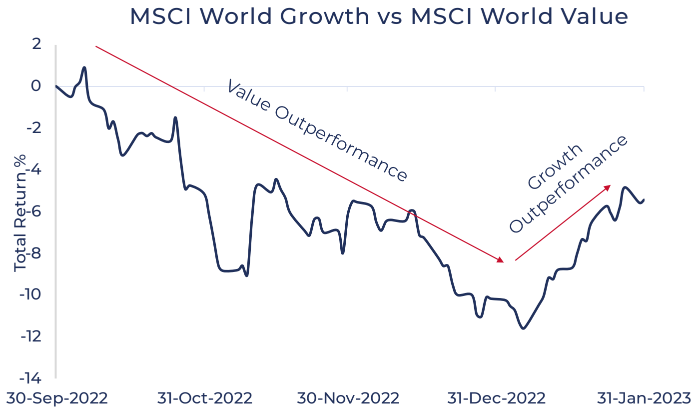
Furthermore, it was stocks at the more 'speculative' end of the spectrum that outperformed, with the Goldman Sachs Unprofitable Tech Index materially outperforming that of the higher-quality MSCI World Tech Index.

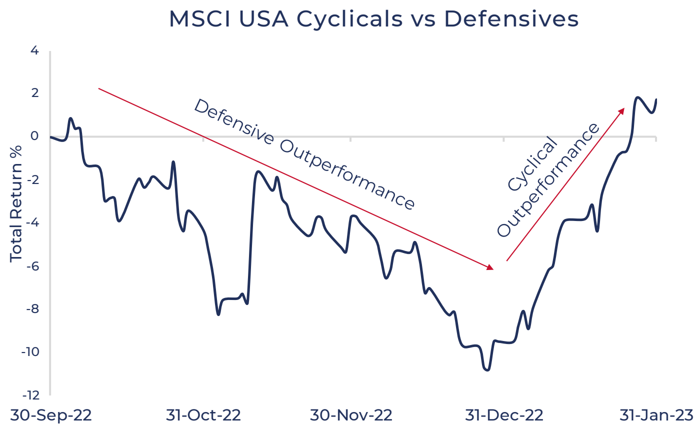




Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

In sum, it appears that this rally has so far been driven by the most beaten-up stocks over the last year's bear market - the most economically sensitive, speculative and volatile (high-beta) stocks – rather than fundamentals. There has been a clear 'risk-on' pivot, where valuation seemingly doesn't matter but the perceived macro outlook does.

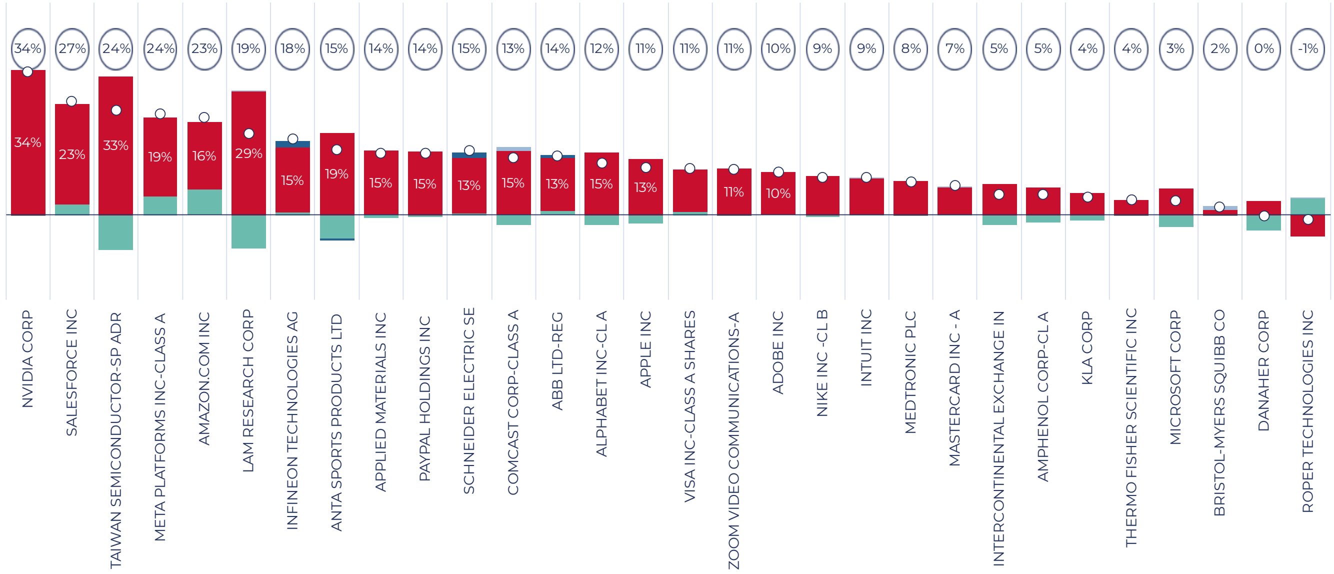




Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

As was the case with the broader MSCI World Index, Fund performance was multiple-driven rather than fundamental. On top of the rotation towards growth, the outperformance of the broader benchmark was aided by the fact that the Fund had less of a negative impact from earnings downgrades, which supported total returns. Over the month of January, the average earnings downgrade for the MSCI World was -1.27%. To account for the Fund's zero weighting to sectors such as Consumer Staples and Utilities, and to improve overall comparability, we used Fund sector weightings and MSCI World sector indices earnings downgrades to find a weighted average earnings downgrade of -1.45% for comparison. Assuming an equally weighted portfolio (as per the Fund process), the average downgrade for the Fund was -0.73%, approximately half the magnitude of our weighted average calculation.

Fund Stock Performances: Total Return Drivers



Source: Bloomberg, Guinness Global Investors. Data as of 31.01.2023

By choosing stocks with more assured earnings (i.e. higher quality) and exposure to long-term secular trends that are more isolated from the highly cyclical areas of the market, the Fund was less impacted by earnings downgrades over the month. This acted to support outperformance. Pleasingly, the Fund was also able to outperform the MSCI World Growth Index (10.8% USD vs 9.7% USD). Whilst we lagged the more speculative end of the spectrum, as seen by the GS Unprofitable Tech Index, we are unlikely to see the large swings and volatility should macro sentiment shift again.

With inflation seemingly moderating and global central banks appearing to slow the rate of interest rate rises, many of the headwinds for equity markets seen over 2022, and growth stocks in particular, appear to be abating. But whilst we are not necessarily bearish about the macro outlook, we are wary that none of the macro factors that have been driving market sentiment and stock performance over the month are definitive and could quite easily change. We are also wary of the idea that this is the beginning of a bull market, with the market broadly led by lower-quality, higher-beta stocks, rather than by fundamentals. Indeed, uncertainty remains as none of these issues have been resolved conclusively and second-order effects, or indeed new issues, may arise in the coming months. The prospects of a recession remain high (particularly in Europe and Asia), potentially creating a meaningful dent into company earnings. In many respects, we believe these concerns have largely been priced into earnings estimates, but this does not necessarily preclude further earnings downgrades to come.

Indeed, we believe there is a good argument for high-quality, secular growth stocks in this current market environment, even in a recessionary or slower-growth environment, as these companies should continue to be able to grow despite the market headwinds and have better fundamental characteristics in terms of margins and balance sheets. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

EARNINGS SEASON

Of the ten Fund holdings that reported during the month of January, seven reported modest 'beats' to consensus (>0.5%), three reported in-line results (within 0.5% of expectations), and one company missed (<0.5%). All companies reported a beat for adjusted earnings per share (EPS), with an average surprise of +5.7%.

Danaher (+6.6% sales surprise, +14.4% adj. EPS surprise)
Danaher surprised to the upside, whilst also significantly outperforming management guidance. Following remarkable performance during the pandemic, the key market concern has been on how well the firm will manage the expected step down in Covid-related sales. Positively, the beat to consensus was driven by strength in the core of the business (i.e. non Covid-related revenues) which grew +7.5% year-on-year. The firm executed well on pricing over the course of 2022, driving a 4% sales benefit, and Danaher expects to continue raising prices by an addition 2-3% over 2023, highlighting its pricing power. In 2023, it is guiding for mid-single-digit sales declines, although the 'core' of the business should grow by high single digits – a far more important metric, in our view.

Microsoft (-0.3% sales surprise, +1.09% adj. EPS surprise)
Results were largely in line with estimates, with particularly strong performance from the firm's core growth drivers, Azure (+38% at constant currency) and the broader cloud segment (+24% cc). Shares fell on the management outlook, however, as sales guidance for the next quarter was 3% lower at the mid-point than the markets' expectation of +6% – alongside an estimated 100bp (in constant currency) operating margin contraction. CEO Satya Nadella struck a cautious tone about the forward outlook for cloud demand. With customers working to "optimise" their spending on existing contracts, there would be a lag before they started to increase spending again.

Amphenol (+2.9% sales surprise, +4.4% adj. EPS surprise)
Amphenol reported a strong end to the year driven by strength in automotive and industrials end markets, where demand is still outstripping supply. However, weakness in the firm's communications verticals, particularly cloud, enterprise and telecoms, offset some of this growth. These results highlighted the strength and diversity of the firm's portfolio; when one of the biggest segments faces high single-digit declines, the firm's other segments were able to pick up the slack. Management are anticipating continued weakness in the firm's communications vertical, as customers continue to work through built up inventories. However, the firm's diverse revenue base and lean operating model should help it manage any short-term macro volatility and continue to grow through 2023.

Lam Research (+3.8% sales surprise, +7.1% adj. EPS surprise)
Whilst Lam posted record results, management struck a very cautious tone on the outlook for the industry, announcing cuts of 7% (1,300) to the global workforce. Record revenues were partially supported by recognition of supply-constrained deferred revenues from the prior year, with supply chain pressures now abating. This is expected to continue over Q1, but the firm believes its backlog will rest at significantly higher levels than history from the March quarter onwards. Whilst the near-term outlook for the industry remains weak, the firm appears to be well positioned when entering this new phase of the semiconductor cycle. Continued growth in the firm's installed base is providing a platform for stable revenue growth in the long term (e.g. services and upgrades).

KLA (+6.7% sales surprise, +5.5% adj. EPS surprise)
KLA benefited from improved supply chain performance and strength in foundry and logic. The declining demand environment in Wafer Fab Equipment (WFE) drove management to issue weaker-than-expected guidance, estimating a decline in *market* WFE spend of approximately 20% in 2023. KLA's leading position within the market means it is positioned to perform ahead of smaller competitors. The firm has high exposure to leading-edge customers such as TSMC, Samsung and Intel, which are likely to maintain high capex spend towards new technologies, despite a declining WFE environment. Although the firm suffered from

negative headwinds from its Chinese exposure (49% of sales vs 58% of sales the quarter prior), the majority of the firm's Chinese business is on mature process technologies which are not subject to export restrictions. Management expect a 10% total hit to sales from China during 2023.

TSMC (-1.6% sales surprise, +3.0% adj. EPS surprise)
Whilst the top line missed, revenue growth remained extremely strong, growing 43% year-on-year, with a 78% increase in profits (from favorable exchange rates and widespread cost-cutting). Gross margins stayed flat, with resilience during a semiconductor downturn offering a strong signal of pricing power. In terms of outlook, the firm made strong progress in price negotiations, with most of its customers (including Apple) accepting a 3-6% wafer price rise for 2023. Whilst the overall quarter was strong, CFO Jen-Chai Huang noted a weakening demand outlook, commenting "As overall macroeconomic conditions remain weak, we expect our business to be further impacted by continued end-market demand softness and customers' further inventory adjustment."

Comcast (+0.7% sales surprise, +6.4% adj. EPS surprise)
Comcast delivered solid performance across the majority of its business lines. The firm delivered notably solid results from the Cable segment, which drives c.80% of the company's EBITDA. Whilst broadband user growth remains slightly sluggish, the firm's pricing power has allowed strong ARPU (average revenue per customer) trends to continue, helping offset a difficult operating environment (management noted few household moves). Additionally, subscriber growth across mobile, Peacock, and Sky all surprised to the upside, which bodes well for the long-term strategic outlook. Despite slight bottom-line weakness, this is more a function of one-off severance costs as opposed to structural decline in the margin profile.

Visa (+2.8% sales, +8.8% adj. EPS) & **Mastercard** (+0.2% sales, +2.7% adj. EPS)
This was a very strong quarter for Visa and Mastercard, which both executed well on their growth drivers, but also continued to benefit from the removal of cross-border travel restrictions. Despite the difficult macro backdrop (inflation, recessionary concerns), both companies are seeing a resilient consumer with stable domestic volumes and transactions. Visa offered a surprisingly bright outlook for 2023, stating that "business trends have been remarkably stable... spend levels around the world have indexed in the mid-140s for almost four straight quarters now, and there's no evidence of a change in trend", and reiterating its growth expectations for the year. Mastercard offered similar sentiment: "From an overall consumer spending standpoint, we expect the consumer to be relatively resilient. Spending patterns have largely normalized relative to the effects of the pandemic with the notable exception of China." All in all, both companies stand to benefit from further upside from travel volumes, as well as their own prospective growth drivers.

Roper Technologies (+0.7% sales surprise, +4.0% adj. EPS surprise)
Despite a 'beat' to consensus, the market reacted negatively to the firm's earnings release (-2.3% USD on the day of results) due to slowing organic growth. This deceleration was in part a result of some delayed decision making in government contracts, although a weakening demand environment and some strong comps from pandemic-induced demand the prior year were the core drivers. We view these headwinds as temporary and believe the underlying strength and quality of the firm positions Roper well when entering a weaker demand environment. As the Fund's bottom performer during January, we discuss Roper Technologies in greater detail in the section below.

PORTFOLIO HOLDINGS

Nvidia (+33.7% USD)

Nvidia ended the month as the Fund's top performer, continuing its three-month streak of strong gains (+74% USD since 14TH October). With an improved macro-economic backdrop, growth and cyclically inclined stocks significantly outperformed their value and defensive counterparts over January. This acted as a tailwind for semiconductor stocks, which were buoyed by an upgraded outlook by Barclays, which stated the environment was "getting more positive", following an "extremely negative" outlook for the industry in 2022. Whilst semiconductor firms largely struggled over 2022, since mid-October there has been a strong rebound in the sector. Since the 14th October, when the MSCI World Semiconductor Index touched a two-year low, the Index is up +49% (USD). Management teams often noted the short-term difficulties facing firms going in to 2023, but markets are now largely expecting the bottom of the cycle to be in sight. Barclays upgraded its price target from $170 to $250 for Nvidia, supporting momentum in the stock. During the month, Nvidia presented at the J.P. Morgan Tech/Auto Forum, stating that despite a challenging end to the year, revenues were on track to remain flat – a result of strong end market diversification. Going into FY23, the firm expects gaming and datacentre cycles to come back strongly, with continued strong performance in the autos end market. However, the majority of the positive sentiment around the stock stemmed from industry news and earnings read-across from chip companies which had reported during the month, with an improved semiconductor outlook on the horizon as we near the bottom of the cycle.

Roper Technologies (-1.1% USD)

Roper Technologies ended the month as the Fund's bottom performer despite a relatively resilient set of earnings. During the quarter, Roper concluded its 'multi-year divestiture program', which has improved the quality of its portfolio. The firm has transitioned towards less cyclical, asset-light, and higher-growth businesses, whose revenues are highly recurring. To this end, compared to 2018 (pre-divestiture cycle), revenues have increased +3.5% and EBITDA +23.2%, with EBITDA margins expanding from 34.8% to 41.41%, despite divesting nearly 40% of the revenue base in a move towards a portfolio with more durable and higher growth prospects. The firm saw broad-based growth and strength across all of its operating segments and delivered a solid outlook of organic revenue growth of at least mid-single-digits for each segment. The firm's relatively new-found exposure to high recurring revenues and low cyclically inclined businesses positions it well for an uncertain macro backdrop. Whilst the quality of the business is certainly enhanced, organically sales growth appears to be decelerating towards 5-6% (which management expect to be the long-term trend), and short-term margin impact is likely from the macro environment. Despite this, we remain confident in the long-term growth outlook for Roper, and believe the firm's portfolio positioning to high-margin, low-cyclicality products positions it well in the current environment.

Thank you for your continued support.

Portfolio Managers

Matthew Page, CFA

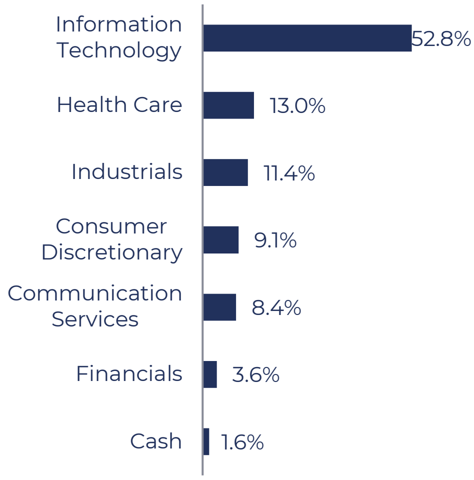
Dr Ian Mortimer, CFA

PORTFOLIO

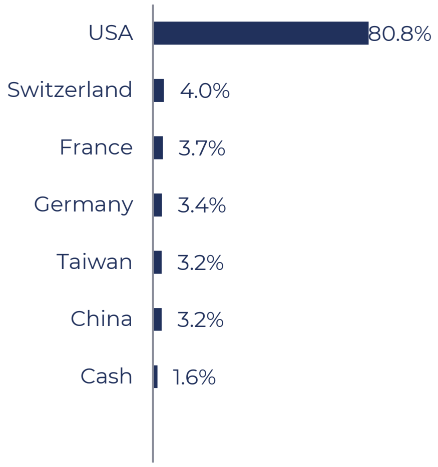
Fund top 10 holdings (%)

Mastercard Inc	4.1%
Amphenol Corp	4.1%
ABB	4.0%
Visa	4.0%
Thermo Fisher Scientific	3.9%
Schneider Electric	3.7%
Roper Technologies Inc	3.7%
Intercontinental Exchange	3.6%
KLA-Tencor	3.5%
Intuit Inc	3.5%
% of Fund in top 10	38.2%
Total number of stocks	30

Sector analysis (%)



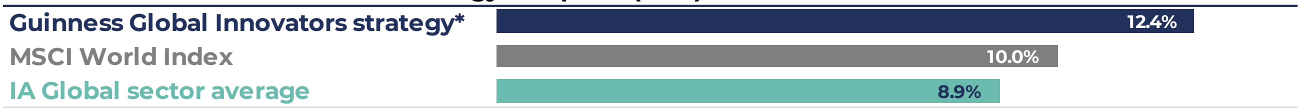
Geographic allocation (%)



PERFORMANCE*

Past performance does not predict future returns.

Annualised % total return from strategy inception (GBP) **31/01/2023**



Discrete years % total return (GBP)	Jan '23	Jan '22	Jan '21	Jan '20	Jan '19
Guinness Global Innovators Fund	-8.1	14.9	31.0	23.0	-6.0
MSCI World Index	0.9	19.3	10.8	17.5	1.0
IA Global sector average	0.1	9.4	14.7	16.8	-2.0
IA Global sector ranking	455/508	171/471	51/432	72/396	309/357
IA Global sector quartile	4	2	1	1	4

Cumulative % total return (GBP)	YTD	1 Yr	3 Yrs	5 Yrs	Launch*
Guinness Global Innovators strategy	8.2	-8.1	38.5	60.1	906.5
MSCI World Index	4.6	0.9	33.3	58.3	551.7
IA Global sector average	4.4	0.1	25.7	43.9	440.8

RISK ANALYSIS **31/01/2023**

Annualised, weekly, 5 years, in GBP	Index	Sector	Fund
Alpha	0	-0.27	-0.06
Beta	1	0.83	1.09
Information ratio	0	-0.29	0.05
Maximum drawdown	-24.58	-21.61	-24.27
R squared	1	0.84	0.84
Sharpe ratio	0.39	0.30	0.35
Tracking error	0	6.40	7.89
Volatility	16.07	14.52	19.19

*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. Full discrete 12m performance since inception of the strategy is shown on the next page.

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.

Please find a glossary of financial terms here.

DISCRETE 12-MONTH PERFORMANCE*

Past performance does not predict future returns.

Discrete 12m % total return (GBP)	Jan '23	Jan '22	Jan '21	Jan '20	Jan '19	Jan '18	Jan '17	Jan '16	Jan '15	Jan '14
Guinness Global Innovators Strategy	-8.1	14.9	31.0	23.0	-6.0	20.8	34.7	-2.2	20.6	29.0
MSCI World Index	0.9	19.3	10.8	17.5	1.0	11.3	32.0	0.5	17.1	12.0
IA Global sector average	0.1	9.4	14.7	16.8	-2.0	13.2	32.2	-4.8	12.6	9.5
IA Global Sector Ranking	455/508	171/471	51/432	72/396	309/357	39/321	94/295	146/271	31/242	6/225
IA Global Sector Quartile	4	2	1	1	4	1	2	3	1	1

	Jan '13	Jan '12	Jan '11	Jan '10	Jan '09	Jan '08	Jan '07	Jan '06	Jan '05	Jan '04
Guinness Global Innovators Strategy	17.7	-3.3	27.9	39.1	-25.3	7.3	3.6	29.1	-0.3	30.2
MSCI World Index	15.4	-1.5	19.3	22.9	-19.2	-2.0	5.6	24.2	6.5	26.0
IA Global sector average	13.1	-4.1	18.8	23.7	-20.7	-1.5	5.4	27.8	7.5	28.2
IA Global Sector Ranking	32/209	58/209	20/170	19/159	114/145	23/136	85/120	54/104	91/98	47/93
IA Global Sector Quartile	1	2	1	1	4	1	3	3	4	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

TB Guinness Global Innovators Fund: The Guinness Global Innovators strategy is also available via UK-domiciled vehicle. The TB Guinness Global Innovators Fund is available from 0.89% OCF. The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available from the website wwww.guinnessgi.com.

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 Information Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-

- the Manager: 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 KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, 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