

## RISK

This is a marketing communication. Please refer to the prospectuses, KIDs and KIIDs for the Funds, which contain detailed information on their characteristics and objectives, before making any final investment decisions.

The Funds are equity funds. 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 Funds' documentation, available on our website.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	19.12.2013
<b>Sector</b>	IA Asia Pacific Excluding Japan
<b>Managers</b>	Edmund Harriss Mark Hammonds
<b>EU Domiciled</b>	Guinness Asian Equity Income Fund
<b>UK Domiciled</b>	WS Guinness Asian Equity Income Fund

## INVESTMENT POLICY

The Funds are designed to provide investors with exposure to high quality dividend-paying companies in the Asia Pacific region. The Funds are managed for income and capital growth and invest 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 Funds are actively managed. The Guinness Asian Equity Income Fund uses the MSCI AC Pacific ex Japan Index as a comparator benchmark only. The WS Guinness Asian Equity Income Fund uses the MSCI AC Asia Pacific ex Japan Index as a comparator benchmark only.

## CONTENTS

Commentary	1
<b>Guinness Asian Equity Income Fund</b>	
Key Facts	6
Performance	7
Important Information	8
<b>WS Guinness Asian Equity Income Fund</b>	
Key Facts	9
Performance	10
Important Information	11

## COMMENTARY

In November, the Guinness Asian Equity Income Fund rose 2.6% in GBP terms (Y share class, in GBP) underperforming the MSCI AC Pacific ex Japan Net Total Return Index, which rose 3.1%. In the year to date, the Fund's return is still positive, up 3.1%, and 7.0% ahead of the benchmark which is down -3.9%.

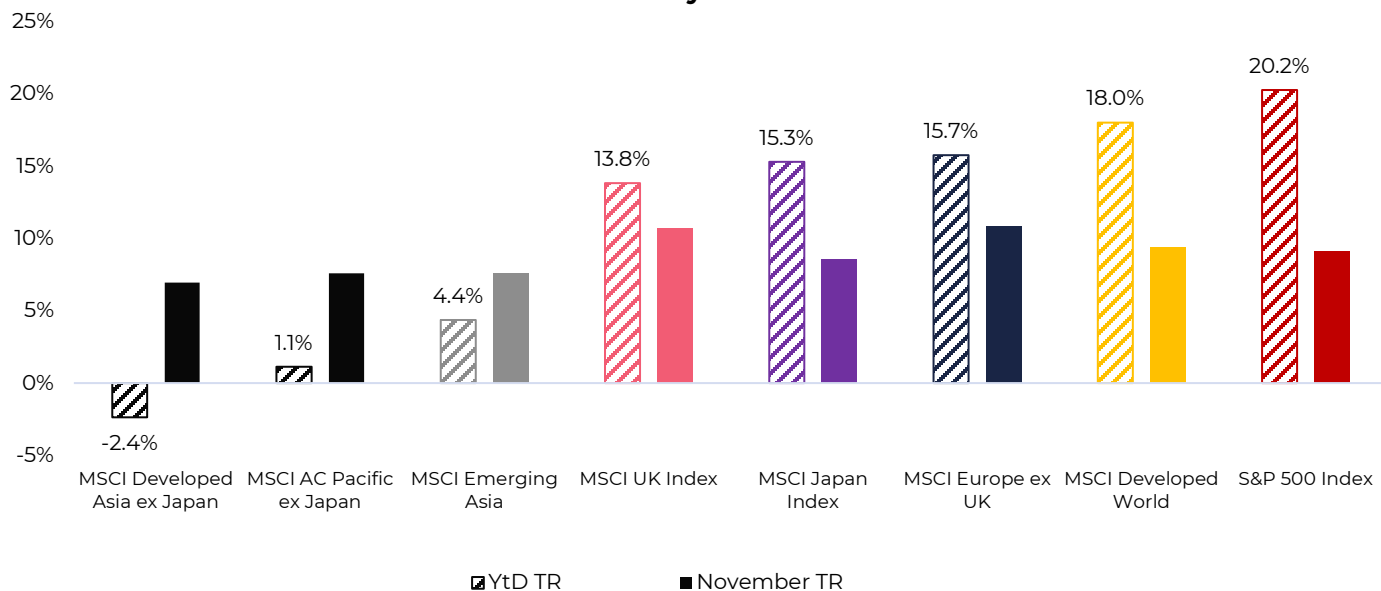
Over the year, the region has been weak compared to developed markets. This weakness has been broad-based, with China, Hong Kong and Thailand down significantly. India, Korea and Taiwan have been notable bright spots.

November brought a rebound in Asia's earnings forecasts as 2023 was revised up 2.4%, 2024 up 1.8%, and 2025 up 2.2%. Regionally, Korea saw strong upwards revisions of 7.0%, 5.2% and 6.3% for 2023 through to 2025. Combining this with relatively strong upwards revisions for Asia's Information Technology sector (5.4%, 3.2% and 4.1% for 2023, 2024 and 2025 respectively) gives us an indication that the memory chip cycle may have finally bottomed and is now turning. We are also seeing growth being forecast for PCs, as sales are starting to rise again following two years of declines. We believe this could be driven by replacement demand, since it is now three to four years since the COVID-driven PC demand surge in 2020 and 2021.

Dovish commentary from the Federal Reserve has made investors more optimistic of a soft landing in the US and is paring back recessionary fears, with the market now pricing in 1.25% of rate cuts in 2024. Interestingly, the Bloomberg US Aggregate Bond Index had its best month since 1985, whilst equities markets also saw a rally in the month. Our view is that the historically accepted negative correlation between stock prices and bond prices will remain uncertain in the near term. In terms of investment outcomes, we believe this means investors will focus less on valuation expansion and more on profits, cash flows and dividends as the drivers of returns.

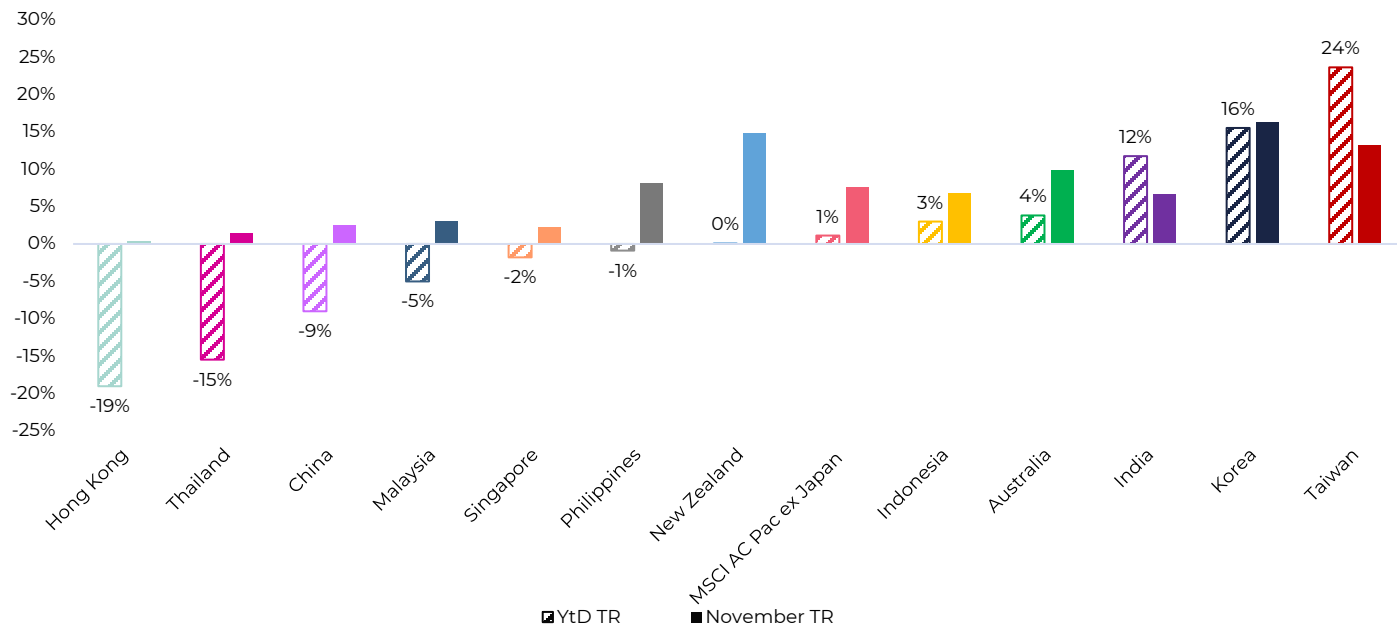
## Guinness Asian Equity Income

### World markets: total returns year-to-date and in November



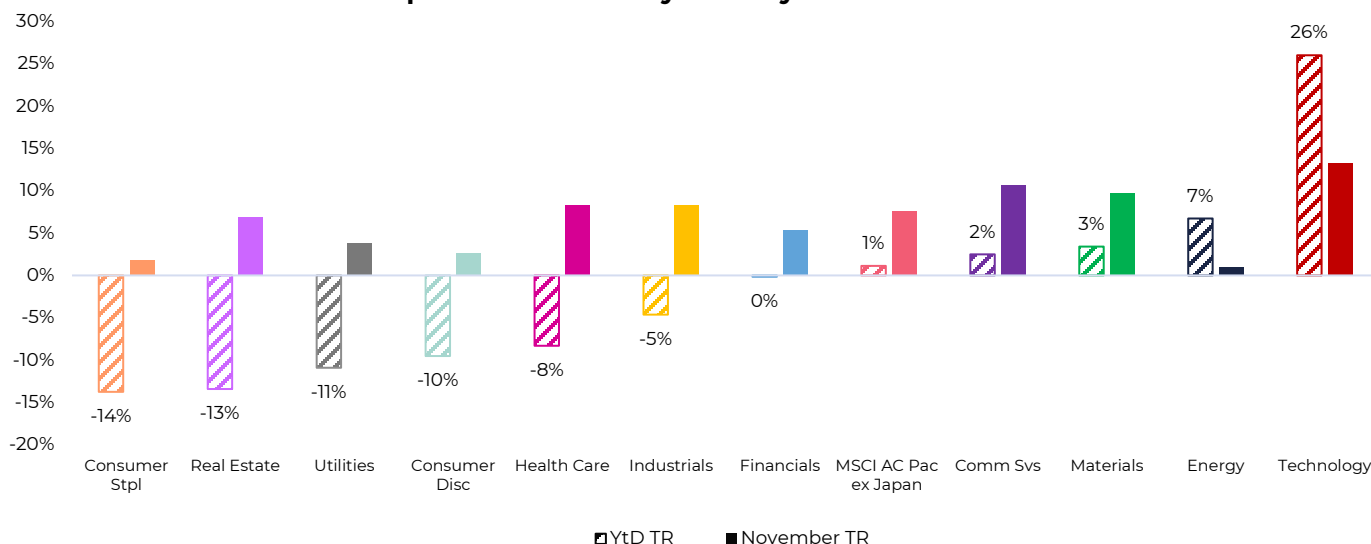
Source: Bloomberg, MSCI. Net returns in US dollars as of 30th November 2023.

### Asian markets: total returns year-to-date and in November



Source: Bloomberg, MSCI. Net total returns in US dollars as of 30th November 2023.

Asia Pacific ex Japan: total return by sector year-to-date and in November



Source: Bloomberg, MSCI. Net total returns in US dollars as of 30th November 2023.

We note that China is becoming incrementally more active on the foreign policy front. At the start of the month, Xi Jinping met with the Australian prime minister, Anthony Albanese, in Beijing. During the trip, both leaders agreed to improving relations after years of rising tensions. Mid-month, Xi Jinping met Joe Biden in San Francisco. Whilst no major announcements were made during this trip, the fact that both sides are engaging is a positive sign from an investment perspective. Finally, at the end of November, the foreign ministers of China, Japan and South Korea met for the first time in almost four years. The three parties have agreed to resume their trilateral summit, an event which started in 2008 but has been suspended since 2019.

FUND PERFORMANCE

In local currencies, earnings revisions for portfolio holdings were broadly unchanged in November. However, advantageous currency effects mean that overall earnings estimates in USD have risen in the month, with a 1.5% increase for 2023, 1.3% for 2024 and 1.4% for 2025. Excluding currency effects, the biggest rises have been for Catcher Technology, Hon Hai Precision Industry, and Aflac.

Hanon Systems was the primary drag factor for the portfolio's earnings revisions, with the company's earnings being revised down 32% for 2023 and 18% for 2024. Hanon had seen headwinds as US customers (who make up 26% revenues) were affected by union strikes, contributing to disappointing Q3 results. This, coupled with weak management guidance for the upcoming quarter and year, is driving increasing investor pessimism in the company's near-term outlook.

It is worth noting that Hanon is not the only auto-related company to be issuing weaker-than-expected guidance. We believe the company's outlook is reflective of a global slowdown in the auto sector. Pent-up demand and supply chain issues from the COVID era are normalising. At the same time, interest rates remain persistently high, leading to higher financing costs, adding further pressure to consumer demand.

Stock selection remains the main driver of the Fund's returns given our bottom-up approach and the concentrated, equal weighted portfolio structure.

**Contributors**

Consumer Staples was the top contributing sector Fund performance in November, driving more than one percentage point in relative performance. Within the sector, our top contributor was Nien Made Enterprise, with over 0.6 percentage points of contribution to performance. Nien Made specialises in window covering products and had weathered four consecutive quarters of declines. However, the most recent earnings reported were ahead of sell-side expectations and outlook is improving as Western retailers now look to re-stock inventory. Other contributors include Corporate Travel Management and JB HiFi.

Information Technology, Health Care and Real Estate were also contributors this month, adding 0.75%, 0.67% and 0.62% respectively. In the Information Technology space, we continue to see contribution from semiconductor-related names including Novatek Microelectronics, Qualcomm, and Elite Material. Given the recovery in Korean technology stocks mentioned above, not holding Samsung Electronics caused a drag effect of -0.59 percentage points. The contribution from Healthcare was driven by China Medical System, which saw a share price increase of over 20% in November. The company has recently presented a new drug to treat psoriasis, highlighting the advancements made by China Medical System in a relatively new business segment. In Real Estate, our real estate investment trusts continued to contribute positively (although China Overseas Land and Investments detracted).

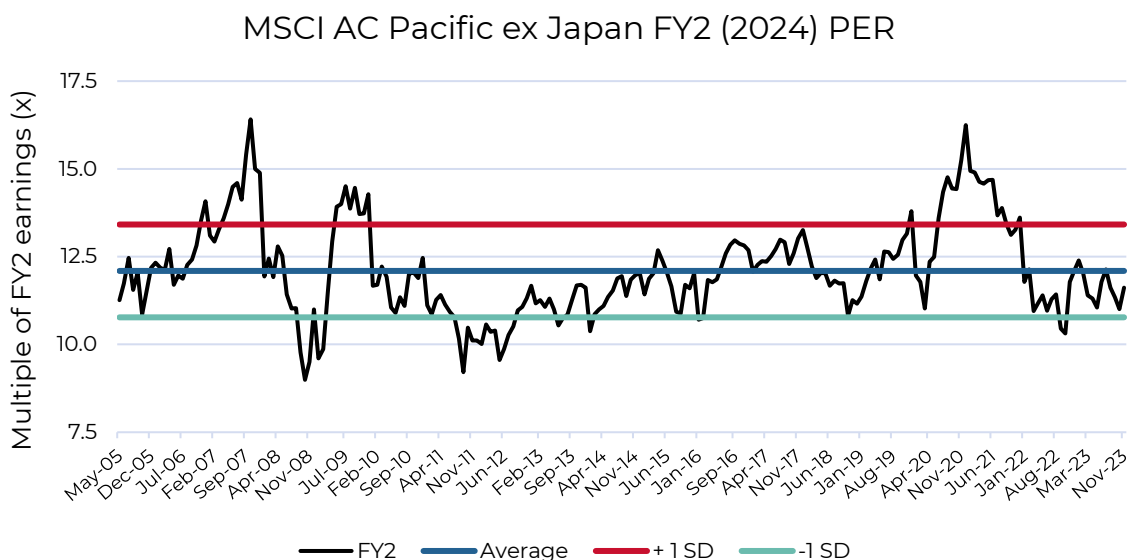
**Detractors**

The Communication Services sector was the largest detractor in November, costing us 0.74% of relative performance. The drag can be attributed to not holding Tencent, which saw a rebound this month following a decline in October. The Funds' performance was also hindered by not having any names within the Industrials and Materials sectors.

The Financials sector also detracted in November as our overweighting to Ping An Insurance and China Merchants Bank relative to the benchmark led to a negative selection effect for both names. Suofeiya Home Collection was the one other notable detractor in November. The company, which designs, manufactures and sells custom wardrobes and related furniture, missed sell-side revenues and earnings expectations in its Q3 results. On top of this, there is increasing scepticism around management's 2024 outlook given a slowing property market.

**OUTLOOK**

The chart below shows valuations based on a Price/Earnings Ratio for consensus estimated 2024 earnings (FY2 PER):



Data as of 30<sup>th</sup> Nov 2023. 1 SD = One Standard deviation above (red) or below (green) the average FY2 PER over the period.

## Guinness Asian Equity Income

Given persistent uncertainty in key macro themes, we think investors will continue to turn to companies with strong fundamentals that can deliver growth from both earnings and dividends. As mentioned earlier, we believe that these components will have a greater weighting to shareholder return than valuation re-rating and remain enthused as this aligns with the way the strategy has been run in the decade since the launch of the Guinness Asian Equity Income Fund.

Portfolio earnings are forecast by the consensus to grow 5.2% per annum for the next three years. This is slower than the 9.3% forecast for the market, but forecasts for the market are still coming down and the Guinness Asian Equity Income Fund is trading at a substantially lower valuation at 10.1 times estimated 2023 earnings compared to the market's 13.8 times. Portfolio earnings are forecast by the consensus to grow 5.0% per annum for the next three years. This is slower than the 8.7% forecast for the market, but forecasts for the market are still coming down faster and the Fund is trading at a substantially lower valuation at 9.5 times estimated 2023 earnings compared to the market's 13.3 times.

### **Portfolio Managers**

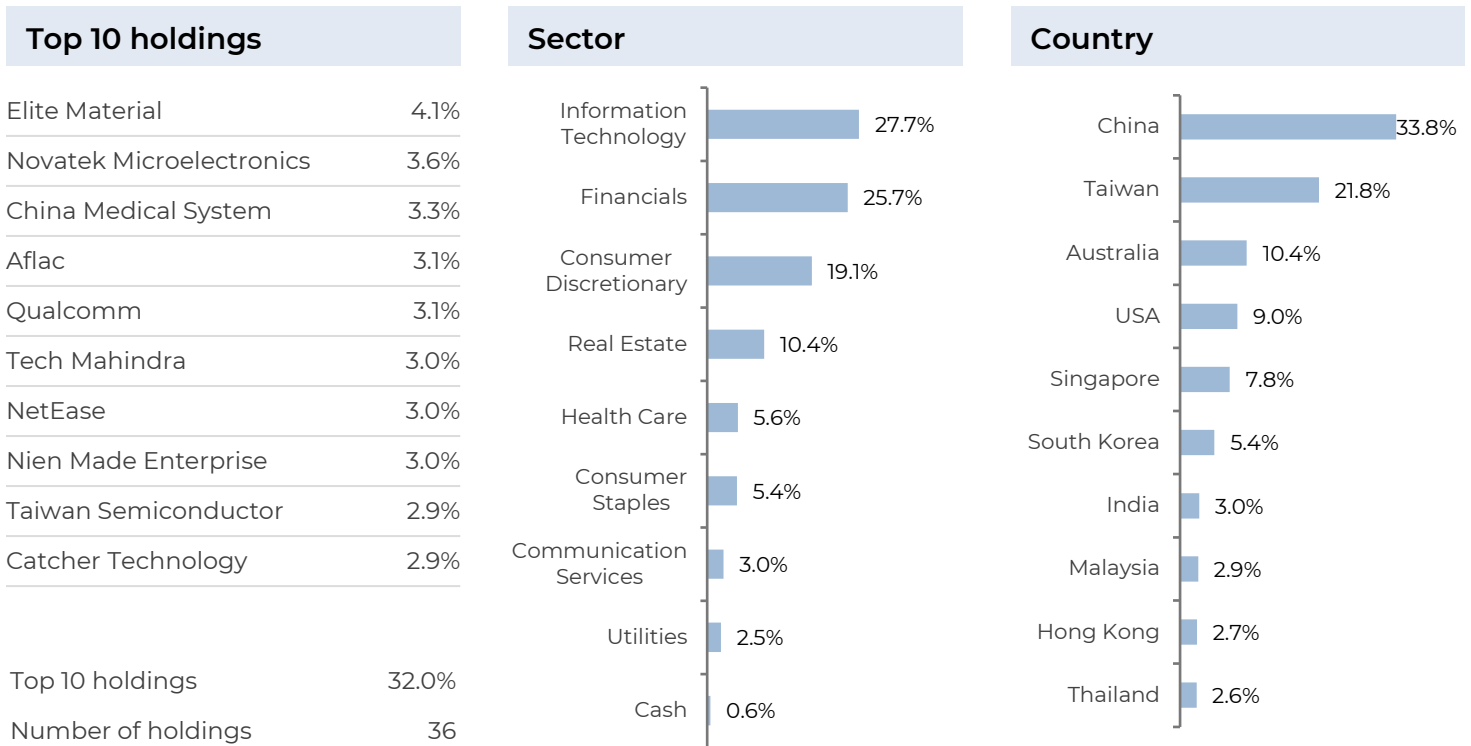
Edmund Harriss  
Mark Hammonds

**GUINNESS ASIAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$270.9m
Fund launch	19.12.2013
OCF	0.89%
Benchmark	MSCI AC Pacific ex Japan TR
Historic yield	4.8% (Y GBP Dist)

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

**GUINNESS ASIAN EQUITY INCOME FUND - PORTFOLIO**



## Guinness Asian Equity Income Fund

Past performance does not predict future returns.

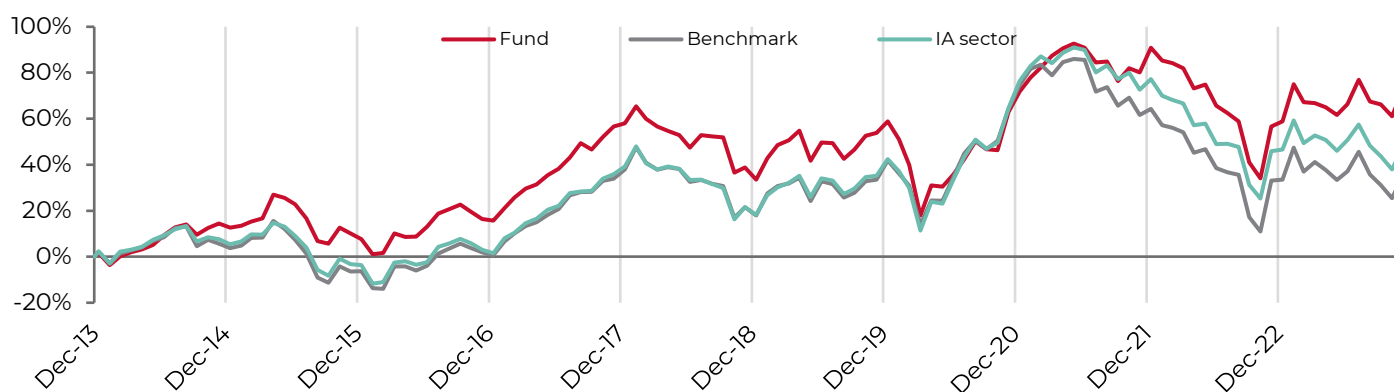
### GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

<b>(GBP)</b>	<b>1 Month</b>	<b>YTD</b>	<b>1 yr</b>	<b>3 yr</b>	<b>5 yr</b>	<b>10 yr</b>
Fund	+2.6%	+3.1%	+3.5%	+11.5%	+25.1%	-
MSCI AC Pacific ex Japan TR	+3.1%	-3.9%	-4.6%	-13.3%	+11.9%	-
IA Asia Pacific Excluding Japan TR	+2.4%	-4.5%	-5.0%	-5.6%	+22.1%	-
<b>(USD)</b>	<b>1 Month</b>	<b>YTD</b>	<b>1 yr</b>	<b>3 yr</b>	<b>5 yr</b>	<b>10 yr</b>
Fund	+7.0%	+8.5%	+10.0%	+5.8%	+24.1%	-
MSCI AC Pacific ex Japan TR	+7.6%	+1.1%	+1.5%	-17.8%	+11.0%	-
IA Asia Pacific Excluding Japan TR	+6.8%	+0.5%	+1.0%	-10.5%	+21.2%	-
<b>(EUR)</b>	<b>1 Month</b>	<b>YTD</b>	<b>1 yr</b>	<b>3 yr</b>	<b>5 yr</b>	<b>10 yr</b>
Fund	+3.7%	+6.1%	+3.8%	+16.0%	+28.8%	-
MSCI AC Pacific ex Japan TR	+4.2%	-1.1%	-4.3%	-9.8%	+15.2%	-
IA Asia Pacific Excluding Japan TR	+3.5%	-1.7%	-4.7%	-1.9%	+25.8%	-

### GUINNESS ASIAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

<b>(GBP)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fund	-6.3%	+12.2%	+4.8%	+14.4%	-10.3%	+24.6%	+28.2%	+1.2%	+17.6%	-
MSCI AC Pacific ex Japan TR	-8.5%	-5.0%	+19.2%	+15.7%	-9.2%	+25.1%	+28.2%	-4.4%	+7.8%	-
IA Asia Pacific Excluding Japan TR	-6.9%	+1.5%	+20.0%	+15.8%	-9.8%	+25.3%	+25.7%	-3.4%	+9.5%	-
<b>(USD)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fund	-16.8%	+11.1%	+8.1%	+19.0%	-15.5%	+36.5%	+7.5%	-4.4%	+10.7%	-
MSCI AC Pacific ex Japan TR	-18.8%	-5.9%	+23.0%	+20.3%	-14.5%	+36.9%	+7.5%	-9.6%	+1.5%	-
IA Asia Pacific Excluding Japan TR	-17.3%	+0.5%	+23.8%	+20.4%	-15.1%	+37.2%	+5.3%	-8.6%	+3.1%	-
<b>(EUR)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fund	-11.4%	+19.6%	-0.8%	+21.2%	-11.3%	+19.9%	+10.7%	+6.5%	+26.0%	-
MSCI AC Pacific ex Japan TR	-13.4%	+1.3%	+12.9%	+22.5%	-10.2%	+20.3%	+10.7%	+0.7%	+15.6%	-
IA Asia Pacific Excluding Japan TR	-11.9%	+8.2%	+13.6%	+22.7%	-10.8%	+20.5%	+8.5%	+1.8%	+17.4%	-

### GUINNESS ASIAN EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



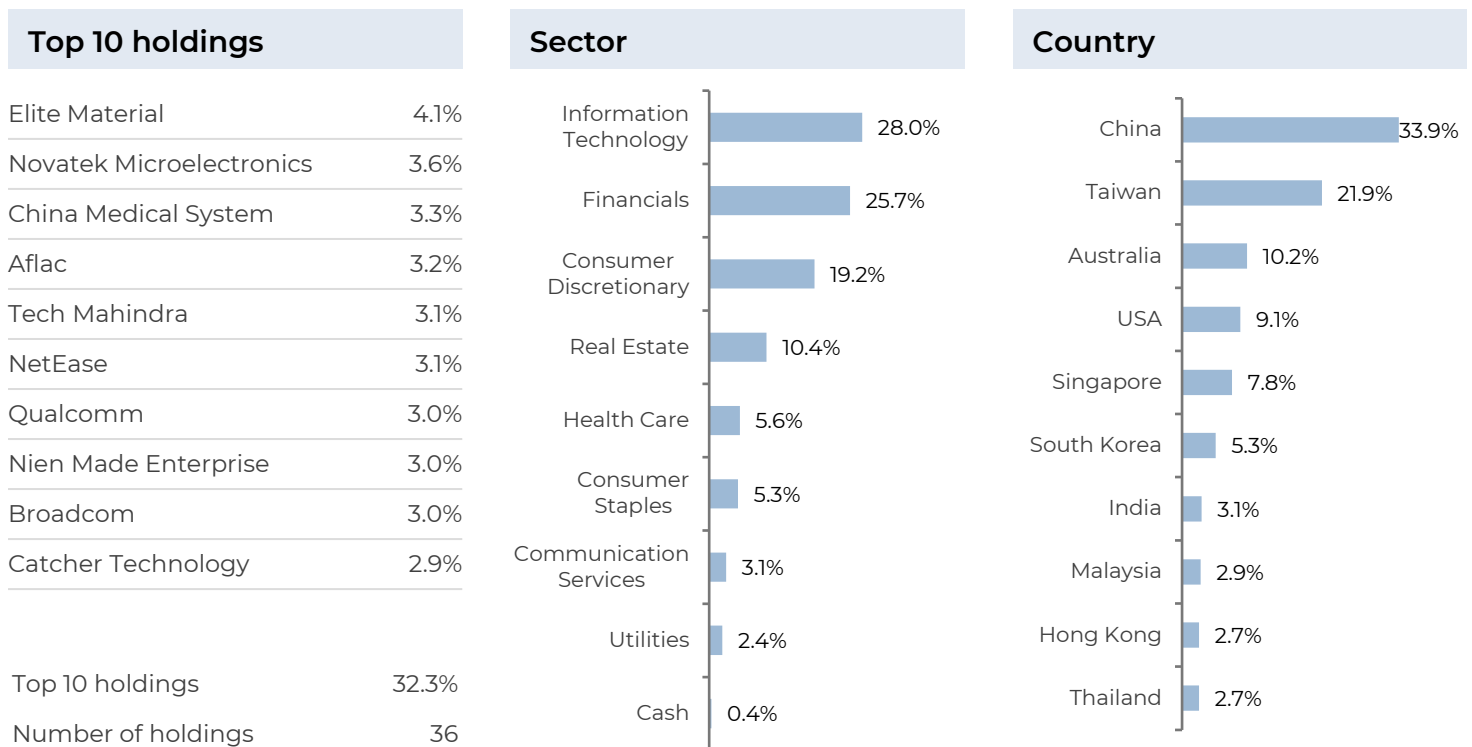
Source: FE fundinfo to 30.11.23. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF for the share class used for the fund performance returns is 0.89%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

**WS GUINNESS ASIAN EQUITY INCOME FUND - FUND FACTS**

Fund size	£0.6m
Fund launch	04.02.2021
OCF	0.89%
Benchmark	MSCI AC Asia Pacific ex Japan TR
Historic yield	4.4% (Y GBP Inc)

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

**WS GUINNESS ASIAN EQUITY INCOME FUND - PORTFOLIO**





## WS Guinness Asian Equity Income Fund

Past performance does not predict future returns.

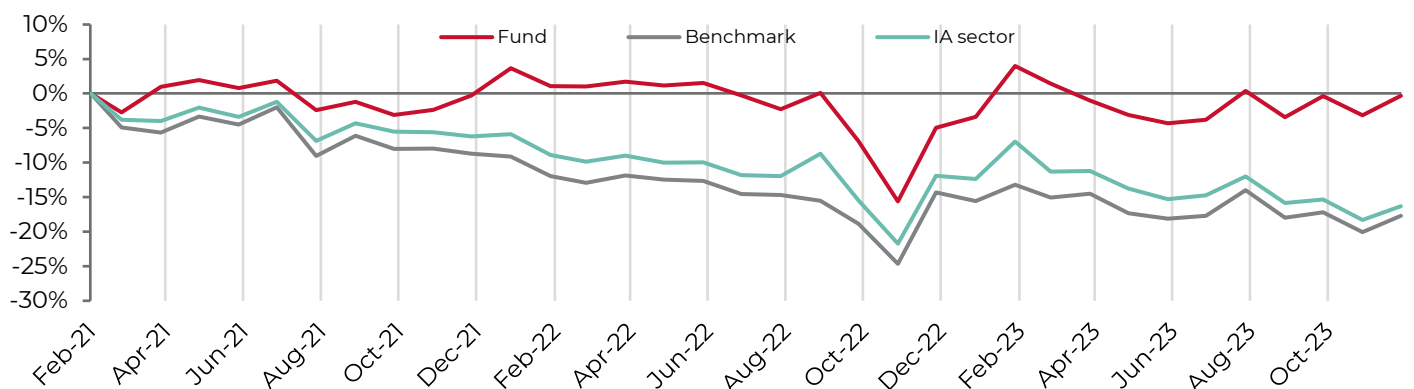
### WS GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.9%	+3.2%	+4.9%	-	-	-
MSCI AC Asia Pacific ex Japan TR	+3.0%	-2.5%	-4.0%	-	-	-
IA Asia Pacific Excluding Japan TR	+2.4%	-4.5%	-5.0%	-	-	-

### WS GUINNESS ASIAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-6.8%	-	-	-	-	-	-	-	-	-
MSCI AC Asia Pacific ex Japan TR	-7.1%	-	-	-	-	-	-	-	-	-
IA Asia Pacific Excluding Japan TR	-6.9%	-	-	-	-	-	-	-	-	-

### WS GUINNESS ASIAN EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (GBP)



Source: FE fundinfo to 30.11.23. 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 current OCF for the share class used for the fund performance returns is 0.89%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

## IMPORTANT INFORMATION

**Issued by Guinness Global Investors** which 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 the Guinness Asian Equity Income Fund and the WS Guinness Asian Equity Income Fund. It may provide information about the Funds' 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. OCFs for all share classes are available on [www.guinnessgi.com](http://www.guinnessgi.com).

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 Funds or to buy or sell individual securities, nor does it constitute an offer for sale.

### GUINNESS ASIAN EQUITY INCOME FUND

#### 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](http://www.guinnessgi.com) or free of charge from:-

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland or
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager 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.waystone.com/waystone-policies/>

#### 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](http://www.carnegie-fund-services.ch). The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 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.

### WS GUINNESS ASIAN EQUITY INCOME FUND

#### 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 <https://www.waystone.com/our-funds/waystone-fund-services-uk-limited/> or free of charge from:-

Waystone Fund Services (UK) Limited  
64 St James's Street  
Nottingham  
NG1 6FJ  
General enquiries: 0115 988 8200  
Dealing Line: 0115 988 8285  
E-Mail: [clientservices@waystonefs.co.uk](mailto:clientservices@waystonefs.co.uk)

Waystone Fund Services (UK) 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 WS 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.