

## 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 Fund's documentation, available on our website.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	23.12.2016
<b>Index</b>	MSCI Emerging Markets
<b>Sector</b>	IA Global Emerging Markets
<b>Managers</b>	Edmund Harriss Mark Hammonds CFA
<b>EU Domiciled</b>	Guinness Emerging Markets Equity Income Fund

## OBJECTIVE

The Guinness Emerging Markets Equity Income Fund is designed to provide investors with exposure to high-quality dividend-paying companies in Emerging Markets worldwide. The Fund aims to provide long-term capital appreciation and a source of income that has the potential to grow over time. The Fund is actively managed and uses the MSCI Emerging Markets Index as a comparator benchmark only.

## CONTENTS

Commentary	1
Key Facts	4
Performance	5
Important Information	6

## COMMENTARY

Emerging markets continued to recover in April and have been similarly buoyant in early May. The MSCI Emerging Markets Net Total Return Index rose 1.3% in April (all performance figures in GBP unless stated otherwise).

Despite the strong market, the fund outperformed, gaining 1.7%.

For the year to date, the fund leads the benchmark, up 6.1% versus up 4.9% for the benchmark.

Emerging markets outperformed developed markets in the month, as the MSCI World fell 2.8% in April. The US underperformed, with the S&P 500 Index falling 3.2%.

Asia was the best performer, rising 1.8%. EMEA (Europe, Middle East and Africa) was next, up 1.1%. Latin America was the worst performer, falling 2.6%.

Value outperformed growth, up 1.6% versus a gain of 1.2% for growth.

Driving the returns in Asia, among the largest countries, the best performer was China (+7.6%). South Africa (+3.7%) and India (+3.2%) were the other top performers.

The worst performing countries were Indonesia (-7.7%), Korea (-4.9%) and Brazil (-3.2%).

The strongest performers in the portfolio were Haier Smart Home (+21.3%), Haitian International (+17.4%) and China Merchants Bank (+12.1%), all reflecting the broad strength seen in the China market.

The weakest performers were China Medical System (-13.9%), B3 (-12.3%) and Hypera (-12.3%).

### EVENTS DURING THE MONTH

China US tensions abated somewhat, with a telephone call between Joe Biden and Xi Jinping that was described as 'constructive'.

The house of Peru's president Dina Boluarte was raided as part of an investigation into alleged enrichment while in office. Six government ministers have resigned.

Thailand's Constitutional Court decided to hear a case that could result in the Move Forward party being banned.

Jacob Zuma has been granted permission by the courts to run in this year's general election in South Africa.

US Congress passed a bill to provide military aid to Ukraine and Israel.

China's economy grew 5.3% in the first quarter, with industrial production up 6.1%.

Emerging market currencies fell 0.8% in April, as the Dollar index (DXY) strengthened by 1.7%.

Crude oil prices rose 0.4% over the month.

### PORTFOLIO UPDATE

Updates came in during the month for several of the portfolio holdings:

- **Zhejiang Supor**, a Chinese maker of small kitchen appliances, reported results that were in line with expectations, with revenue for the year up 6% and net profit up 5%. Implied growth for the fourth quarter was stronger, with revenue growth reaching double digits. Though weaker demand persists in the domestic market, the company is winning market share, and margins have been supportive. The international market is growing at a slower rate, but there is potential for guidance to increase progressively over the year. In online distribution, the company has seen stronger growth in TikTok / Pinduoduo than in Tmall.
- **Haier Smart Home** reported profit growth of 13.2% for the fourth quarter, in line with market expectations. Revenue growth for the fourth quarter picked up slightly from the third, reflecting signs of a demand recovery in China. The dividend payout ratio increased from 36% to 45%. The company is expanding in international markets, leaving a long runway for growth, assuming management is able to execute in this competitive market.
- **Kweichow Moutai**, a recent addition to the portfolio, reported final results for 2023 that reflected a slight improvement over the preliminary announcement. The company is targeting 15% sales growth for this year (following 18% in 2023). Direct sales, which are supportive of margins, reached 46% for the year and 47% for the fourth quarter, compared with 40% in 2022. The payout ratio remained flat at just over 50% but was supplemented by a special dividend back in November.
- **Taiwan Semiconductor Manufacturing (TSMC)** announced plans to build a third plant in the USA, in Arizona, to produce chips at the 2nm process node. The project is to be supported by the US government with \$11.6bn in grants and loans under the CHIPS Act. TSMC reported a slowing in market conditions for 2024, with growth now expected to be between 10% and mid to high teens. Weaker demand has been seen across segments, including PCs and automotive. Nevertheless, AI demand continues to show strong momentum, with AI revenues expected to double this year.
- **Suofeiya Home** provided guidance for 2024 that indicates a recovery in the furnishings market, with double-digit sales growth expected in the first quarter. The new home market continues to be a focus for the company in the near term, with around 0.5m new homes served last year, compared with 8-10m new home completions. Results for 2023 came in in line with expectations, while the dividend payout ratio was increased to 75% from 60%.

## Guinness Emerging Markets Equity Income

- **Tata Consultancy Services** reported results for the fourth quarter (ended March). Although slightly missing on revenue growth, margins came in ahead of expectations. New contract wins and thus the order book have been very strong, with new contracts for the quarter the highest in six years.
- **Bajaj Auto** continued to report strong results, with fourth quarter revenue growing 29% and earnings before interest, tax, depreciation and amortisation (EBITDA) up 34%. The company's strategy of shifting the mix towards premium motorcycles is working well, and there are upcoming launches of new vehicles. Bajaj has also earned PLI certificates (Production Linked Incentives from the Indian government) for its electric vehicles.
- **Ping An** reported results for the first quarter which show a stabilisation of the business from declines last year. New Business Value showed surprise growth stemming from an improvement in margins. The stock trades at a depressed valuation; however, management has expressed confidence over the business prospects for 2024.

## OUTLOOK

Emerging markets have continued to perform well despite the backdrop of lingering inflation in developed economies. Expectations for interest rate cuts have been brought back down to earth, and the market appears to be heeding central bankers who have admitted they are not in a rush to start lowering rates. The strength of the US economy continues to impress, implying no imperative to ease monetary conditions, and instead, other developed economies may end up moving on rates ahead of the Federal Reserve.

Chinese economic data has improved, and policy makers have begun to increase the rate of stimulus to the economy. Exports have been in focus again, and the world is starting to realise just how extensive China's ambitions are in sectors such as electric vehicle production; the capacity that has been built in this area goes far beyond that needed to serve domestic demand. Quality of production has also improved significantly, meaning that manufacturers are now in a position to be able to compete with global auto makers. The concern from China's perspective is finding destinations for all these vehicle exports. The US has been characteristically hawkish, and the Biden administration is proposing an increase in tariffs to a level above 100%. Nevertheless, Europe seems more receptive, as imported EVs have started to build up in ports (a sign of the logistical challenges in getting vehicles distributed and ultimately in the hands of the customer). Europe's determination to hit zero emissions quotas is likely the 'driving force' behind this accommodation (and the UK government has signalled as much). To encourage adoption of EVs, Chinese-produced cars, competitively priced, are surely needed. Consumers have already seen their spending power decrease in the face of inflation, and supply-side expansion will help to avoid further inflationary pressures. For now, at least, security concerns are taking second place.

The emphasis we place on the underlying quality of a business, earning high returns on capital and generating cash, provides the underpinning for rewarding shareholders with dividends while seeking to compound their earnings over the long term. It is a combination, embedded in a portfolio with an equal-weight approach to position sizing, that we believe works particularly well in an emerging market context and provides investors with access to a disciplined strategy with which they can navigate an uncertain environment.

### Portfolio Managers

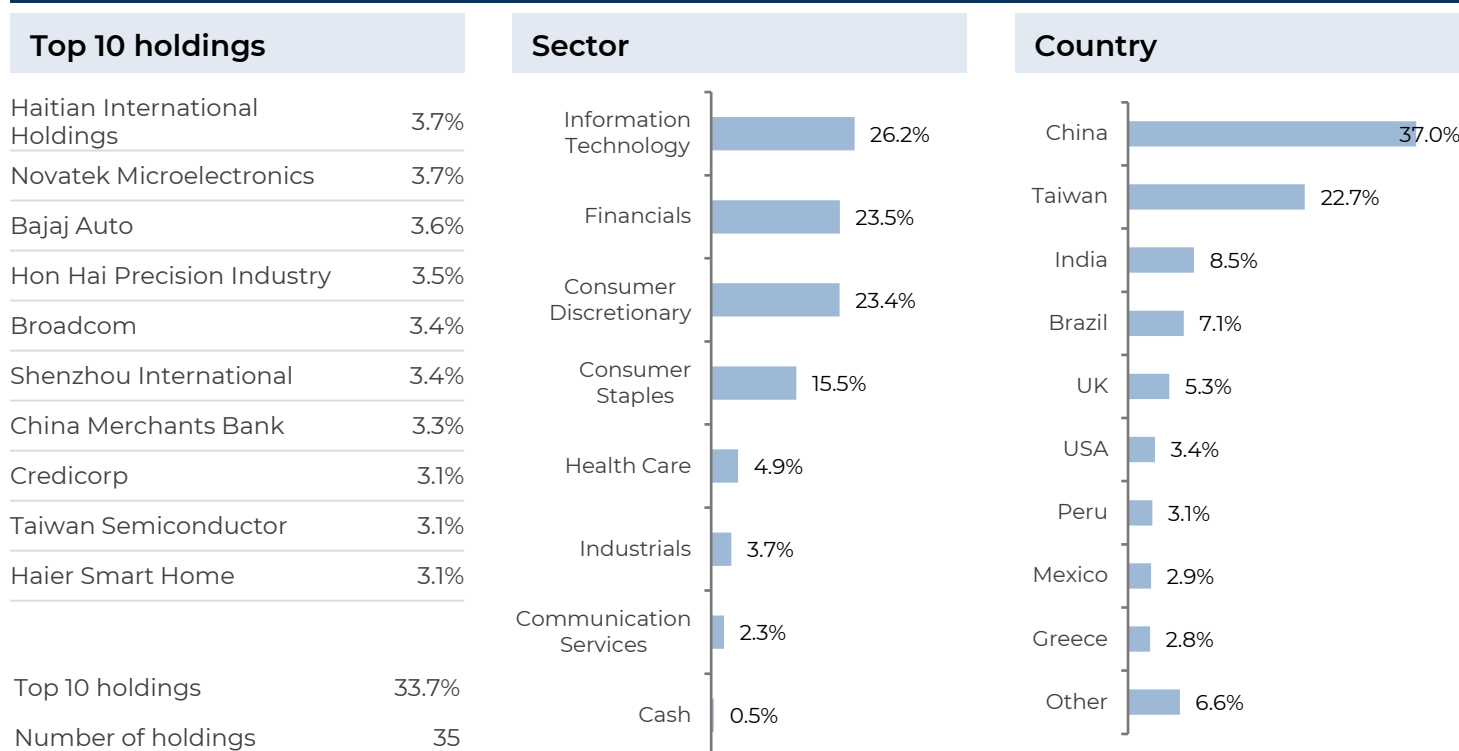
Edmund Harriss  
Mark Hammonds

**GUINNESS EMERGING MARKETS EQUITY INCOME FUND - FUND FACTS**

Fund size	\$8.3m
Fund launch	23.12.2016
OCF	0.89%
Benchmark	MSCI Emerging Markets TR
Historic yield	3.9% (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 EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO**



## Guinness Emerging Markets Equity Income Fund

Past performance does not predict future returns.

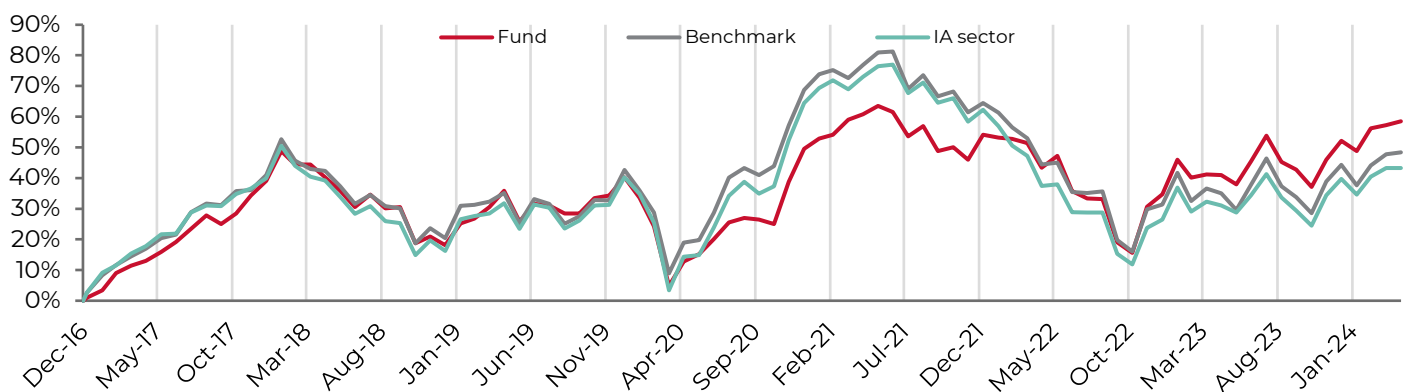
### GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.7%	+6.1%	+12.9%	+9.0%	+21.5%	-
MSCI Emerging Markets TR	+1.3%	+4.7%	+10.3%	-7.2%	+14.3%	-
IA Global Emerging Markets TR	+1.3%	+4.7%	+10.1%	-8.2%	+13.5%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.8%	+4.2%	+12.5%	-1.4%	+16.7%	-
MSCI Emerging Markets TR	+0.5%	+2.8%	+9.9%	-16.1%	+9.8%	-
IA Global Emerging Markets TR	+0.4%	+2.8%	+9.7%	-16.9%	+9.0%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.9%	+7.6%	+16.1%	+11.0%	+22.2%	-
MSCI Emerging Markets TR	+1.5%	+6.2%	+13.5%	-5.6%	+15.1%	-
IA Global Emerging Markets TR	+1.4%	+6.2%	+13.3%	-6.5%	+14.3%	-

### GUINNESS EMERGING MARKETS EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+6.6%	-1.6%	+4.0%	+3.4%	+14.2%	-9.8%	+25.8%	-	-	-
MSCI Emerging Markets TR	+3.6%	-10.0%	-1.6%	+14.7%	+13.9%	-9.3%	+25.4%	-	-	-
IA Global Emerging Markets TR	+4.3%	-12.2%	-0.5%	+13.7%	+16.0%	-11.8%	+24.4%	-	-	-
(USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+12.9%	-12.6%	+3.1%	+6.7%	+18.8%	-15.1%	+37.7%	-	-	-
MSCI Emerging Markets TR	+9.8%	-20.1%	-2.5%	+18.3%	+18.4%	-14.6%	+37.3%	-	-	-
IA Global Emerging Markets TR	+10.5%	-22.0%	-1.4%	+17.3%	+20.7%	-16.9%	+36.2%	-	-	-
(EUR)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+9.1%	-6.8%	+10.9%	-2.2%	+20.9%	-10.8%	+20.9%	-	-	-
MSCI Emerging Markets TR	+6.1%	-14.9%	+4.9%	+8.5%	+20.6%	-10.3%	+20.6%	-	-	-
IA Global Emerging Markets TR	+6.8%	-16.9%	+6.1%	+7.6%	+22.9%	-12.8%	+19.7%	-	-	-

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



Source: FE fundinfo to 30.04.24. 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**, 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 equities and equity markets invested in by the Guinness Emerging Markets 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. 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 Fund or to buy or sell individual securities, nor does it constitute an offer for sale.

#### 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, Reyl & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. 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.

Telephone calls will be recorded and monitored