

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, 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>	19.12.2013
<b>Index</b>	MSCI Europe ex UK
<b>Sector</b>	IA Europe Excluding UK
<b>Managers</b>	Nick Edwards Will James
<b>EU Domiciled</b>	Guinness European Equity Income Fund
<b>UK Domiciled</b>	WS Guinness European Equity Income Fund

## OBJECTIVE

The Guinness European Equity Income Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Europe ex UK region. The Funds aim to provide capital appreciation and a source of income that has the potential to grow over time. The Funds are actively managed and use the MSCI Europe ex UK Index as a comparator benchmark only.

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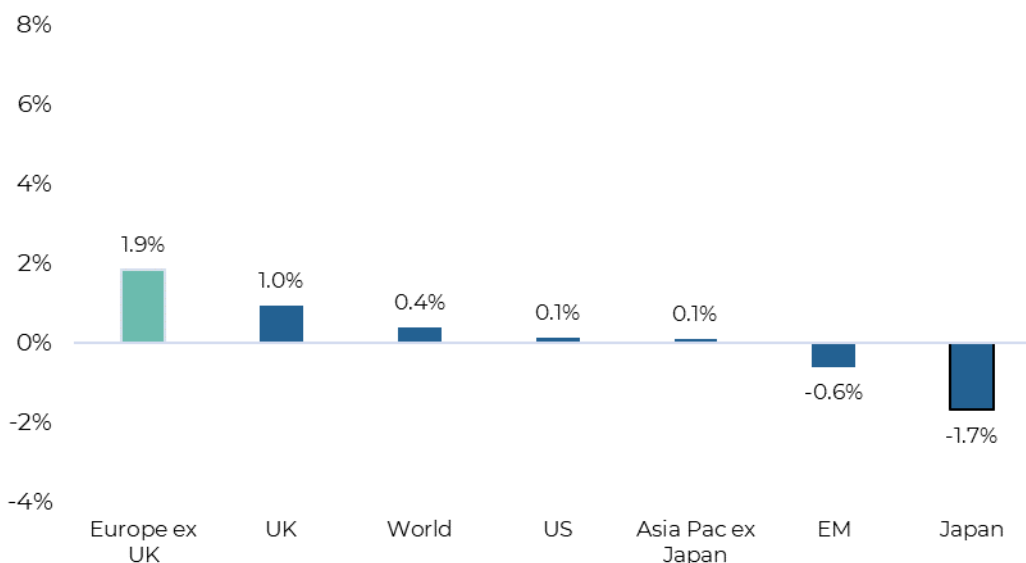
## COMMENTARY

The Guinness European Equity Income Fund was up 1.74% (Y class, in GBP) in August, slightly underperforming the MSCI Europe ex UK Index which rose 1.76%. The UK currency (GBP) remained reasonably strong over the month, despite an early rate cut from the Bank of England, therefore in EUR terms the fund was similar at 1.77% in August.

Global stock markets registered marginal gains in August, pushing through a difficult start to the month characterised by an extended period of high volatility. The US stock market had entered the latter half of the year in a relatively stable condition, registering record highs alongside a period of historically low volatility. However, early August saw markets rattled by concerns over the direction of the US economy, and a shift in monetary policy from the Bank of Japan which saw an unwind of the Yen carry trade and aggressive yet short-lived weakness across equity markets. The S&P fell 3% by the end of the day, marking the worst one-day performance in two years, followed by Japan's Nikkei falling 12.4%, its worst day since 1987. The VIX index, the market 'fear gauge', soared to its highest level since the covid pandemic. A weaker-than-expected jobs report from the US also increased concerns and the likelihood, in the eyes of the market, that the US could fall into recession. However, given the size and quantum of the sell-off and subsequent hopes that the Federal Reserve would now cut interest rates more aggressively, global stock markets rebounded. By mid-August they had erased their month-to-date losses while the VIX index had fallen below its long-term average.

Importantly, the latest US inflation data, which held steady at 2.5%, also reinforced the growing chorus for interest rate cuts. Notably, there was a slight improvement in the strength of the US consumer, as personal consumption expenditures rose by 0.5% in July compared to 0.3% in June and personal income rose 0.3% compared with 0.2% in the previous month. Attention shifted to the next US jobs report and the next Fed meeting in September, with expectations of a rate cut – it will depend on data whether that is 0.25 points or 0.5. However, questions remain around the velocity of the rate cuts going into the rest of the year.

MSCI Regional Performance Aug 2024 (EUR)



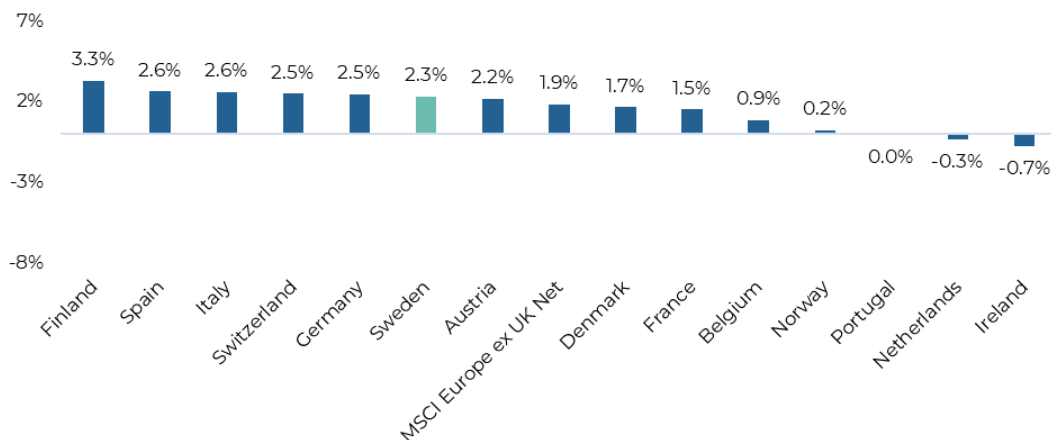
Source: Bloomberg; data to 31.08.2024

In spite of the increased volatility at the beginning of the month, European markets delivered positive returns in August, leading the pack against other regional benchmarks. In August, the focus remained on growth, inflation and interest rates, although concerns persisted around elections in Germany, with the possibility of a far-right local government gaining power in the Eastern region of Saxony.

In keeping with other regions, the Eurozone saw a sharp fall in inflation, with the headline figure reaching 2.2% in August, a three-year low, bolstering expectations of a rate cut in September. Despite a fall in the headline figure and energy prices, services inflation saw an uptick to 4.2% in August, up 0.2% from the previous month. This may add caution to the rate cutting path, given wage growth in Germany and elsewhere. Despite this, money markets still price in two or three more quarter-point reductions in the Eurozone rate this year. In addition, August also saw business activity in the Eurozone expand at a faster rate compared to the previous month. This was highlighted by the flash Eurozone Purchasing managers' Index (PMI) rising to 51.2 from 50.2 in July, with readings above 50 indicating growth. Meanwhile the prevailing sentiment and market performance in the short term continues to be dominated by what is happening to the US economy and the associated interest rate outlook.

PERFORMANCE

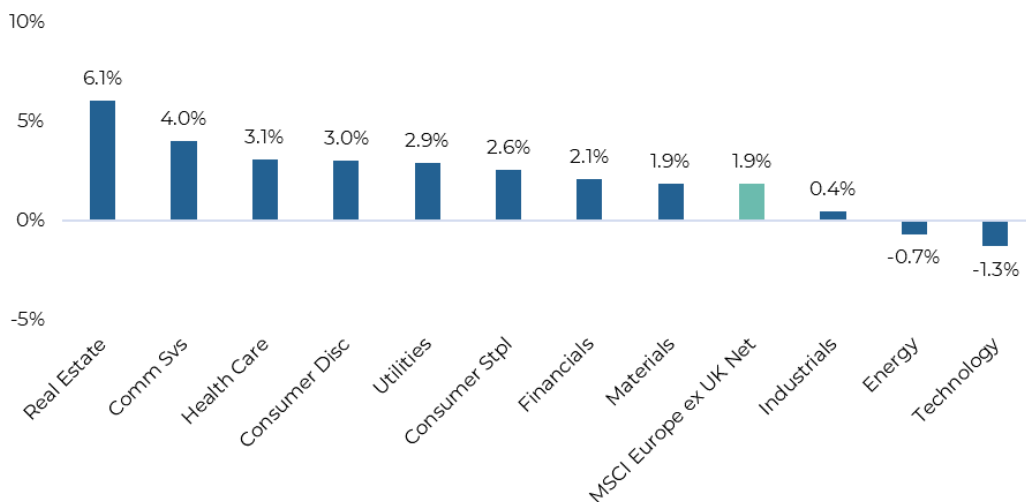
Europe ex UK Country performance Aug 2024 (EUR)



Source: Bloomberg; data to 31.08.2024

At a country level, performance was very solid. The Netherlands lagged due to the large influence on the index of ASML, which fell during the month. It is worth noting though the diversification one gets when investing in Europe across multiple countries, sectors, and companies, while still enabling investments in high-quality, cash-generative, dividend-paying firms.

MSCI Europe ex UK Sector performance Aug 2024 (EUR)



Source: Bloomberg; data to 31.08.2024

Sector-wise, gains were as broadly spread as among countries, with only two sectors, Energy and Technology, posting losses. The Technology sector faced pressure as it bore the brunt of the sell-off at the start of August. Real Estate performed well due to its weak performance over the last 24 months and the increased optimism and visibility over rate cuts. Telecoms within Communications Services were boosted by some rotation from Technology and a more 'defensive' bias in markets.

### Contributors

**Universal Music Group** (+7.5% in EUR), the Dutch-American music company, has started to recover from the sell-off in July due to investor fears over its revenue mix posted during H1 results and slowing streaming revenues. There was a vote of confidence from Bolloré, the largest shareholder, who bought a further €200m shares at the end of July.

**Deutsche Boerse** (+7.4%), the German financial services company, posted strong earnings at the end of July which continued to help drive performance through August. The company saw a 1% earnings beat during Q2 with a marginal guidance upgrade, propelling the share price upwards. However, the biggest driver was Deutsche Boerse's leverage and sensitivity to changing interest expectations within the markets.

**AXA SA** (+5.9%), the French insurance company, performed well over the month, driven by better-than-expected results and the announcement of disposal of its asset management business to BNP Paribas for a total consideration of €5.4bn. This is due to complete in 2024. The company beat earnings estimates by 7% and managed to demonstrate its ability to navigate the turbulent month of French elections.

**Recordati Industria** (+5.3%), the Italian pharmaceutical company focused on rare diseases, released Q2 earnings at the end of July, beating consensus on revenues and profitability, along with raising guidance. In the near term, beyond the fundamentals, further updates on CVC's intentions for its 52% stake in Recordati could move the share price as CVC explores options for this holding.

**Danone** (+4.4%) produced a strong set of results at the beginning of the month, citing 'strong, consistent, broad-based' growth driven by the volume/mix across all regions. Margin expansion is expected throughout the rest of the year and going into 2025. Management displayed a bullish tone on the transformation of the company, and with positive improvements on gross margins, estimates upgrades are expected as we progress through the year.

### Detractors

**Salmar** (-11.7% in EUR) underperformed during the month, driven by a weak Q2 earnings release, although guidance remained unchanged. Harsh winter conditions and extreme weather continued to impact volumes and price achievement. Additionally, biological challenges in Norway caused affected mortality and harvest weight of the fish. The company remains well positioned for growth with its ability to expand harvesting and processing capacity in Norway.

**DHL Group** (-4.5%), the German logistics company, faced challenges throughout the month despite delivering a decent set of results which saw earnings 2% ahead of consensus and guidance reaffirmed. More disappointingly, cash flows were impacted due to a larger-than-expected working capital outflow. The outlook for the business remains strong, with an improving macro environment and recovery in Express volumes.

**Konecranes** (-1.6%), the Finnish port equipment manufacturer, drifted during August after a period of very strong performance this year. The month started very well as Konecranes released another set of strong results driving yet more consensus upgrades. However, the market took the view that it can't get much better for Konecranes and so we saw a bout of profit-taking.

## OUTLOOK

We are expecting another interesting period for European equity markets. Interest rate cuts are now widely expected, with inflation slowly coming down around the world, coupled with a more challenging economic outlook. Conflicting data surrounding the health of the US economy and stuttering growth in Europe will continue to add volatility.

European stocks continue to trade at a deep discount to their US peers, indicating that perhaps the lacklustre growth outlook for Europe is largely priced into markets. With the prospect of earnings growth and a highly diverse breadth of quality with the ability to mitigate domestic cyclical backdrops, characterised through large international exposure, there

## Guinness European Equity Income

are numerous reasons to remain optimistic about European equities. The region is home to high-quality companies which continuously generate high cash returns and have strong balance sheets which will help to serve investors in the long term.

Geopolitical tensions do remain high but are becoming par for the course, as they have done over the last year. However, it is clear that countries, political parties and most importantly markets have thus far managed to navigate these turbulent times. All focus will now turn to the lead up to the November's US presidential election in which the candidates are neck and neck. As a result, it will likely pay to 'expect the unexpected', and so investors (including us) should remain vigilant and consider these factors when making investment decisions.

On the bright side, volatility surrounding inflation and geopolitical tensions should subside and investors will no longer just be able to back value or growth style types of investment to deliver returns. It will become ever more important to be stock-specific while applying fundamental analysis to identify market opportunities in a tough economic environment. As a result, our focus on quality companies that generate persistent high cash returns supported by strong balance sheets will serve investors well in the long term. We will continue to work hard to deliver long-term capital growth and a steady, growing income stream. Your fund is equipped for all weathers, being well balanced across quality and value, with a focus on globally leading European companies supported by strong structural growth drivers and a solid and growing dividend yield.

Thank you for your continued support

### **Portfolio Managers**

Nick Edwards

Will James

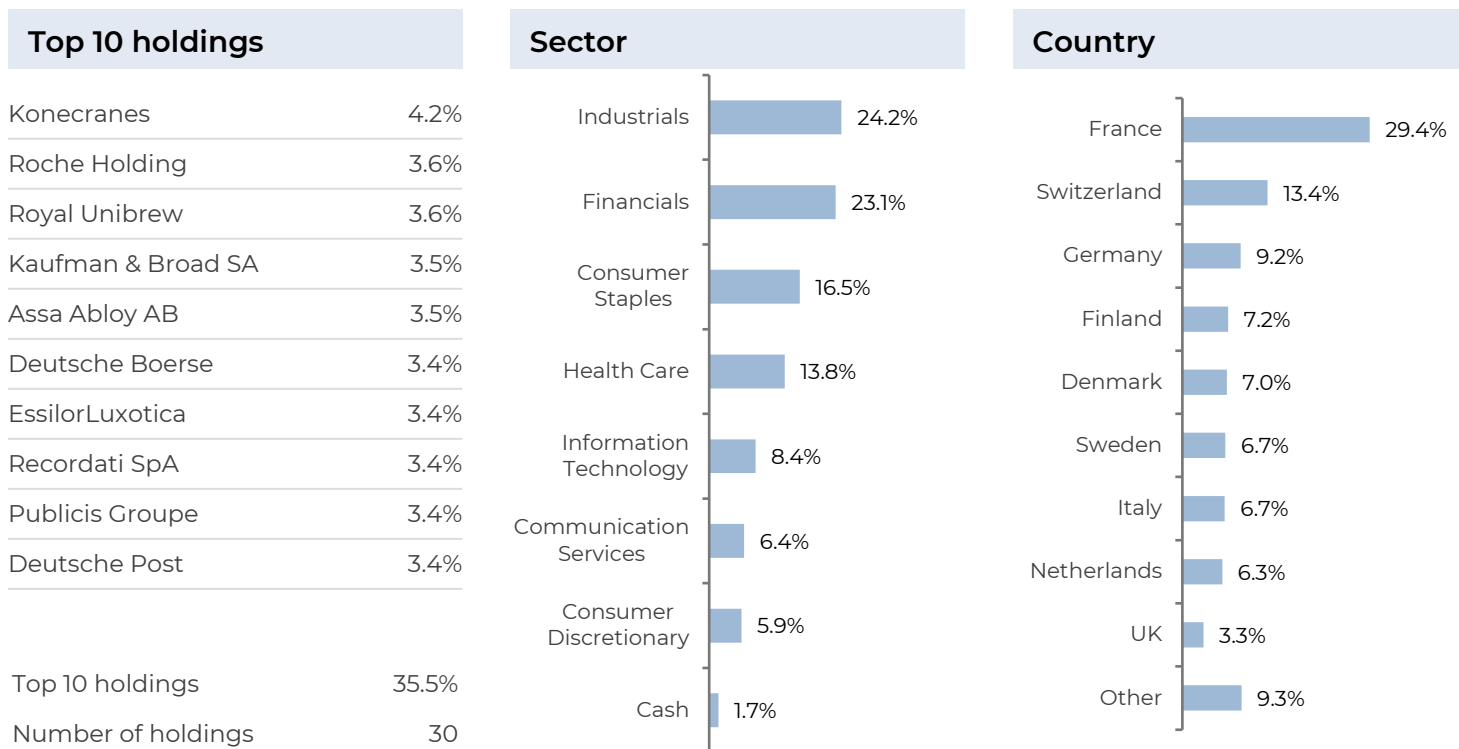
**GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$26.9m
Fund launch	19.12.2013
OCF	0.89%
Benchmark	MSCI Europe ex UK TR
Historic yield	3.2% (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.

\* Nick Edwards is currently on a period of absence due to health reasons.

**GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO**



## Guinness European Equity Income Fund

Past performance does not predict future returns.

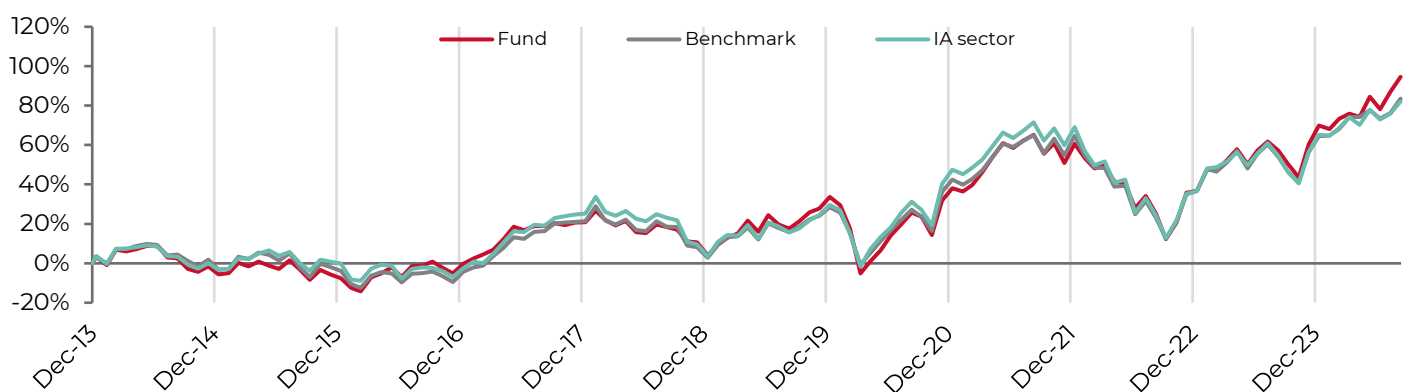
### GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.7%	+11.1%	+19.4%	+23.3%	+53.4%	+139.5%
MSCI Europe ex UK TR	+1.8%	+8.2%	+14.9%	+16.4%	+46.8%	+122.0%
IA Europe Excluding UK TR	+1.1%	+6.9%	+13.6%	+11.2%	+45.8%	+122.7%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.1%	+14.6%	+23.8%	+17.8%	+65.5%	+89.9%
MSCI Europe ex UK TR	+4.1%	+11.5%	+19.2%	+11.1%	+58.4%	+75.7%
IA Europe Excluding UK TR	+3.5%	+10.2%	+17.8%	+6.2%	+57.4%	+76.2%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.8%	+14.3%	+21.4%	+25.6%	+64.7%	+125.1%
MSCI Europe ex UK TR	+1.8%	+11.3%	+16.9%	+18.5%	+57.6%	+109.1%
IA Europe Excluding UK TR	+1.1%	+10.0%	+15.5%	+13.2%	+56.6%	+109.7%

### GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+17.2%	-4.2%	+17.5%	+0.1%	+23.7%	-8.8%	+10.7%	+28.5%	+3.6%	-3.0%
MSCI Europe ex UK TR	+14.8%	-7.6%	+16.7%	+7.5%	+20.0%	-9.9%	+15.8%	+18.6%	+5.1%	-0.7%
IA Europe Excluding UK TR	+14.0%	-9.0%	+15.8%	+10.3%	+20.3%	-12.2%	+17.3%	+16.4%	+9.3%	-0.9%
(USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+24.2%	-14.9%	+16.4%	+3.3%	+28.6%	-14.0%	+21.2%	+7.8%	-2.0%	-8.6%
MSCI Europe ex UK TR	+21.7%	-18.0%	+15.7%	+10.9%	+24.8%	-15.1%	+26.8%	-0.6%	-0.7%	-6.6%
IA Europe Excluding UK TR	+20.8%	-19.2%	+14.7%	+13.8%	+25.2%	-17.3%	+28.4%	-2.4%	+3.3%	-6.7%
(EUR)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+20.0%	-9.3%	+25.2%	-5.2%	+31.1%	-9.8%	+6.4%	+10.9%	+9.0%	+3.9%
MSCI Europe ex UK TR	+17.6%	-12.6%	+24.4%	+1.8%	+27.1%	-10.9%	+11.4%	+2.4%	+10.7%	+6.4%
IA Europe Excluding UK TR	+16.7%	-13.9%	+23.4%	+4.4%	+27.5%	-13.1%	+12.8%	+0.5%	+15.1%	+6.2%

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



Source: FE fundinfo to 31.08.2024. 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.

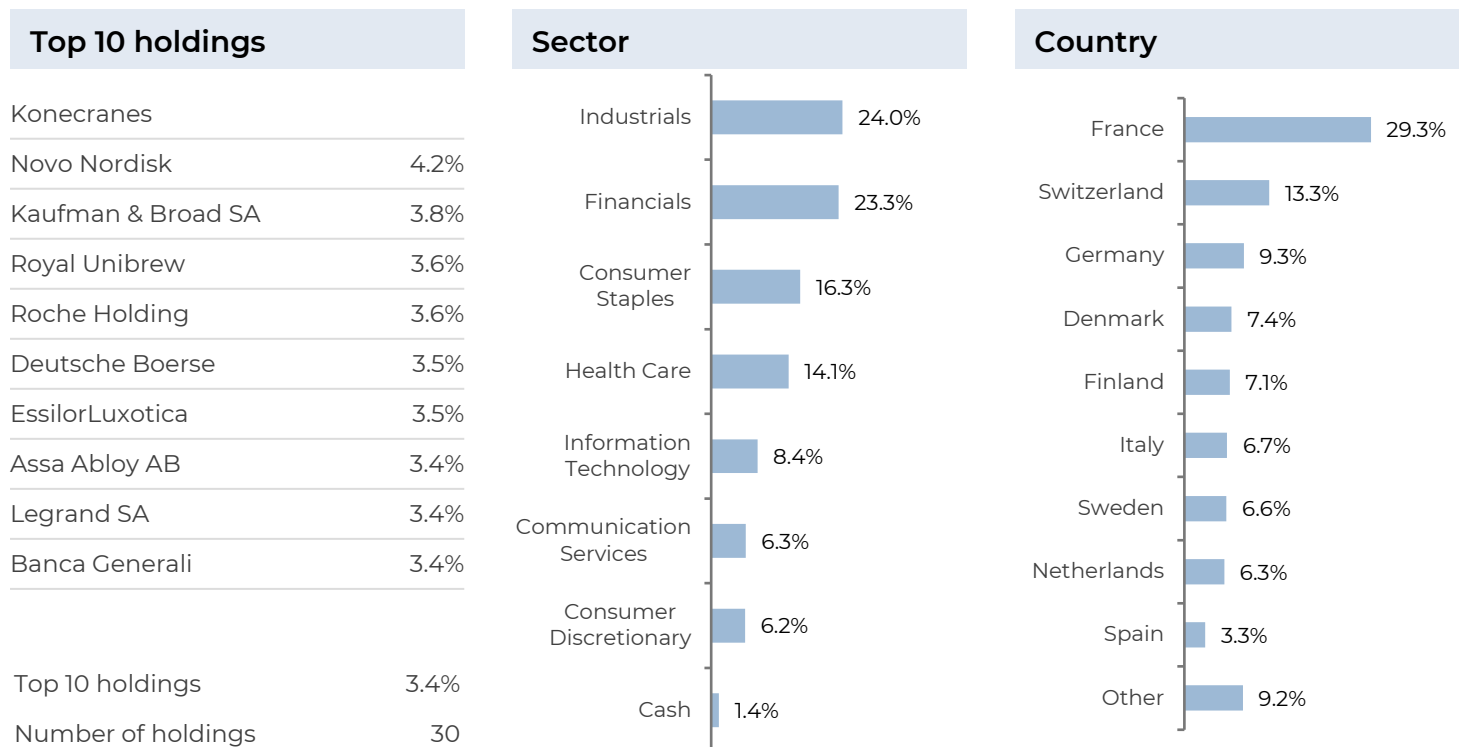
**WS GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS**

Fund size	£0.7m
Fund launch	30.12.2022
OCF	0.89%
Benchmark	MSCI Europe ex UK TR
Historic yield	2.9% (Y 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.

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





## WS Guinness European Equity Income Fund

Past performance does not predict future returns.

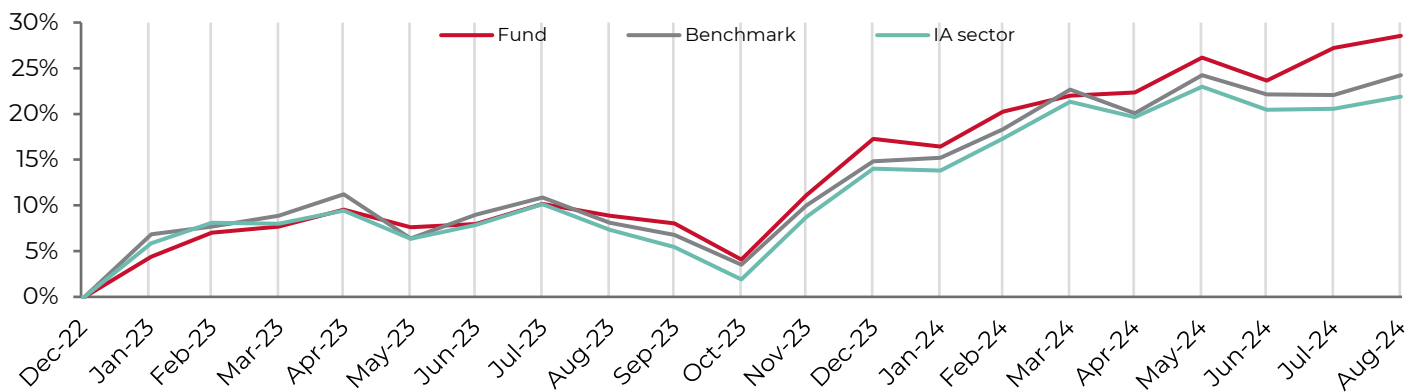
### WS GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.1%	+9.6%	+18.1%	-	-	-
MSCI Europe ex UK TR	+1.8%	+8.2%	+14.9%	-	-	-
IA Europe Excluding UK TR	+1.1%	+6.9%	+13.6%	-	-	-

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

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+17.3%	-	-	-	-	-	-	-	-	-
MSCI Europe ex UK TR	+14.8%	-	-	-	-	-	-	-	-	-
IA Europe Excluding UK TR	+14.0%	-	-	-	-	-	-	-	-	-

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



Source: FE fundinfo to 31.08.24. 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** 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 European Equity Income Fund and the WS Guinness European 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 EUROPEAN EQUITY INCOME FUND

#### Documentation

The documentation needed to make an investment, including the Prospectus, Supplement, 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.

### WS GUINNESS EUROPEAN 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 [www.fundsolutions.net/uk/guinness-global-investors/](http://www.fundsolutions.net/uk/guinness-global-investors/) or free of charge from:-

Waystone Management (UK) Limited  
PO Box 389  
Darlington  
DL1 9UF  
General Enquiries: 0345 922 0044  
E-Mail: [investorservices@linkgroup.co.uk](mailto:investorservices@linkgroup.co.uk)

Waystone Management (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.