

## RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KIDs and KIID for the Fund, which contain detailed information on its characteristics and objectives and full information on the risks, before making any final investment decisions.

The 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.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	31.12.2010
<b>Index</b>	MSCI World
<b>Sector</b>	IA Financials and Financial Innovation
<b>Managers</b>	Will Riley Tim Guinness
<b>EU Domiciled</b>	Guinness Global Money Managers Fund

## OBJECTIVE

The Fund aims to deliver long-term capital growth by capturing the strong returns that successful asset management companies can deliver to shareholders. We expect asset managers to outperform the broad market over the long term, primarily due to the ability of successful managers to grow their earnings more rapidly than the broad market. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

*For the avoidance of doubt, if you decide to invest, you will be buying units/shares in the Fund and will not be investing directly in the underlying assets of the Fund*

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## COMMENTARY

In this month's update, we review the asset management sector and our Fund performance in the first quarter of 2025, and consider the outlook for the rest of the year and beyond.

The Guinness Global Money Managers Fund (class E, in USD) over the quarter produced a total return of -7.5%. This compares to the return of the benchmark, the MSCI World Index (net return), of -1.8% and the MSCI World Financials Index of +6.1%.

At the start of 2025, investor sentiment was buoyed by the prospect of a new Republican administration, which was widely expected to reinforce the theme of US exceptionalism. Additionally, a renewed focus on "America First" policies was anticipated to exacerbate the headwinds already weighing on global growth, particularly outside the United States.

In the event, increased volatility and uncertainty surrounding US trade policy led to a downward revision of domestic growth expectations. Tariff-related headlines buffeted US equity markets throughout the first quarter. Following the imposition of new tariffs on US imports from Mexico, Canada and China in February, March offered little let-up. The US administration announced new tariffs on steel, aluminium and autos, while shifting expectations around the severity of pending tariff announcements due on 2 April drove swings in market sentiment. In contrast, the European response surprised to the upside, with governments implementing more robust fiscal measures than many had forecasted.

Amid this evolving landscape, emerging market equities outperformed developed markets, with China and South Korea delivering notably strong returns. Within global equities, value stocks outpaced growth, while small-cap equities underperformed.

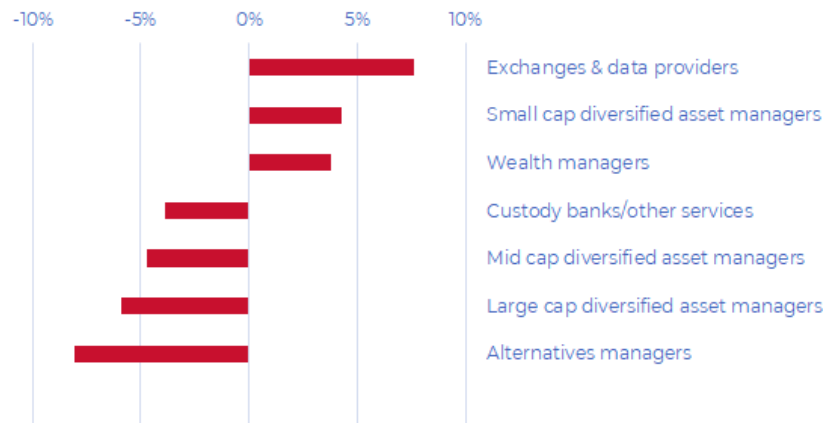
Commodities emerged as the best-performing asset class during the quarter, led by a significant 19% increase in gold prices.

In fixed income markets, heightened recession risks supported a 2.9% gain in US Treasuries. Conversely, European sovereign bonds faced downward pressure as expectations for increased issuance to fund new fiscal programmes weighed on returns; German Bunds declined by 1.6%. A weaker US dollar proved supportive of emerging market debt, while a sharp fall in US real yields led inflation-linked bonds to outperform nominals.

## Guinness Global Money Managers

Against this backdrop, the money management sector underperformed, falling behind the broad equity market and the broader financials sector.

### Money Management subsector performance in Q1 2025 % (USD)



Money management subsector performance (median). Guinness selected subsectors.  
Source: Bloomberg; Guinness Global Investors. Total return (USD) 31.12.2024 – 31.03.2025

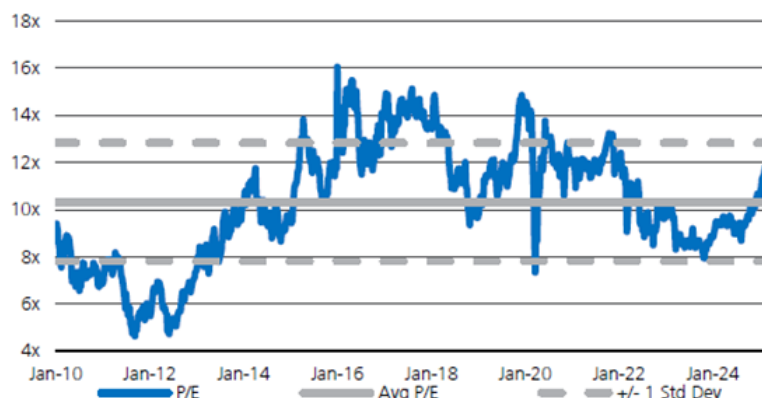
After strong returns in recent quarters, we saw a large pullback in the alternatives sector, with Blackstone (-18%), KKR (-22%) and Ares (-17%) falling out of favour. The sell-off was driven elevated risks to earnings across realisations, transaction fees and retail flows due to growth concerns and policy uncertainty. Management teams from the public alternative asset managers struck fairly cautious tones during 4Q 2024 earnings calls that took place over the first quarter, pointing to muted levels of mergers and acquisitions (M&A) and realisation volumes through the first part of the year. We look at the valuation of the alternatives managers later in this note.

Blackrock (-7%) reported record quarterly inflows, with \$281bn of total flows driven primarily by the iShares Equity division. Net flows in the latest reported quarter implied a 10% annualised growth rate, which is an impressive achievement for a business of Blackrock's size. Against this, we saw Vanguard's announcement in February that they were reducing fees across their passive range as a reminder of the competitiveness of the ETF/passive sector.

Elsewhere, there was little respite in the UK asset management industry, as Liontrust (-19%) and Polar Capital (-13%) saw continued net outflows.

More positive performers in the portfolio included Italian asset managers Azimut (+12%) and Banca Generali (+22%). We continue to be attracted to the asset gathering capabilities of certain larger Italian asset managers. During the first quarter, Azimut reported net inflows of EUR2.5bn, equivalent to 3.3% of its total AuM. Flows for Banca Generali, were more muted at EUR0.5bn, but still positive. As a group, the Italian asset management sector now trades on a forward P/E (price/earnings ratio) of 10.7x, (according to UBS) which see as appealing versus the broad market and versus the sector's history:

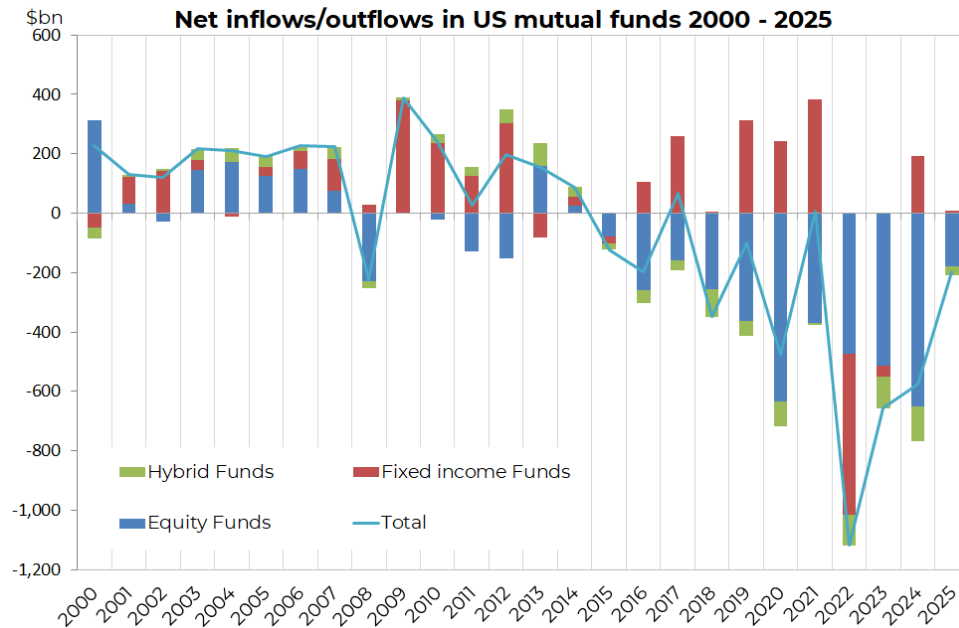
### Italian asset managers & gatherers fwd P/E Ratio (Ex. FBK)



Source: UBS; Guinness Global Investors; data as of 31.03.2025

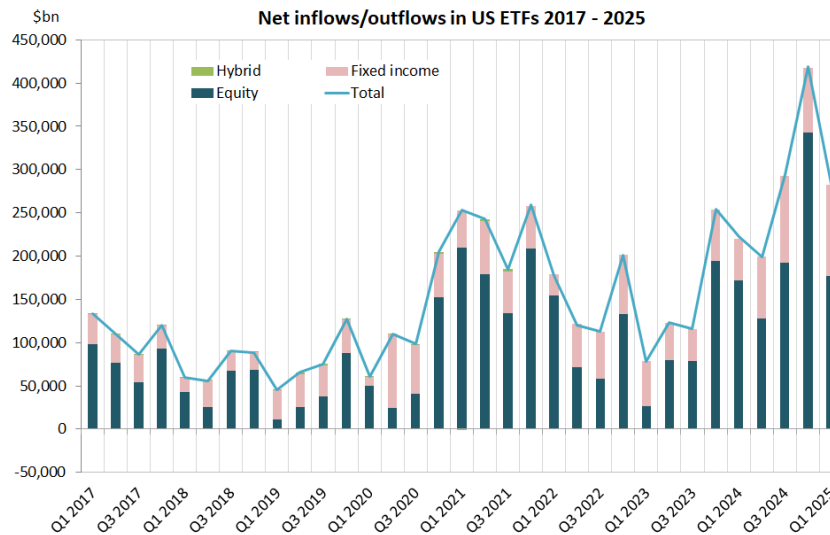
## Guinness Global Money Managers

Net flows from the active mutual fund sector in the US turned negative in 2022 (having been small positive in 2021), a trend that has continued in 2023, 2024 and the start of 2025. Over the last 12 months, active equity and hybrid funds have seen sharp outflows, partially offset by fixed income inflows:



Source: ICI; Guinness Global Investors; data as of 31.03.2025

Data from the US ETF industry shows inflows across equity ETFs, bond & income ETFs and hybrid ETFs in every quarter since the start of 2017. The trend has continued into 2025, albeit with net inflows in Q1 2025 more muted than in Q4 2024:



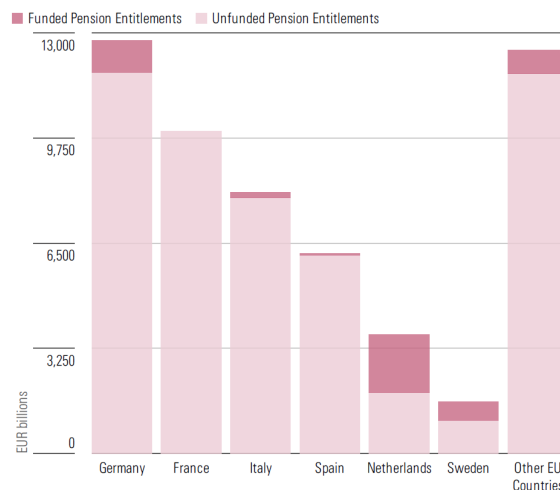
Source: ICI; Guinness Global Investors; data as of 31.03.2025

We were interested to hear the views of various investment management CEOs at a Morgan Stanley European conference held in late March. For traditional asset managers, the main messages were:

- The importance of product breadth
- The provision of 'building blocks' to income solutions for clients
- The development of retirement solutions (e.g. decumulation strategies for Asian banks and European insurers, which can provide regular withdrawals from a portfolio regardless of the performance of the underlying investments)
- Continued demand for fixed income/yield products
- The importance of delivering active outperformance, given the concentration risks that have built up in passives and ETFs

The comments around retirement solutions chime with the vast pool of potential assets that are required to plug unfunded pensions across Europe:

**EU funded vs unfunded pension entitlements by selected country**



Source: Morningstar; data as of 31.03.2025

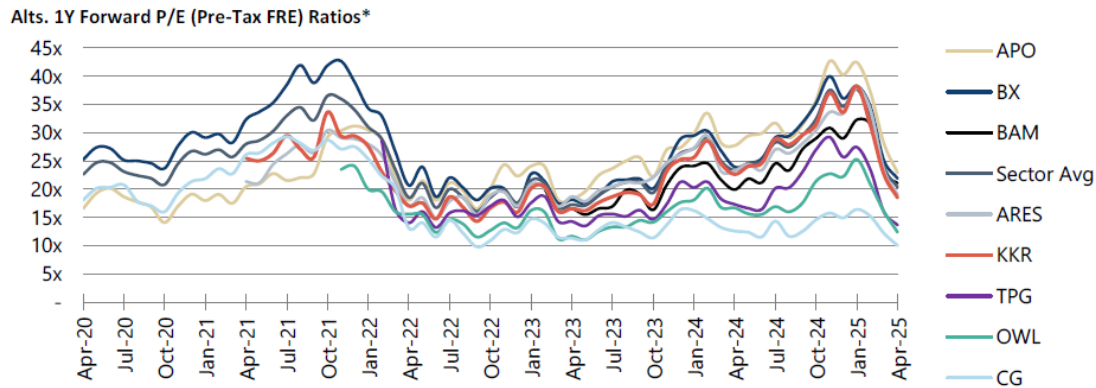
For alternative asset managers, key topics of conversation included:

- The US market currently being more competitive than the European market
- Some compression in direct lending spreads, but overall returns remaining attractive given the slower reduction in base interest rates
- Institutional demand for alternative products plateauing in 2024 but an acceleration in private wealth demand, which remains the biggest secular growth opportunity
- Growing development of 'multi-asset' products: combining private equity assets with, for example, infrastructure or credit products to improve the liquidity profile of the overall product
- Fee margins, with no headline pressure as long as return profiles are good
- Consolidation likely in Europe. The alternatives industry remains fragmented, and is likely to consolidate or become more institutionalised

## Guinness Global Money Managers

Looking in more detail at share price movements in the alternatives sector, and the recent decline erased all the post-election gains that had been driven by expectations of stronger capital markets, lower rates and de-regulation. Currently, the group is trading at an average forward P/E of around 20x, down from the 25x level at the end of 2024, and now at around the five-year average:

### US Alternative managers: 1-year forward P/E ratios 2020-2025YTD

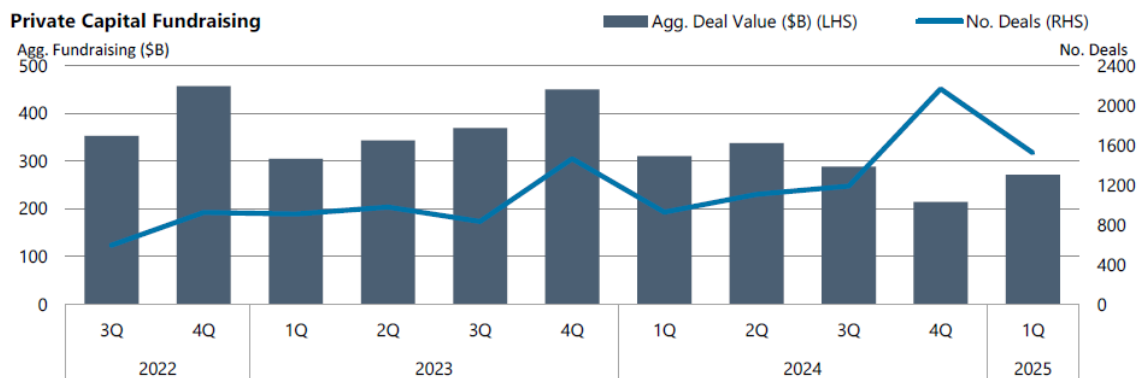


\*Latest as at 07-Apr-25; P/E (FRE) ratios refer to Price -to-Distributable Earnings (or equiv.) calculated based on Visible Alpha ests

Source: Jefferies; data as of 31.03.2025

And whilst realisation/M&A activity seems to have slowed, fundraising efforts have continued at a good level at the start of 2025. Based on Preqin data, private capital fundraising (from closed-end funds) reversed a three-quarter decline, growing by 27% in the first quarter of 2025 vs the previous quarter:

### Exhibit 3 - Fundraising from closed-end funds grew in Q1



Fundraising refers to the aggregate capital raised via closed-end commingled funds, including capital raised during interim and final closes.

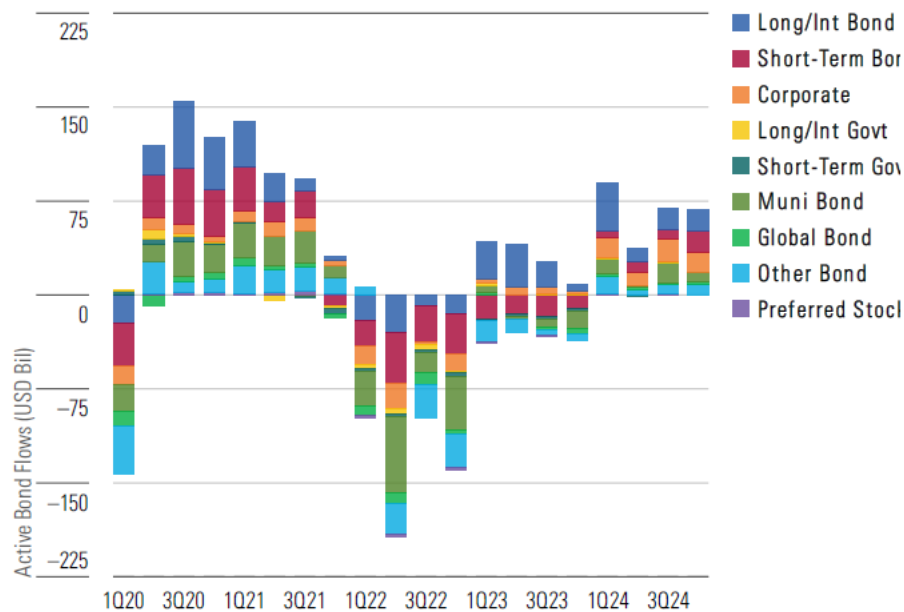
Source: Preqin; data as of 31.03.2025

Private equity fundraising was down 7%, but credit was up +62%, real estate +116% and infrastructure +195%.

## Guinness Global Money Managers

For traditional asset managers, brighter spots for fundraising continue to be active bonds and active ETFs. Active bond flows have steadily been recovering from the significant outflows seen in 2022 in response to rising short-term interest rates. That said, there is still little sign of a 'great rotation' out of money market funds into bond funds.

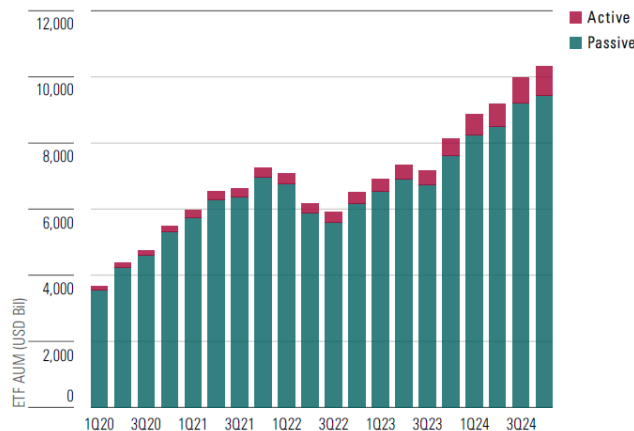
**Active bond flows Q1 2020 – Q4 2024**



Source: Morningstar; data as of 31.03.2025

Within the US ETF industry, we have started to see a transition away from an overreliance on passive, index-tracking funds. Assets held by actively managed ETFs are still below 10% of the overall ETF market, but new launches are picking up. In 2024, 510 active ETFs were issued, surpassing the 352 that were issued during 2023. According to Morningstar, actively managed ETFs accounted for 8% US ETF industry assets at the end of 2024, up from 6% at the end of 2023. Nearly two thirds of active ETFs are equity-based funds

**US ETF AuM: active vs passive Q1 2020 – Q4 2024 (\$bn)**



Source: Morningstar; data as of 31.12.2024

## Guinness Global Money Managers

At 31 March 2025, the P/E ratio of the Fund was 15.1x 2024 earnings. This sits at a significant discount to the broad market, with the MSCI World trading on a 2024 P/E ratio of 20.3x. Earnings growth for the portfolio is forecast (consensus) to be around 9% in 2025, which compares to expected earnings growth for MSCI World of around 8%. Given what is happening to markets in April, we expect the earnings growth for the sector to come down, as it will for the MSCI World, with money managers remaining at an attractive discount.

	'24	'25
<b>Fund P/E</b>	15.1	13.8
<b>MSCI World P/E</b>	20.3	18.7
<b>Premium (+)/ Discount (-)</b>	<b>-26%</b>	<b>-26%</b>

*Source: Bloomberg; Guinness Global Investors; data as of 31.03.2025*

In the longer term we expect asset managers as a sector (and therefore the Fund) to outperform the broad market, due primarily to the ability of successful asset management companies to grow their earnings more rapidly than the broad market.

**Will Riley & Tim Guinness**

**April 2025**

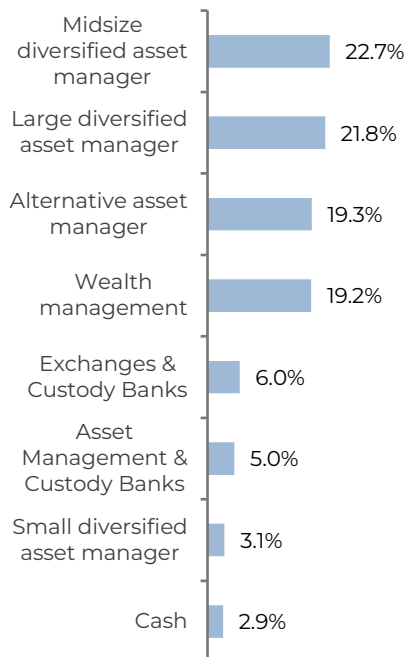
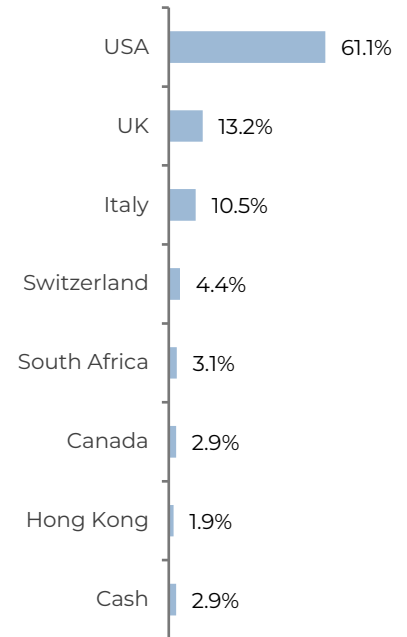
**GUINNESS GLOBAL MONEY MANAGERS FUND - FUND FACTS**

Fund size	\$12.7m
Fund launch	31.12.2010
OCF	0.74%
Benchmark	MSCI World TR

**GUINNESS GLOBAL MONEY MANAGERS FUND - PORTFOLIO**
**Top 10 holdings**

Nasdaq	6.0%
Banca Generali	5.9%
Ameriprise Financial	5.7%
Ares Management	5.3%
BlackRock	5.1%
Blackstone Group	5.0%
State Street	5.0%
KKR	4.8%
Azimut Holding	4.6%
Raymond James Financial	4.4%

Top 10 holdings	51.8%
Number of holdings	29

**Sector**

**Country**




## Guinness Global Money Managers Fund

Past performance does not predict future returns.

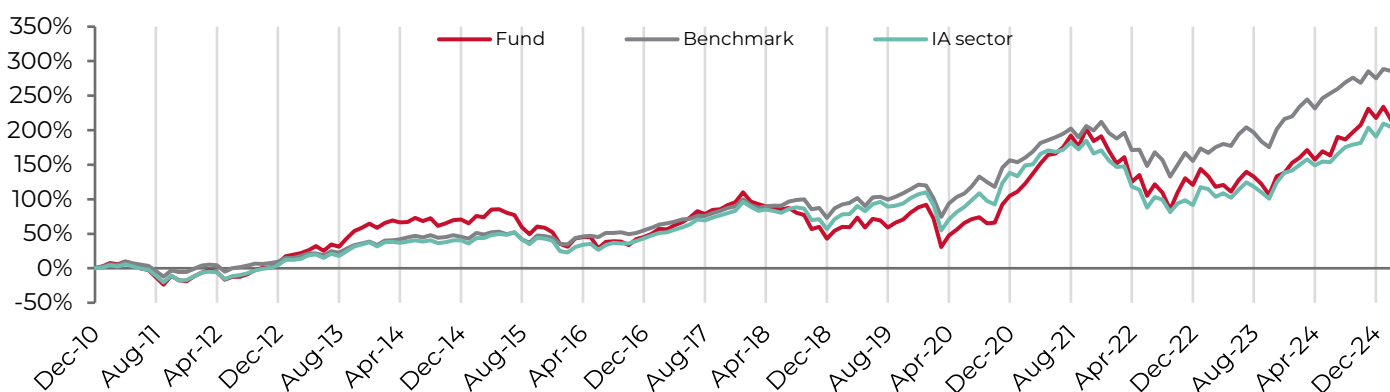
### GUINNESS GLOBAL MONEY MANAGERS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-9.0%	-10.2%	+6.1%	+14.9%	+115.7%	+94.6%
MSCI World TR	-6.8%	-4.7%	+4.8%	+27.0%	+102.9%	+185.0%
IA Financials and Financial Innovation TR	-5.6%	-1.6%	+11.9%	+21.5%	+82.8%	+136.0%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-6.7%	-7.5%	+8.4%	+12.7%	+124.5%	+69.2%
MSCI World TR	-4.5%	-1.8%	+7.0%	+24.5%	+111.2%	+147.8%
IA Financials and Financial Innovation TR	-3.2%	+1.4%	+14.4%	+19.1%	+90.3%	+105.2%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-10.2%	-11.3%	+8.4%	+16.1%	+127.7%	+65.8%
MSCI World TR	-8.0%	-5.9%	+7.0%	+28.3%	+114.5%	+146.3%
IA Financials and Financial Innovation TR	-6.8%	-2.8%	+14.4%	+22.7%	+93.3%	+104.0%

### GUINNESS GLOBAL MONEY MANAGERS FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+25.8%	+9.8%	-14.6%	+43.3%	+5.5%	+27.0%	-22.7%	+23.4%	+13.7%	-5.7%
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%
IA Financials and Financial Innovation TR	+24.3%	+12.3%	-16.8%	+14.6%	+11.6%	+26.9%	-9.0%	+16.9%	+22.0%	+5.5%
(USD)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+23.6%	+16.3%	-24.1%	+42.0%	+8.9%	+32.1%	-27.2%	+35.1%	-4.7%	-10.9%
MSCI World TR	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%
IA Financials and Financial Innovation TR	+22.1%	+19.0%	-26.1%	+13.6%	+15.1%	+32.0%	-14.3%	+27.9%	+2.3%	-0.3%
(EUR)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+31.9%	+12.4%	-19.2%	+52.8%	-0.4%	+34.2%	-23.7%	+18.4%	-2.1%	-1.0%
MSCI World TR	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%
IA Financials and Financial Innovation TR	+30.3%	+15.0%	-21.3%	+22.2%	+5.6%	+34.5%	-10.0%	+12.4%	+5.4%	+11.1%

### GUINNESS GLOBAL MONEY MANAGERS FUND - PERFORMANCE SINCE LAUNCH (USD)



Source FE fundinfo net of fees to 31.03.25 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 OCF used for the Fund performance returns is 0.74%, which was the OCF over the calendar year 2024. 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 designed to inform you about equities and equity markets invested in by the Guinness Global Money Managers 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.

### Risk

The Guinness Global Money Managers Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The Fund invests only in companies involved in asset management and other related industries; it is therefore susceptible to the performance of that one sector and can be volatile. 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.

### Documentation

The documentation needed to make an investment, including the Prospectus, the Key Information Document (KID), the 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, including collective redress mechanisms, 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.