Guinness Global Equity Income

Investment Commentary – April 2024

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 and full information on the risks, 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.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	31.12.2010
Index	MSCI World
Sector	IA Global Equity Income
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
EU Domiciled	Guinness Global Equity Income Fund
UK Domiciled	WS Guinness Global Equity Income Fund

OBJECTIVE

The Guinness Global Equity Income Funds are designed to provide investors with global exposure to dividend-paying companies. 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 and use the MSCI World Index as a comparator benchmark only.

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COMMENTARY

Over the last 12 months the Guinness Global Equity Income Fund returned 7.0% (in GBP), the MSCI World Index returned 4.8%, and the IA Global Equity Income sector average return was 4.8%. The Fund therefore outperformed the Index by 2.2% over the last 12 months and outperformed its peer group average by 2.2%.

In the first quarter of 2025, the Fund returned -0.5% (in GBP), the MSCI World Index returned -4.7%, and the IA Global Equity Income sector average return was 0.3%. The Fund therefore outperformed the Index by 4.2% over Q1 and underperformed its peer group average by 0.8%.

The first quarter of 2025 was a difficult start to the year for global equities. While the MSCI World fell a modest -1.8% in USD terms, there were periods of pronounced volatility and a sharp divergence between the market winners and losers. Following a long period of underperformance, European equities rallied strongly in Q1, gaining +11.1% in USD. The UK also saw strong performance, which was aided by the index's 'value' tilt (the factor was up +5.0% in USD compared to its 'growth' counterpart which fell -7.7%). However, the US market had a difficult start to 2025 due to uncertain domestic and foreign policy. This included substantial escalation in trade tensions, the introduction of tariffs, cuts to federal government spending, as well as the second-order effects on the domestic economy including growth fears and inflationary pressures.

Additionally, the AI trade started to unwind as the DeepSeek news in early January took some steam out of the latest rally. This explains why 'growth' underperformed 'value' so substantially (by -12.7% in USD). In this commentary, we will give a more detailed overview of the events that moved markets and impacted Fund performance over Q1. We will also dive deeper into the current situation on tariffs, explore the macroeconomic backdrop in the US, and finally, explore the geographic rotation that occurred over the quarter.

PERFORMANCE

Over the first quarter, the Fund outperformed the MSCI World Index, which can be attributed to the following:

- The Fund's three largest sector overweights (Consumer Staples, Industrials and Healthcare), as all sectors posted positive gains despite the index declining.
- An underweight allocation to Information Technology and a zero weighting to Consumer Discretionary, as these were the two worst performing sectors over Q1.
- This was somewhat offset by the zero allocation to Energy, Utilities, Real Estate and Materials, as all four defensive sectors outperformed over the quarter.
- Strong stock selection within Financials (Deutsche Boerse +27.6% USD, Arthur Gallagher +21.9% USD), Healthcare (Roche +20.3% USD, AbbVie +19.0% USD) and Consumer Staples (Nestlé +22.2% USD, Coca-Cola +15.9% USD) was also a source of outperformance for the Fund.
- At a high level, it is worth noting that the Fund performed well in the drawdowns over February and March, as the market generally rewarded more defensive and higher-quality companies over these periods.

It is pleasing to see that the Fund has outperformed the IA Global Equity Income Sector average over 1 year, 3 years, 5 years, 10 years and since launch.

Cumulative % total return in GBP to 31/03/2025	YTD	1 year	3 years	5 years	10 years	Launch*
Guinness Global Equity Income Fund Y Dis GBP	-0.5	7.0	28.1	95.2	179.0	343.5
MSCI World Index	-4.7	4.8	27.0	102.9	185.0	347.2
IA Global Equity Income (average)	0.3	4.8	21.5	79.4	113.2	213.7
IA Global Equity Income (ranking)	^	18/53	12/50	11/46	3/31	3/13
IA Global Equity Income (quartile)	^	2	1	1	1	1

Source: FE fundinfo. Net of fees. Data as of 31st March 2025
**Fund launched on 31st December 2010*
^Ranking not shown in order to comply with European Securities & Marketing Authority rules

DIVIDEND ACTIONS

So far in 2025, we have had dividend updates from 20 of our 35 holdings.

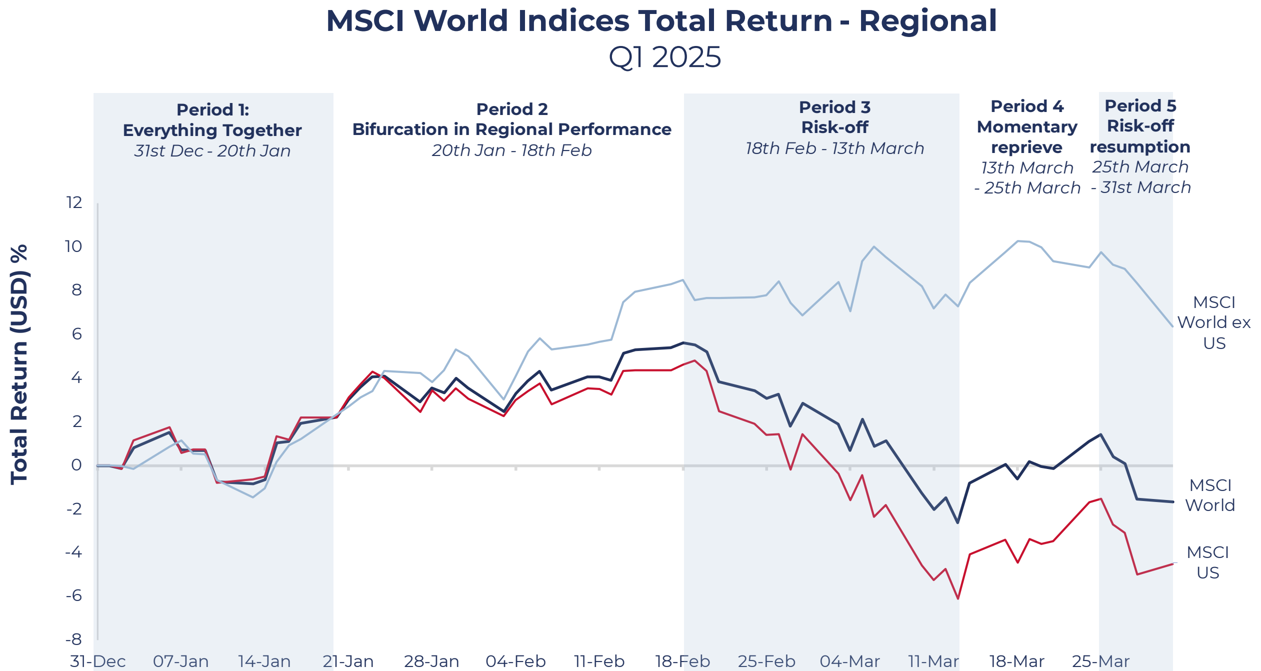
- 19 companies announced increases for their 2025 dividend vs 2024. The average dividend growth these companies was 6.4%.
- 1 company announced a flat dividend vs 2024.
- 0 companies announced a dividend cut.
- 0 companies announced dividend cancellations.

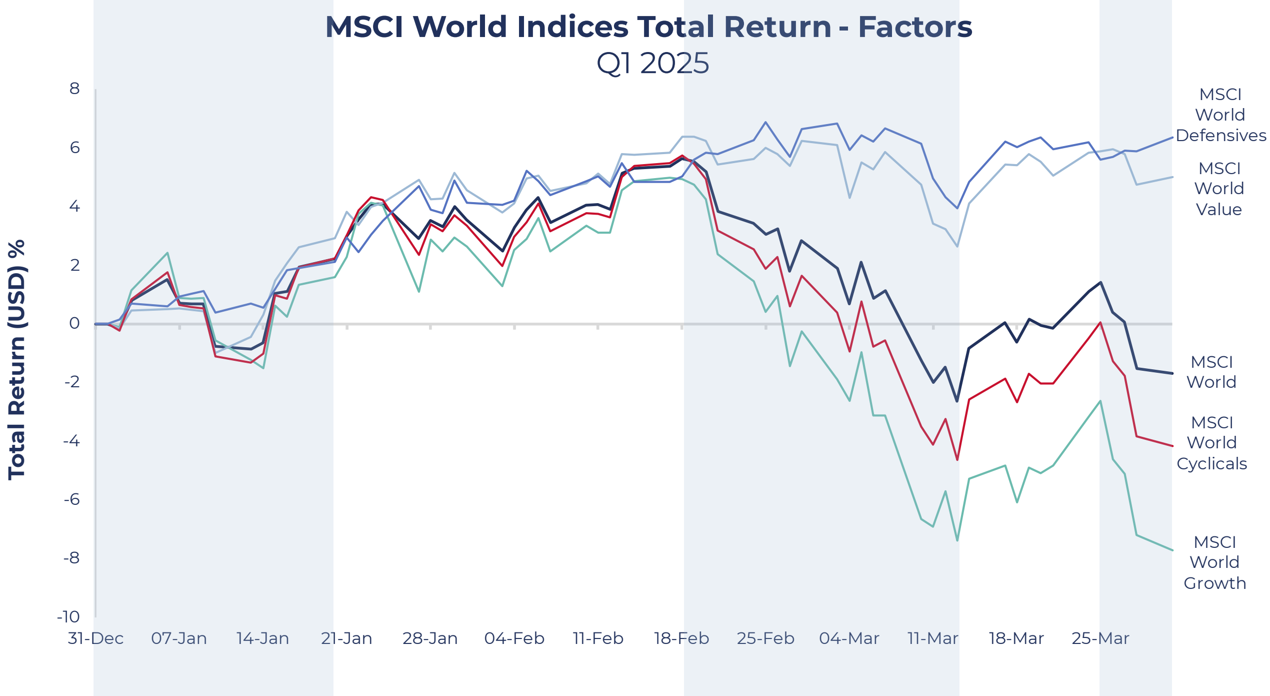
The Fund's dividend yield at the end of the quarter was 2.0% (net of withholding tax) vs the MSCI World Index's 1.8% (gross of withholding tax). *(Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price. It does not include any preliminary charges. Investors may be subject to tax on the distribution.)*

A moderate dividend yield, albeit ahead of the Index, is characteristic of the Fund because our focus is not on simply finding the highest-yielding companies, but instead on finding high-quality, cash-generative businesses which can consistently grow their dividend stream year-on-year.

Explicitly screening for persistently profitable companies also means that many industries – regulated sectors such as Utilities, Telecommunications and Banks, and commodity-led sectors such as Energy and Materials – tend not to appear in our investible universe. These excluded industries often contain companies that exhibit the highest dividend yields, though we believe these same companies have a relatively greater risk of dividend cuts (as we saw in 2020) and are less likely to grow their dividend over time.

QUARTER IN REVIEW





Source: Guinness Global Investors, Bloomberg; as of 31st March 2025

Period 1 – Everything Together (31st Dec – 20th Jan): *performance in line across factors and regions.*

It was a shaky start to the year as global equity markets scaled back expectations of US rate cuts for 2025, following strong jobs data and a better-than-expected manufacturing print. US inflation data in mid-January showed signs of softening, causing rate cut expectations to climb once more, and a positive corporate earnings season in the banking sector drove a short period of strong equity performance.

Fund performance: The Fund underperformed, driven by a negative allocation effect. The Fund's largest overweight was to the only negatively performing sector (Consumer Staples), which acted as a relative headwind. A positive stock selection effect in IT (TSMC) offset weakness in Financials (Blackrock).

Period 2 – Bifurcation in Regional Performance (20th Jan – 18th Feb): *performance broadly in line across factors, but the US moved sideways, and the rest of the world trended upwards.*

Trump was inaugurated on 20th January, and volatility in equity markets soon followed. US stocks outperformed in the following days as markets grappled with a blitz of executive orders, surprise threats of tariffs, and corporate earnings for a number of blue-chip companies. This outperformance was short-lived however, as the MSCI USA moved sideways for the rest of the period. Markets instead showed a preference for the value on offer in Europe, given the lack of immediate US tariffs on the region (Europe was expected to be a primary target of Trump's 'America First' trade policies), the rising prospect of peace talks in Ukraine, and improving economic growth expectations. European defence stocks performed particularly strongly on the prospect of increased European military expenditure following pressure from the US on NATO. Volatility in big tech stocks at the end of January was driven by the release of DeepSeek – a Chinese large language model (LLM) supposedly developed at the fraction of the cost of leading Western models but with comparable performance – as markets weighed the likely implications on big tech's capital expenditure plans. Hong Kong's Hang Seng outperformed all other main markets over the period, fuelled by this AI optimism.

Fund performance: Although the Fund benefited from a positive allocation effect from the overweight to Staples – the benchmark's second-best performing sector in the period – this was more than offset by a negative stock selection impact in Staples (Diageo), IT (Broadcom and TSMC) and Industrials (Eaton).

Period 3 – Risk-off (18th Feb – 13th Mar): *The US begins to fall as risk-off sentiment dominates. Defensives outperform cyclicals, value outperforms growth, the rest of the world outperforms the US, and the 'Magnificent Seven' are sold off.*

The MSCI World fell 7.8% in USD between the market peak (18th February 18th) and trough (13th March). The bifurcation in performance between US and non-US stock performance increased further, as the US faced overwhelmingly weak economic prints across multiple data points: Service PMIs moved to contractionary territory, manufacturing new orders fell steeply, housing data was weak and there was a decline in consumer sentiment. With core inflation coming in hotter than expected, concerns over stagflation were amplified by increasing uncertainty over US trade policy. Trump's comments that a US recession was not 'off the table' did little for market confidence. Even as traders priced in more rate cuts for 2025, this was not enough to stop the slide. Investors flocked to more defensive areas of the market, growth stocks sold off, and there was particularly weak performance from the Magnificent Seven. European outperformance persisted, driven by relaxed debt rules for defence spending and supported by the region's value bias and defensive stance. The Hang Seng performed positively throughout, as China signalled strong stimulus and reform.

Fund performance: The vast majority of the Fund's outperformance during the quarter came during this period and was driven by exposure to defensive sectors. The Fund benefited from very strong allocation and stock selection effects almost in equal measure. The Fund's largest overweight position to the benchmark's best performing sector, Consumer Staples, offered the strongest tailwind, while Nestlé, Danone, Mondelez and Unilever drove strong stock selection effects. The Fund also benefited from a positive stock selection effect within Financials (our exchange businesses Deutsche Boerse and CME outperformed), and an underweight to IT and Consumer Discretionary also provided a tailwind.

Period 4 – Momentary Reprieve (13th Mar – 25th Mar): *A short rebound as trends momentarily reverse.*

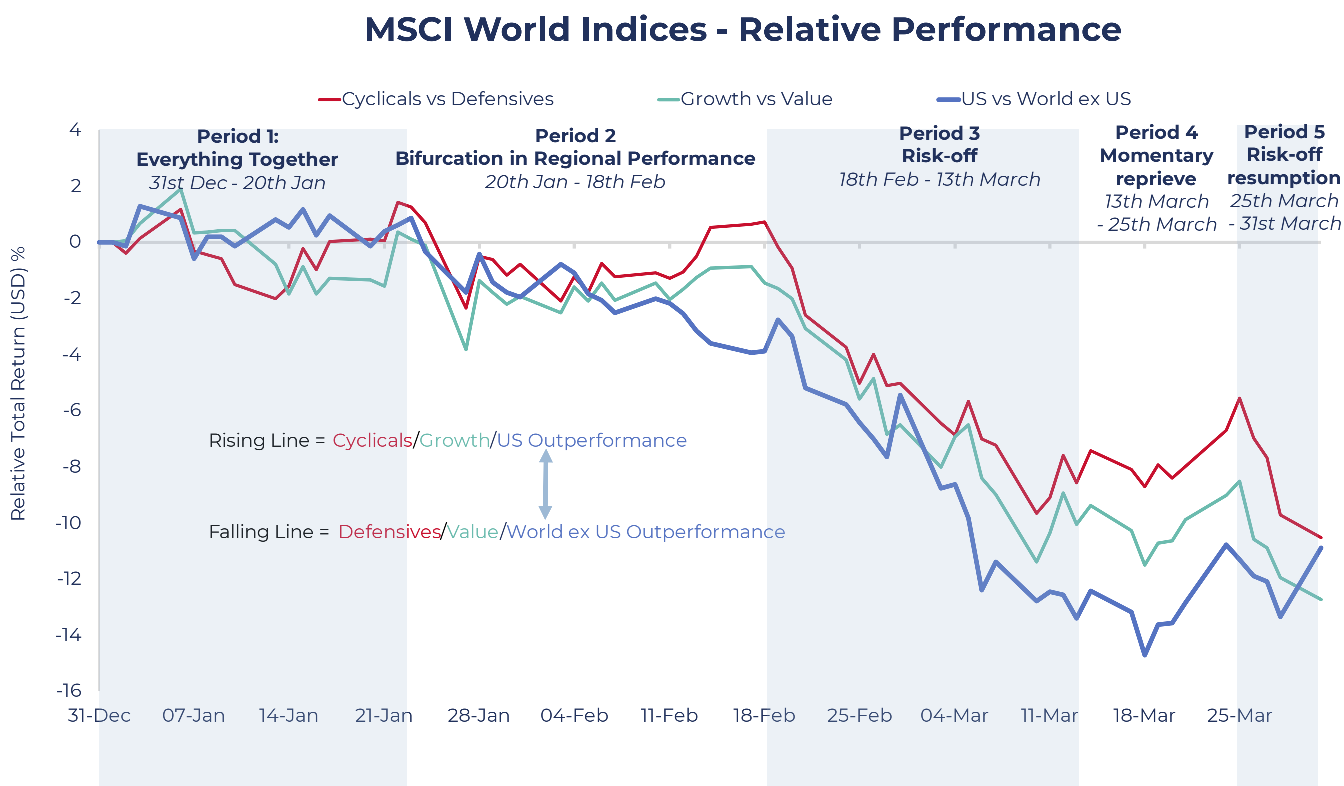
There was a brief recovery across factors and regions, and a small reversal in market leadership, as the US outperformed the MSCI World ex US and Cyclicals outperformed Defensives. Growth and value performed relatively in line. The reversal began after the threat of a US government shutdown. The Federal Reserve kept rates unchanged, and while it raised inflation forecasts and trimmed 2025 growth projections, markets took comfort in its Chair Jerome Powell's steady tone on the anticipated path of rate cuts. Accordingly, rate cut expectations did not shift materially (2-3 cuts in 2025). Better-than-expected economic data was a further source of positive sentiment.

Fund performance: Fund underperformance during the period was driven by both negative stock selection effects and a negative asset allocation impact. As trends reversed from the previous period, the Fund's overweight to Consumer Staples, and zero allocation to Consumer Discretionary, provided headwinds to relative performance. Weakness in some of our Industrials (Assa Abloy, Atlas Copco) and Health Care (AbbVie, Medtronic) positions acted as a further headwind to the Fund.

Period 5 – Risk-off Resumption? (25th Mar – 31st Mar): *All regions fall as tariff fears are reignited, and defensives significantly outperform.*

The rebound ended swiftly, and defensives significantly outperformed cyclicals after a perceived escalation in the trade war. Trump announced new tariffs on global autos, US trading partners warned of possible retaliation, and Trump threatened "far larger tariffs" on the EU if it collaborated with Canada. Fresh uncertainty over the extent of Trump's upcoming 'Liberation Day' weighed heavily on markets. The Conference Board saw measures of expectations in the next six months falling to a 12-year low, whilst consumer confidence and inflation expectations also moved against expectations. The market-cap weighted Magnificent Seven index (by UBS) entered correction territory, falling more than 20% since 27th December.

Fund performance: Fund outperformance resumed with the rotation back towards Defensive-orientated sectors. The Fund's largest overweight sector position to Consumer Staples and the underweight to Information Technology, the benchmark's best and worst performing sectors, acted as a tailwind. Positive stock selection effects also provided a tailwind within Financials (Arthur J Gallagher and Deutsche Boerse), Health Care (AbbVie) and IT (Cisco).

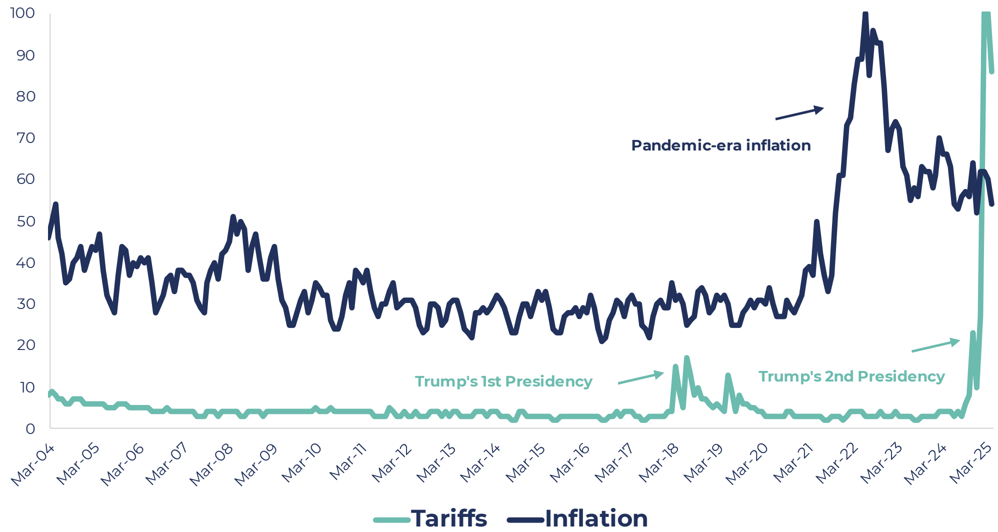


Source: Guinness Global Investors, Bloomberg; as of 31st March 2025

TARIFF TALK

Interest in Tariffs has soared

More people are searching 'Tariffs' than they were for for 'Inflation' In 2022
(Worldwide Google Searches, indexed to 100=max)



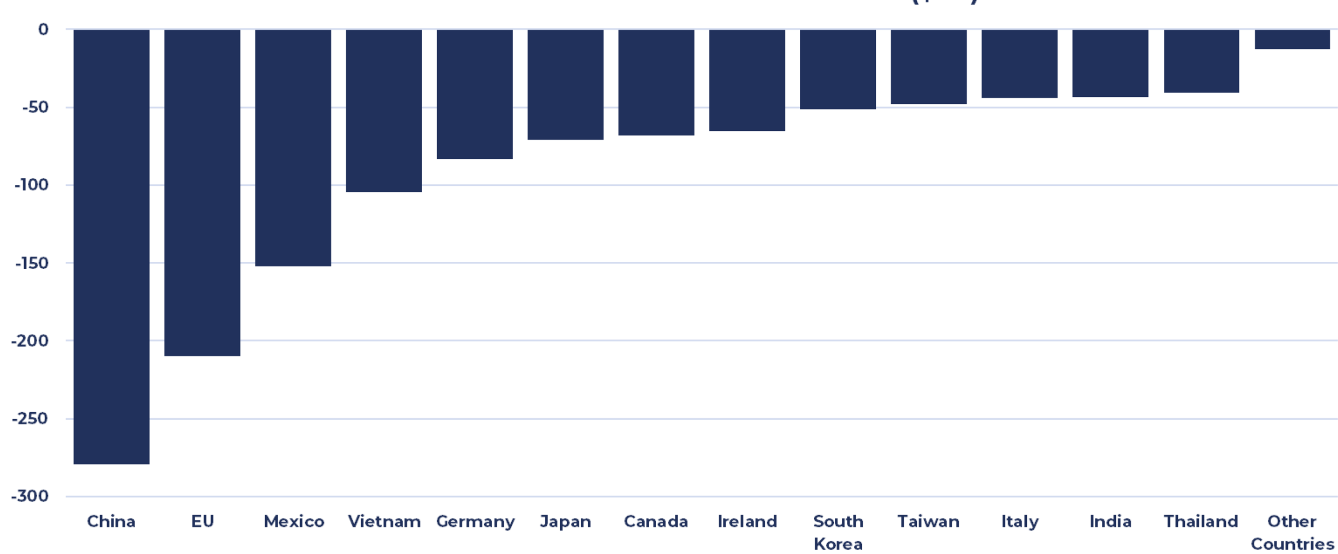
Source: Google Trends; as of 31st March 2025

The big talking point for global equity markets in Q1 2025 was, of course, tariffs. Although the notion of tariffs was no surprise – Trump made many references to tariffs during his presidential campaign – the market was spooked by the breadth (including levies on cars, auto parts, steel, aluminum, alcoholic beverages etc.) as well as the unpredictability of America's new trade policy, which seems to be changing in real time. This has made it hard for businesses to prepare accordingly and even harder for investors to understand the long-term implications of the trade disruptions.

At time of writing (first week of April), Trump has just announced sweeping tariffs across a range of US trading partners as part of the so-called 'Liberation Day'. The initial tariff rates were higher than the market expected (in some cases, as high as 49%), which caused stocks to sell off sharply.

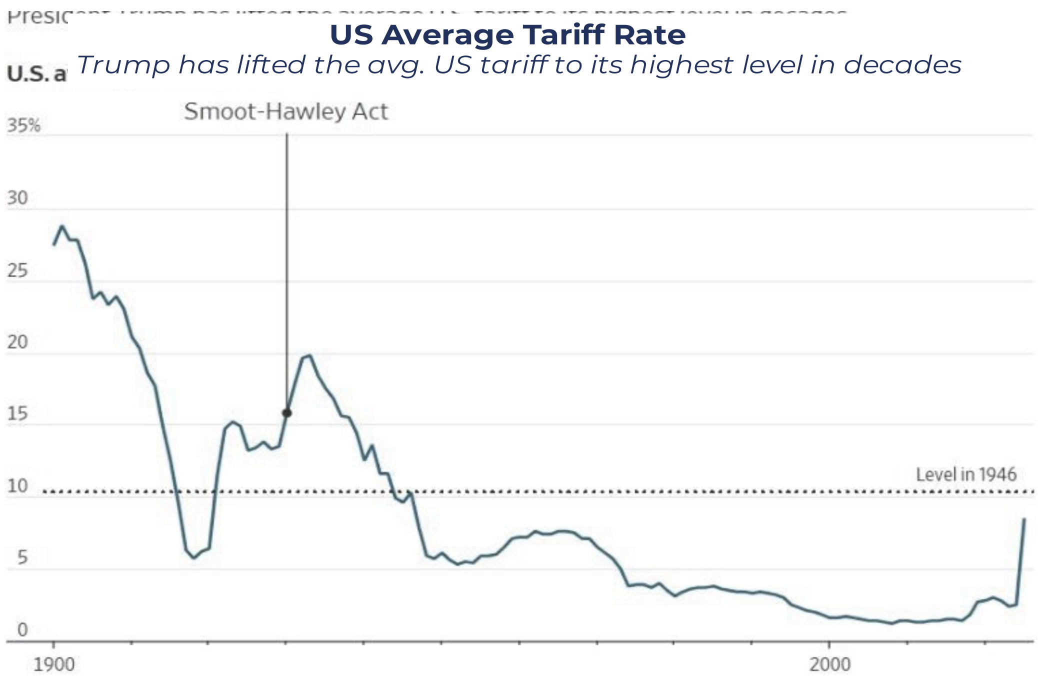
Who is Being Targeted?

US Trade deficits with other economies ($bn)



Source: IMF Direction of Trade Statistics; as of 31st March 2025

The chart above displays the US trade deficit on a country-by-country basis. The countries with which the US runs the largest trade deficits (namely China, the EU, Mexico, and to a lesser extent Canada) were among the first countries to be targeted with tariffs over Q1 2025. The imbalances are frequently cited as evidence of unfair trade practices employed by partner nations, which explains why these countries remain in the president's crosshairs. However, trade deficits are only one lens through which these relationships are being judged, as the administration has also pointed to concerns over currency manipulation, state subsidies, and intellectual property theft as reasons for tariff escalation. While some countries have been granted exemptions (under USMCA), others have been less fortunate and are preparing retaliatory measures of their own. As tensions rise, it is worth looking at the broader tariff picture using the average tariff rate on all US trading partners.

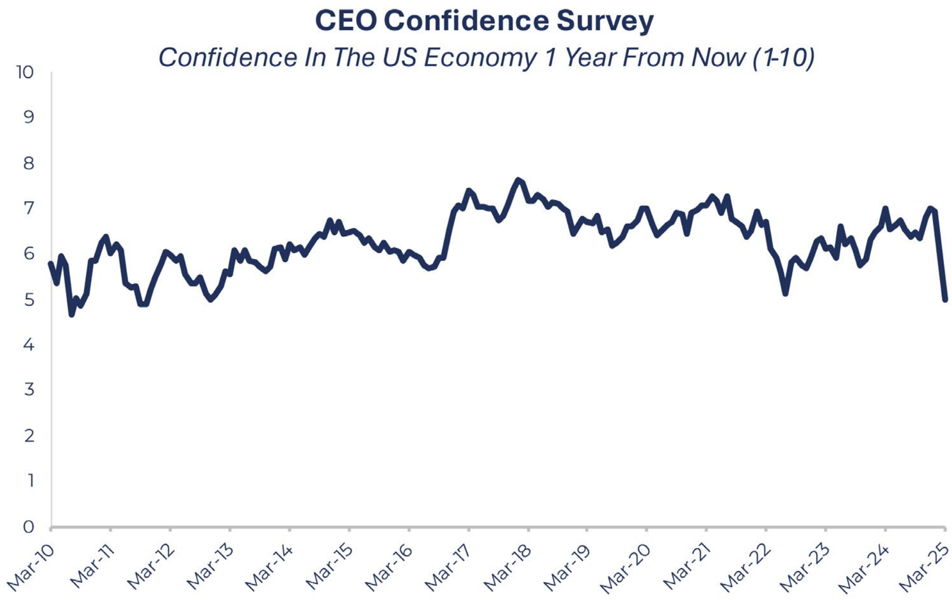


Source: Berenberg; as of 31st March 2025

The chart above shows a clear change in direction of US trade policy over the previous century. The 1930 Smoot-Hawley Act saw tariffs on imported goods rise significantly, aiming to protect domestic industries and farmers, but is seen as having worsened the Great Depression and triggered retaliatory tariffs, harming global trade. What followed was a prolonged period of free and fair trade from a US perspective, until tariffs started to tick up initially under Trump's first term (albeit remaining at a relatively low at an average of c.3%). They have since raised further during his second term to c.8% as of the quarter end. As noted above, Liberation Day (April 2nd) brought sweeping tariffs that have brought this rate closer to 20%, the highest rate in almost a century. While this situation is still developing, the path forward for global trade remains decidedly unclear as tariff escalations seem likely unless there is a substantial about turn in US trade policy. This will continue to remain front of mind as the reaction and fallout from Liberation Day unfolds.

More Uncertainty Ahead

The chart below depicts CEO confidence in the US economy. As part of the monthly survey into domestic US conditions, respondents rate their expectations of overall business conditions 1 year from now (10 = Excellent 8 = Very Good 6 = Good 4 = Weak 2 = Poor). As of March 2025, the score of 4.9 (down by 1.94 month-on-month) suggests CEOs are suddenly far more pessimistic about the trajectory of the US economy. Even though Trump has long voiced his intention to implement such tariffs, many assumed it was merely a negotiating tactic to secure better terms with trade partners. The sharp decline over March shows that business leaders are growing wary of the volatile trade policies and the tangible impacts that tariffs are likely to have on their supply chains and cost of goods, as well as the potential for higher inflationary reads and stalling US growth.



Source: CEO Confidence Index, Bloomberg; as of 31st March 2025

Impact on the Guinness Global Equity Income Fund

Sector	Comment
Consumer Staples	• Staples exhibit strong pricing power and are able to pass through incremental costs quickly, helping to preserve margins in the face of rising input costs. • Localised supply chains, with goods sold in the US often produced using US-based supply chains. Some Canadian + Mexican operations but USMCA exempt
Industrials	• Industrials operate in key industries and supply mission-critical components (e.g Eaton, Schneider, Atlas Copco) giving them strong pricing power. • Healthy backlogs and elevated order books provide forward visibility. Industrials can often reprice orders in response to higher input costs. • Some have significant servicing businesses (e.g. Otis) which are largely shielded from tariffs and helps to cushion any cyclical softness in equipment sales.
Financials	• Financials are largely isolated from Tariff risks. However, as a second order effect, the exchanges (CME and Deutsche Boerse) benefitted from the increased volatility as market participants hedged risk at a higher rate, creating a tailwind for their businesses.
IT	• Low tariff risk for pure-play IT and software, given asset-light, service-based models. • Semiconductor names (Broadcom, Texas Instruments, TSMC) are more exposed to tariffs given their globalised manufacturing base. However, they are deeply embedded in mission-critical applications, retain strong pricing power, and have so far avoided the worst of the impacts due to their strategic importance.
Healthcare & Communication Services	• Pharmaceuticals and medical products have historically been excluded from tariffs and trade restrictions, given their critical role in public health. Further, imposing tariffs on imported drugs would likely raise costs for US consumers and healthcare systems, creating a strong disincentive for policymakers. • Communication Services are generally less impacted since they are predominantly digital, platform-based, or content-driven businesses.

Looking across the Fund, we believe that the majority of our companies are well protected from the worst impacts of these tariffs. While it is inevitably difficult to avoid the disruptions to global supply chains, and there may well be several second-order effects (slower growth, higher inflation etc), the characteristics of the companies that the Fund invests in help to offer some protection in uncertain environments. The Fund has a focus on large-cap companies, with scale and broad-based manufacturing footprints which can help navigate idiosyncratic regional risks. Portfolio companies are generally less exposed to volatile commodity prices; they have high margins (giving them the ability to absorb unforeseen costs) and often have strong moats, which give them pricing power to offset additional tariff-related costs. These are some of the 'high-quality' aspects of the Fund's approach and are why, in times of heightened uncertainty, portfolio companies tend to be more resilient. When looking at the areas that have been most impacted by tariffs, Autos & Components stands out (falling -24.0% in USD over Q1). We don't own any names in this industry, which is by design. These are generally lower quality companies that have smaller margins, more complex supply chains, are exposed to commodity prices, and can often be caught up in trade wars due to their domestic and geopolitical importance.

What Senior Management Are Saying

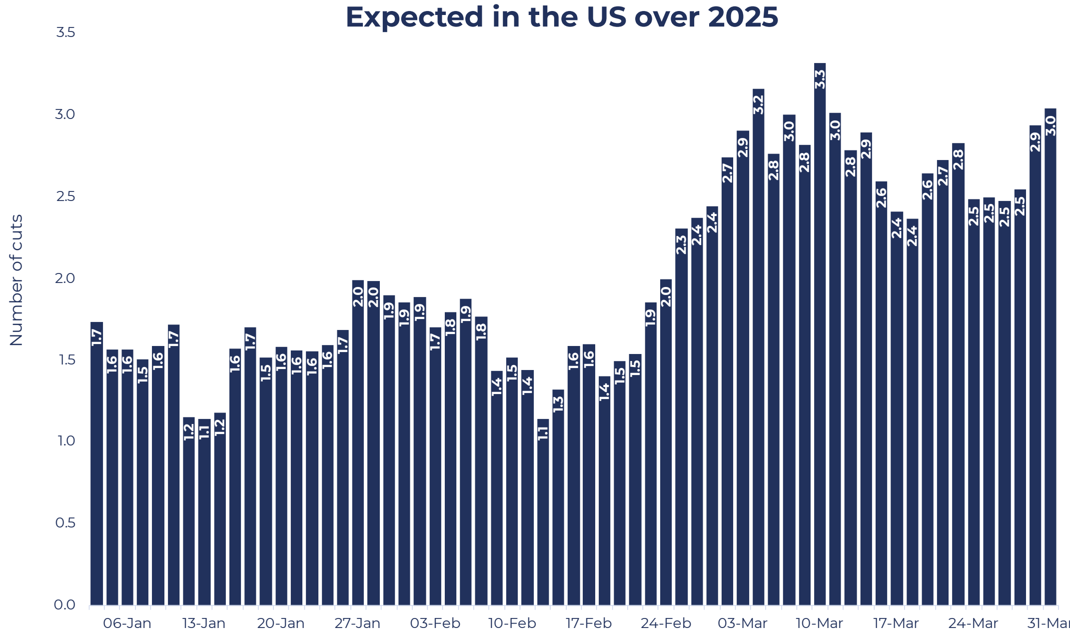
Procter & Gamble CFO Andre Schulten: "*Whatever the administration decides to do… we will be able to deal with,". P&G will first try to offset possible tariffs by cutting costs "and what we can't offset with productivity, it might result in incremental pricing."*

Schneider Electric CFO Hilary Maxson: *"Production and the supply base, as much as we can, is in the local markets that we serve regionally… so we feel pretty good about where we are in terms of that balance. We're mostly regionalised already."*

TSMC Management stated that any additional tariffs would likely be passed on to customers rather than absorbed by the company, potentially increasing chip prices. Additionally, TSMC's commitment to invest $100bn in the US is likely to be well received by the Trump administration, potentially shielding the company from future tariff risks or political scrutiny.

Second-Order Effects: More Inflation, Less Growth?

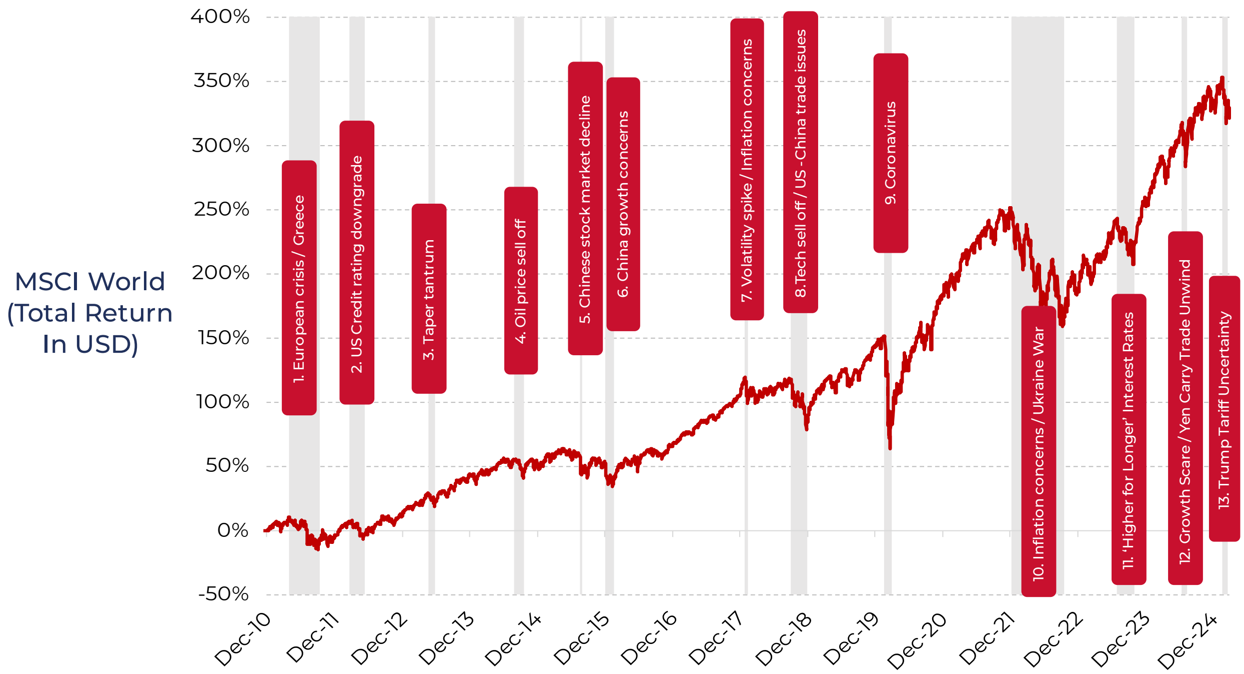
Number of Implied 25bp Interest Rate Cuts Expected in the US over 2025



Source: Bloomberg; as of 31st March 2025

As noted above, the uncertainty with tariffs has sparked concerns over the implications for inflation and growth. At its most recent meeting on 19th March, the Federal Reserve acknowledged that inflationary pressures remain tilted to the upside, while risks to economic growth are skewed to the downside. Reflecting this cautious outlook, the Fed lowered its 2025 GDP growth forecast from 2.1% to 1.7% and simultaneously raised its inflation projection for 2025 from 2.5% to 2.7%. Further implications were felt on consumer sentiment, as evidenced by the Conference Board US Consumer Confidence Index, which fell to a four-year low of 93 in March, the lowest point since July 2022 and far from the 110 reading when Trump was re-elected in November. So far, the softness in economic data has been largely confined to sentiment-based indicators such as surveys, while hard economic data – quantitative indicators derived from actual economic activity – continue to point to a broadly resilient US economy. This is evidenced by the labour market (which remains relatively tight) and by the modest increase in February retail sales (+0.2% month-over-month) after a downwardly revised figure in January (-1.2%), suggesting a mild recovery. Despite this somewhat conflicting evidence, the market appears to have chosen the soft data narrative (given its forward-looking bias). This helps to explain why rate cut expectations for 2025 have shot up and now stand at three US interest rate cuts (assuming 25 basis points each) for 2025, up from less than two at the beginning of the year, implying the need for lower interest rates to stimulate a faltering economy.

Tariff + Uncertainty = Drawdown



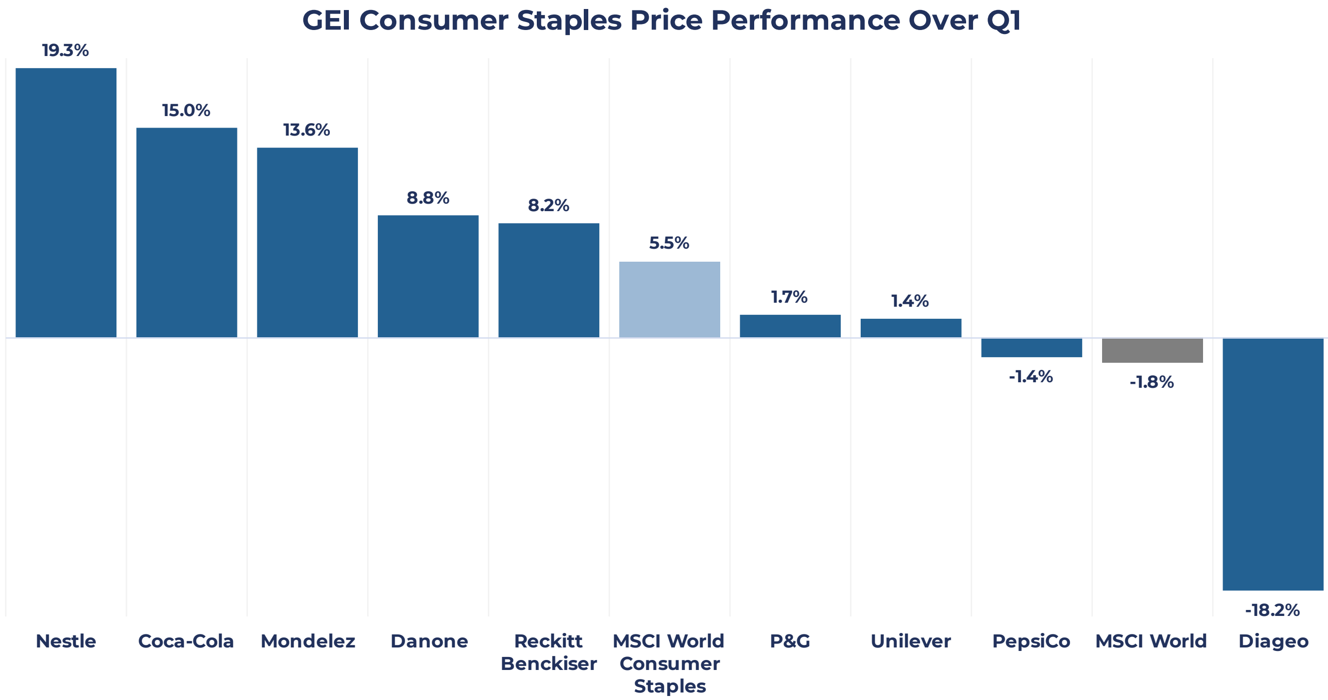
Source: Guinness Global Investors, Bloomberg; data as at 31.03.2025

Whilst the MSCI World ended the quarter down -1.8% in USD, there was a more pronounced drawdown during the quarter, as markets digested the aforementioned macroeconomic and tariff-escalation news. In fact, from mid-February (18.02.25) to Mid-March (13.03.25) the MSCI World fell -7.8% in USD and, encouragingly, the Fund fell just -1.4% over this period, outperforming by 6.5% (to 1dp). As a reminder, the Fund has now outperformed in all 13 of the previous market drawdowns and it is reassuring to see ongoing strong performance in these types of macro environments (heightened global uncertainty, higher interest rate expectations, unclear inflation outlook) as was the case in the 2022 period.

Reason for sell off	Start date	End date	MSCI World Index	Guinness Global Equity Income	Fund relative performance
1. European crisis / Greece	02/05/2011	04/10/2011	-22.0%	-15.6%	6.4%
2. US credit rating downgrade	19/03/2012	04/06/2012	-12.5%	-8.9%	3.5%
3. "Taper tantrum"	21/05/2013	24/06/2013	-7.7%	-5.2%	2.5%
4. Oil price sell off	27/08/2014	16/10/2014	-8.8%	-8.3%	0.5%
5. Chinese stock market decline	17/08/2015	25/08/2015	-9.4%	-8.5%	0.9%
6. China growth concerns	31/12/2015	11/02/2016	-11.5%	-6.1%	5.4%
7. Volatility spike / inflation concerns	26/01/2018	08/02/2018	-9.0%	-7.1%	2.0%
8. Tech sell off / US-China trade issues	03/10/2018	25/12/2018	-17.5%	-12.0%	5.5%
9. Coronavirus	19/02/2020	23/03/2020	-34.0%	-32.5%	1.4%
10. Inflation concerns / Ukraine war	04/01/2022	12/10/2022	-26.1%	-20.8%	5.3%
11. 'Higher for Longer' Interest Rates	31/07/2023	27/10/2023	-10.5%	-9.0%	1.5%
12. Growth Scare / Yen Carry Trade Unwind	16/07/2024	05/08/2024	-8.2%	-1.6%	6.6%
13. Trump Tariff Uncertainty	18/02/2025	13/03/2025	-7.8%	-1.4%	6.5%

Source: Guinness Global Investors, Bloomberg, (all Fund data total return in USD, Y Class)

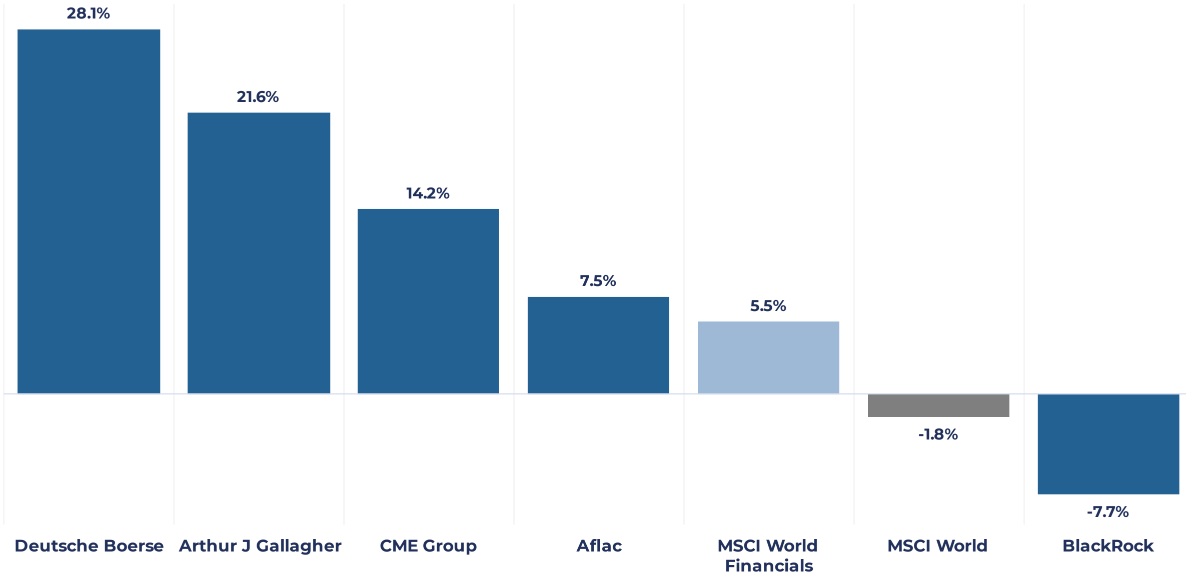
The Fund's relative outperformance in the recent pullback was supported in part by its overweight exposure to Consumer Staples which has historically demonstrated resilience during periods of heightened volatility. This defensive quality was also evident in 2022, when the sector outperformed the MSCI World Index by 12.7% in USD, as many companies successfully passed through cost inflation to consumers with speed and efficiency. The Fund's emphasis on high-quality, high-margin staples with strong brand equity and pricing power further reinforces its ability to weather macro headwinds and provides an additional layer of downside protection in challenging market environments. The chart below shows the price performance of the Fund's Consumer Staples holdings vs. the MSCI World and MSCI World Consumer Staples over the quarter. Nestle and Coca-Cola performed particularly well, with only PepsiCo and Diageo posting negative returns over the period.



Source: MSCI, Bloomberg as of 31.03.2025, in USD

Although Financials stocks are typically considered 'cyclical', the sector delivered strong performance during the quarter, rising by 5.5% in USD. This was primarily driven by upgraded earnings expectations, with limited multiple expansion. Within the Fund, Deutsche Boerse, Arthur J. Gallagher, and CME Group stood out as top sector performers. As a second-order effect, exchange operators such as Deutsche Boerse and CME Group benefited from the uncertain macro environment, via increased trading volumes driven by heightened hedging activity. Although classified within the Financials sector, these businesses are structurally distinct from traditional cyclicals. They are high-quality companies with substantial recurring revenue streams, providing a strong degree of defensiveness during periods of economic stress.

GEI Financials Price Performance Over Q1

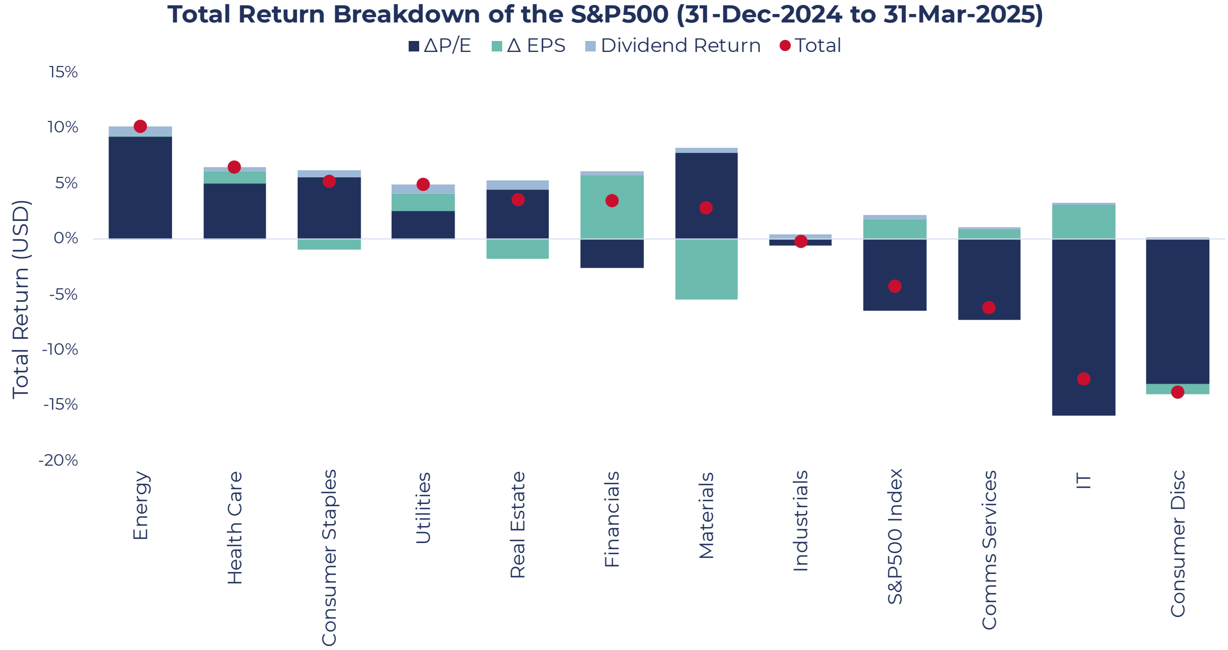


Source: MSCI, Bloomberg; as of 31.03.2025, in USD

Is US Exceptionalism Over?

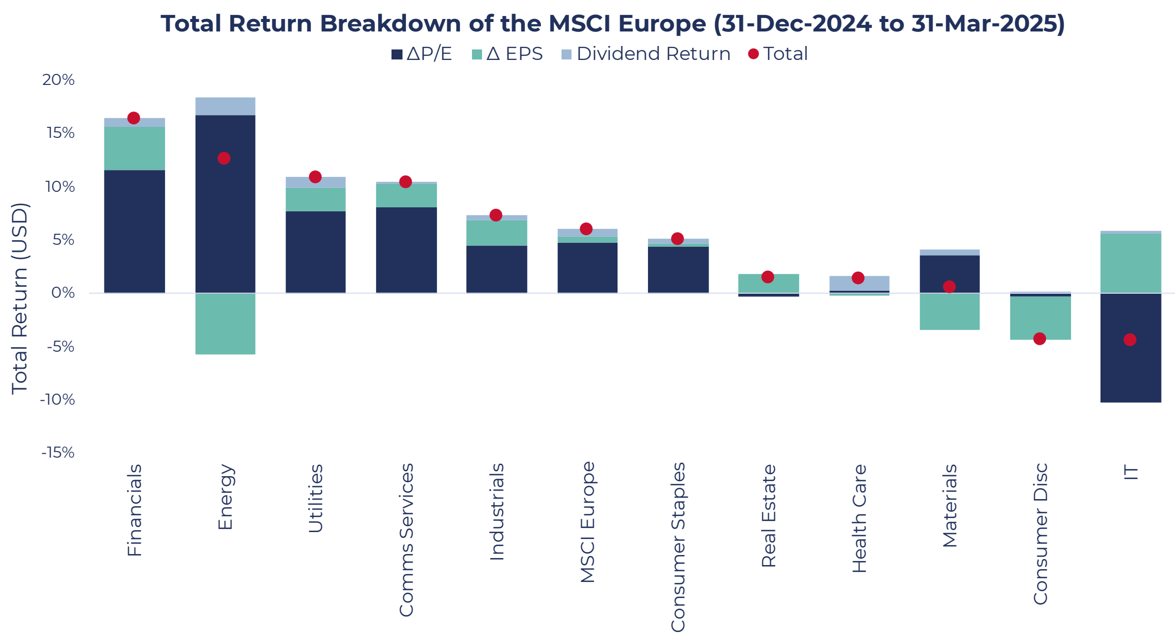
To make sense of the market movements over the first quarter of 2025, it's useful to understand the expectations coming into the year in light of where we are now. Following yet another year of US equity outperformance in 2024, many investors entered 2025 with renewed confidence that a Republican-led administration would bolster economic growth, cut taxes, and further support US equity markets. Yet, as outlined above, the reality has diverged meaningfully from those early assumptions. As US markets grapple with the domestic uncertainty, Europe has surprised to the upside, delivering a more robust and coordinated fiscal response than many had anticipated, helping to stabilise sentiment and support activity across the region. European equities outperformed US equities by 15.6% during the quarter, making this the largest quarterly European outperformance vs the US since 1985, according to data from Berenberg Research.

When breaking out performance, in the US, the S&P500 sell-off was led by the IT and Consumer Discretionary sectors, both falling double digits with a sharp multiple contraction. However, at an index level, the S&P500 actually saw an upward revision in earnings expectations (with six of the 11 sectors showing positive revisions). Nonetheless, this did not help to overcome the increasingly negative market sentiment with a contracting multiple leading the equity market declines.



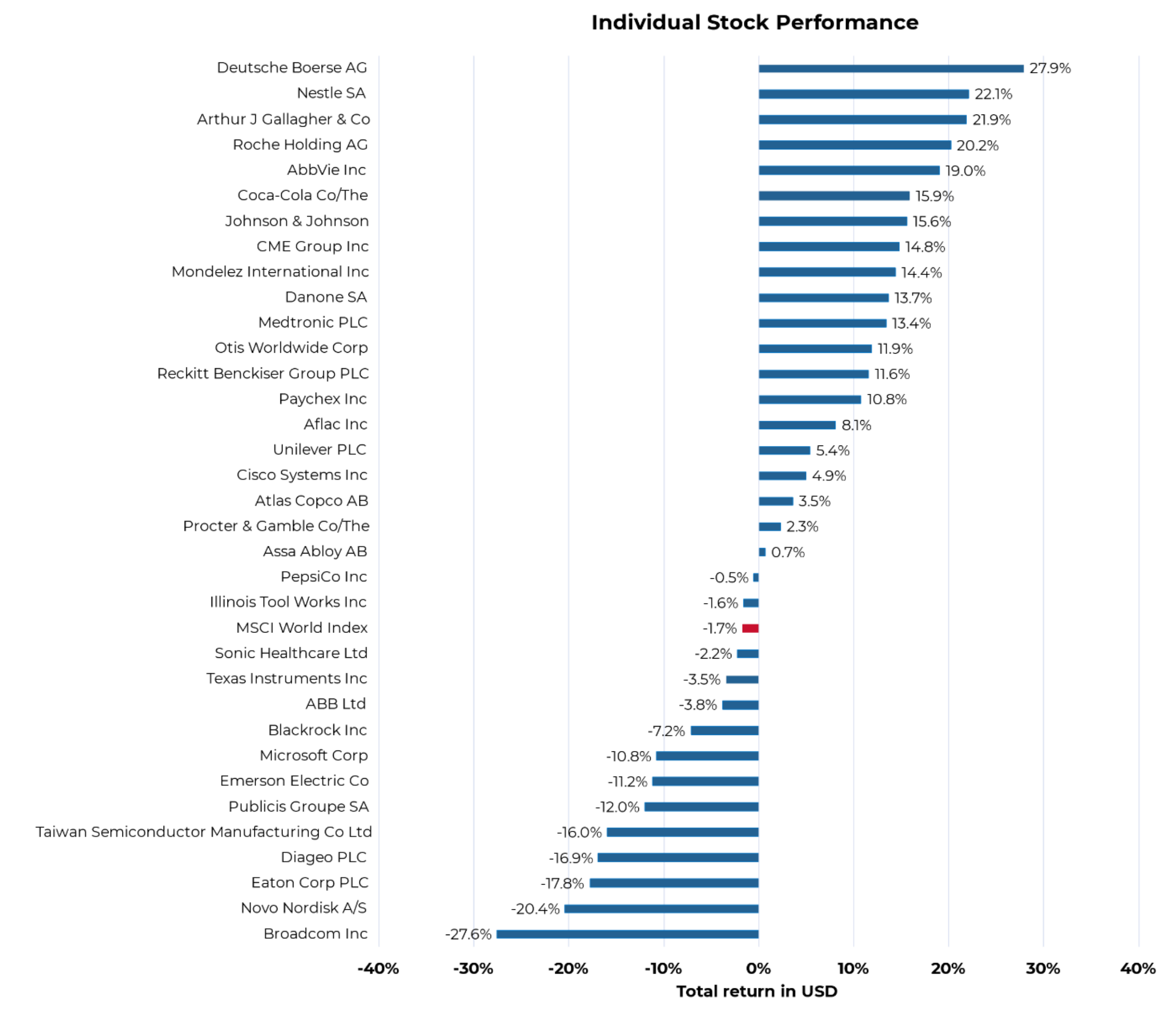
Source: Bloomberg; as of 31.03.2025, in USD

On the other hand, the MSCI Europe Index saw positive gains over Q1, which was driven by multiple expansion as well as some uplift to earnings expectations. From a sector perspective, Financials, Energy, Utilities, and Communication Services all performed well, as investor sentiment turned more bullish leading to a multiple rerating. Notable tailwinds have included a boost to defence spending as NATO ramps up its re-armament plans (and pushes its target spend as a share of GDP from 2% to c.3-3.5% over the coming decade). This has been referred to as a potential 'Sputnik moment' – a catalyst that could attract fresh capital and ignite a new phase of economic growth in the region. However, European IT, like its American counterpart, was not immune to a broader pull-back as investors rotated out of growth given the risks on the horizon.



Source: MSCI, Bloomberg; as of 31.03.2025, in USD

PORTFOLIO HOLDINGS



Individual stock performance over holding period during Q1 (TR in USD).
Source: Bloomberg. As of 31st March 2025

Deutsche Börse

Deutsche Börse was the Fund's top contributor, rising +27.9% in USD. The German exchange operator has been benefiting from a broad increase in trading activity as investors repositioned portfolios in response to evolving macro conditions. February results confirmed the positive momentum, and it was particularly reassuring to see management reaffirm its medium-term guidance: an 8% revenue compound annual growth rate (CAGR) through 2026, in line with 2024 delivery. Full-year 2024 revenue came in at €5.8 billion, exceeding initial guidance by 3.5%, with a notable contribution from treasury operations – higher-than-expected interest income and elevated client cash balances provided a tailwind. More importantly, the firm is executing well on its long-term strategy. It continues to leverage its access to high-quality financial and ESG data to scale differentiated solutions through its SimCorp and Axioma platforms. These businesses outperformed expectations, driving a 17% year-on-year increase in Software Solutions annual recurring revenue (ARR) in Q4, reaching the upper end of the guided range. Looking ahead, we remain constructive on the company's prospects. The integration of SimCorp and Axioma further strengthens Deutsche Börse's investment platform, positioning it as a comprehensive, front-to-back provider for institutional asset managers. Combined with secular trends – including the growth of passive investing, increased demand for ESG and climate analytics, and structural shifts in derivatives clearing – the company is well placed to deliver sustained earnings growth. Its scalable infrastructure, strong competitive position, and disciplined capital allocation provide additional levers for long-term growth.

Nestlé also performed well (+22.1% in USD), which is encouraging to see given some recent struggles for the food and beverage giant. After a period of muted investor sentiment, marked by concerns around execution and cost pressures, sentiment has started to improve as the company reasserts its positioning as a global leader in Consumer Staples. Nestlé's broad portfolio, spanning essential food, beverage, and nutrition categories, provides a solid platform for resilient, defensive growth – especially valuable in a volatile macro environment. While the near-term margin pressures remain a focus, the bigger story is Nestlé's ongoing transformation. The company continues to streamline its portfolio, invest in premium and health-oriented categories, and sharpen its focus on operational efficiency. As cost inflation gradually normalises, Nestlé is well placed to benefit from underlying demand stability, strong brand equity, and pricing power across developed and emerging markets. The recent share price rebound reflects renewed investor confidence in management's ability to execute on this multi-year strategy and sustain long-term value creation.

Broadcom was the Fund's worst performer over Q1, falling -27.6% in USD. The semiconductor company was the Fund's best performing stock over 2023 and 2024, having benefited significantly from AI-driven enthusiasm and strong earnings momentum. The sharp pullback this quarter reflects a broader shift in investor sentiment away from semiconductors and large-cap technology, particularly following concerns over trade policy volatility and rising macro uncertainty. While the company posted solid Q1 results in March – beating management guidance – the stock has struggled as markets reassess near-term AI growth expectations and digest the implications of heightened tariff risk. Despite this correction, we remain constructive on Broadcom's long-term outlook. The company reported a 25% year-on-year revenue increase in Q1, with AI chip revenue rising 15% sequentially – now accounting for over one-quarter of total revenue and approximately half of semiconductor revenue. Management guided for continued AI momentum, with 7% sequential growth expected in Q2, and announced two additional custom accelerator customers, bringing the total to seven. Broadcom reiterated its serviceable AI market opportunity of $60-90 billion by 2027 across its top three hyperscaler clients, with an expected 70% market share, which reinforces its positioning as a core infrastructure provider in the AI supply chain. Alongside its high-performance networking capabilities and the successful integration of VMware, Broadcom is evolving into a diversified platform business with strong recurring revenue streams. Non-AI chip markets remain cyclically soft, but they now represent a smaller portion of overall results, and the AI and software franchises continue to drive both growth and visibility. We view the recent share price weakness as a reset in sentiment, rather than a deterioration in fundamentals, and maintain high conviction in Broadcom's competitive advantages, capital discipline, and capacity to deliver durable long-term value.

Novo Nordisk also had a difficult quarter (-20.4% in USD). The Danish-based pharmaceutical maker of GLP-1 drugs saw its share price decline during the first quarter after weak share price action during the second half of 2024 despite better-than-expected Q1 results. The pullback followed a broader reset in GLP-1 sentiment after softer-than-expected preliminary sales data from Eli Lilly in January triggered concerns about near-term category growth. While that weighed on peers, Novo Nordisk delivered a strong set of results, reinforcing its leadership in the space. Full-year revenues grew 25%, underpinned by sustained demand across obesity and diabetes care. Margins remained healthy, with a full-year profit margin of 35%, comfortably ahead of expectations, and the company raised its dividend by 21% - marking 29 consecutive years of annual dividend increases. Importantly, Novo continues to invest behind its success, with capital expenditures having reached 16% of sales in 2024. These investments, alongside strong execution in rare diseases and diabetes care, are deepening Novo's competitive moat. While Q1 sentiment was driven by broader sector rotation and competitive noise, we note the firm's historic ability to compound value through innovation and disciplined reinvestment, but continue to monitor closely the company's competitive positioning.

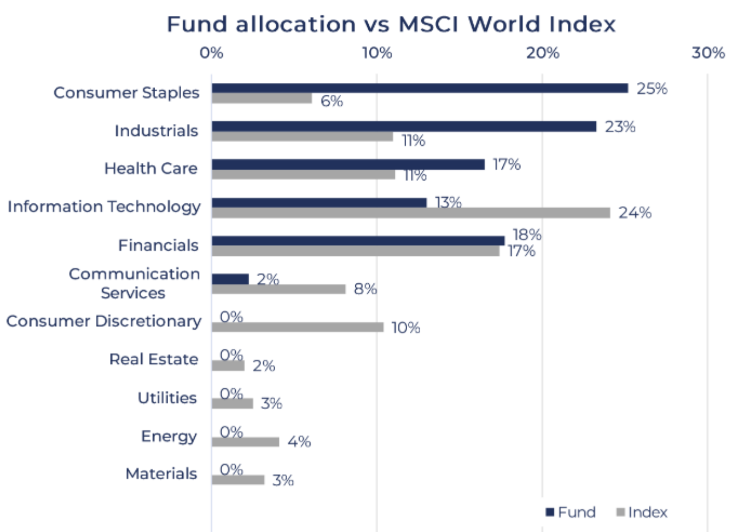
PORTFOLIO POSITIONING

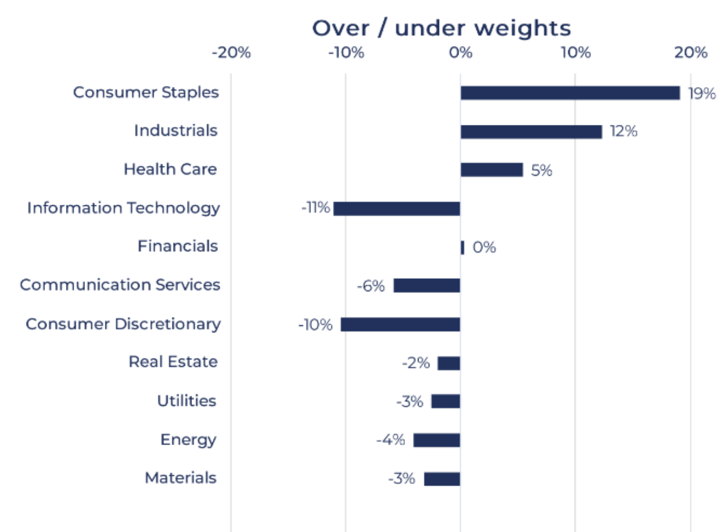
We made no changes to the portfolio in the quarter.

We continue to maintain a fairly even balance between quality defensive and quality cyclical/growth companies. We have approximately 45% in quality defensive companies (such as Consumer Staples and Healthcare companies) and around 55% in quality cyclical or growth-oriented companies (such as Industrials, Financials, and Information Technology).

While the defensive names tend to have lower beta and hold up better when markets are falling, the cyclical holdings allow the Fund to maintain performance when markets are rebounding and rising. We believe that within these more cyclical sectors we are owning the 'quality' businesses. All the companies we seek to invest in have strong balance sheets and a history of performing well in difficult market environments. Within Financials, for example, we do not own any banks, which helps to dampen the cyclicality of our Financials, but we do own exchange groups such as CME and Deutsche Börse (which do well in periods of market volatility as volumes tend to increase, resulting in higher revenues).

The Fund also has zero weighting to Energy, Utilities, Materials, and Real Estate. The largest overweight is to Consumer Staples.

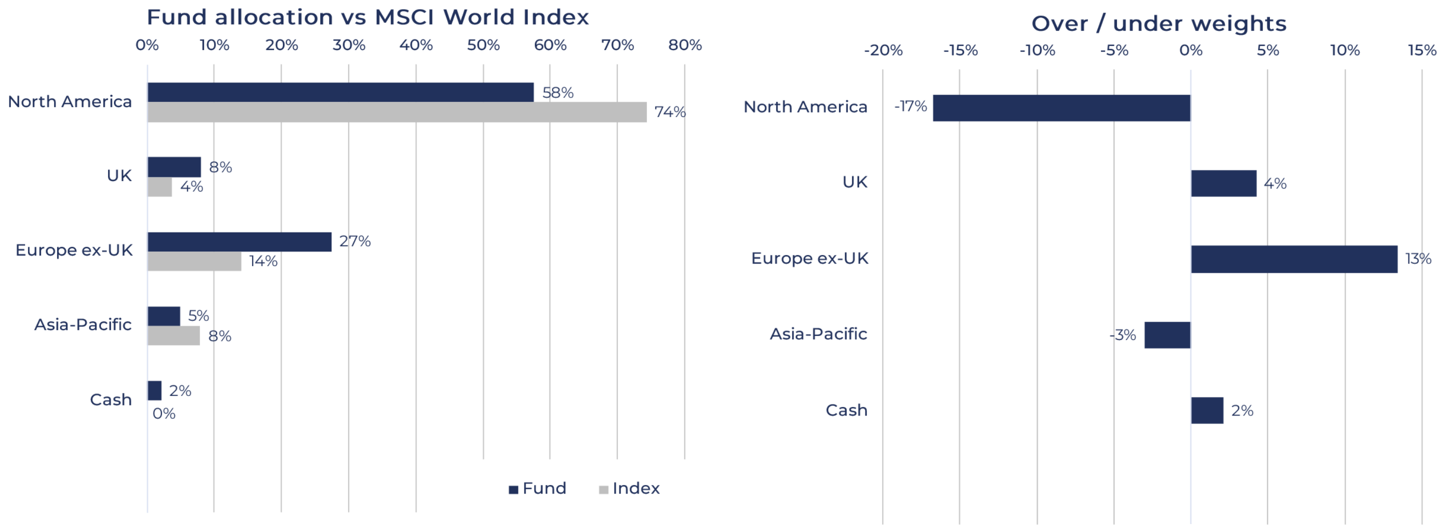




Sector breakdown of the Fund versus MSCI World Index.
Source: Guinness Global Investors, Bloomberg. Data as of 31st March 2025

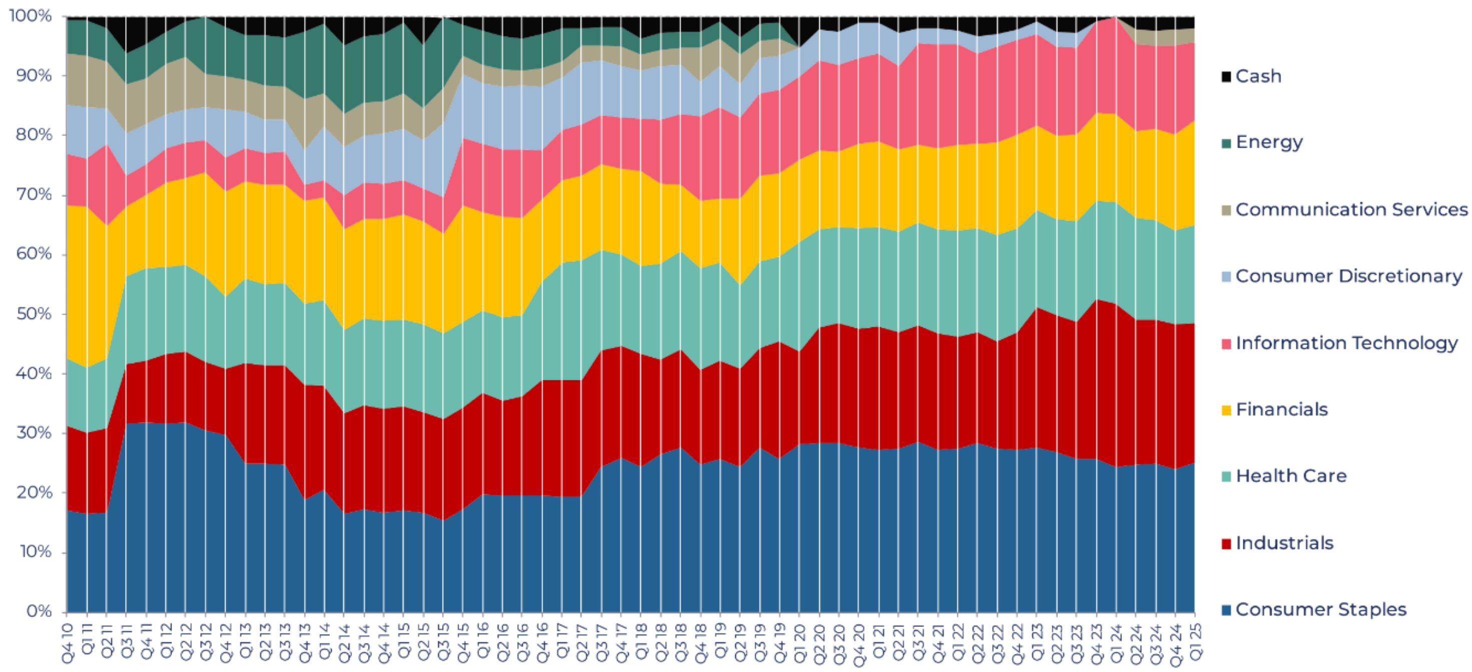
In terms of geographic exposure (shown below), the largest difference between the Fund and the benchmark is our exposure to the US (as measured by country of domicile). The Fund at quarter end had c.58% weighting to North America, which compares to the index at c.74%.

The largest geographic overweight remains Europe ex-UK and the UK, though we are diversified around the world with 58% in the US, 35% in Europe and 5% in Asia Pacific. Within Asia Pacific we have one company listed in Taiwan (Taiwan Semiconductor Manufacturing) and one company listed in Australia (Sonic Healthcare).

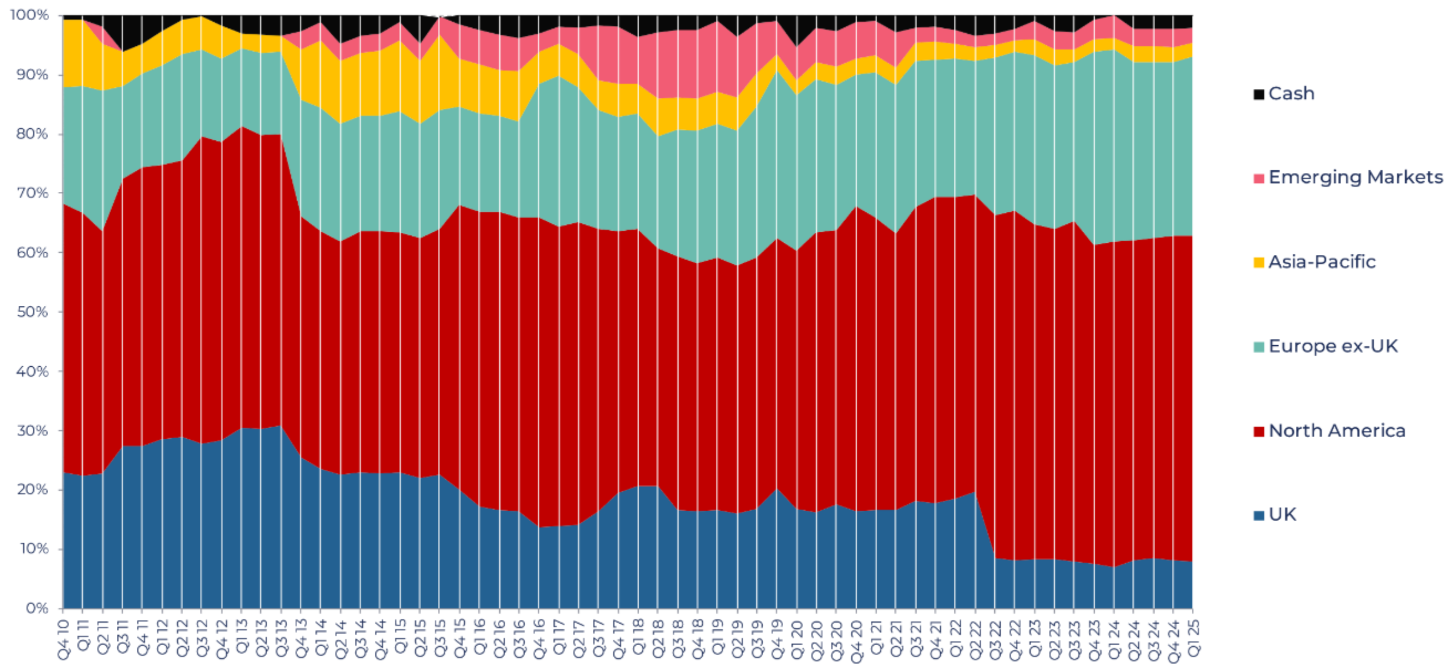


Regional breakdown of the Fund versus MSCI World Index.
Source: Guinness Global Investors, Bloomberg. Data as of 31st March 2025

The two charts below show how the exposure of the Fund has evolved since we launched the strategy in 2010.



Sector breakdown of the Fund since launch.
Source: Guinness Global Investors. Data as of 31st March 2025



Geographic breakdown of the Fund since launch.
Source: Guinness Global Investors. Data as of 31st March 2025

OUTLOOK

The four key tenets to our approach are quality, value, dividend, and conviction. We follow metrics at the portfolio level to make sure we are adhering to them. At quarter end, we are pleased to report that the portfolio continues to deliver on all four, relative to the MSCI World Index.

		Fund	**MSCI World Index**
Quality	Median return on capital	21.4%	8.9%
	Median net debt / equity	44.3%	37.2%
Value	PE (2025e)	19.7	18.8
	FCF Yield (LTM)	4.5%	3.8%
Dividend	Dividend Yield (LTM)	2.0% (net)	1.8% (gross)
	Weighted average payout ratio	55%	43%
Conviction	Number of stocks	35	1650
	Active share	90%	-

Portfolio metrics versus index. As of 31st March 2025
Source: Guinness Global Investors, Bloomberg

Our high-conviction Fund has companies which are on average far better quality at only a slight value premium to the index with a higher dividend yield. At the end of the quarter the Fund's average return on capital was at 21.4% vs 8.9% for the Index and the Fund also commanded a dividend yield premium of c.11%. Despite these quality and yield advantages, the Fund trades at a modest 4.4% premium to the index on a price/earnings (PE) basis.

The Fund continues to offer a portfolio of consistently highly profitable companies with robust balance sheets and strong returns on capital. The current macroeconomic environment is marked by significant uncertainty, driven by shifting trade policies, tariff escalations, concerns over economic growth, and the potential resurgence of inflationary shocks. With these risks on the horizon, we are confident that the companies in the portfolio are well placed to deal with whatever challenges lay ahead, and the defensive nature of the portfolio – which has outperformed in all market corrections since launch in 2010 – gives us confidence heading into whatever market conditions lie ahead. As in the past, our unchanging approach of focusing on quality compounders and dividend growers should continue to stand us in good stead in our search for rising income streams and long-term capital growth.

We thank you for your continued support.

Portfolio Managers

Matthew Page
Ian Mortimer

Investment Analysts

Sagar Thanki
Joseph Stephens
William van der Weyden
Jack Drew
Loshini Subendran
Eric Santa Menargues

GUINNESS GLOBAL EQUITY INCOME FUND - FUND FACTS

Fund size	$6625.8m
Fund launch	31.12.2010
OCF	0.77%
Benchmark	MSCI World TR
Historic yield	2.1% (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.

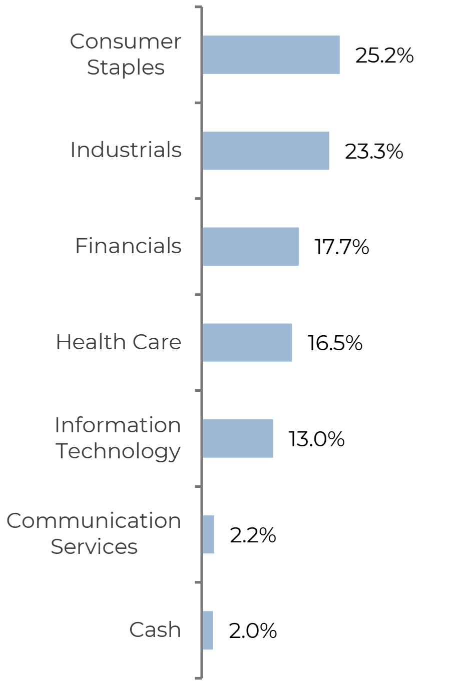
GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

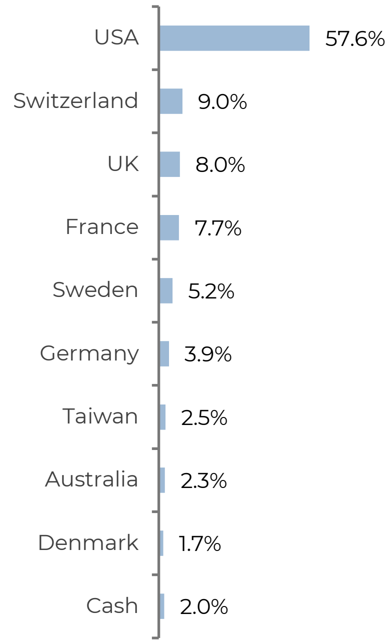
Deutsche Boerse	3.9%
Gallagher, Arthur J	3.7%
CME Group	3.5%
Cisco Systems	3.5%
Roche Holding	3.4%
Aflac	3.3%
Nestle	3.3%
Abbvie	3.3%
Paychex Inc	3.3%
Reckitt Benckiser Group	3.3%

Top 10 holdings	34.6%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

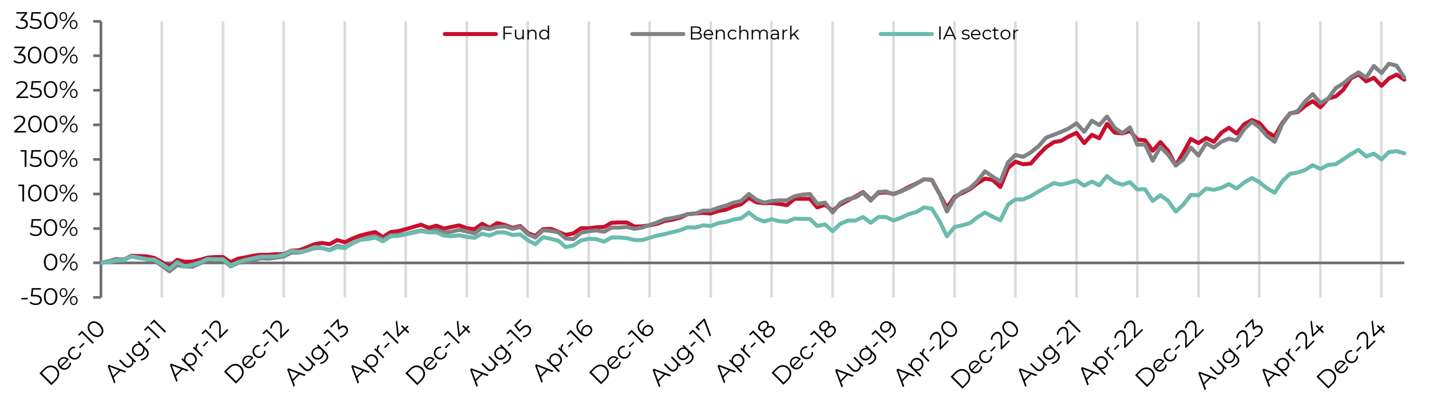
GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-4.3%	-0.5%	+7.0%	+28.1%	+95.1%	+178.9%
MSCI World TR	-6.8%	-4.7%	+4.8%	+27.0%	+102.9%	+185.0%
IA Global Equity Income TR	-3.7%	+0.3%	+4.8%	+21.5%	+79.4%	+113.2%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-1.9%	+2.5%	+9.4%	+25.5%	+103.1%	+142.6%
MSCI World TR	-4.5%	-1.8%	+7.0%	+24.5%	+111.2%	+147.8%
IA Global Equity Income TR	-1.3%	+3.4%	+7.1%	+19.1%	+86.8%	+85.4%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-5.6%	-1.7%	+9.4%	+29.3%	+106.3%	+141.5%
MSCI World TR	-8.0%	-5.9%	+7.0%	+28.3%	+114.5%	+146.3%
IA Global Equity Income TR	-5.0%	-0.9%	+7.1%	+22.7%	+89.7%	+84.3%

GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+14.6%	+9.2%	+2.1%	+23.3%	+8.1%	+21.2%	+0.7%	+9.6%	+26.9%	+2.2%
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%
IA Global Equity Income TR	+11.0%	+9.2%	-1.2%	+18.7%	+3.3%	+18.6%	-5.8%	+10.4%	+23.2%	+1.5%
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+12.6%	+15.8%	-9.3%	+22.2%	+11.5%	+26.0%	-5.2%	+20.0%	+6.4%	-3.4%
MSCI World TR	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%
IA Global Equity Income TR	+9.1%	+15.8%	-12.3%	+17.6%	+6.5%	+23.4%	-11.3%	+20.8%	+3.3%	-4.0%
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+20.1%	+11.9%	-3.4%	+31.5%	+2.3%	+28.3%	-0.4%	+5.4%	+9.6%	+7.7%
MSCI World TR	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%
IA Global Equity Income TR	+16.4%	+11.8%	-6.5%	+26.6%	-2.3%	+25.7%	-6.9%	+6.1%	+6.4%	+6.9%

GUINNESS GLOBAL EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



Simulated past performance in 10 year and since launch numbers. Performance prior to the launch date of the Y class (11.03.15) uses a higher charging share class in line with standard methodology. 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 OCF. The OCF used for the Fund performance returns is 0.77%. 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.

WS GUINNESS GLOBAL EQUITY INCOME FUND - FUND FACTS

Fund size	£245.8m
Fund launch	09.11.2020
OCF	0.79%
Benchmark	MSCI World TR
Historic yield	2.2% (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.

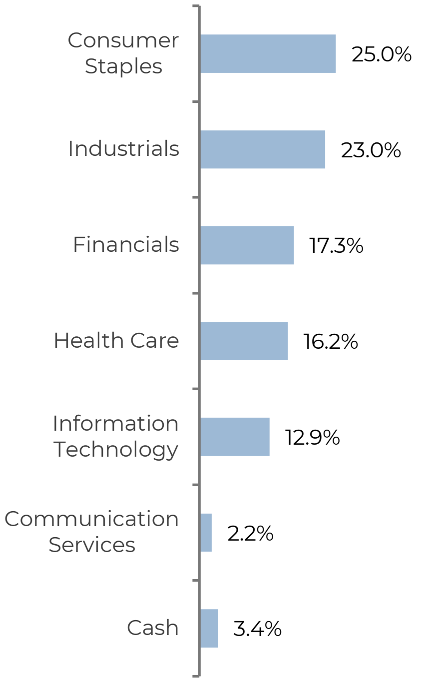
WS GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

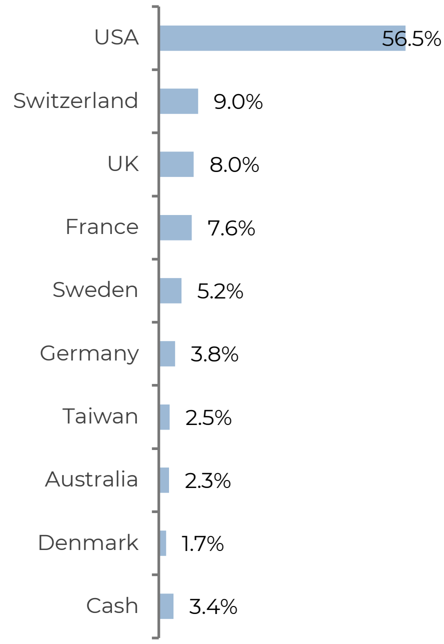
Deutsche Boerse	3.8%
Gallagher, Arthur J	3.6%
CME Group	3.5%
Cisco Systems	3.5%
Roche Holding	3.4%
Nestle	3.3%
Reckitt Benckiser Group	3.3%
Aflac	3.2%
Paychex Inc	3.2%
BlackRock	3.2%

Top 10 holdings	34.0%
Number of holdings	35

Sector



Country

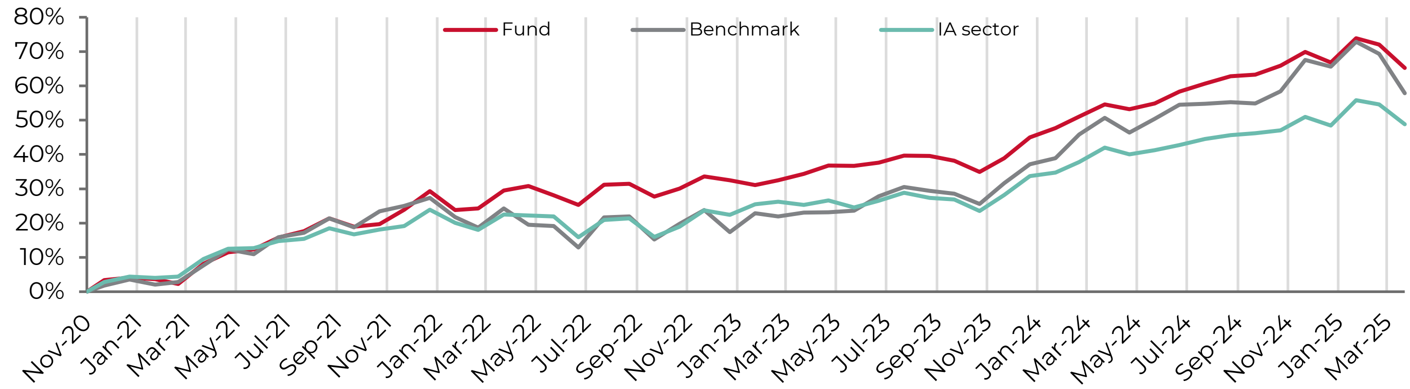


Past performance does not predict future returns.

WS GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE						
(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-4.0%	-0.9%	+6.9%	+27.6%	-	-
MSCI World TR	-6.8%	-4.7%	+4.8%	+27.0%	-	-
IA Global Equity Income TR	-3.7%	+0.3%	+4.8%	+21.5%	-	-

WS GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE										
(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+15.1%	+9.5%	+2.4%	+24.3%	-	-	-	-	-	-
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	-	-	-	-	-	-
IA Global Equity Income TR	+11.0%	+9.2%	-1.2%	+18.7%	-	-	-	-	-	-

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



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 for the calendar year 2024 for the share class used for the fund performance returns was 0.79%. 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 Global Equity Income Fund and the WS Guinness Global 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.

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 GLOBAL EQUITY INCOME FUND

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

WS GUINNESS GLOBAL 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/ or free of charge from:-

Waystone Management (UK) Limited
PO Box 389
Darlington
DL1 9UF
General Enquiries: 0345 922 0044
E-Mail: wtas-investorservices@waystone.com
Dealing: ordergroup@waystone.com

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.