Guinness Global Money Managers

Investment commentary – July 2025

GUINNESS GLOBAL INVESTORS

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KID and KIID for the Fund (available on our website), which contain detailed information on the risks and detailed information on the Fund's characteristics and objectives, 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 movements, and you may not get back the amount originally invested. 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.

Past performance does not predict future returns.

ABOUT THE STRATEGY

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

OBJECTIVE

The Fund aims to deliver long-term capital growth by investing primarily in companies involved in asset management and other related industries. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

CONTENTS

COMMENTARY

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

The Guinness Global Money Managers Fund (class Y, in USD) over the period produced a total return of +5.6%. This compares to the return of the MSCI World Index (net return) of +9.5%.

The first six months of 2025 presented investors with a reminder of markets' capacity for abrupt regime shifts. The year began with a continuation of the prior trend: moderating inflation, plus subdued but stable global growth. However, a sharp geopolitical shock in April — stemming from newly introduced tariffs on Chinese and European goods by US President Trump — created meaningful volatility in equity and currency markets.

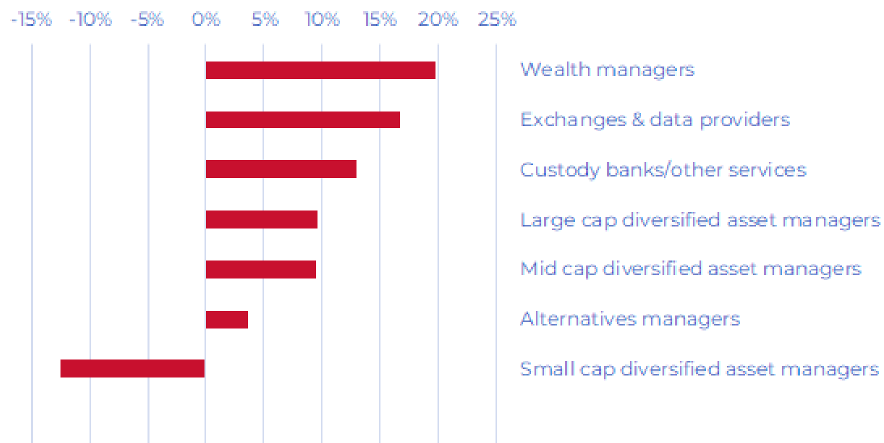
The S&P 500 fell nearly 10% in April, while the U.S. dollar weakened materially, its worst first-half performance in over 50 years. Government bond yields spiked temporarily, led by the long end of the curve, before retracing as risk appetite returned. Gold gained over 20%, as investors sought protection from both currency depreciation and policy uncertainty.

Despite the disruption, equity markets recovered swiftly through May and June, buoyed by resilient earnings in key sectors — particularly large-cap technology — and a temporary suspension of the announced tariff measures. By the end of June, the S&P 500 and Nasdaq were again at record highs, while European and Asian equities also posted strong positive returns.

The impact of a weakening dollar was apparent in fixed-income markets. Despite US real yields rising more than nominal yields over the period, global inflation-linked bonds were the top-performing sector as the dollar value of international cash flows rose. Global investment-grade credit also delivered strong returns, whilst US and European government bonds lagged.

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

Money Management subsector performance in H1 2025 % (USD)



Money management subsector performance YTD (median). Guinness selected subsectors.
Source: Bloomberg; Guinness Global Investors. Total return (USD) 31.12.2024 – 30.06.2025

After exceptionally strong returns in 2024, the first half of 2025 saw a large (relative) pullback in the alternatives sector, with Blackstone (-12%), KKR (-10%) and Ares (-1%) falling out of favour. The sell-off was driven by elevated risks to earnings across realisations, transaction fees, and retail flows, thanks to policy uncertainty, plus elevated valuations going into the year. Management teams from the public alternative asset managers struck fairly cautious tones during earnings calls that took place in January and April, pointing to muted levels of M&A and realisation volumes. We look further at the prospects of the alternative managers later in this note.

Among the large-cap traditional managers, T Rowe Price (-12%) and Invesco (-8%) also struggled. T Rowe Price has lagged peers in efforts to diversify from active equities. The company now has around $13bn of AuM in ETFs, but other growth areas such as private credit and wealth have been slower to develop. Invesco, meanwhile, continues to see a shift in its asset base (from active to passive) that is weighing on fee rates and net revenues.

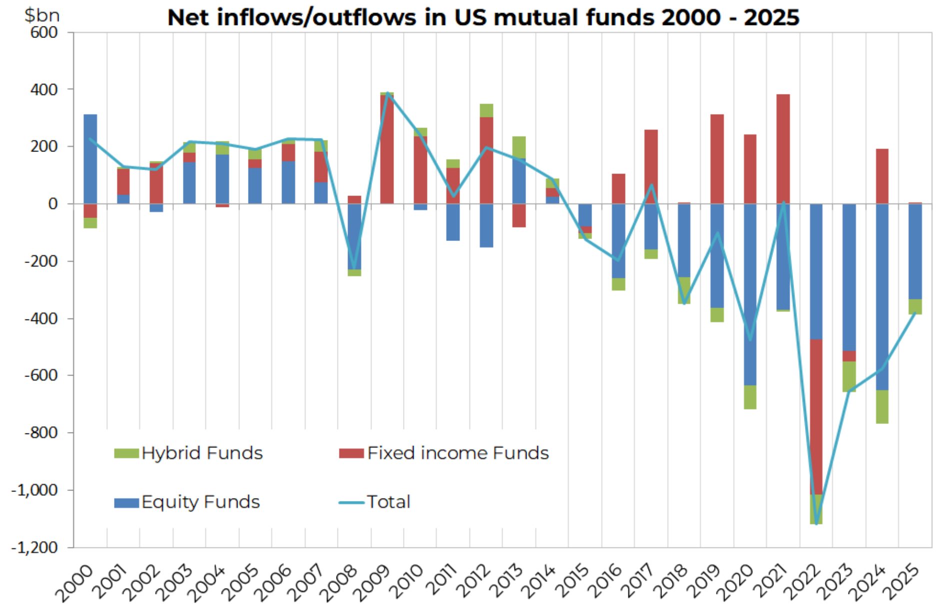
Elsewhere, it was a mixed picture in the UK asset management industry, as Liontrust (-5%) and Polar Capital (+3%) saw continued net outflows.

Strong performers in the portfolio included Italian asset managers Azimut (+37%) and Banca Generali (+25%). 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.

We saw a welcome turnaround for Value Partners (+27%), which remains a leveraged play on Asian equities and benefited from their stronger performance this year. And there was better news from Jupiter Fund Management (+30%), where slowing outflows and a successful cost-cutting drive seem to be putting a floor under earnings.

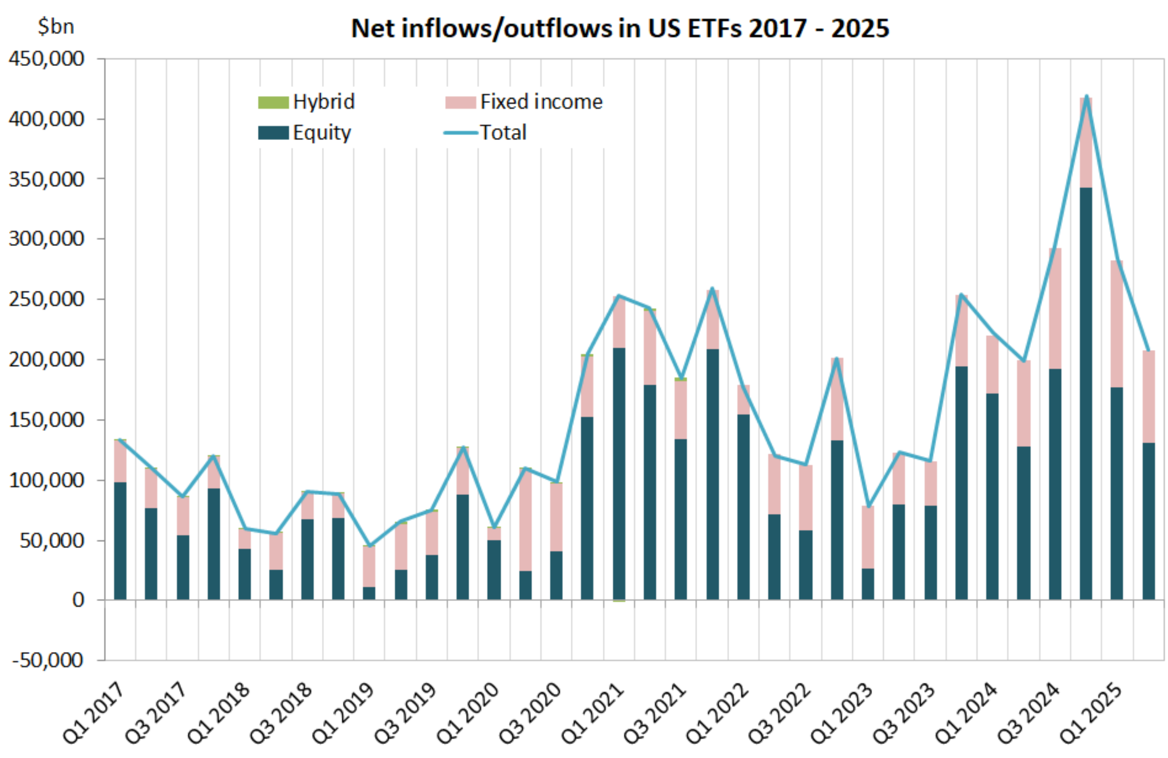
It has also been pleasing to see strong performance from Franklin Resources (+21%), where a broadening of the business into alternatives is starting to bear fruit. We discuss this further below.

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 30.06.2025

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, though net inflows slowed in the second quarter thanks to the volatility seen in equities.

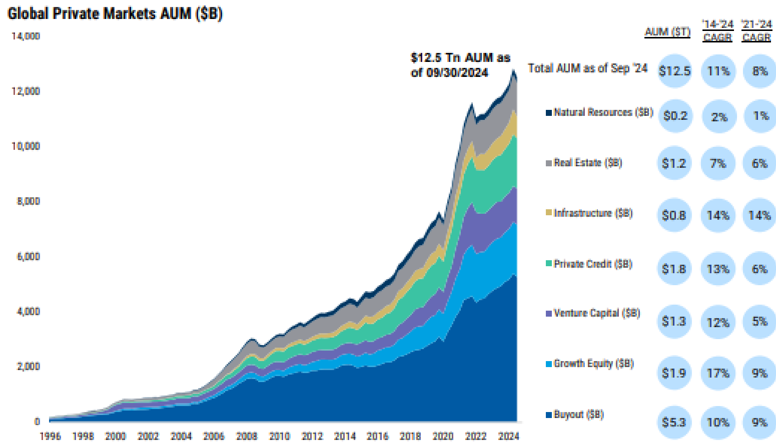


Source: ICI; Guinness Global Investors; data as of 30.06.2025

One of the brightest spots in the money management industry in recent years has been private markets (or alternative managers). When we started running this fund at the end of 2010, private markets' share of global AuM was just under 7%. Roll forward to 2023, and this proportion had grown by around 50% to just over 10%.

Over the last decade, total private markets' AuM has enjoyed a compound annual growth rate of around 11%. The rate of fundraising has risen sharply since 2019, with growth equity, infrastructure and the private credit sectors seeing the greatest acceleration in fundraising.

Private market AuM ($ bn), 2000-24

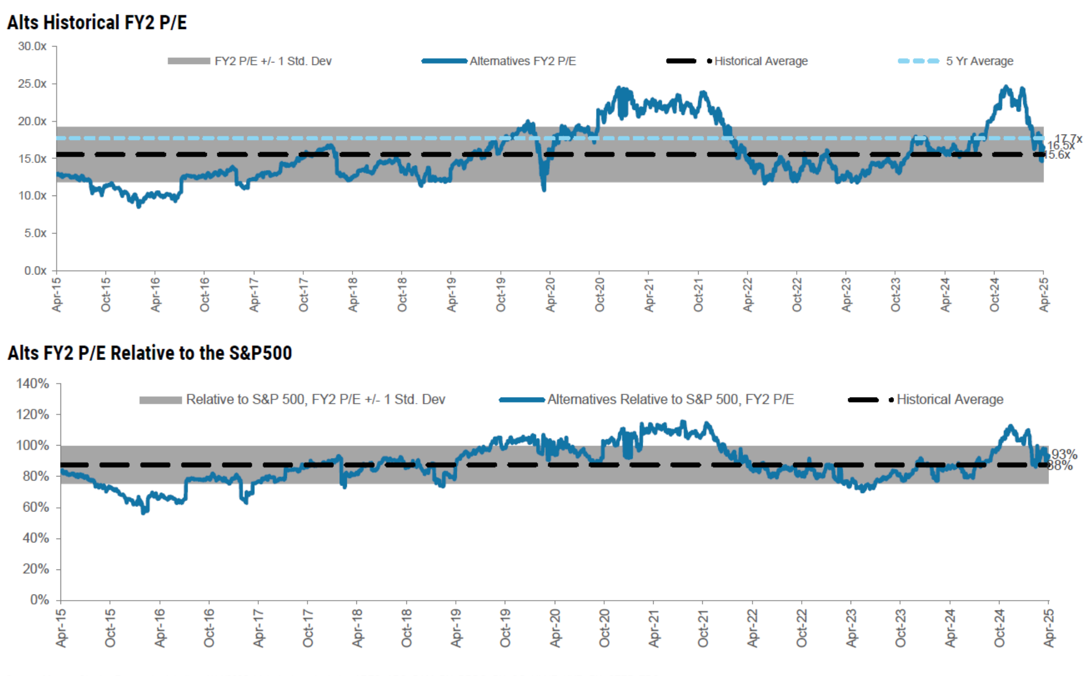


Source: Morgan Stanley; data to 30.09.24

The success of alternative managers in raising and deploying capital resulted in a valuation rerating for a number of companies in the sector. Before 2018, US alternatives firms typically traded on a forward price/earnings ratio (P/E) of 8-12x, a discount to the S&P 500. Since 2018, the valuation range has typically been in line with the broader equity market (with a spike beyond this range in 2020 and 2021).

By the start of 2025, forward P/E multiples were looking excessive at nearly 25x earnings, and a normalisation of those multiples is one reason why the sector has underperformed this year. Today, the sector trades at around 17x forward P/E, which, relative to the S&P 500, is back in line with the historical average.

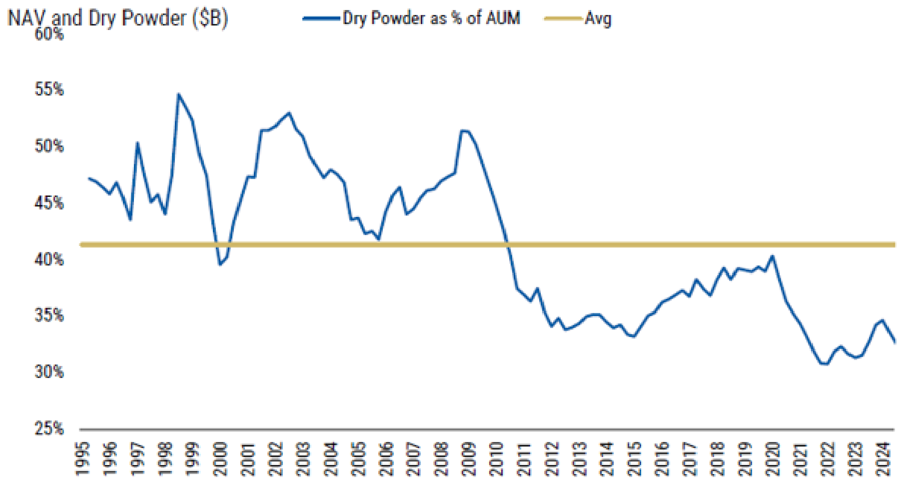
US alternative managers: forward P/E ratio (absolute and relative to S&P 500)



Source: Morgan Stanley; as of April 2025

There has been some concern in the alternatives industry that too much undeployed capital has built up on the sidelines. The sector has amassed around $4trn of 'dry powder', of which around $2.5trn is in private equity, $0.9trn is in private credit, and $0.7trn is in real assets. It is important, though, to put the amount of undeployed credit into context. Relative to the growth of the overall industry, the $4trn cash pile remains at just 31% of sector AuM, versus a historical average of around 41%:

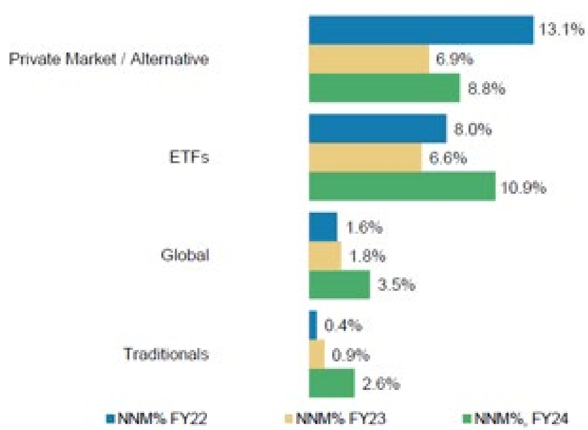
Alternative managers: undeployed capital as % of AuM 1995-2025



Source: Morgan Stanley; as of June 2025

In contrast to private market and ETF participants, traditional managers have seen more subdued net new money growth over the past three years:

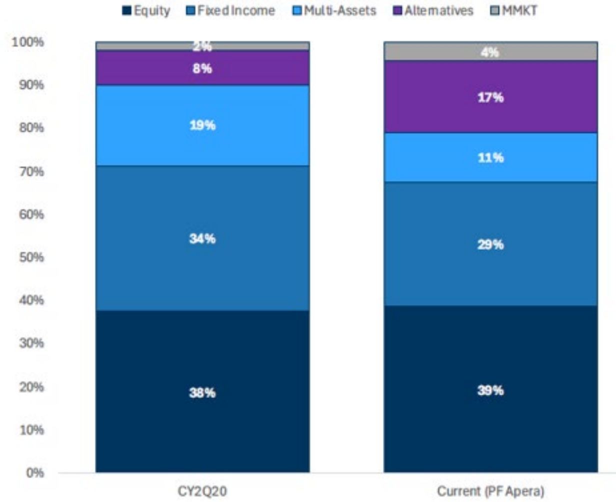
Net new money growth by sector, 2022-24 (%)



Source: Morgan Stanley; as of Dec 2024

Globally, however, some traditional firms are bucking the trend. Franklin Resources, for example, which enjoyed strong equity performance over the first half of the year, is seeing an improved flow picture for traditional products, whilst gaining traction in alternative products. Indeed, over the last few years, Franklin has made meaningful progress in expanding its private markets business, with now almost 25% of management fees coming from alternatives. As the appetite for private market products grows in the private wealth sectors, we think Franklin should be able to use its global retail distribution network to drive growth. Similar to other traditional asset managers, Franklin is priced at a single-digit forward P/E ratio, implying the expectation of earnings decline. With earnings now likely to grow, the potential for multiple expansion is significant.

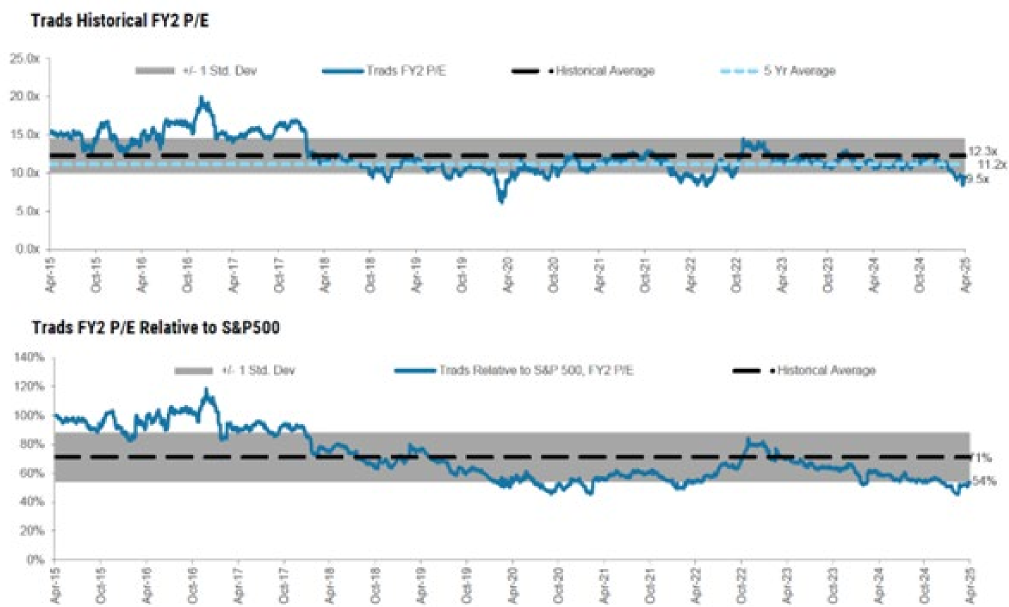
Franklin Resources: AuM by type, 2020 vs 2025



Source: Goldman Sachs; as of June 2025

Traditional asset managers in the US continue to trade on undemanding multiples. The group currently trades at around 10x forward earnings, the lowest level since late 2022 and below the longer-term average.

US traditional managers: forward P/E ratio (absolute and relative to S&P 500)

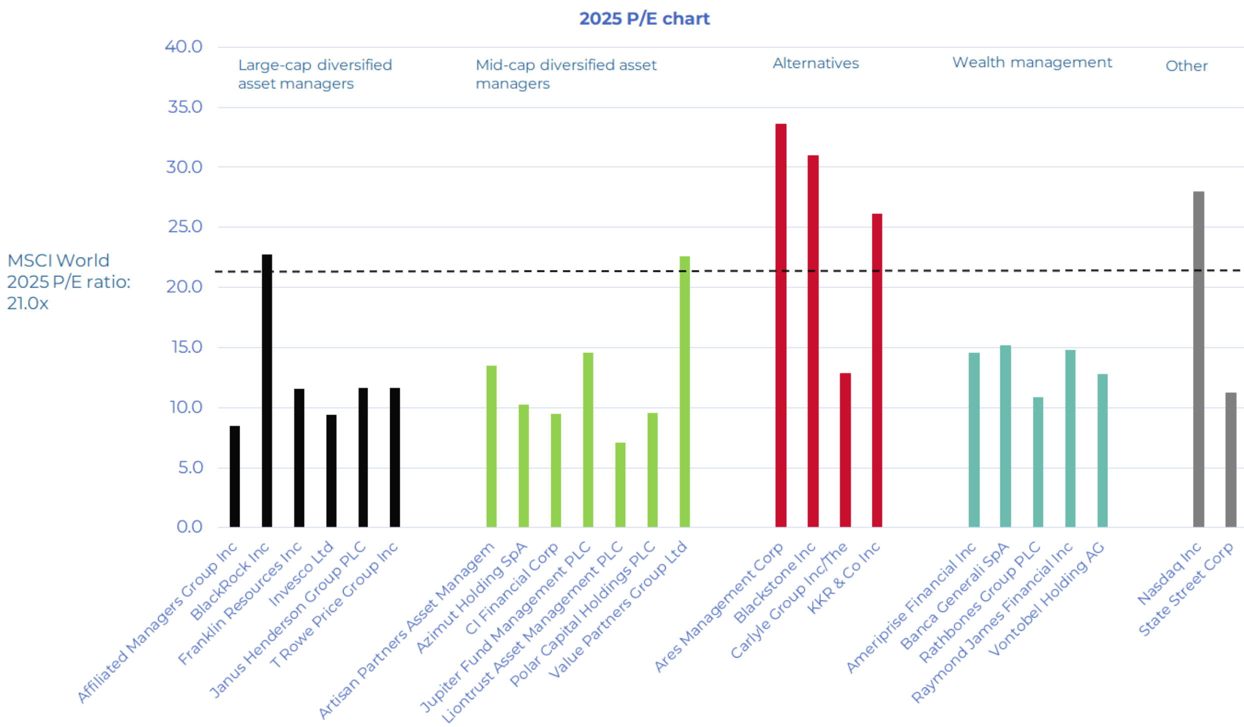


Source: Morgan Stanley; as of April 2025

Over the past decade, the most successful 'traditional' asset manager has been BlackRock. The company sits as the poster child for diversification, whether it be into ETFs via iShares, platform support via Aladdin, or alternatives via infrastructure and real estate. At Blackrock's latest investor day held in June, we were reassured to see strong growth expected in all of these divisions, with an overall target for operating income to nearly double from 2024 to 2030. BlackRock trades at a premium multiple to its peers, but justifiably so, in our view.

At the end of June, the 2025 P/E for the fund was 16.2x, a 23% discount to the MSCI World P/E for 2025, which sits at 21.0x. Overall, we see stocks in this sector trading at attractive multiples, both in absolute and relative terms.

Global Money Managers portfolio: 2025 P/E ratio vs MSCI World



Source: Bloomberg; Guinness Global Investors; as of June 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.

The Fund remains positioned to capitalise on the increasing value of successful companies in the sector.

Portfolio managers

Will Riley

Tim Guinness

GUINNESS GLOBAL MONEY MANAGERS FUND - FUND FACTS

Fund size	$14.6m
Fund launch	31.12.2010
OCF	0.74%
Benchmark	MSCI World TR

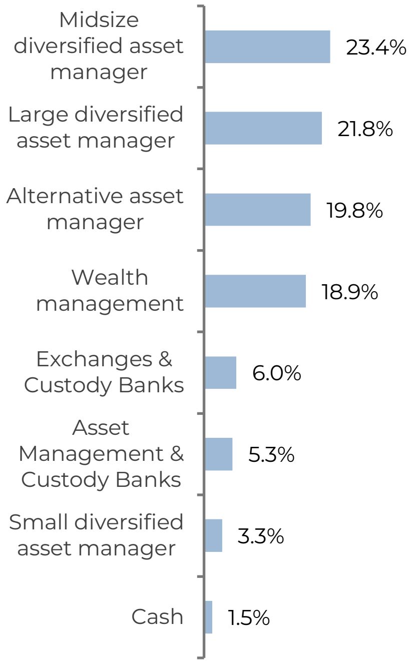
GUINNESS GLOBAL MONEY MANAGERS FUND - PORTFOLIO

Top 10 holdings

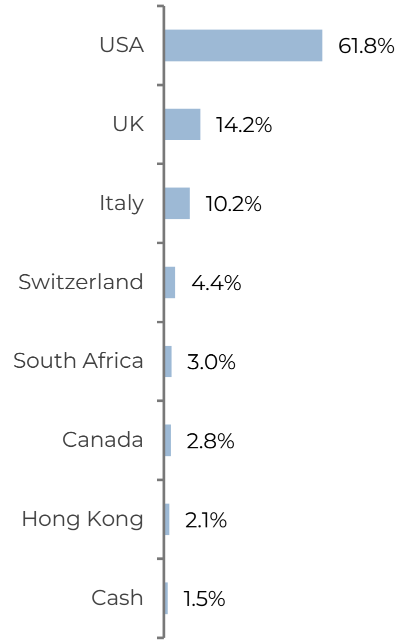
Nasdaq	6.0%
Ares Management	5.6%
Ameriprise Financial	5.6%
Banca Generali	5.3%
State Street	5.3%
BlackRock	5.0%
KKR	4.9%
Blackstone Group	4.8%
Azimut Holding	4.8%
Vontobel	4.4%

Top 10 holdings	51.9%
Number of holdings	29

Sector



Country



Past performance does not predict future returns.

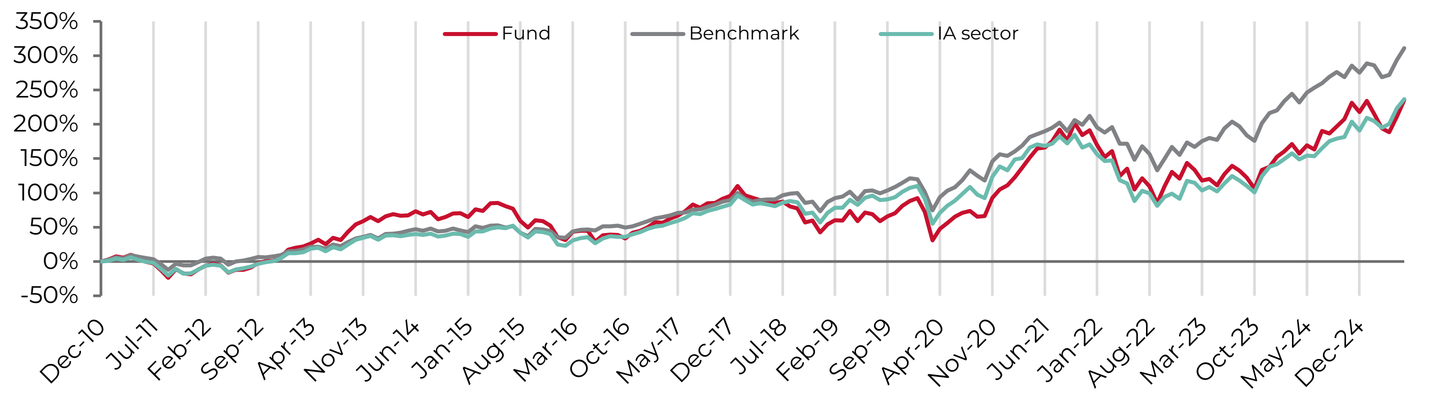
GUINNESS GLOBAL MONEY MANAGERS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+6.0%	-3.5%	+17.4%	+45.1%	+82.7%	+113.1%
MSCI World TR	+2.7%	+0.1%	+7.2%	+46.8%	+77.9%	+216.0%
IA Financials and Financial Innovation TR	+2.4%	+5.8%	+22.6%	+58.7%	+60.9%	+160.5%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+7.7%	+5.6%	+27.3%	+63.7%	+102.6%	+85.7%
MSCI World TR	+4.3%	+9.5%	+16.3%	+65.6%	+97.2%	+175.3%
IA Financials and Financial Innovation TR	+4.1%	+15.8%	+32.9%	+79.0%	+78.4%	+127.0%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+4.2%	-6.9%	+16.2%	+45.8%	+93.7%	+73.9%
MSCI World TR	+0.9%	-3.4%	+6.2%	+47.5%	+88.7%	+161.3%
IA Financials and Financial Innovation TR	+0.6%	+2.1%	+21.3%	+59.5%	+70.7%	+115.4%

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 30.06.25 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.

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. If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

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 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.

Telephone calls will be recorded and monitored.