

RISK

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

Past performance does not predict future returns.

ABOUT THE STRATEGY

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

OBJECTIVE

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

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COMMENTARY

Emerging markets rallied during July. The MSCI Emerging Markets Net Total Return Index rose 5.6% (all performance figures in GBP unless stated otherwise). In this strong market, the Guinness Emerging Markets Equity Income Fund underperformed, rising 3.4%. For the year to date, the fund is up 10.7% versus the benchmark, which is up 11.2%.

Emerging markets outperformed developed markets in the month, as the MSCI World gained 5.0%. The US was an outperformer, with the S&P 500 Index up 6.0%. Asia was the best-performing region, rising 6.3%. EMEA (Europe, Middle East and Africa) was next, up 6.1%. Latin America was the weakest region, down 0.9%.

Growth was the outperformer during the month, up 6.1% versus value, up 5.4%. Among the largest countries, the best performers were the UAE (+13.8%), Taiwan (+9.3%), and China (+8.7%). The worst performing countries were Brazil (−3.4%), India (−1.6%) and Malaysia (+1.3%).

The strongest performing stocks in the portfolio were Elite Material (+27.1%), British American Tobacco (+16.7%) and Hon Hai (+16.2%). The weakest performers were B3 (−13.0%), Tata Consultancy Services (−10.6%) and Tech Mahindra (−10.3%).

Analysis continued overleaf

JULY IN REVIEW

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Brazil became the target of Donald Trump this month, with the announcement of 50% tariffs on US imports from the country. Relations have deteriorated between Trump and Lula da Silva over the treatment of the previous president, Jair Bolsonaro, who faces charges of involvement in a coup plot.

Meanwhile, the 'One Big Beautiful Bill' in the US was signed into law. It is expected to add meaningfully to the US debt burden over the coming decade. Russian President Vladimir Putin was put under increasing pressure by the US to reach a peace deal with Ukraine. China's economy grew 5.2% in the second quarter, slightly beating analysts' expectations. The European Central Bank held rates unchanged. Crude oil prices rebounded, as geopolitical tensions with Russia increased, with Brent up 7.3% in the month. After falling for much of the year, the Dollar index (DXY) rebounded (+3.2%) in July. Emerging market currencies declined 2.3% in July.

PORTFOLIO UPDATE

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

Largan reported results for the second quarter showing revenue growth of 7% year-over-year, although behind consensus expectations. Most of the relative shortfall was due to currency, with a weaker US dollar. The outlook for the second half of the year is somewhat challenged, given the impact tariffs may have on iPhone demand. The company is also cycling through tough comparators from the prior year. Prospects for next year are a little brighter, with the expected adoption of variable apertures in smartphone designs.

Hon Hai also suffered as a result of currency effects as the Taiwanese dollar appreciated. Revenues for June were up 10% year-on-year, with performance driven by AI server and networking demand.

Elite Material has continued to see strong demand for its copper-clad laminates, resulting in record monthly revenues in June. For the second quarter, revenues increased by 4% year-on-year, roughly in line with expectations. Demand from customers producing customised application-specific integrated circuit (ASIC) chips is expected to drive results over the second half of the year.

TSMC reported results for the second quarter that were in line with consensus expectations. Revenues for June showed 27% year-over-year growth, and were up 39% year-over-year for the quarter overall. AI continues to drive demand, and tariff uncertainty has caused orders to be pulled forward in other segments. The outlook is favourable, with pricing increases likely given the strong demand the company is seeing and the technological leadership it possesses.

Tata Consultancy Services reported a weaker first fiscal quarter (March year-end), with revenues declining 3.3% from the previous quarter (constant currency basis). Weaker demand has stemmed from a more challenging macro and geopolitical environment, with customers opting to pause or defer new projects. Management is optimistic that the environment will improve in the coming months, which could release some pent-up demand.

Arca Continental reported results for the second quarter that were in line with expectations, with revenue up 8% year-over-year. Stronger pricing/mix effects offset the drag from weaker volumes. In Mexico, the combined effect produced flat revenues, with weaker margins. By contrast, the US business was a highlight, achieving margin expansion on flat volumes.

Coca-Cola Femsa reported results for the second quarter that lagged expectations, also indicating a challenging environment in Mexico. Wet weather in June impacted sales, but volumes are expected to recover over the second half. Coke Zero saw very strong growth, with sales up 27% year-over-year. Brazil also saw weaker demand stemming from adverse weather.

OUTLOOK

Recent news of further stimulus in China has helped to provide more support to equity markets. Interestingly, the stimulus package is again focused on supporting consumption. We have argued for some time that the economic uncertainty created by trade tensions with the US provides China with an opportunity to:

1. Diversify its export base by opening up new markets internationally
2. Pivot the domestic economy in the direction towards greater consumption

In respect of the first, this is a process that should be seen as working hand in hand with the advances China has made in higher-technology manufacturing, for example, in electric vehicle production and the supply chain. Demand for Chinese vehicles has been increasing in many markets, including in emerging markets in Latin America and Europe. Overall export demand growth from these regions has offset the declines seen in exports to the US.

Regarding the second, many have argued for a long time that China needs to make this transition in the structure of its economy, but that has not yet caused it to happen. Again, we argue that the trade tensions merely create an *opportunity* for China to make progress in this direction, rather than being a necessary consequence. However, it is interesting that the recent stimulus measures and those earlier in the year have tended to focus on promoting consumption-based areas of the economy. By nature, the moves have been incremental, but they do show a certain willingness on the part of policymakers and their direction of travel.

The trade tensions and negotiations undoubtedly bring short-term 'noise' to the markets, but we must ensure this does not cause us to overlook the longer-term trends that are occurring. And of course, it is the longer-term timeframe that we have in mind when making investment decisions.

In the parts of the market that we invest in, we expect that the results of the business will ultimately be the dominant driver of returns. Provided we believe the underlying business performance will be sound, the turbulence we have seen in stock prices can therefore present opportunities.

Our focus is on the cash-based return on capital a business generates; the business must therefore be profitable, and management must allocate capital rationally. The requirement that companies must have strong balance sheets generally makes them less dependent on capital markets, as they do not have large debt burdens to refinance. By looking at companies' performance over a long time horizon (at least eight years), we gain increased confidence that the business is likely to continue to perform well when handling challenging circumstances in future.

Portfolio Managers

Edmund Harriss
Mark Hammonds

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - FUND FACTS

Fund size	\$13.6m
Fund launch	23.12.2016
OCF	0.89%
Benchmark	MSCI Emerging Markets
Historic yield	4.2% (Y GBP Dist)

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings		Sector		Country	
Elite Material	4.2%	Financials	25.2%	China	37.9%
China Medical System	3.6%	Information Technology	23.6%	Taiwan	24.2%
British American Tobacco	3.1%	Consumer Discretionary	19.9%	India	7.8%
Haitian International Holdings	3.1%	Consumer Staples	19.7%	Brazil	7.8%
Credicorp	3.1%	Health Care	6.2%	UK	5.8%
Nien Made Enterprise	3.0%	Industrials	3.1%	Mexico	5.5%
Hon Hai Precision Industry	3.0%	Communication Services	2.8%	Peru	3.1%
Ping An Insurance	3.0%	Cash	-0.4%	Thailand	2.8%
Haier Smart Home	3.0%			Greece	2.8%
Shenzhou International	3.0%			Other	2.7%
Top 10 holdings	32.1%				
Number of holdings	35				

Guinness Emerging Markets Equity Income Fund

Past performance does not predict future returns.

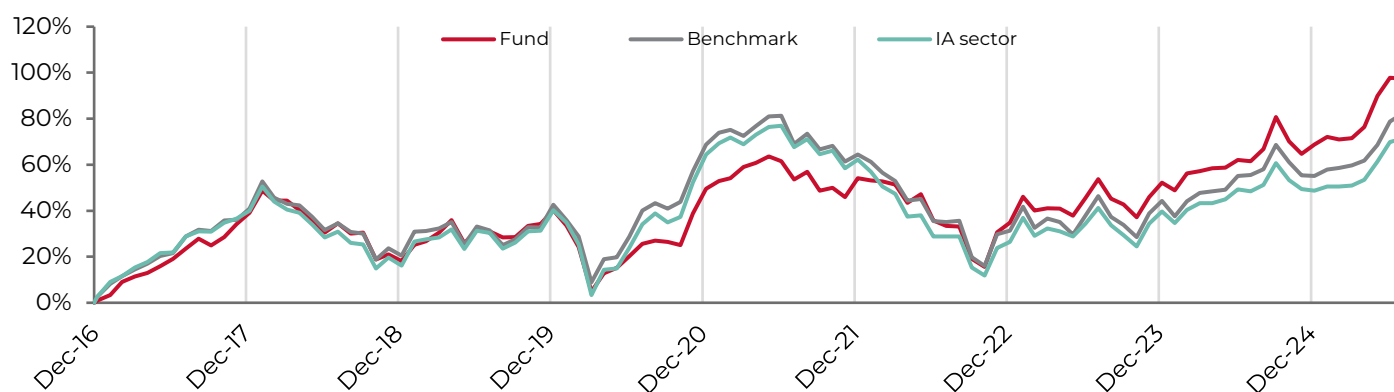
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.4%	+10.7%	+18.6%	+36.1%	+56.0%	-
MSCI Emerging Markets	+5.6%	+11.2%	+13.7%	+24.1%	+29.0%	-
IA Global Emerging Markets TR	+4.5%	+9.1%	+12.1%	+22.4%	+26.7%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.2%	+17.0%	+22.2%	+48.0%	+57.3%	-
MSCI Emerging Markets	+2.0%	+17.5%	+17.2%	+34.9%	+30.1%	-
IA Global Emerging Markets TR	+0.9%	+15.3%	+15.5%	+33.1%	+27.8%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.4%	+5.8%	+15.6%	+31.9%	+62.4%	-
MSCI Emerging Markets	+4.6%	+6.3%	+10.8%	+20.2%	+34.4%	-
IA Global Emerging Markets TR	+3.5%	+4.3%	+9.2%	+18.6%	+32.0%	-

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+12.9%	+6.6%	-1.6%	+4.0%	+3.4%	+14.2%	-9.8%	+25.8%	-	-
MSCI Emerging Markets	+9.4%	+3.6%	-10.0%	-1.6%	+14.7%	+13.9%	-9.3%	+25.4%	-	-
IA Global Emerging Markets TR	+8.2%	+4.3%	-12.2%	-0.5%	+13.7%	+16.0%	-11.8%	+24.4%	-	-
(USD)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+10.9%	+12.9%	-12.6%	+3.1%	+6.7%	+18.8%	-15.1%	+37.7%	-	-
MSCI Emerging Markets	+7.5%	+9.8%	-20.1%	-2.5%	+18.3%	+18.4%	-14.6%	+37.3%	-	-
IA Global Emerging Markets TR	+6.3%	+10.5%	-22.0%	-1.4%	+17.3%	+20.7%	-16.9%	+36.2%	-	-
(EUR)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+18.3%	+9.1%	-6.8%	+10.9%	-2.2%	+20.9%	-10.8%	+20.9%	-	-
MSCI Emerging Markets	+14.7%	+6.1%	-14.9%	+4.9%	+8.5%	+20.6%	-10.3%	+20.6%	-	-
IA Global Emerging Markets TR	+13.4%	+6.8%	-16.9%	+6.1%	+7.6%	+22.9%	-12.8%	+19.7%	-	-

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



Source: FE fundinfo net of fees to 31.07.25. 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 0.89%, 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. 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.

IMPORTANT INFORMATION

Issued by Guinness Global Investors, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

This report is primarily designed to inform you about equities and equity markets invested in by the Guinness Emerging Markets Equity Income Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

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.

Documentation

The documentation needed to make an investment, including the Prospectus, Supplement, Key Information Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com 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