Guinness Emerging Markets Equity Income

Investment Commentary – November 2025

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 sharply again during October in sterling terms. The MSCI Emerging Markets Net Total Return Index rose 6.8% (all performance figures in GBP unless stated otherwise).

The fund underperformed in the strong market, rising 3.1% in the month. The main driver of the underperformance was the continued strong performance of stocks with exposure to the artificial intelligence (AI) theme, principally large-caps: Taiwan Semiconductor (TSMC), SK Hynix and Samsung Electronics. Of these, only TSMC is held in the fund, and the fund is under-weight versus the benchmark. The Korean memory companies do not qualify for our investment universe due to the cyclicality of returns.

Emerging markets outperformed developed markets in the month, as the MSCI World gained 4.5%. The US outperformed, with the S&P 500 Index up 4.9%.

Asia was the best performing region, rising 7.5%. EMEA (Europe, Middle East and Africa) was next, up 3.7%. Latin America also performed well, rising 3.4%.

Growth and Value performed similarly, though Growth was the outperformer during the month, up 6.9% versus value up 6.6%.

Among the largest countries, the best performers were Korea (+25.7%) Taiwan (+12.6%) and the UAE (+7.1%).

The worst-performing countries were China (-1.4%), Mexico (+1.7%) and Malaysia (+2.8%).

The strongest-performing stocks in the portfolio for the month overall were Hon Hai (+21.1%), TSMC (+16.8%) and Hypera (+15.1%).

The weakest performers were Nien Made (-11.5%), Novatek (-6.4%) and NetEase (-5.5%).

Analysis continued overleaf

OCTOBER IN REVIEW

Israel and Hamas agreed to a ceasefire deal, as part of a plan announced by President Trump.

US-China trade relations were once again turbulent, with Trump threatening a further 100% tariff on Chinese imports. The threat followed China placing new restrictions on the export of rare earth materials. Towards the end of the month, relations improved following a meeting between Donald Trump and Xi Jinping in South Korea. The outcome was instead a lowering of tariffs from current rates.

The US government shutdown commenced on 1 October and is still ongoing at time of writing.

In Peru, a new president, Jóse Jerí, was sworn in following the recent political unrest.

China announced GDP growth of 4.8% for the third quarter.

OpenAI announced several large deals with partners, including chip purchases from AMD.

The Federal Reserve cut US interest rates again to a range of 3.75% to 4%.

The gold price continued to rally, passing through $4,000 and rising 3.7% over the month. Silver also hit a record high.

Emerging market currencies were marginally lower, down 0.2%.

The Dollar index (DXY) recovered in October, gaining 2.1%.

Crude oil prices continue to weaken slightly in the month, with the Brent benchmark price down 2.9%.

PORTFOLIO UPDATE

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

Hon Hai reported strong revenue growth for the month of September, up 38% on the previous month and up 14% year-on-year. Strong stocking of the iPhone 17 contributed significantly to the results in what overall appears to be a good product cycle for Apple. For the quarter overall, revenues grew 14% quarter-on-quarter or 11% year-on-year. The GB200 AI sever rack (an Nvidia product) has enjoyed a huge ramp in demand, and along with the GB300 is expected to support a strong fourth quarter for Hon Hai.

Also benefiting from the positive iPhone cycle has been Largan Precision, which reported third quarter revenues ahead of expectations (after adjusting for currency effects). Increased competition from Genius on periscope lenses may pressure results in the fourth quarter, but Largan may well be able to offset this somewhat with improvements to product yields. Looking to next year, Largan should benefit from further rumoured iPhone product upgrades including a variable aperture (and the iPhone 18 product range may include a foldable model).

Novatek’s results similarly suffered from USD depreciation, but, after adjusting for this, were in line with expectations. In the China smartphone market, the subsidies that provided a tailwind earlier in the year are now acting as a headwind amid a more muted demand backdrop.

TSMC reported third quarter results that came in ahead of expectations and at the higher end of the guidance range. Strong demand from AI has been driving company results, and recent announcements by OpenAI and others in the sector have boosted sentiment still further, making the stock rally sharply.

Tata Consultancy Services (TCS), the Indian IT services company, reported mixed results for the second quarter. Management noted that client demand is still cautious, facing tighter budgets and product delays. More optimistic were the announced investments in AI, with plans to add 1GW of AI datacentre capacity via a subsidiary. TCS stated its desire to become the "world's largest AI-led technology services company".

Tisco Financial reported results for the second quarter that came in ahead of expectations. Net income was up 2% year-on-year, or 5% quarter-over-quarter. Lower rates have supported results from a lower cost of funding. An increase in loan provisioning has improved coverage over non-performing loans, which we view as prudent.

Tech Mahindra reported second quarter results that beat expectations. Revenues were up 1.6% quarter-on-quarter on a constant currency basis. Operating margins continued to improve to from 11% last quarter to 12.1% in this period. Management expects further margin improvements to result from efficiency gains on fixed-price contracts. While the expectation is for revenue growth for next year to exceed this year (and to outpace that of the industry), the rate of acceleration has been lowered, suggesting a more challenging demand environment.

Zhejiang Supor reported results slightly below expectations, with third quarter revenue down 2.3% year-on-year and net profit 13.4% lower. For the first nine months, revenue was up 2.3% and net profit lower by 4.7%. The company has not benefited to the same extent as others from domestic subsidies owing to the nature of the products it sells (small kitchen appliances and cookware), while the export market has also been challenged more recently. Management's strategy of offering price-competitive products targeting the lower end of the domestic market and adjusting the mix within the higher-end segment appears sensible. Growth in the overseas market is likely to come over the longer term from the strong market position of its parent, Groupe SEB.

Unilever reported results ahead of expectations, with underlying sales growth up 3.9% versus 3.7% expected. Regionally, Asia Pacific and Africa were strong, while India lagged due to GST (consumption tax) changes. Overall, developed markets grew by 3.7%, outpaced slightly by emerging markets at 4.1%. The demerger of the company's ice cream business is expected to take place in the fourth quarter.

CHANGES TO THE PORTFOLIO

During the month we added a position in Anta Sports, a leading Chinese sportswear company listed in Hong Kong. The company has an impressive track record of marketing products under both its own brand and Western brands to Chinese consumers. Anta has achieved consistency in both returns on capital and growth over time while paying dividends at a meaningful level. We think the company has a good opportunity to expand geographically across Southeast Asia and can also benefit from pricing power in the domestic market, as management has the ability to shift the product/brand mix.

This addition restores the number of holdings in the fund to 36 following our sale of Broadcom earlier this year.

OUTLOOK

In recent updates we have been exploring the two-part strategy China has been pursuing:

1. Reducing its reliance on other countries

2. Making other countries more dependent on China (not less)

Amid the US-China trade tensions which have flared up once again in the month, we have seen a robust response from China in the form or restrictions again being placed on the export of rare earths. This is clearly China's strongest card to play, although one it must play carefully, it illustrates starkly the dependence of others on China.

China's position has also been bolstered by the progress made in the economy over the past seven years since the first trade war. Companies have had time to prepare in anticipation of a more volatile US policymaking environment. Technological progress and investment in manufacturing have accelerated China's development and added new production capacity for exports.

Which brings us to a dilemma: what is the state of China's current economic condition? Should we view it as relatively strong or weak? The US-centric view is of a country that is mired in problems, from the fall-out from a weakened property sector to youth unemployment. The overcapacity that has built up in many new industries is expected to weigh on profitability and returns.

The China-centric view is quite different. The economy has benefited from a stable and predictable policymaking environment. While policymakers have acknowledged overcapacity in some sectors and are seeking to address it with the so-called anti-involution drive, new export capability is ultimately seen as a strength, as China can reach untapped markets and reduce its dependence on the US.

This shift is what we have seen unfold this year as trade tensions have escalated. China has arguably been laying the groundwork for this over many years – by investing to build manufacturing capacity, but also by cultivating close political relations with many countries under the Belt and Road scheme which can now serve as new markets for China to access.

All of this brings us to a second theme we have been exploring recently, which is the idea of emerging market countries supplying other emerging market consumers, bypassing developed markets altogether. In the case of China, this can be seen in the relocation of electric vehicle production to Mexico. While many suspect this to be a guise to route exports to the US market, so far, production has been used to serve *domestic* Mexican demand.

We have other examples of EM-to-EM activity elsewhere in the portfolio. Bajaj Auto, an Indian motorcycle manufacturer that we hold, has been expanding production in Brazil, a country it sees as a key source of future demand.

Healthy markets exist in these emerging and frontier markets due to their favourable demographic profile. Rising populations in Asia and Africa combined with rising incomes will result in significant economic shifts over the coming decades.

The number of people outside the West earning a 'level four' income (defined by the World Bank of at least $32 per day adjusted for purchasing power parity, meaning they have disposable income) is rising rapidly. 2028 is the year when approximately the number of people in this category is likely to be larger in the Rest of World than in the West. They are then expected to grow in number from 700m in 2028 to 1.1bn by 2040 and around 2bn by 2050.

Multinational consumer goods companies know this, of course, which is why they have been investing in these markets to gain market share in healthcare and personal care (since these typically become affordable when level 2 incomes have been reached).

But as more consumers move into the higher-earning level 3 and level 4 category, a different set of goods becomes affordable to them including electronics and computers, household appliances, cookware, sportswear, and leisure equipment. The West is no longer manufacturing in many of these categories, so of course it is likely to be Asia, led by China, catering to these needs.

Returning to the view of China's current economic condition, one of the biggest achievements that China can point to is technological progress. As the DeepSeek announcement showed, China's sustained investment in strategic sectors and new technologies is starting to bear fruit. Similar announcements in other areas, for example in battery technology, have perhaps attracted fewer headlines but are no less impressive. In early-stage research, China now leads the US in many fields and has the ability to commercialise this research by cultivating strong links between research institutions, the private sector and the state.

We may then ponder a new question: what if alongside economic strength, technological strength, innovation and scientific breakthroughs became the new source of political legitimacy in China? Further genuine innovation coming out of China would undoubtedly be good for the region's image. It would also clearly indicate the direction China's economy is taking: with an ageing population, it becomes critical to move up the value chain in order to raise labour productivity. And it seems to be doing this in a way that strengthens its relative power – becoming more self-sufficient as others come to depend on it more.

In the parts of the market that we invest in, our expectation is 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 (they do not have large debt burdens to refinance). And by looking at companies' performance over a long time horizon (at least eight years), we gain increased confidence that the business is likely to continuing 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	$17.8m
Fund launch	23.12.2016
OCF	0.89%
Benchmark	MSCI Emerging Markets
Historic yield	4.1% (Y GBP Dist)

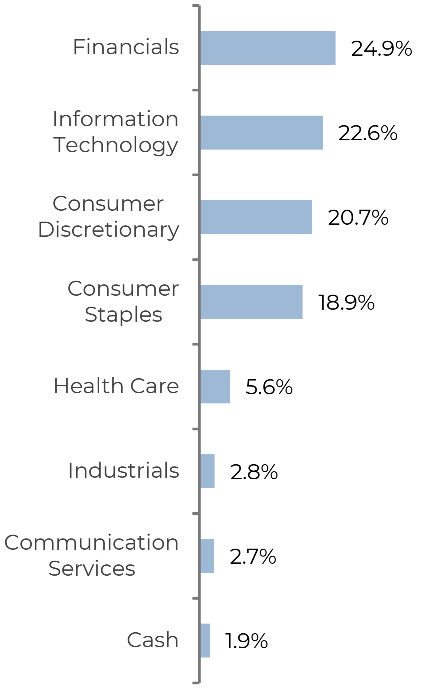
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

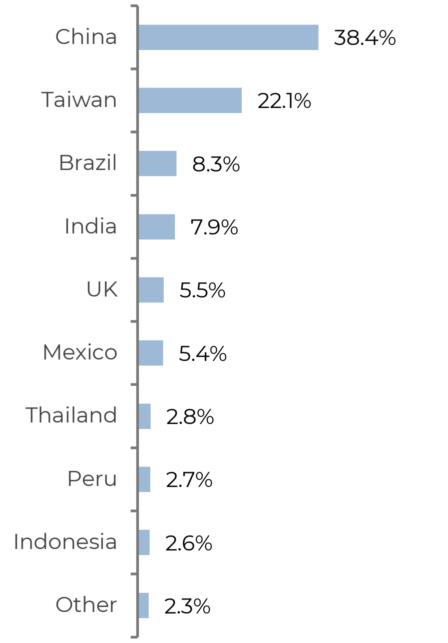
Hon Hai Precision Industry	3.4%
Hypera	3.0%
Elite Material	3.0%
ICBC	3.0%
Catcher Technology	2.9%
China Merchants Bank	2.9%
Inner Mongolia Yili Industrial	2.9%
China Construction Bank	2.9%
Taiwan Semiconductor	2.8%
Ping An Insurance	2.8%

Top 10 holdings	29.6%
Number of holdings	36

Sector



Country



Past performance does not predict future returns.

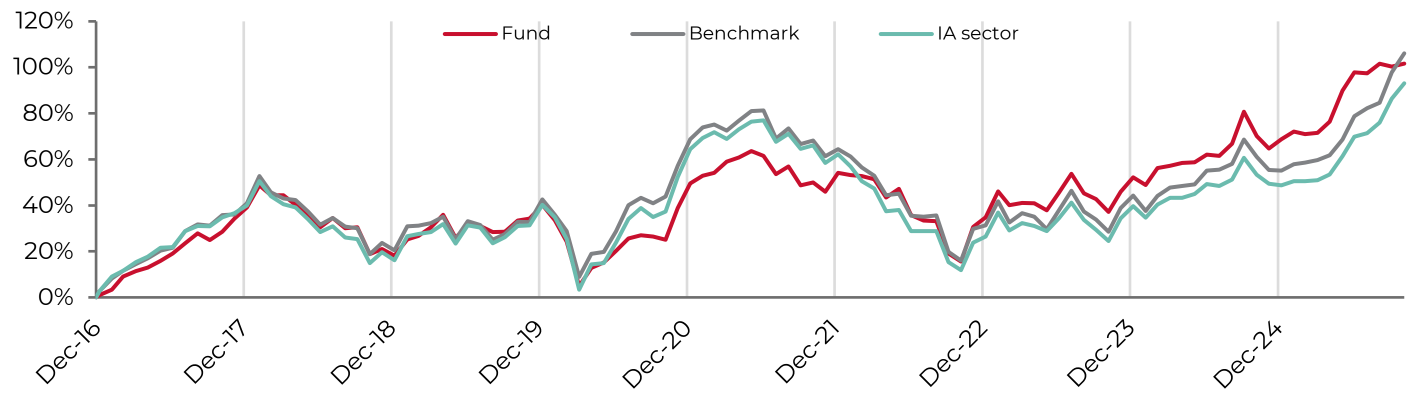
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.1%	+13.9%	+15.9%	+53.9%	+58.7%	-
MSCI Emerging Markets	+6.8%	+26.7%	+25.2%	+55.6%	+41.0%	-
IA Global Emerging Markets TR	+6.1%	+23.8%	+23.3%	+51.2%	+38.4%	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.7%	+19.5%	+18.4%	+74.5%	+61.3%	-
MSCI Emerging Markets	+4.2%	+32.9%	+27.9%	+77.6%	+43.3%	-
IA Global Emerging Markets TR	+3.6%	+29.9%	+26.0%	+72.6%	+40.6%	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.5%	+7.2%	+11.4%	+50.4%	+62.8%	-
MSCI Emerging Markets	+6.1%	+19.2%	+20.3%	+52.1%	+44.6%	-
IA Global Emerging Markets TR	+5.4%	+16.5%	+18.5%	+47.8%	+41.9%	-

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%	+13.6%	+16.0%	-11.8%	+24.4%	-	-
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+10.9%	+12.9%	-12.6%	+3.0%	+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%	-12.7%	+19.7%	-	-

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



Source: FE fundinfo net of fees to 31.10.25. 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.

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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