

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID and KIID for the Funds (available on our website), which contain full information on the risks and detailed information on the Funds' characteristics and objectives, 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 because of market and currency movements, and you may not get back the amount originally invested. The Funds only invest in the Asia region; they are therefore susceptible to the performance of that region and can be volatile.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	19.12.2013
<b>Index</b>	MSCI AC Asia Pacific ex Japan Index
<b>Sector</b>	IA Asia Pacific Excluding Japan
<b>Managers</b>	Edmund Harriss Mark Hammonds
<b>EU Domiciled</b>	Guinness Asian Equity Income Fund
<b>UK Domiciled</b>	WS Guinness Asian Equity Income Fund

## INVESTMENT POLICY

The Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Asia Pacific region. The Funds are managed for income and capital growth and invest in profitable companies that have generated persistently high returns 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 AC Asia Pacific ex Japan Index as a comparator benchmark only.

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## COMMENTARY

In 2025 the Guinness Asian Equity Income Fund produced a total return 12.6% (Class Y in GBP) underperforming the MSCI AC Asia Pacific ex Japan Index benchmark, which rose 20.6%, by 8.1 percentage points.

Over 10 years, the Fund has produced a cumulative total return of 148.7% compared to the benchmark return of 147.1%. On an annualised basis this equates to 9.5% per annum for both the Fund and the Index. Over the same period, it has also outperformed the MSCI AC Asia Pacific ex Japan High Dividend Yield Index.

While Asia overall performed relatively well during the earlier months of 2025, high tariffs on several emerging Asian economies and a rapid escalation in US-China trade tensions, triggered by April's "Liberation Day", led to a sell-off in global equities. However, growing intra-regional trade within Asia created a cushioning effect for the region. By country, Korea and Taiwan led returns in Asia due to strong demand for chips and advanced manufacturing services driven by growing investment into AI infrastructure. China had a more mixed year; while the country has successfully navigated trade restrictions, and the real estate drag on the domestic economy has notably lessened, oversupply in manufacturing has created a deflationary environment.

Technology, Communication Services, Materials and Industrials were the leading sectors in Asia; Utilities, Consumer Staples and Health Care were the laggards. In the Fund, performance tailwinds in 2025 came from our selection in Financials and Health Care. Performance detractors came from our zero weighting in key AI names in the Information Technology sector and selection in the Consumer Discretionary sector, specifically in Corporate Travel Management.

The Guinness Asian Equity Income Fund grew its dividend by 8.4% (in GBP terms) and had a trailing yield of 3.8%\* at the year-end. Over 10 years, the dividend has grown 3.9% per annum compared to 2.2% per annum for the benchmark.

*\*Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the year end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.*

## SUMMARY OUTLOOK

Propelled by decades of infrastructure investment, intra-regional trade in Asia continued to deepen, with China's exports to the US declining as shipments to ASEAN expanded. This served as a buffer against the effects of US trade policy in 2025. We expect the deepening of intra-regional trade to be a key investment theme for 2026 and will continue to assess businesses that can convert this evolving trade landscape into long-term returns.

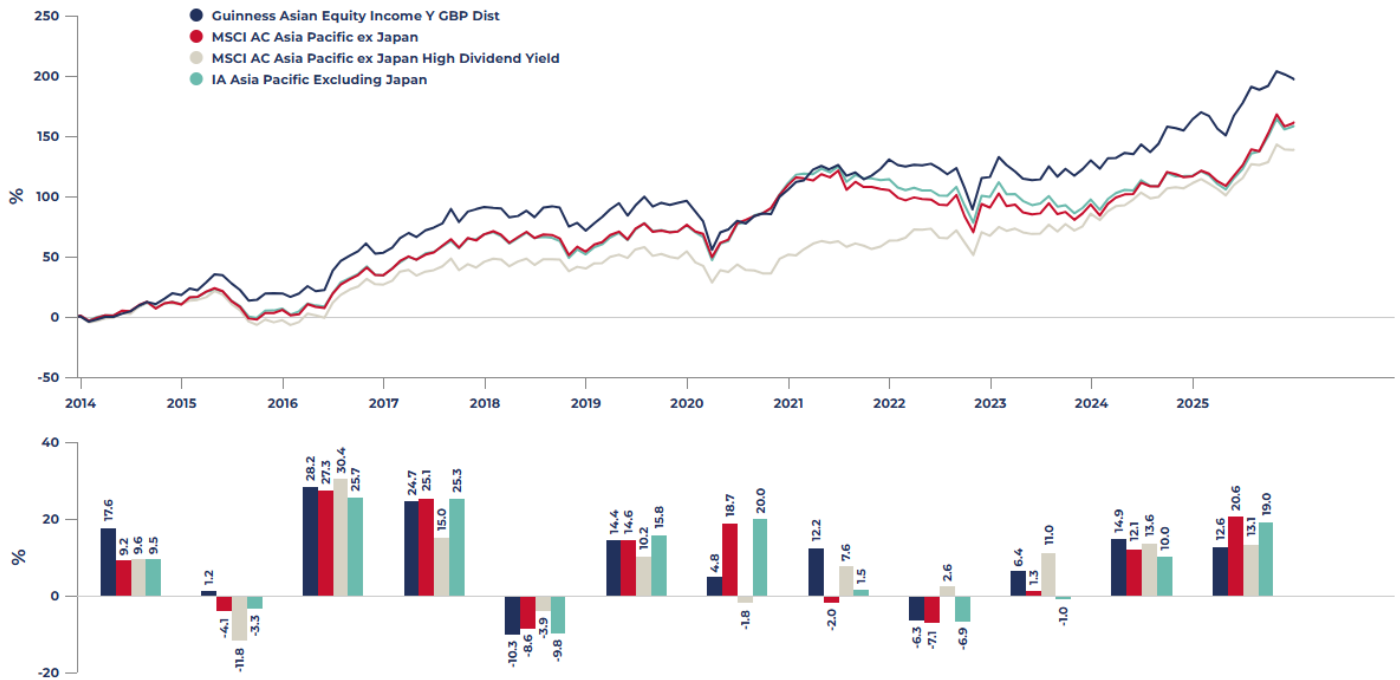
China will remain a key consideration, both for the size of its domestic economy and for its leading role in regional trade. We expect China to continue navigating geopolitical trade tensions whilst building out its capabilities in key industries, including new energy, advanced manufacturing, and next-generation technology. However, the domestic economy remains deflationary, so we will continue to monitor developments in anti-involution policies aimed at mitigating this deflationary environment. Currently, there are two central market events in 2026 to note: Beijing's release of its five-year plan for 2026-2030 in March, and the expiration of the US-China trade truce in November.

Demand for semiconductors, hardware, and advanced manufacturing capacity in 2025 benefited Asian companies directly involved in the AI infrastructure build-out (such as TSMC, Samsung, and SK Hynix), making the Technology sector the strongest performer in the year. While we expect this trend will remain a key investment theme in 2026, we remain cautious amid increased scrutiny of AI companies' valuations and capital expenditures, as well as concerns about market concentration risk for AI beneficiaries.

## FUND PERFORMANCE

Past performance does not predict future returns.

Cumulative % total return, in GBP, to 31/12/2025	1 year	3 years	5 years	10 years	Launch
Guinness Asian Equity Income (Y GBP Dist)	12.6	37.5	44.5	148.7	197.1
MSCI AC Asia Pacific ex Japan Index	20.6	37.0	24.8	147.1	161.3
IA Asia Pacific ex Japan sector average	19.0	29.6	22.4	141.6	158.4
IA Asia Pacific ex Japan sector ranking	87/115	36/113	20/106	37/87	23/77
IA Asia Pacific ex Japan sector quartile	4	2	1	2	2



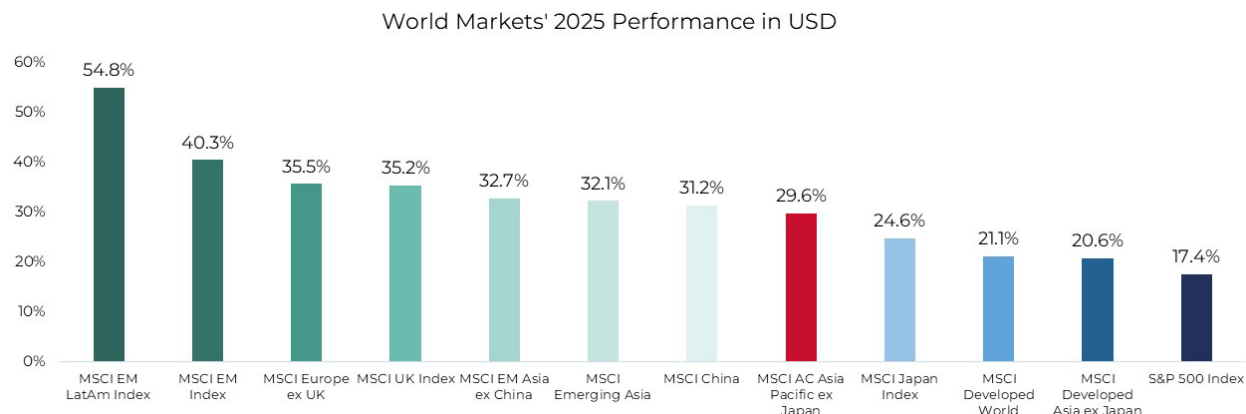
Source: FE fundinfo. Cumulative Total Return for Fund's Y share class and for indexes in GBP. The Fund was launched on 19<sup>th</sup> December 2013. Data as of 31<sup>st</sup> December 2025

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 fund performance shown has been reduced by the current OCF of 0.77% per annum. Returns for share classes with different OCFs will vary accordingly. Performance returns do not reflect any initial charge; any such charge will also reduce the return.

## REVIEW OF 2025

(In the rest of this paper, performance numbers are quoted in US dollar terms unless specified otherwise.)

2025 was a year in which markets faced the limits of policy credibility and the consequences of fiscal arithmetic.



Source: Bloomberg. Developed Asia as measured by MSCI Pacific ex Japan NTR Index, Emerging Asia by MSCI EM Asia NTR Index, US by S&P 500 NTR Index and Europe ex UK by MSCI Europe ex UK NTR Index, all in US dollar terms to 31/12/25

From the outset, it was clear that Donald Trump's return to the White House would have deep implications for global markets, not least because the administration's domestic and international agenda was being shaped by an unsustainable US fiscal position. Early in the year, a flurry of executive actions and policy signals made it evident that tariffs, spending restraint and institutional retrenchment would be used not only as economic tools but also as instruments of political leverage. At the start of 2025, the overall budget deficit stood at approximately 5.6% of GDP, with a primary deficit of roughly 2.5%, and net interest costs exceeding 3% of GDP. Total federal debt was approaching the size of the US economy, with trillions of dollars needing refinancing annually, making the administration's attempts to reduce the deficit through the "3-3-3" plan (3% GDP growth, 3% deficit, additional production of 3 million barrels of oil per day) a challenge. The political reality was that meaningful cuts to mandatory spending would be deeply unpopular, particularly to Trump's voting base, leaving discretionary spending and foreign commitments as the most realistic targets. As a result, we saw renewed pressure on NATO allies and aggressive use of tariffs as both a revenue source and a negotiating tactic. In addition, the administration also passed the One Big Beautiful Bill Act in mid-2025, permanently extending earlier tax cuts whilst simultaneously reducing select social expenditures, although this added to investor concerns that fiscal sustainability was being deferred rather than addressed, ultimately leading to a weakening US dollar.

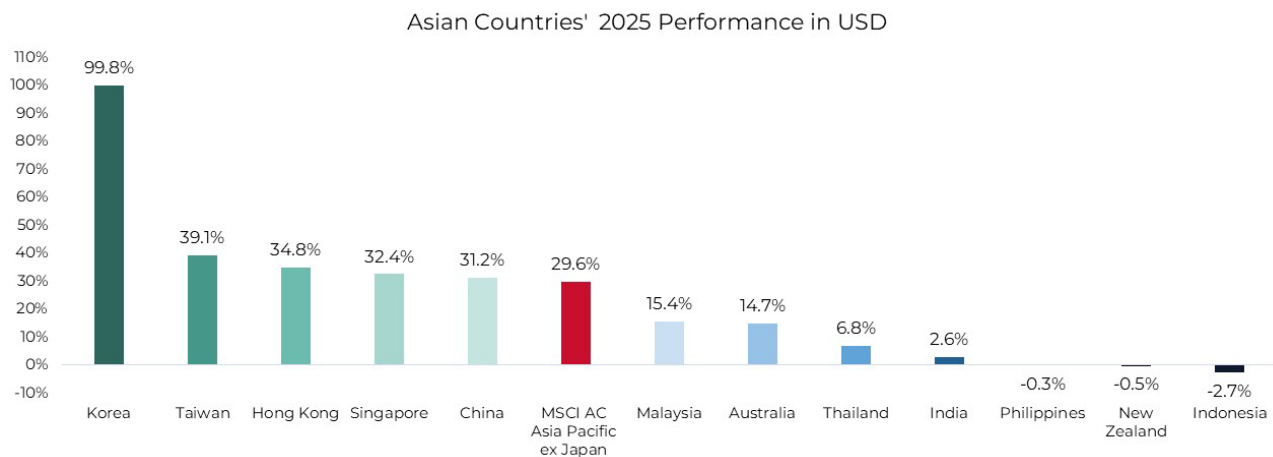
Against this backdrop, January delivered another shock to the markets; the emergence of DeepSeek, a Chinese company that released an AI model reportedly capable of competing with leading US systems at a fraction of the training cost. Whilst debate over the true economics of the model has continued, the broader message has been unmistakable. China's technological position needed to be reassessed by the rest of the world as it had caught up, and in some cases, surpassed the rest of the global market on several strategically important technologies. We remind readers that this development was not isolated and is not 'new'. China has, in fact, spent the last decade focusing on new growth pillars, including new energy, advanced manufacturing, and, of course, next-generation technology.

During the earlier months of 2025, Asia performed relatively well. Tariff threats loomed, but initial implementation was limited in scope, and the US administration's focus remained largely domestic. Chinese equities benefitted from renewed interest in technology and innovation, and policy support for China's property sector, while measured, helped stabilise sentiment and allowed investors to begin to look beyond the real estate legacy of the last decade. The narrative around China started to shift from one dominated by property and debt to one focused on higher value-added industries and technological capabilities.

However, international policy volatility intensified as the year progressed, led by April's "Liberation Day", when the US imposed a new regime of so-called reciprocal tariffs explicitly tied to bilateral trade imbalances rather than existing tariff schedules. This resulted in disproportionately high tariffs for several emerging economies in Asia and triggered a rapid

escalation in trade tensions with China, resulting in retaliatory measures and, ultimately, a de facto trade embargo between two of the world's largest economies. Markets reacted sharply, with sell-offs in global equities, and notably, a spike in long-dated US Treasury yields, which eventually forced the administration to announce a temporary pause on higher tariffs for most countries whilst maintaining punitive rates on China.

Exemptions were then quietly introduced on both sides to prevent critical supply disruptions, particularly in consumer electronics, energy inputs and selected semiconductor categories. However, uncertainty around trade policy led to real economic consequences, with shipping volumes declining, capacity being withdrawn, and supply chains starting to exhibit behaviours reminiscent of the early stages of the pandemic. Even when tariffs eventually eased, the adjustment process itself generated inflationary pressures through bottlenecks and higher logistics costs.



*Source: Bloomberg. MSCI region and country net total return (NTR) indices in USD terms as at 31/12/25*

Market performance across Asia reflected these dynamics but also showcased the region's resilience as growing intra-regional trade created a cushioning effect to global tariff concerns. Starting with the underperformers, in India, robust domestic economic indicators were offset by high valuations, currency weakness, and rising US trade tensions linked to India's continued purchase of Russian energy. In ASEAN, performance was also mixed, with Thailand and Indonesia both experiencing inflows in foreign investment driven by lower relative valuations and tariff worries abating, only to be held back by political instability, governance and infrastructure challenges, and extreme weather events.

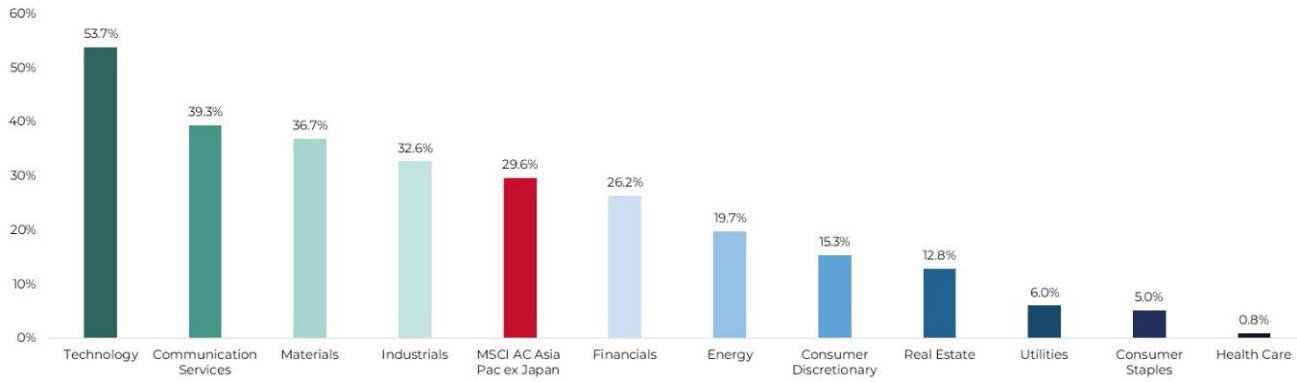
China has had a rather trickier year. Renewed confidence in China's innovation expertise and its ability to navigate through attempts at market access restriction in the US drove outperformance versus the benchmark. However, concerns around the domestic economy have risen, tempering this outperformance in the second half of the year. Whilst there is an incremental shift in market recognition that the real estate drag on the domestic economy is abating, the reality is that the slowdown has led to weakening local government finances, household sentiment, and domestic demand. Previous policies that supported manufacturing industries have now led to capacity outstripping the weakened demand, driving a deflationary environment.

The government has been pursuing an anti-involution policy to mitigate the deflationary environment and to limit excess capacity, but it will likely take some time before the full effects are seen. Unlike the deflationary environment of 2014-2015, overcapacity today lies primarily in the mid- and downstream verticals (steel, cement, and EVs as examples), and more importantly, it lies with privately owned enterprises instead of state-owned ones. This creates a significantly trickier problem for the government to solve. They cannot rely on top-down, supply-side reforms, and they also have far less direct control over labour market adjustments. Instead, the government is forced to take a more granular, industry-specific approach, with execution of the policies largely delegated to the private companies themselves.

Elsewhere, Korea and Taiwan emerged as major beneficiaries of investment into AI infrastructure, with strong demand for chips and advanced manufacturing services driving corporate earnings. In Korea's case, whilst the market did extremely well in 2025, it is worth remembering that the market was coming off a relatively lower base; Korea was down over 23% in 2024. Singapore, too, benefited from the AI boom, along with strong gains in the country's financial and biomedical manufacturing industries. This led to Singapore's strongest GDP growth since 2021, coming in at 4.8%, far above the initially expected range of 1.5% to 2.5%, and higher than the November upgrade of "around 4%".

## Guinness Asian Equity Income

2025 Asia Sector Performance in USD



Source: Bloomberg. MSCI AC Asia Pacific ex Japan sector indices in USD terms as at 31/12/25

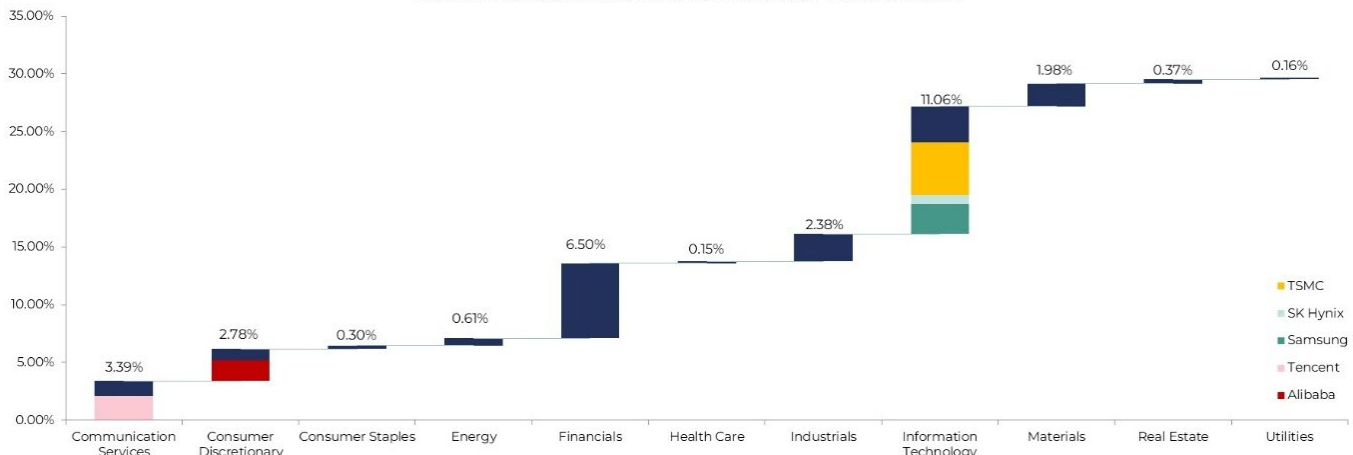
Despite being the Asian sector that underperformed the most in 2025, Health Care still managed to finish the year marginally positive. Health Care has been an interesting space this year. Chinese names did particularly well in the first half as perceptions surrounding the trajectory of domestic reform improved. However, macro uncertainties related to tariffs and investor preference against typically defensive sectors this year have led to underperformance versus the benchmark.

On the other side, Materials did well in 2025, driven by climbing commodity prices. Precious metals such as gold and silver saw prices rise 65% and 148% respectively through the year as investors rushed towards traditional safe-haven assets amid the growing trade policy volatility. Industrial metals too saw record prices, with copper gaining 38%, fuelled by tariff concerns, as well as supply constraints as AI and renewable energy demand continued to accelerate.

AI has continued to be a hot topic in 2025, driving much of the market performance, both globally and in Asia. Whilst the early months of 2025 created an environment where all AI-related names seemed to be 'winning', the second half of the year brought increased scrutiny surrounding valuations and capital expenditure funding. Across the board, higher proportions of expected future growth have been incorporated into valuations, leading to increased market sensitivity to any perceived disappointment. However, we also began to see bifurcations in AI stock performance as subsegments developed distinct economic and competitive traits. Companies that focus on developing models and applications faced growing pushback on higher valuations despite negative earnings, and funding that has become increasingly reliant on debt markets. On the other hand, those directly related to infrastructure build-out tended to do better, driven by relentless demand for semiconductors, hardware and advanced manufacturing capacity, many of which are supplied by Asian companies. As a result of the continued AI strength, Technology and Communication Services (led by Tencent) were the strongest-performing sectors in 2025.

We do, however, note that performance from AI-related names created clear concentration risk in 2025, with a small number of stocks accounting for a large share of index returns. As seen in the chart below, five names contributed 40% of the benchmark's total returns in 2025. Even more extreme is the fact that three of these names (Samsung Electronics, SK Hynix and TSMC) made up 72% of the Technology sector's contribution to benchmark returns.

Sector Contribution to 2025 Benchmark Total Returns in USD

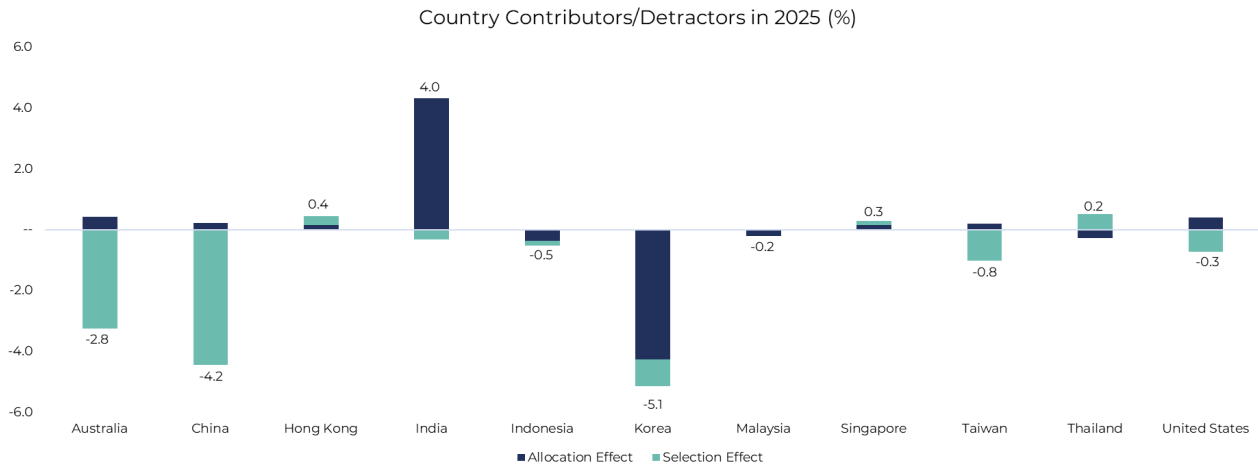


Source: FactSet, MSCI AC Asia Pacific ex Japan sector indices and in USD terms as at 31/12/25

## FUND REVIEW

This section discusses the contributors to, and the detractors from, the active return of the Fund. The attribution figures are FactSet and GGI estimates and are not audited performance figures. Estimated returns, contribution and attribution figures are calculated from daily holdings data and do not capture the effects of intraday trading activity, fees and may not fully reflect corporate actions or other factors which impact actual fund performance.

In 2025, both allocation and stock selection were negative from both a country and a sector perspective.



Source: FactSet. MSCI AC Asia Pacific ex Japan, Guinness Global Investors in USD terms as at 31/12/25

In 2025, the Fund officially changed its benchmark from the MSCI AC Pacific ex Japan Net Total Return Index to the MSCI AC Asia Pacific ex Japan Net Total Return Index. The main difference between the two indices is that the latter includes India. When the Fund was originally launched, we did not have access to the Indian market, and indeed, continued not to have access until 2019. We have since included India in our investment universe, and so we have changed the benchmark. With the change, we are now underweight in India versus the benchmark, leading to a positive allocation effect for that market in 2025.

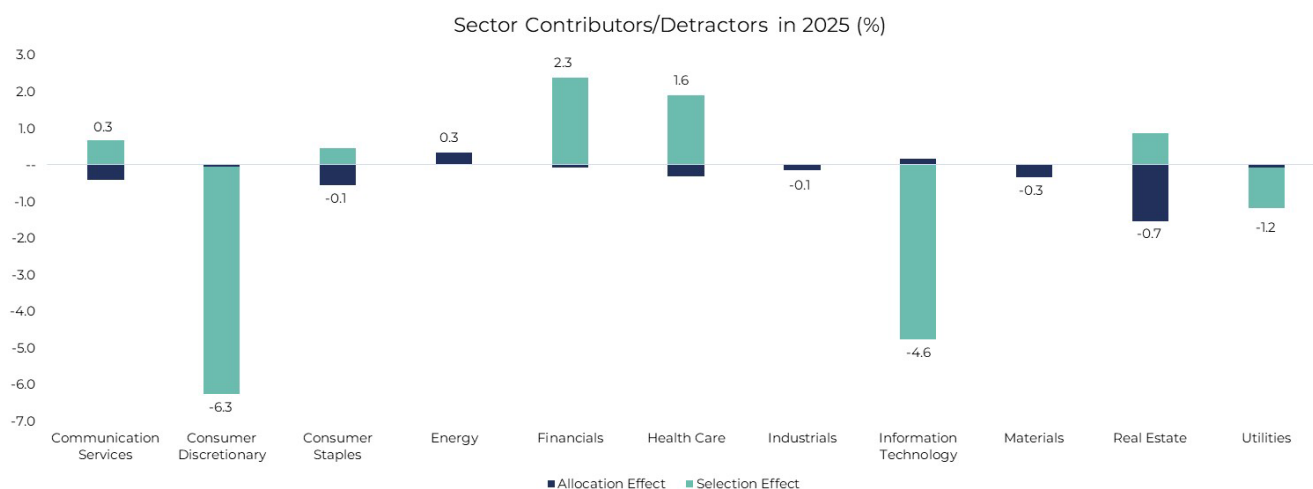
The Fund's underweight to Korea proved to be a detractor to relative returns. The negative selection effect from not holding Samsung Electronics or SK Hynix (neither of which makes it into the Fund's investment universe) more than offsets the positive effects from owning Korean Reinsurance. The stock selection effects seen in Taiwan, as in Korea, are largely attributable to the AI trend. Our relative underweight to TSMC made up half of the negative selection effect in Taiwan, with Novatek Microelectronics contributing the rest.

In China, the negative selection effect was due to a combination of not owning Alibaba or Tencent (both do not make it into the investment universe), as well as negative effects from China Resources Gas, Suofeiya Home Collection and Zhejiang Supor, all of which have been impacted by the slowdown in the real estate sector.

Elsewhere, positive allocation effects in Australia and the US were offset by the negative selection effect. In Australia, this can be attributed to holding Corporate Travel Management, which has been suspended since August (more on that in the Stock Performance section further below). In the US, positive relative contribution from Broadcom was more than offset by negative relative contribution from Aflac and Qualcomm. As a reminder, we allow into our investment universe companies which are not listed in Asia but which derive at least 50% of revenues from the region.



## Guinness Asian Equity Income



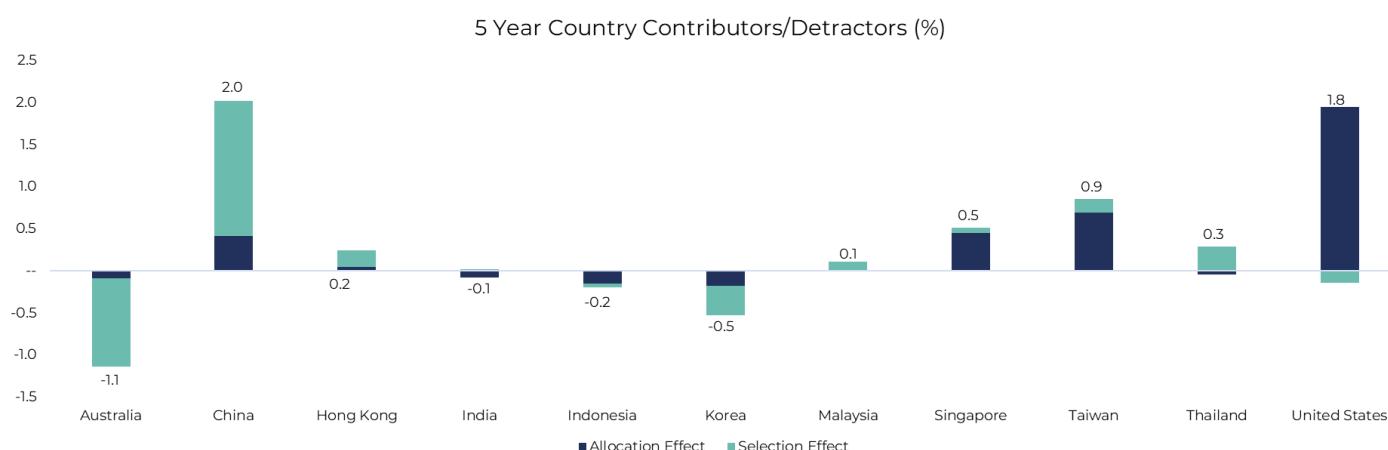
Source: FactSet. MSCI AC Asia Pacific ex Japan, Guinness Global Investors in USD terms as at 31/12/25

By sector, which arguably provides a better indication of how we think about portfolio construction, Consumer Discretionary and Information Technology were held back by strong negative stock selection. In Consumer Discretionary, more than half of this was driven by Corporate Travel Management, with Suofeiya and Zhejiang Supor making up most of the rest of the negative contribution to relative returns from the sector. Unsurprisingly, being underweight, or zero weighting key AI names, drove most of the negative stock selection in Information Technology, more than offsetting any positive relative contributions from Elite Materials, Broadcom and Hon Hai Precision.

The total negative allocation effect was due to the Fund's relative overweight in the Real Estate sector. However, this was partially offset by positive stock selection. Elsewhere, there were further positive selection effects seen in Financials and in Health Care. Within Financials, relative detractors from Bank Rakyat and Aflac were more than offset by positive relative contributions from BOC Hong Kong, Korean Reinsurance, and Ping An Insurance.

### Five-year view

Whilst it is useful to analyse performance over the year, it would be pertinent to remember that fluctuations over 12 months can also be heavily influenced by the previous year, as under-/out-performances are caught up or given back (as seen in Korea this year). As such, it can also be useful to review a five-year period, where these market movements level out, and the true outcomes of Fund decision-making become clearer.



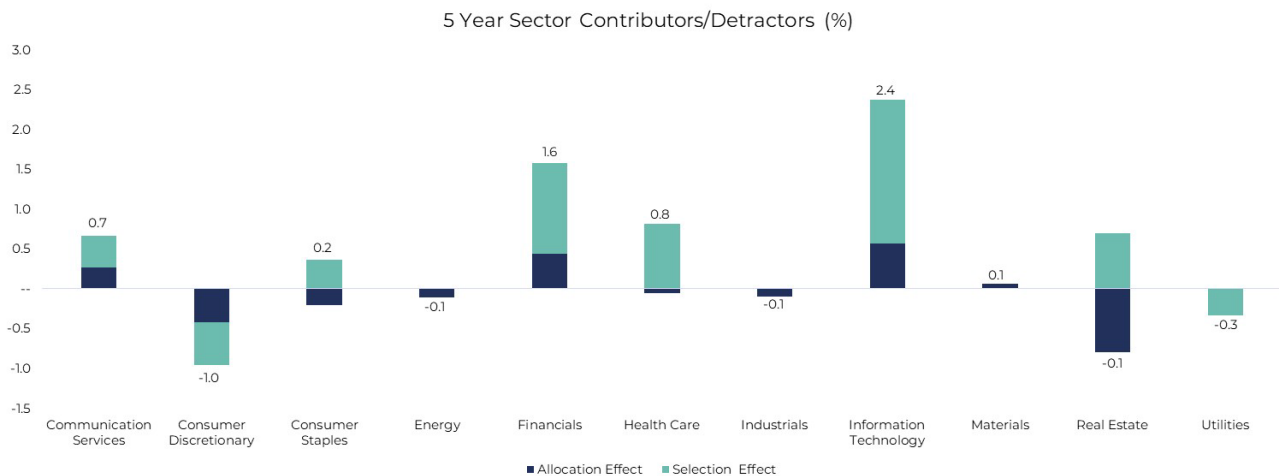
Source: FactSet. MSCI AC Asia Pacific ex Japan, Guinness Global Investors in USD terms as at 31/12/25

On a country basis, performance can be attributed to positive allocation and selection effects. Notably, our allocation to the US was strongly positive, where we hold Aflac, Broadcom and Qualcomm. Positive allocation effects from Taiwan, Singapore and even China are due to relative overweights versus the benchmark. Also notable is that despite the global and domestic troubles seen in China over the last five years, the Fund has been able to find opportunities that have led to positive stock



## Guinness Asian Equity Income

selection, all whilst being unable to hold the benchmark heavyweight names, Alibaba and Tencent. In Australia, the negative stock selection effect can be attributed almost entirely to the issues seen in Corporate Travel Management this year.



Source: FactSet. MSCI AC Asia Pacific ex Japan, Guinness Global Investors in USD terms as at 31/12/25

From a sector perspective, a small negative allocation effect, driven primarily by a relative overweight to Real Estate and a relative underweight to Consumer Discretionary, was more than offset by positive stock selection. However, unlike Real Estate, where positive stock selection was able to partially offset some of the negative allocation effect, stock selection in the Consumer Discretionary sector was also negative. Once again, this was, in large part, to Corporate Travel Management. However, holding onto Hanon Systems for too long (sold in 2024) also caused a significant detractor to relative performance.

Strong stock selection in Information Technology was driven by names that have been tied to the recent AI trend: Elite Materials, Hon Hai and Broadcom. However, it is worth noting that these names were all purchased before the AI excitement and have been able to benefit from the trend due to strong management oversight that has led to these businesses dominating in their respective fields. Finally, the strong stock selection from the Financials and the Health Care sectors was helped by our Chinese names (BOC Hong Kong, China Construction Bank, China Merchants Bank, ICBC, and China Medical Systems).

The skew towards a stronger selection effect reflects the outcomes of our investment process. By assessing a company's balance sheet health, as well as management's ability to grow dividends whilst simultaneously investing in the next phase of development via persistent earnings growth, we can find good quality companies at opportune valuations and invest in them with high conviction. Importantly, the process also helps to identify companies which are not suitable for the Fund, something which is often under-considered, but plays an equally important part in Fund performance.

## PORTFOLIO CHANGES

In 2025, we made one change in the portfolio.

### Sell

**Link REIT** manages a portfolio of shopping centres, retail space and parking space facilities, primarily in Hong Kong, but also in China, Singapore and more recently, Australia. Hong Kong's retail landscape has broadly seen improvements, but this has not translated into improvements for Link REIT. Recent earnings reported that Hong Kong tenant sales for Link REIT declined over 3% year-on-year. Additionally, rental reversions in Hong Kong were down -6.4% for 1H26 vs 1H25. This led to a decline in distribution per unit, below the already negative expectations from the market. Whilst we remained satisfied with the financial health of the company, it has become increasingly clear that the macro environment for Link REIT is becoming more difficult. Increased competition from online sales coming in from China, as well as competition from new retail spaces being built in China itself, has led to management tempering market expectations, noting further challenges in 2026 before a potential troughing and recovery in 2027.

## Buy

**Haier Smart Home** is a Chinese manufacturer of a range of domestic appliances, including fridges, freezers, washing machines and air conditioners. The company services both domestic and international markets, with a roughly equal split between the two. Management has a good record of adjusting product positioning and branding over time to maintain pricing power, leading to reasonably stable generation of returns on capital given the sector it operates within, while also paying a growing dividend. Haier trades on valuation multiples that are undemanding on an absolute basis and below the company's long-run average.

### Annual buys and sells

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Buys</b>	2	3	3	1	2	6	8	1	2	0	1	1
<b>Sells</b>	2	4	3	1	2	6	8*	1	2	0	1	1
<b>Total Holdings</b>	36	36	36	36	36	36	37	36	36	36	36	36

\* Sale of one position not fully completed by year-end

## DIVIDEND REVIEW

In 2025, the Guinness Asian Equity Income Fund Class Y distribution in GBP terms increased by 8.4%. The EUR distribution rose 6.1% and the distribution in USD terms rose 15.2%. The average distribution yield for the Fund since launch based on the Fund price at the end of year is 4.0% on the Y share class in USD, GBP and EUR terms.

The dividend per share (DPS) history for the Fund's Y share class in Sterling can be seen below.

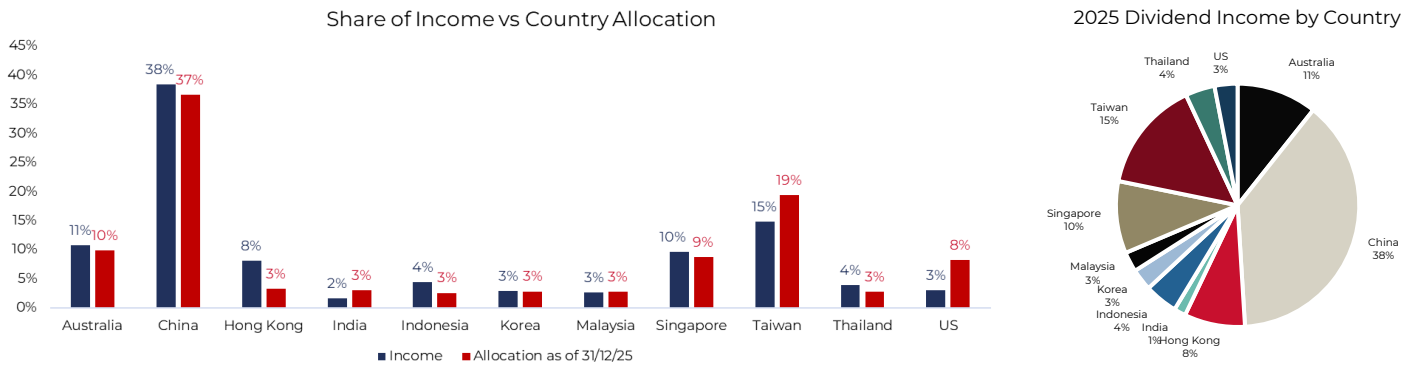


Source: Guinness Global Investors. Class Y dividend growth in GBP

Over the life of the Fund, the GBP dividend has grown at a compound annual growth rate (CAGR) of 3.9% per annum compared to 2.2% per annum for the benchmark.

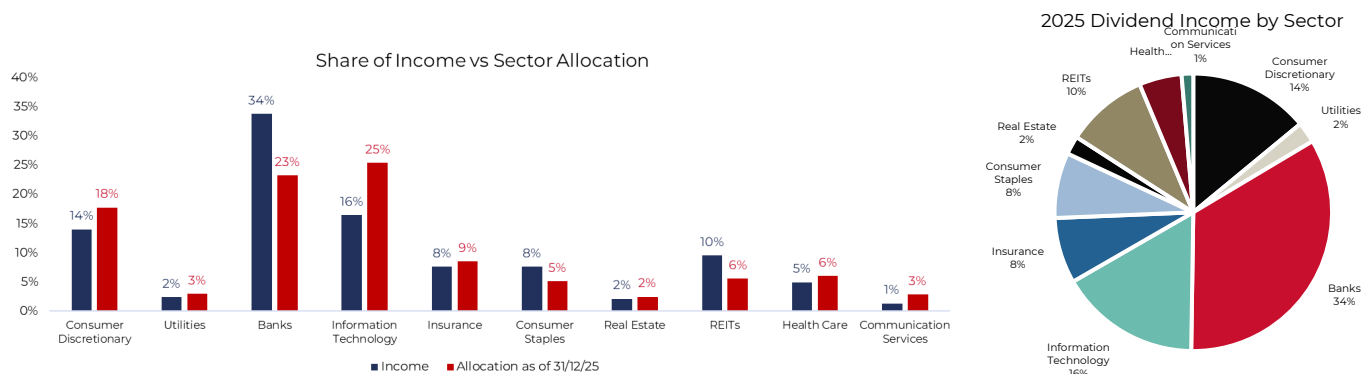
## Dividend Sources

The charts below show the geographic sources of dividend income received by the Fund in 2025, and how they broadly correspond to the regional weightings of the portfolio.



Source: Guinness Global Investors. Based on dividend income received and due to the Fund included in 2025 Fund distribution, converted into the Fund's base currency, USD. Data as of 31/12/25

By sector, the sources of income in 2025 were as follows:



Source: Guinness Global Investors. Based on dividend income received and due to the Fund included in the 2025 Fund distribution, converted into the Fund's base currency, USD. Data as of 31/12/25

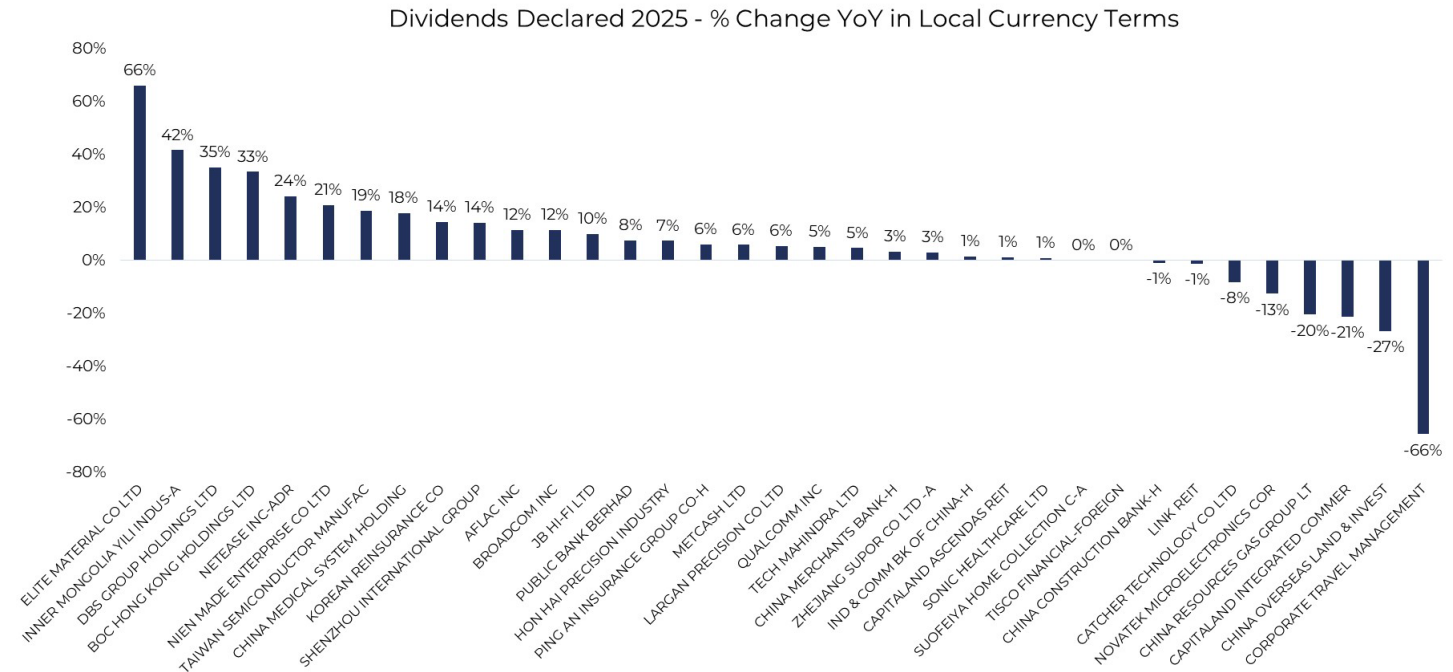
As with the country alignment, the share of income coming from each sector is quite similar to our sector allocation. The standouts here are banks, which had a notably higher income weighting, and Information Technology, which had a lower income weighting.

## DIVIDEND ACTIONS

In 2025, out of our 36 holdings:

- 26 companies **grew** their dividends.
- 2 companies kept dividends **flat**.
- 8 companies reported **lower** dividends.

The chart below shows the year-on-year percentage change in dividend per share for each of our portfolio companies.

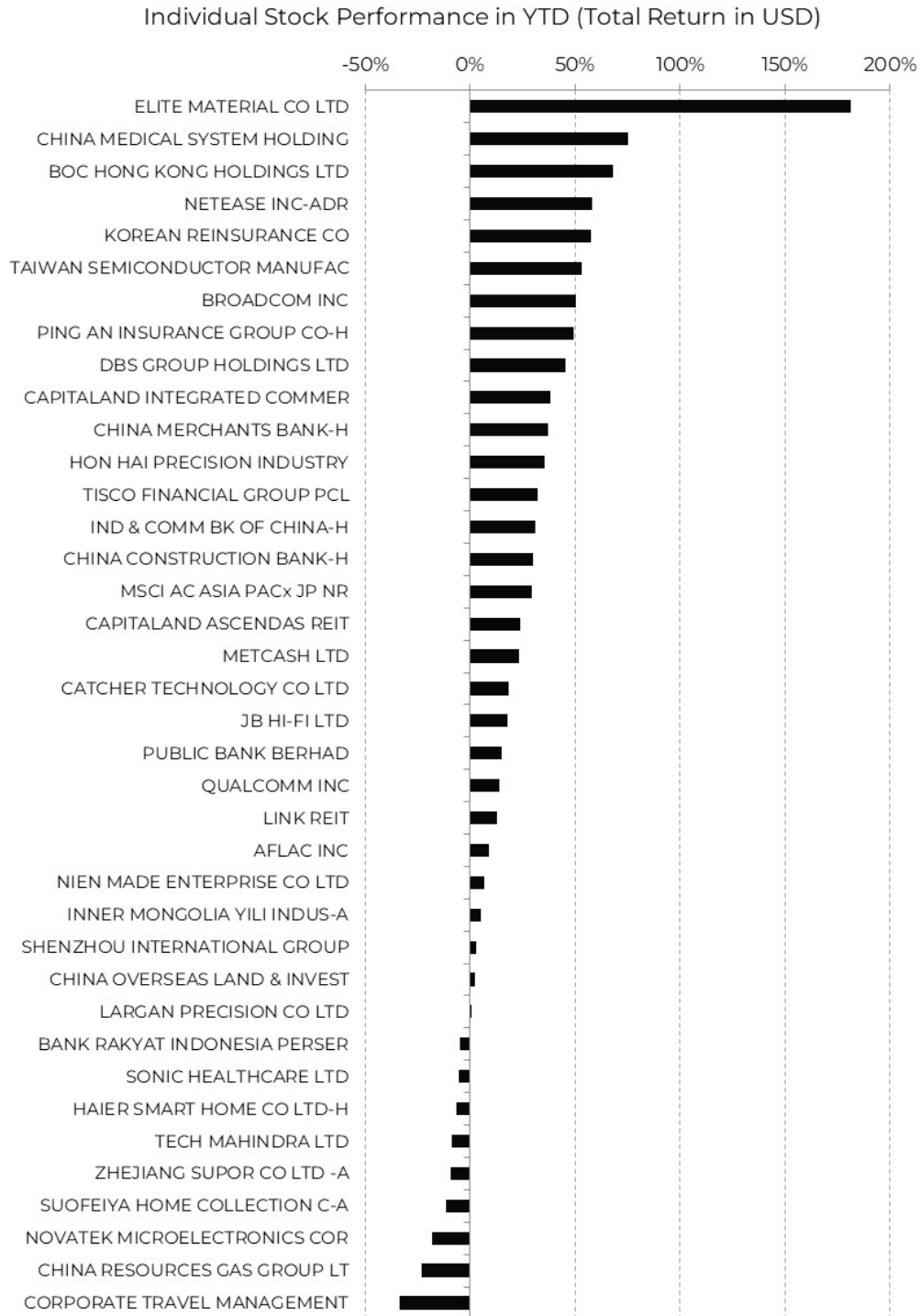


Source: Company reports. Dividends declared and the shares gone ex-dividend in 2025, in local currency terms

Note that Haier Smart Home is not shown in the chart as it was added to the portfolio in December, after the company's dividend declaration date.

## STOCK PERFORMANCE

The chart below shows the total return for each position in the portfolio in 2025. Of the 36 names in the portfolio in 2025, 21 underperformed the benchmark, and 15 outperformed. The chart below shows individual stock performance for 37 names, including Link REIT (which we sold in December), Haier Smart Home (which we added as a replacement), and the benchmark performance. Haier has underperformed the benchmark since it was added to the portfolio, down 8% to 31st December 2025, versus a benchmark gain of 1% in the same period.



Source: Bloomberg. Data as of 31/12/25

### Leaders

Of our top five performing stocks, two were in the Financials sector, and one each in Information Technology, Health Care and Communication Services.

**Elite Material** is a manufacturer of copper-clad laminates (CCL), a material used in printed circuit boards. The company saw total returns rise 181.5% in 2025, due to strong end demand, particularly in the AI space, where projects require more advanced chips, which, in turn, require more CCL content. The company is expected to benefit as it holds a dominant market share (over 70%) in the highest-grade (M8) materials in the CCL space and is predicted to be the first to market for the next iteration of highest-grade materials (M9). On another note, Elite Materials is a particularly good example of strong management leading to a business that is able to navigate shifts in product cycles. We bought the company back in 2017, when our investment thesis revolved around the company's strong market share in printed circuit boards used in smartphones, servers and the automotive industry. However, management has been able to grow the bottom line, and in turn, reinvest some of the profits into R&D, driving a virtuous cycle of growth. At the same time, they have also been able to consistently grow dividends, adding to the total shareholder return.

**China Medical Systems**, a leading pharmaceutical licensor in China, is growing in-house R&D and has a strong sales network and a decent product pipeline with launch dates spanning the next three years. The company saw total returns grow 75.4% in 2025, primarily during the second and third quarters, driven by news that the company is planning to spin off its Dermavon subsidiary as a separate Hong Kong Stock Exchange listing, as well as improving sentiment in the Chinese Health Care space. The spin-off is expected to be executed in specie, which would avoid shareholder dilution. Dermavon itself specialises in dermatology and has a diverse product and pipeline portfolio.

**BOC Hong Kong (BOCHK)** had a strong first half, where the company reported earnings durability and attractive dividends, with yields above 5%, leading to total returns rising 68.2%. In particular, pre-provision operating profit grew 17% year-on-year, and return on equity improved to 12.92%. Additionally, the sentiment around the market environment has improved, partly driven by an IPO boom and early signs of recovery in the residential property market, creating a more supportive setting for BOCHK's lending and wealth management businesses.

**NetEase**, which saw total returns rise 58.3%, is one of China's largest video game developers. Strong share price moves were related to the return of the Blizzard partnership (which brought World of Warcraft back to mainland China), revenue stabilisation from older games such as Eggy Party, as well as evidence of the company's ability to successfully grow its overseas business. Marvel Rivals and Destiny: Rising contributed to 12% year-on-year growth in Gaming and Value-Added Services revenues in the latest reported quarter. Additionally, the domestic success of Where Winds Meet was followed by a positive global launch in November, with more than 2 million players on launch day, as well as reaching Steam's top 4 list. Looking forward, the company has two games launching in 2026, and whilst valuation has risen through the year, it remains below its 5-year historical average of 17x.

**Korean Reinsurance** up 57.7%, benefited from a supportive reinsurance cycle as pricing and underwriting conditions improved, resulting in stronger profitability. In particular, second-quarter net profits rose 14% year-on-year, beating sell-side consensus expectations by c.21%. In addition, overseas underwriting (which has higher profitability than domestic operations) accounted for a larger share of the product mix, leading to an improved combined ratio of 81.5%, 660 basis points lower than a year prior.

### Laggards

The Fund's five worst-performing stocks fell into three sectors; three were in the Consumer Discretionary sector, and one each in Utilities and Information Technology.

We wrote about **Corporate Travel Management** last month, but documented it again, given that it is the Fund's worst-performing stock in 2025. The company is an Australian travel services provider for business and government clients worldwide. Trading of shares in the company was suspended in August, when, following a change of auditor, management first reported that some statements from the European side of the business needed to be restated. At the time, we took the decision to make a downward fair value adjustment of -15% from the last traded price to AUD13.66. Expectations given by management were that there would be an update and stock trading resumption in late November. Instead, what investors received was news that the accounting irregularities had less to do with the timing of revenue recognition and more to do with overcharging and aggressive accounting methodology. Trading on the company remains suspended, and given the

lack of further details around these issues, we have decided to mark the carrying price down by 50% from the last traded price, meaning that the company's total returns fell by 33.9% in 2025.

**China Resources Gas** saw a sharp sell-off in March as reported results came in sharply below sell-side expectations. Gas distribution was weaker than expected on the back of a milder winter, as well as a marked slowdown in industrial demand. In addition, the outlook for new residential connections remains weak due to the muted real estate market in China. However, the biggest market concern was management's decision to change its dividend policy. Previously, dividends were calculated as a percentage of total profits, which has, in recent years, included infrequent bumps from disposals as well as profits made from joint ventures. Management has decided to calculate future dividends on "core profits" instead, which, to our mind, means we should see a steadier dividend growth profile. However, this means that the company reported an 18% cut in dividends, which has masked the fact that the underlying core dividends actually grew 3%. Since the lows in March, the share price has recovered 17%, but total returns remain one of the lowest in the Fund, down -23.0%.

**Novatek Microelectronics**, a Taiwanese designer and manufacturer of integrated circuits (ICs), fell -18.0% in 2025, largely driven by weaker earnings reports, as competitive pressures and macro challenges started to affect the company's bottom line. Despite revenues remaining largely flat in the first three quarters of 2025, rising costs led to gross profits falling 7% and gross margins falling 312 basis points to 37.5%. Seemingly persistent dollar depreciation, along with the fading out of Chinese subsidy policies and tariff woes, caused additional FX pressure, resulting in net profits dropping 15% year-on-year. Whilst the company remains in the Fund for now, we are closely monitoring the rising competitive pressures from Chinese companies and continue to assess Novatek's ability to navigate this trickier period.

**Suofeiya Home Collection** is a Chinese manufacturer of kitchen cabinets and other homeware. The company, therefore, has exposure to the real estate market and saw total returns fall by 11.5% in 2025. While home renovations were eligible for the trade-in programme, this was not enough to offset ongoing declines in new home sales. This led management to guide sales to decline in 2025, despite the growing contribution from renovation demand. Management aims for sales to stabilise in 2026 and believes there is further room to improve gross margins through further cost reductions and efficiency gains. Despite the challenges facing the sector, returns on capital have remained resilient. We believe the current share price assigns minimal value to cash flows derived from future capex, representing an attractive valuation for a business that remains high quality. Though we do not hold the stock for this reason, any additional policy support for the real estate sector could provide upside for the stock through a valuation re-rating.

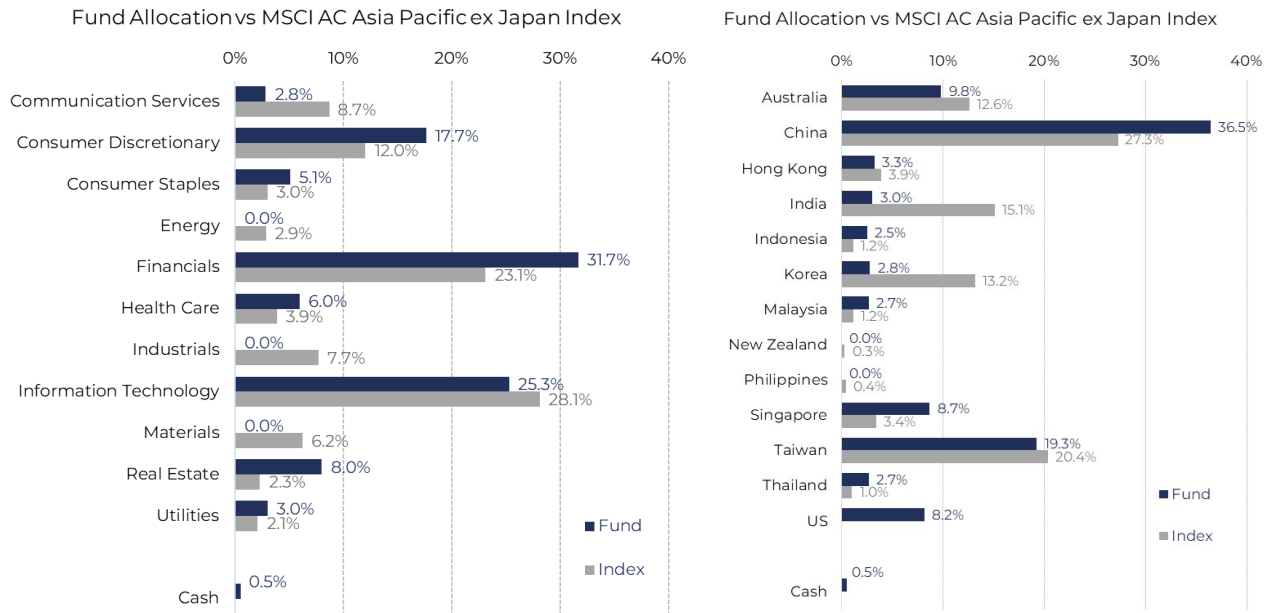
**Zhejiang Supor Co**, which saw total returns decline -9.0% in 2025, is a manufacturer of kitchenware, cookware and small home appliances. China's consumer environment weakened in the second half of the year, partly driven by the government phasing out consumption subsidies. Supor, like its peers, has opted to provide its own subsidies to consumers at the expense of operating margins. The government's recent decision to exclude kitchen appliances from 2026's subsidy programme may mean Supor's operating margins remain under pressure. Overseas sales were strong in the first quarter as Supor's French parent company accelerated shipments before US tariffs were implemented. Management revised guidance to flat-to-slightly-positive overseas growth in 2025. The shift of export orders away from China towards the company's growing Vietnamese factories has also weighed on margins, though we expect the impact to ease as utilisation rates in Vietnam increase. In our view, governance and the cash return profile at Supor remain excellent. The stock provides a trailing dividend yield of 6% and is trading at close to the lowest valuations seen over the past decade. The current share price requires only modest earnings growth to deliver an attractive annualised return.



## PORTFOLIO POSITIONING

The charts below show the differences in sector allocation between the Fund and our new benchmark.

The Fund has historically been overweight to Financials and to Real Estate, something that has continued this year. Additionally, we have continued our zero-weighting to the Energy and Materials sectors. Companies within these sectors tend to have a more cyclical nature, rendering many of them incompatible with our investment process.

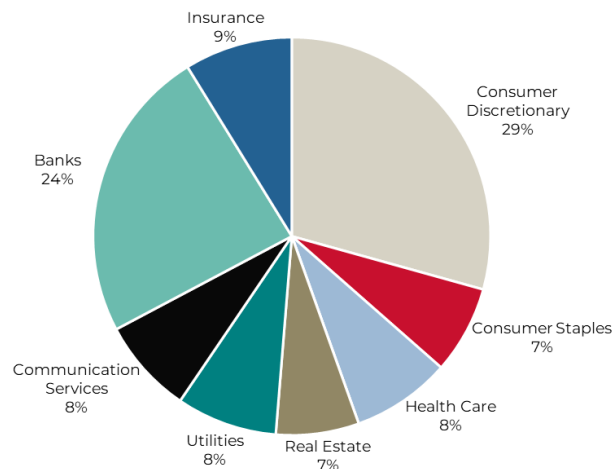


Source: Guinness Global Investors, Bloomberg. Data as of 31/12/25

As mentioned earlier in the note, our new benchmark includes the Indian market. As a result, we are now underweight the benchmark in India, and have a greater overweight in China. Additionally, we continue to hold three US-listed positions in the Fund: Aflac, Qualcomm and Broadcom. As a reminder, the Fund's requirement is that businesses must be listed and traded in the Asia Pacific region or must have at least 50% of their assets or derive at least 50% of their revenues from within the region.

The allocation to China at 37% continues to be the Fund's largest single-country exposure, and the chart below shows the underlying exposures with the actual portfolio weights.

2025 Portfolio Allocation to China



Source: Guinness Global Investors as of 31/12/25

## OUTLOOK

For long-term investors, we believe the opportunity in 2026 remains the same as in 2025: identifying those businesses that can convert structural advantages into sustained economic returns, whilst maintaining the discipline to avoid areas where optimism is already seemingly priced in. Throughout 2025, Asia's evolving trade architecture has proven increasingly important and showcased the region to be one where these prospects exist. Decades of diversification and deepening intra-regional trade links provided a degree of insulation from external shocks. China's exports to the US continued to decline as a share of total trade, but shipments to ASEAN expanded (as did shipments to Latin America and Africa). For much of the region, domestic demand and regional supply chains are playing an increasingly greater role in sustaining growth than direct exposure to the US consumer, and whilst this does not give immunity from global volatility, it does suggest a more balanced and resilient growth model than previous cycles.

Within Asia, China will remain pivotal, both as a market in its own right and as a driver of regional trade. The past year has highlighted China's capacity to counter US efforts to restrict market access for Chinese-made products. The trade embargo between the two countries eventually gave way to a one-year trade truce, with the US agreeing to suspend punitive tariffs in return for China easing export restrictions on rare earth metals and soybeans. The relative success here will likely encourage China to continue expanding its export-driven growth model into next-generation technologies. However, China must still contend with an unstable domestic economy and the slow effects of its anti-involution policy. We continue to watch for developments on policy direction and the broader evolution of China's export-led model, both of which we believe will be addressed in March, when Beijing releases its 15<sup>th</sup> five-year plan for 2026-2030. The one-year trade truce is also due to end in November 2026, so we expect more turbulence, similar to this year, as the deadline approaches.

We also expect AI to continue being a key investment theme in 2026. However, we remain wary of concentration risk from AI beneficiaries, particularly as valuations continue to creep up. Additionally, we note that whilst the recent US decision to delay certain semiconductor tariffs until later in the decade offers temporary relief, it does not change the underlying trajectory of increasing strategic competition, one that current Asian AI beneficiaries (TSMC, Samsung and SK Hynix) will have to navigate delicately.

Our focus in 2026 will continue to be on the four founding pillars of the Fund.

		Fund	MSCI AC Asia Pacific ex Japan Index
Quality	ROE	17%	12%
	Weighted average net debt/equity	9%	50%
Value	PE (2026e)	12.5x	17.4x
	FCF Yield (LTM)	10.0%	4.0%
Dividend	Dividend Yield (LTM)	3.8% (net)	2.2% (gross)
	Weighted average pay-out ratio	62%	43%
Conviction	Number of stocks	36	1,060
	Active share	91%	-

Source: Guinness Global Investors, Bloomberg. Portfolio metrics versus index. As of 31/12/25

### Portfolio Managers

Edmund Harriss  
Mark Hammonds  
Valerie Huang

**GUINNESS ASIAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$309.4m
Fund launch	19.12.2013
OCF	0.77%
Benchmark	MSCI AC Asia Pacific ex Japan TR
Historic yield	4.1% (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 ASIAN EQUITY INCOME FUND - PORTFOLIO**

Top 10 holdings		Sector		Country	
BOC Hong Kong	3.3%	Financials	31.7%	China	39.7%
Ping An Insurance	3.2%	Information Technology	25.3%	Taiwan	19.3%
DBS Group Holdings	3.2%	Consumer Discretionary	17.7%	Australia	9.8%
Elite Material	3.1%	Real Estate	8.0%	Singapore	8.7%
ICBC	3.1%	Health Care	6.0%	USA	8.2%
Taiwan Semiconductor	3.1%	Consumer Staples	5.1%	India	3.0%
Sonic Healthcare	3.0%	Utilities	3.0%	South Korea	2.8%
Tech Mahindra	3.0%	Communication Services	2.8%	Malaysia	2.7%
Suofeiya Home Collection	3.0%	Cash	0.5%	Thailand	2.7%
China Resources Gas Group	3.0%			Indonesia	2.5%
Top 10 holdings	31.1%				
Number of holdings	36				

## Guinness Asian Equity Income Fund

Past performance does not predict future returns.

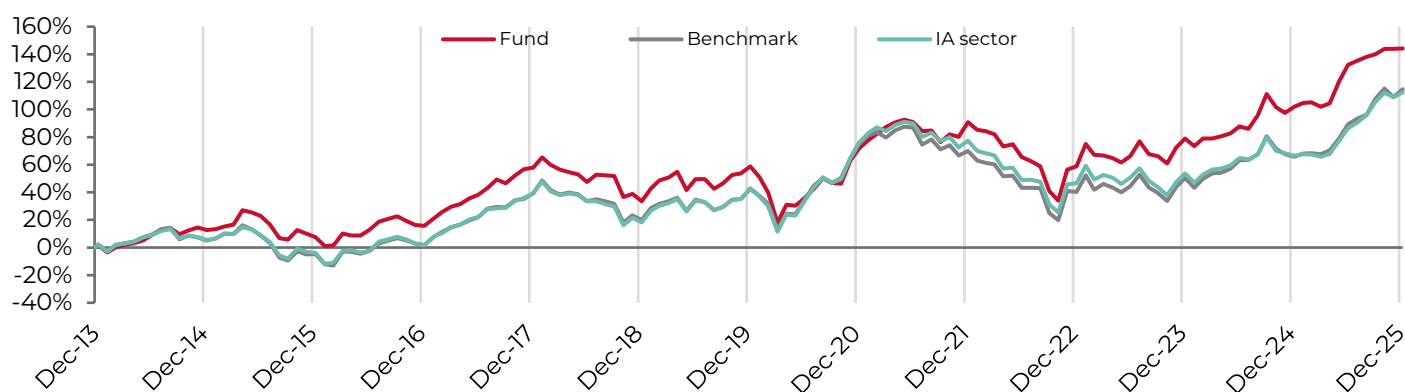
### GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-1.4%	+12.6%	+12.6%	+37.5%	+44.5%	+148.5%
MSCI AC Asia Pacific ex Japan TR	+1.3%	+20.6%	+20.6%	+37.0%	+24.8%	+147.1%
IA Asia Pacific Excluding Japan TR	+1.1%	+19.0%	+19.0%	+29.5%	+22.4%	+141.6%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.1%	+20.9%	+20.9%	+53.8%	+42.2%	+126.9%
MSCI AC Asia Pacific ex Japan TR	+2.8%	+29.6%	+29.6%	+53.2%	+22.8%	+125.5%
IA Asia Pacific Excluding Japan TR	+2.6%	+27.8%	+27.8%	+44.9%	+20.5%	+120.5%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-1.1%	+6.6%	+6.6%	+39.7%	+48.1%	+109.8%
MSCI AC Asia Pacific ex Japan TR	+1.6%	+14.2%	+14.2%	+39.2%	+27.9%	+108.6%
IA Asia Pacific Excluding Japan TR	+1.4%	+12.6%	+12.6%	+31.6%	+25.5%	+104.0%

### GUINNESS ASIAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+12.6%	+14.9%	+6.4%	-6.3%	+12.2%	+4.8%	+14.4%	-10.3%	+24.6%	+28.2%
MSCI AC Asia Pacific ex Japan TR	+20.6%	+12.1%	+1.3%	-7.1%	-2.0%	+18.7%	+14.6%	-8.6%	+25.1%	+27.3%
IA Asia Pacific Excluding Japan TR	+19.0%	+10.0%	-1.0%	-6.9%	+1.5%	+20.0%	+15.8%	-9.8%	+25.3%	+25.7%
(USD)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+20.9%	+12.8%	+12.7%	-16.8%	+11.1%	+8.1%	+19.0%	-15.5%	+36.5%	+7.5%
MSCI AC Asia Pacific ex Japan TR	+29.6%	+10.2%	+7.4%	-17.5%	-2.9%	+22.4%	+19.2%	-13.9%	+37.0%	+6.8%
IA Asia Pacific Excluding Japan TR	+27.8%	+8.1%	+4.9%	-17.3%	+0.5%	+23.8%	+20.4%	-15.1%	+37.2%	+5.3%
(EUR)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+6.6%	+20.4%	+8.9%	-11.4%	+19.6%	-0.8%	+21.2%	-11.2%	+19.9%	+10.7%
MSCI AC Asia Pacific ex Japan TR	+14.2%	+17.5%	+3.7%	-12.1%	+4.5%	+12.3%	+21.3%	-9.6%	+20.3%	+10.0%
IA Asia Pacific Excluding Japan TR	+12.6%	+15.3%	+1.4%	-11.9%	+8.2%	+13.6%	+22.7%	-10.8%	+20.5%	+8.5%

### GUINNESS ASIAN EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



Source: FE fundinfo net of fees to 31.12.25. 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 current OCF is 0.77%. 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 ASIAN EQUITY INCOME FUND - FUND FACTS

Fund size	£4.5m
Fund launch	04.02.2021
OCF	0.77%
Benchmark	MSCI AC Asia Pacific ex Japan TR
Historic yield	3.7% (Y GBP Inc)

## WS GUINNESS ASIAN EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings	Sector	Country
BOC Hong Kong 3.3%	Financials 31.8%	China 40.0%
Ping An Insurance 3.3%	Information Technology 25.2%	Taiwan 19.2%
ICBC 3.2%	Consumer Discretionary 17.3%	Australia 9.4%
DBS Group Holdings 3.2%	Real Estate 8.1%	Singapore 8.9%
Elite Material 3.1%	Health Care 6.0%	USA 8.2%
China Resources Gas Group 3.1%	Consumer Staples 5.1%	India 3.0%
China Construction Bank 3.0%	Utilities 3.1%	South Korea 2.8%
Tech Mahindra 3.0%	Communication Services 2.8%	Malaysia 2.7%
Sonic Healthcare 3.0%	Cash 0.6%	Thailand 2.6%
Suofeiya Home Collection 3.0%		Indonesia 2.5%
Top 10 holdings 31.3%		
Number of holdings 36		

## WS Guinness Asian Equity Income Fund

Past performance does not predict future returns.

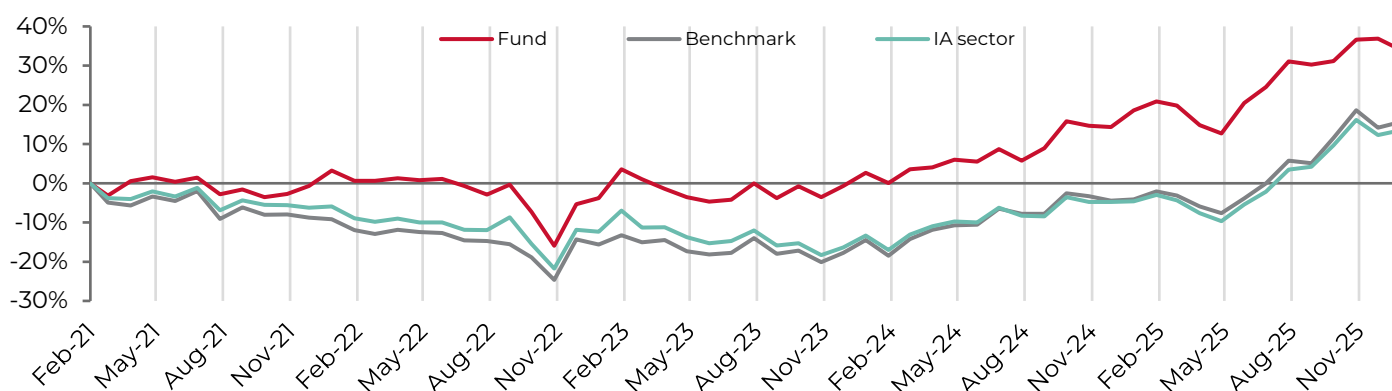
### WS GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-2.1%	+13.1%	+13.1%	+39.3%	-	-
MSCI AC Asia Pacific ex Japan TR	+1.3%	+20.6%	+20.6%	+37.0%	-	-
IA Asia Pacific Excluding Japan TR	+1.1%	+19.0%	+19.0%	+29.5%	-	-

### WS GUINNESS ASIAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+13.1%	+15.5%	+6.7%	-6.8%	-	-	-	-	-	-
MSCI AC Asia Pacific ex Japan TR	+20.6%	+12.1%	+1.3%	-7.1%	-	-	-	-	-	-
IA Asia Pacific Excluding Japan TR	+19.0%	+10.0%	-1.0%	-6.9%	-	-	-	-	-	-

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



FE fundinfo net of fees to 31.12.25. 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 current OCF is 0.77%. 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** 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 Asian Equity Income Fund and the WS Guinness Asian 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](http://www.guinnessgi.com).

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Funds 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 not investing directly in the underlying assets of the Fund. 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.

The Funds are actively managed and use the MSCI AC Asia Pacific ex Japan Index as a comparator benchmark only.

### GUINNESS ASIAN EQUITY INCOME 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](http://www.guinnessgi.com) or free of charge from:-

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland or
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

A summary of investor rights in English, including collective redress mechanisms, is available here: <https://www.waystone.com/waystone-policies/>

#### Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. **NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

#### Structure & regulation

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

#### Switzerland

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, REYL & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.

#### Singapore

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

### WS GUINNESS ASIAN 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/](http://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](mailto:wtas-investorservices@waystone.com)  
Dealing: [ordergroup@waystone.com](mailto:ordergroup@waystone.com)

Waystone Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

#### Residency

This Fund is registered for distribution to the public in the UK but not in any other jurisdiction. In other countries or in 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.