Guinness Global Innovators

Annual Review & Outlook 2026

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KID/KIIDs for the Funds (available on our website), which contain detailed information on their characteristics and objectives and full information on the risks, before making any final investment decisions.

The Funds are equity funds. Investors should be willing and able to assume the risks of equity investing. The value of an investment 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	01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
EU Domiciled	Guinness Global Innovators Fund
UK Domiciled	WS Guinness Global Innovators Fund

INVESTMENT POLICY

The Guinness Global Innovators Funds are designed to provide investors with global exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. Innovation can take many forms, and not just in disruptive tech-driven products. It is the intelligent application of ideas and is found in most industries and at different stages in the company lifecycle. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

CONTENTS

COMMENTARY

In 2025, the Guinness Global Innovators Fund produced a total return of 12.1% (in GBP), compared to the MSCI World Net TR Index return of 12.8%, therefore underperforming by 0.7 percentage points (pp). The IA Global Sector returned 11.2% (in GBP), the Fund therefore outperforming its peer average by 0.9pp.

Since launch (May 2003) the strategy ranks 1st out of 79 Funds in the IA Global sector. It has produced a cumulative total return of 1,577.6% (in GBP) compared to the sector average of 630.6% – an outperformance of 947.0pp. Over 10 years, this outperformance is 142.1pp.

2025 proved to be another impressive year for equities, with the MSCI World returning a third consecutive year of double-digit gains. Global equity markets rose despite turbulence resulting from shifting tariff policy, geopolitical uncertainty and mixed economic indicators. Artificial intelligence was one of the defining themes of the year, with rate cuts from the Federal Reserve and strong corporate earnings further fuelling investor optimism. Given this risk-on sentiment, cyclicals outperformed defensives, and more speculative, lower-quality areas of the market benefited. Consequently, 2025 was the worst year for quality stocks since 2003 in relative terms, with a return mid-single digits lower than the broader benchmark. The US stock market also saw a rare period of underperformance relative to the rest of the world despite the leadership seen from the technology sector and the Magnificent 7 stocks. Towards the end of the year, concerns grew regarding the possibility of a market bubble as AI-related capex climbed even further and increasingly circular deals were announced between the major players.

Looking ahead to 2026, spending on AI is likely to provide an ongoing tailwind to equity markets. This should be supported by a favourable monetary backdrop and fiscal stimulus programmes. However, increasing uncertainty regarding inflation and geopolitical risks is expected to be a source of volatility in the year ahead.

Past performance does not predict future returns.

Over 2025, Fund performance relative to the MSCI World Index can be attributed to the following:

- The Fund benefited from both positive asset allocation and stock selection within Information Technology, the best-performing sector in the benchmark, partly driven by the Fund's overweight to names in the semiconductor industry. Fund holdings LAM Research (+139.2% in USD), KLA Corp (+94.5%) and Applied Materials (+59.6%) have all seen increasing semiconductor equipment spending and heightened demand from the ongoing AI infrastructure build-out.

- The Fund also benefited from its zero-weighting to Consumer Staples, Utilities and Real Estate, which were among the worst-performing sectors.

- Stock selection within the Financials sector acted as the greatest detractor to performance primarily due to the Fund's holding in London Stock Exchange Group (-13.7%). The stock faced weakness from investor concerns over the threat posed by AI to the company's model and datasets, despite the company generating strong earnings over the year.

- The Fund generated positive asset allocation from its relative overweight to the Communication Services sector, which was the second-best performing sector in the Index.

- The Fund's quality approach was a headwind in 2025, with the factor suffering a rare year of underperformance relative to the market as a whole. High-quality stocks lagged as optimism surrounding AI fuelled greater risk-taking behaviour, driving unprofitable tech – to which we have no exposure – higher.

For 2025, the Fund ranked in the second quartile vs peers in the broad IA Global sector, ranking 245th out of 564. We are particularly pleased, however, with Fund performance over the longer time periods of 3, 5, 10, 15, 20 years and since launch. The Fund ranks in the top quartile over the 3, 5, and 10-year periods, and ranks in the top five funds in the IA Global sector over 15 years, 20 years and since launch.

Cumulative % total return in GBP to 31st December 2025	1 year	3 years	5 years	10 years	15 years*	20 years*	Launch*
Guinness Global Innovators	12.1	80.4	75.3	317.3	678.7	1038.4	1577.6
MSCI World Index	12.8	59.1	80.3	245.52-	429.2	554.3	891.0
MSCI AC World Index	14.4	60.3	76.7	250.1	413.1	589.8	1904.8
IA Global (average)	11.2	41.1	47.7	175.2	265.8	362.1	630.6
IA Global (ranking)	245/564	22/500	104/436	7/259	2/159	1/96	1/79
IA Global (quartile)	2	1	1	1	1	1	1

Source: FE fundinfo. Net of fees. Data as 0f 31st December 2025

**Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01/05/2003.*

Annual % total return in GBP	2024	2023	2022	2021	2020	2019	2018
Guinness Global Innovators	21.9	32.1	-20.7	22.6	32.1	31.3	-11.9
MSCI World Index	20.8	16.8	-7.8	22.9	12.3	22.7	-3.0
IA Global (average)	12.6	12.7	-11.1	17.7	15.3	21.9	-5.7
IA Global (ranking)	56/530	14/502	404/471	125/438	55/399	17/363	288/317
IA Global (quartile)	1	1	4	2	1	1	4
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Guinness Global Innovators*	22.0	27.7	2.0	18.9	42.6	14.9	-6.0
MSCI World Index	11.8	28.2	4.9	11.5	24.3	10.7	-4.8
IA Global (average)	14.0	23.3	2.8	7.1	21.7	9.4	-9.3
IA Global (ranking)	31/285	98/261	186/243	8/214	6/198	24/179	54/160
IA Global (quartile)	1	2	4	1	1	1	2
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Guinness Global Innovators*	20.7	29.3	-24.5	19.2	4.2	25.0	3.4
MSCI World Index	15.3	15.7	-17.9	7.2	5.3	22.4	7.0
IA Global (average)	15.8	23.0	-24.3	8.8	7.8	24.8	7.7
IA Global (ranking)	39/144	36/135	79/119	15/112	72/97	51/85	65/81
IA Global (quartile)	2	2	3	1	3	3	4

Source: FE fundinfo. Net of fees. Data as 0f 31st December 2025

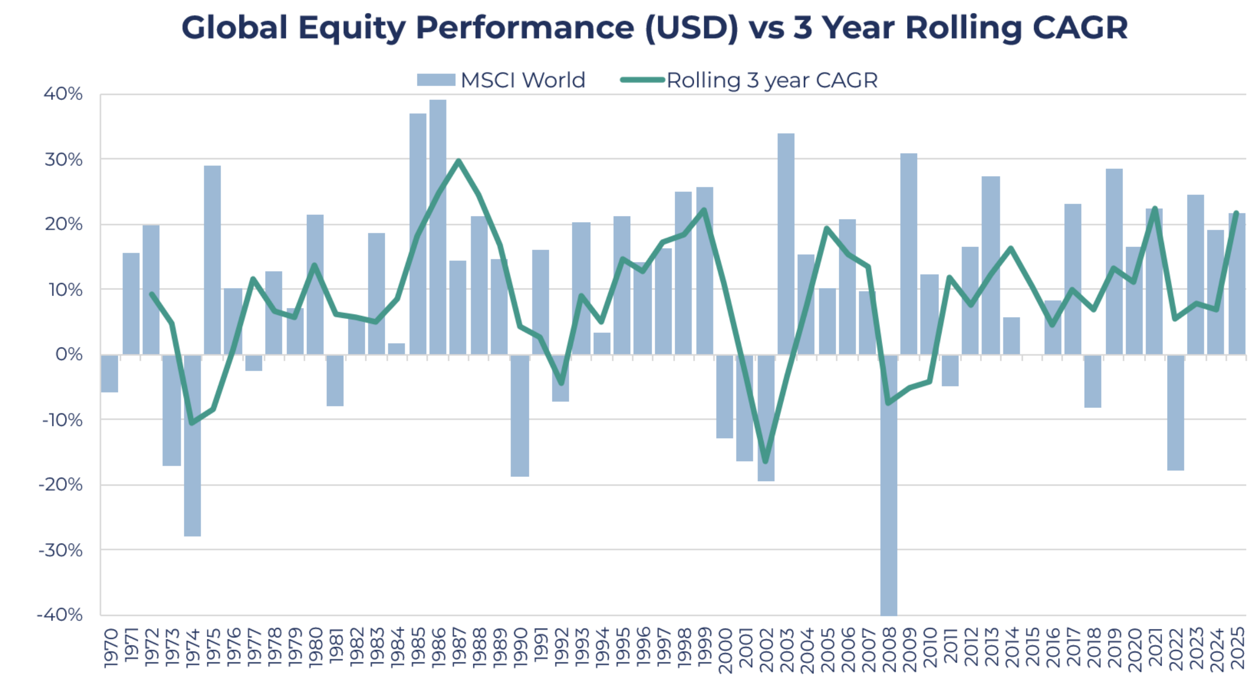
**Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01/05/2003.*

2025 – THE YEAR IN THEMES

1. Equities are strong, but US underperformance was clear

Despite all the uncertainty, volatility, and disruption that 2025 brought, it was a very strong year for global equity markets. After a -16.6% (USD) peak-to-trough drop in the MSCI World ending early April, the index then rallied an impressive +39.3% over the following eight months, with risk-on sentiment driving an 'everything rally'.

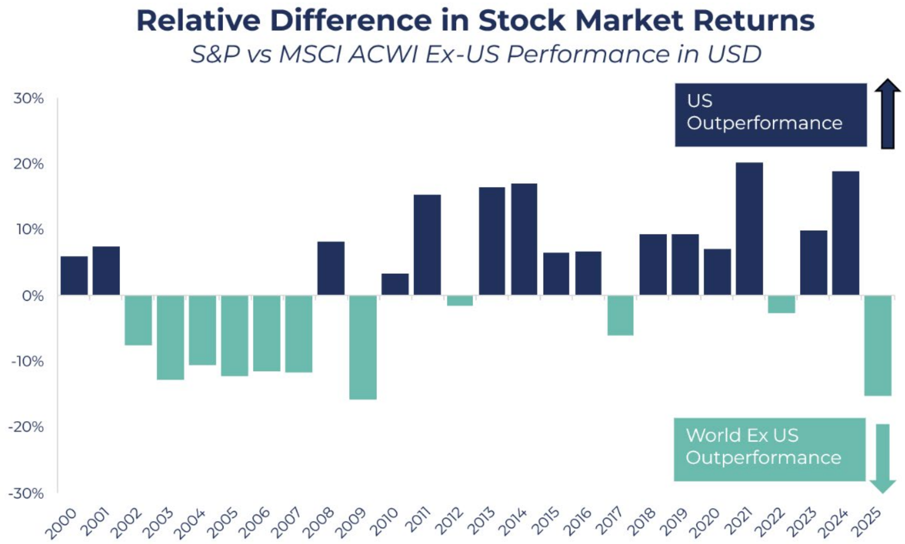
Equities were not only the best-performing asset class in 2025, but they have now had a remarkably strong three-year run (with their three-year rolling compound annual growth rate (CAGR) above 20%, joining 2021, 1999, and the 1986-1988 period as the only other times in the last 50 years this has been achieved).



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

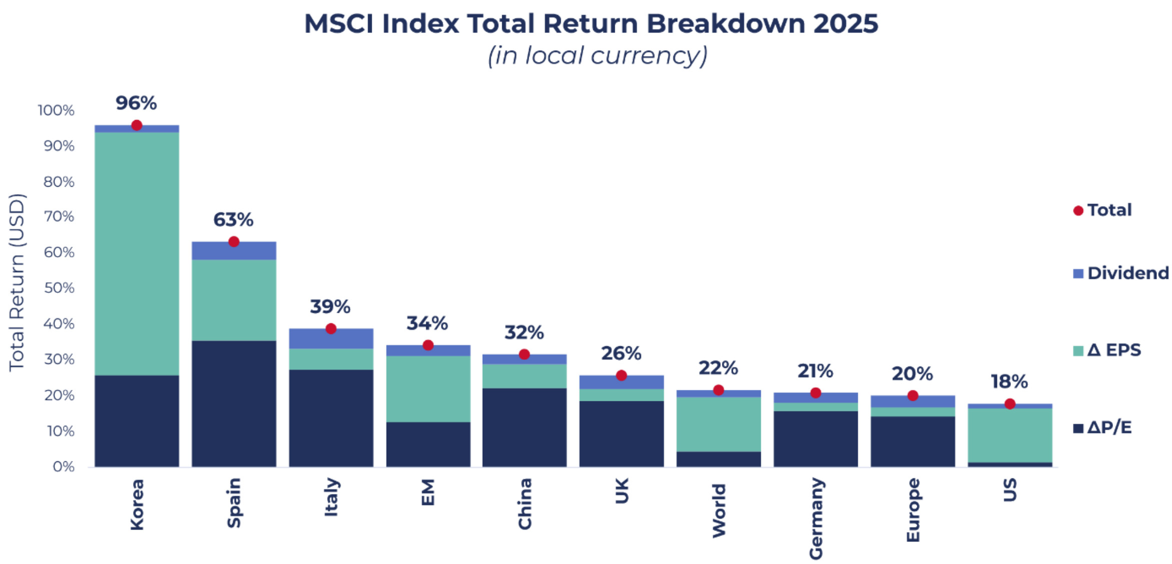
It is also worth noting that a broad range of asset classes saw strong performance, with Global Investment Grade Credit gaining +10.3% (USD) and the Bloomberg Commodity Index rising +15.8%. Precious metals had an even better year, with gold gaining 64% thanks to strong central bank and consumer demand, whilst a stellar year for silver saw gains of over 147%.

The US underperformed almost all other major market indices in 2025, something of a rarity in recent years. For all the talk of US exceptionalism, this was the worst year of relative performance for US equities compared to the rest of the world (MSCI ACWI ex US) since 2009. The reasons for underperformance can be debated: narrow US market breadth, domestic policy chaos, fiscal stimulus across the EU and Japan, improving governance in some parts of EM, or just simple mean reversion in valuations. In any case, the shift towards equities beyond the US was clear.



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

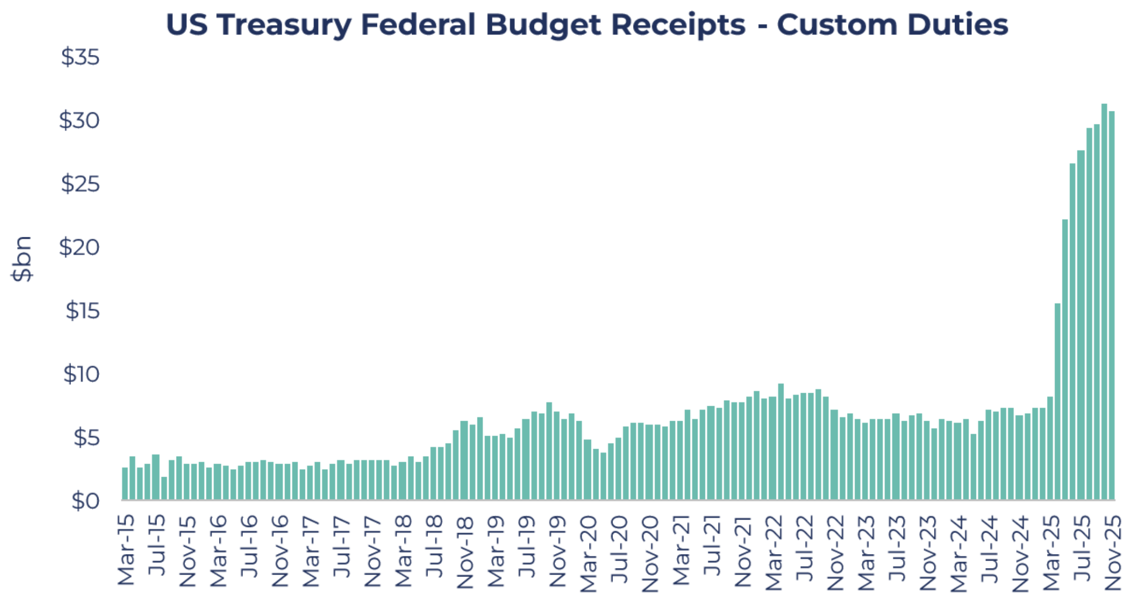
Conversely, Europe had a stand-out year, ending 2025 +36.3% in USD, 14.7% ahead of the MSCI World. Even if political and fiscal uncertainties still weigh heavily on the continent, a combination of low valuations (with a 40% PE discount to US), fiscal stimulus announcements (Germany, Italy), monetary easing (with four interest rate cuts by the European Central Bank in 2025), and resilient GDP growth all contributed to a very strong year for European equities. This was, of course, aided by the dollar's weakest year since 2017, falling 9% against a basket of global currencies, as concerns rise about the strength of the dollar's role in the global financial system. Even when normalising for USD weakness, there were still some notable performances in local currencies; Italian equities gained +38% and the Spanish market +55%, only surpassed by Korean equities, which gained +79%.



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

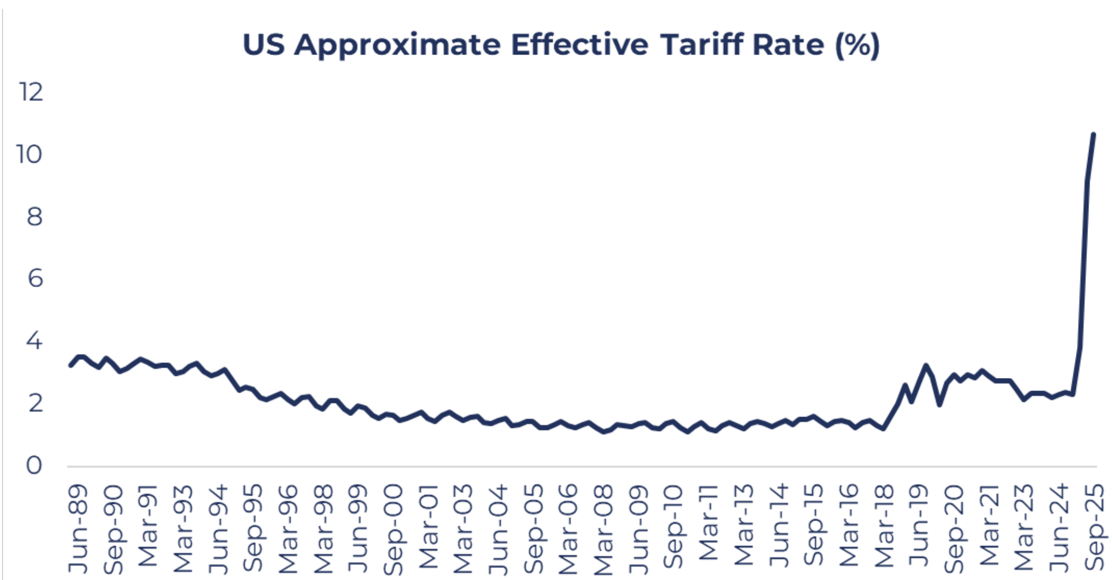
2. The Year of Tariffs

Investors, CEOs, and policymakers are likely growing weary of tariff news, as few things dominated headlines more over 2025. There is no doubt that the substantial increase in US tariffs placed on global trading partners has widespread impacts on trade relations, company earnings, and GDP prints, causing pronounced market volatility in the process. However a case can be made that, so far, tariffs have had far less of an impact than many economists predicted. Yes, trade, earnings, and inflation have all been affected, but only moderately, as shown by the markets' ability to look past these levies and push to new all-time highs. Tariffs turned out to be a tax, paid mostly by US importers and wholesalers, that the global system seems able to bear, at least for the time being. And don't forget, they have raised immense revenues for the US government, with the current data showing tariff takings will surpass a cumulative $250bn in 2025 (see chart below).



Source: Bloomberg, US Treasury, as of 31st December 2025

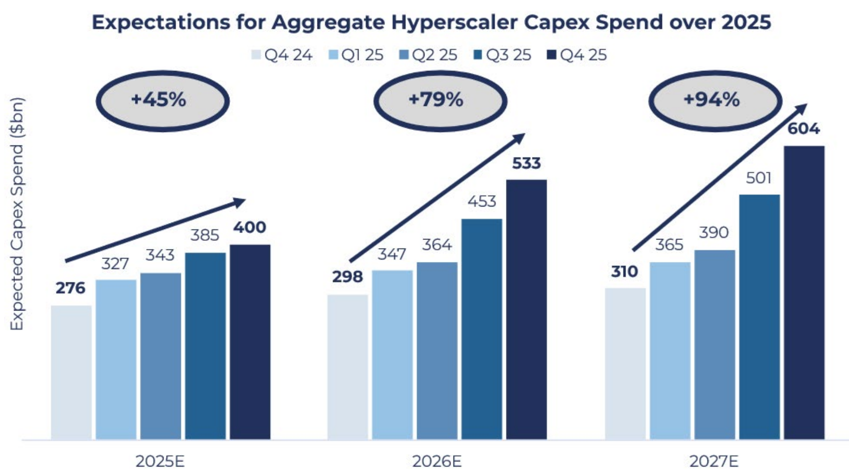
Tariffs have proven less damaging than feared in the short term, perhaps because whenever they have threatened a material negative impact on one part of the economy, the US administration has been quick to walk them back to something more reasonable, hence the coining of the 'TACO trade'. Nonetheless, the chart below shows the US International Trade Commission's average tariff rate for 2025. While the official data has only been released up to September 2025, unofficial estimates put the year-end figure closer to 14%, a substantial increase from the 2.4% recorded just one year previously, and returning to levels not seen since 1939.



Source: Bloomberg, United States International Trade Commission as of 31st December 2025

3. The year of AI

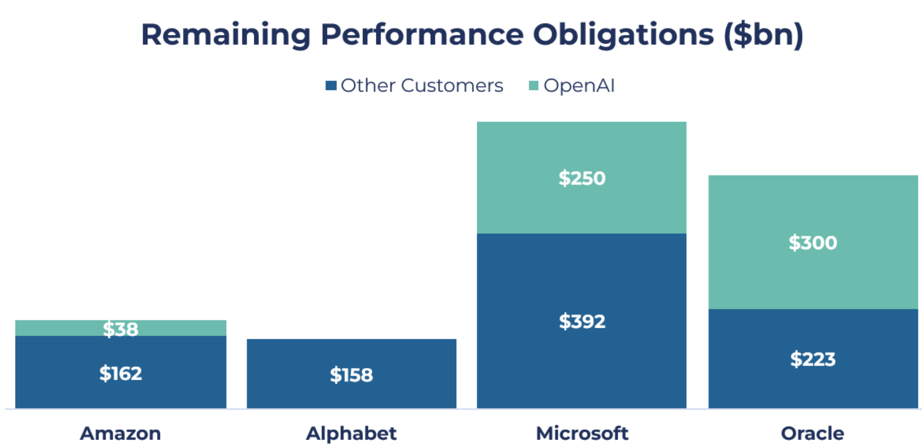
2025 was marked by what can be described as an all-out AI arms race. Big tech firms continue to spend hundreds of billions on AI chips, infrastructure, and talent, vying to get ahead in the race for what may well be this decade's most influential technology. Whatever the debates over timelines, AGI feasibility, investment implications, and ROI dynamics, it is clear that the AI arms race shows no signs of slowing down for now, as shown by the continual upgrade in expected capital expenditure, shown by the chart below.



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

We have written about this extensively in other commentaries (especially in February and November), but it would be remiss not to mention the overwhelming impact the AI race has had on equities over 2025 as a whole. Some areas of the market have flourished (semiconductors, energy infrastructure, industrials) whilst others have been deemed structural losers at risk of fundamental disruption (software, legacy media, professional services). And heading into 2026, a range of new technological developments continue to surge forward, including memory chip advances, optical interconnects, architecture changes at both the chip and data centre levels, as well as the surge in alternative energy sources as data centres start moving off-grid. Progress is advancing rapidly, and tech CEOs remain fully committed to the investment cycle.

The flipside is that investors are heading into 2026 increasingly concerned about what this means for the stock market and broader economy. Deutsche Bank estimates that the US would be "close to recession this year if it weren't for tech-related spending" with AI spending estimated to have driven the majority of US GDP growth of H1 2025. And whilst OpenAI is but one of a handful of leading AI labs, it has made an unparalleled $1.4tn trillion in spending commitments across the infrastructure stack (chips, servers, networking, power) which has found its way into the backlog of many AI bellwethers. As a result, the fate of OpenAI increasingly means the fate of the US AI technology ecosystem. More concentration risk ahead?

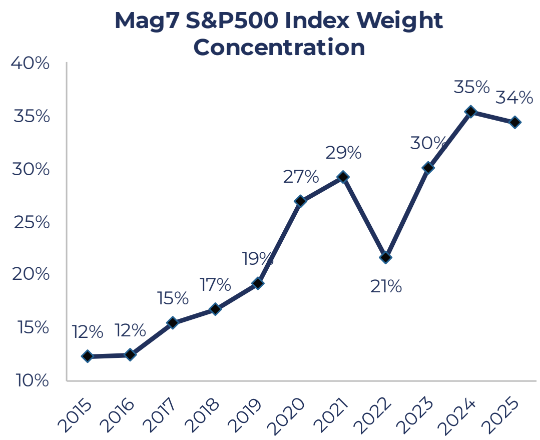


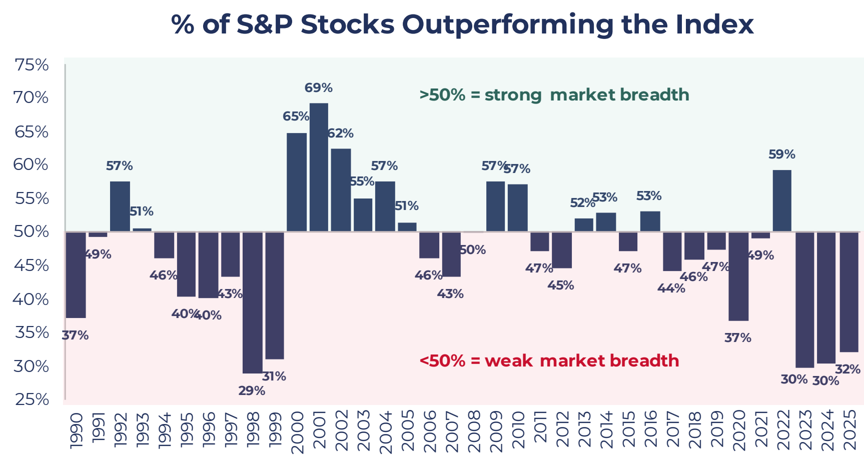
Source: Company Data, Guinness Global Investors as of 30th September 2025

**Note: Although not included in Microsoft's RPO as of 30th September 2025, we have included the recently announced $250bn Azure services commitment from OpenAI in October.*

4. Market concentration & bubble fears

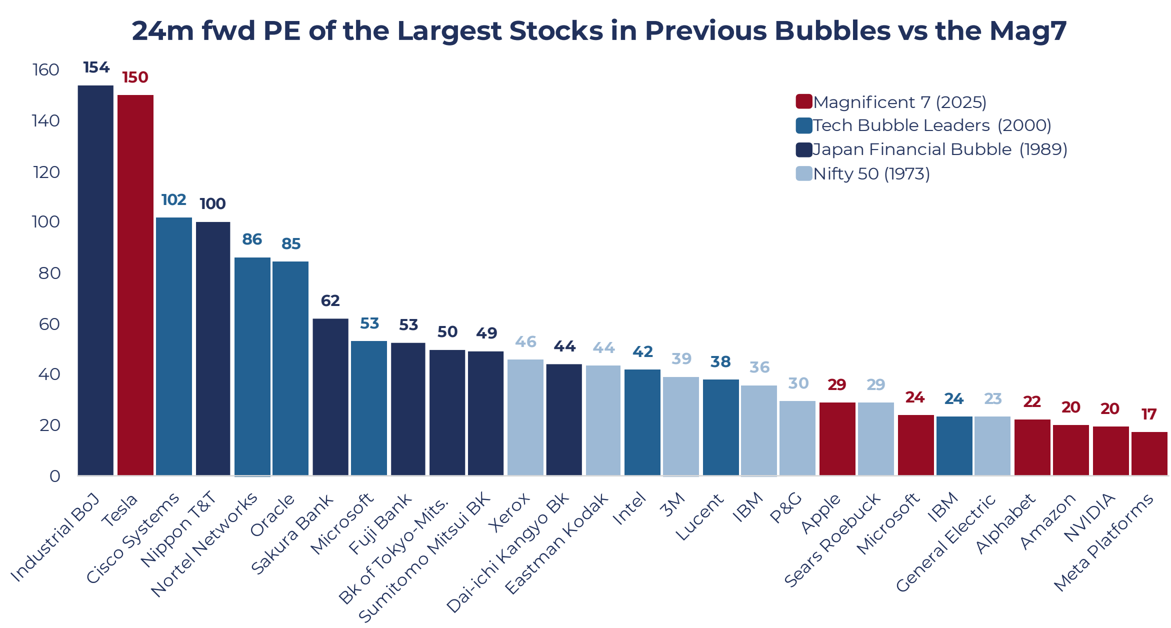
Market breadth is still a concern for major world indices, not least in the US. Whilst the market cap share of the seven largest stocks is down slightly from its all-time highs, these names still account for one third of the index compared to just 14% ten years ago (below left). Some may point to the Russell 2000 hitting record highs as a sign of a broadening out as smaller-cap names rise, but 2025 still showed little breadth in large-cap indices. In the S&P500, only 32% of stocks outperformed, following figures of 30% in both 2023 and 2024. You have to go back to 1999 to find a market as narrow as this one, as shown by the chart below right.





Source: Ritholtz & Bloomberg (left), The Motley Fool & Guinness Global Investors (right), as of 31st December 2025

So, are we in a bubble? This was one of the most asked questions over 2025, and one which we have also tried to address in a previous commentary here. If we had to summarise, equity multiples are certainly elevated, and optimism is running high, but we are still at far lower absolute valuation levels than in previous bubble environments, as shown in the chart below.



Source: Goldman Sachs, Bloomberg, Guinness Global Investors as of 31st December 2025

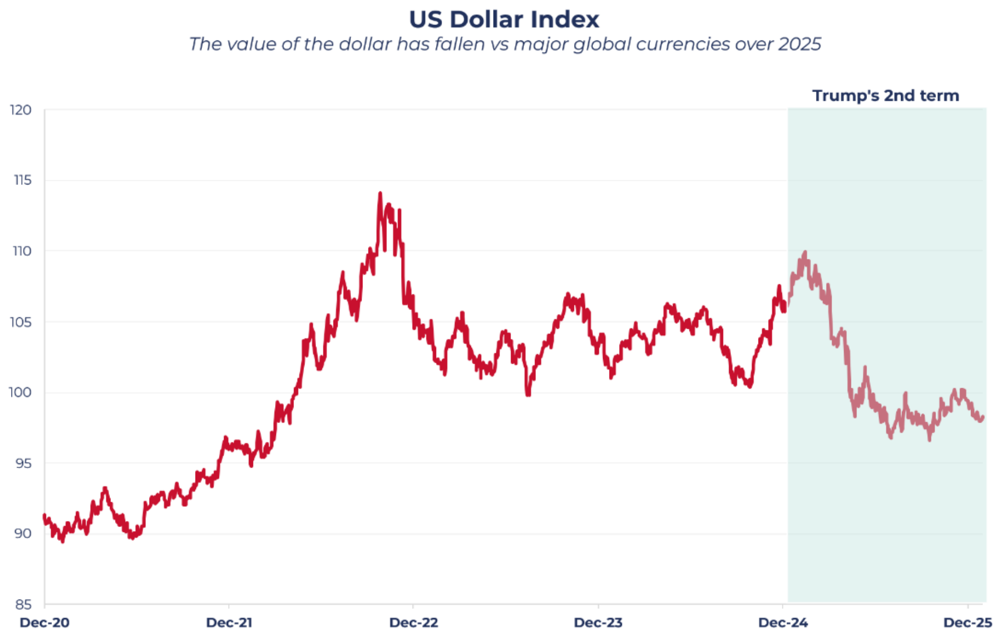
5. Resilient corporate earnings at record highs

On a positive note, corporates earnings remain strong. Clearly markets and multiples have rallied sharply over this extended bull market, but it is encouraging to see earnings growth alongside. Whilst the MSCI ACWI's price-earnings ratio has gone from 18.1x at the start of the year to 19.0x at the end of 2025 (a multiple in the 90th percentile of the 10Y range), corporate earnings are also at all-time highs. Even as the big tech names have continued to dominate and contribute a larger share of index-level earnings, it is nonetheless encouraging to see the aggregate index earnings-per-share (EPS) continuing to compound, meaning that 'Corporate World' remains in good health (as shown by the chart below).

Source: Morgan Stanley as of 31st December 2025

6. USD Weakness

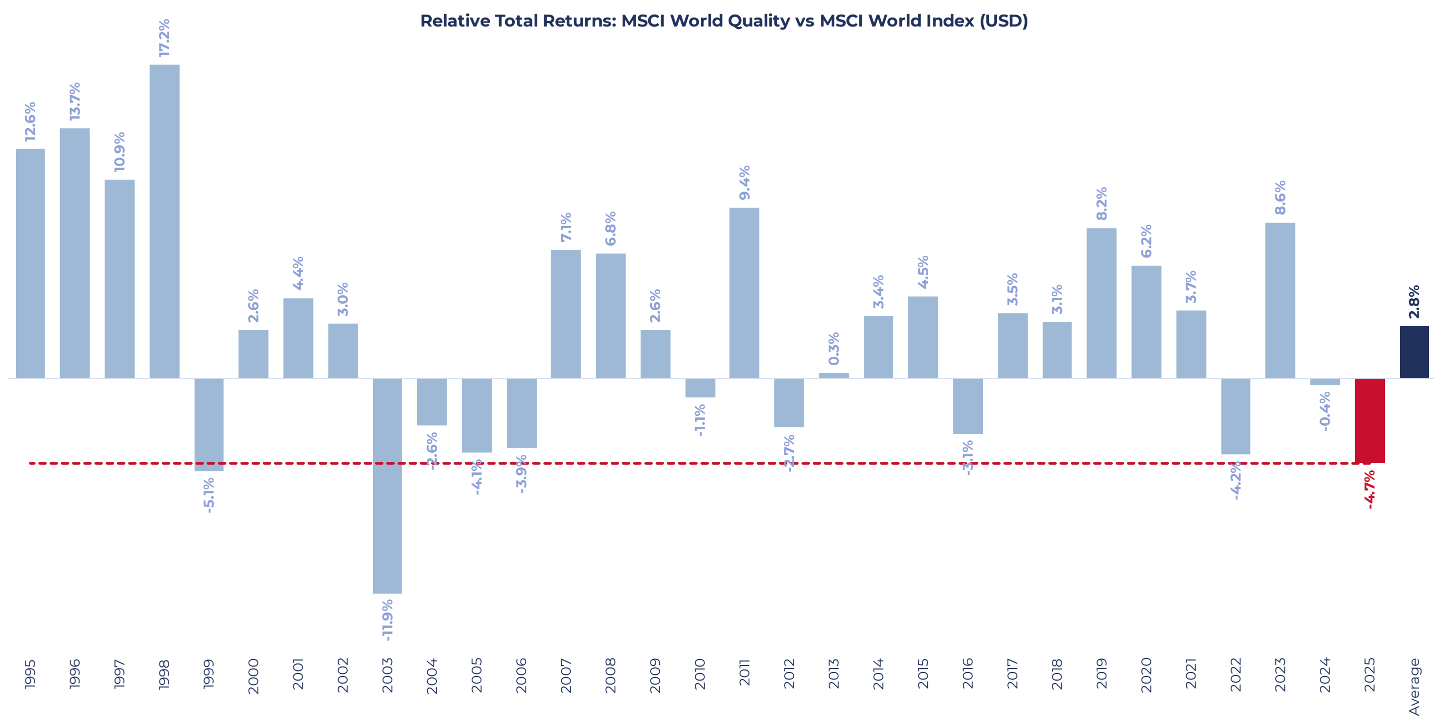
The return of Donald Trump to the White House triggered a sharp decline in the dollar. In the first half of 2025, the dollar fell 10.7% against a basket of currencies from major US trading partners. Although it regained some ground in the final quarter, it remained well below its pre-election level and finished the year down c.9%, as shown by the chart below. Some depreciation may have been anticipated, particularly as the Federal Reserve cut interest rates three times in the second half of the year, but the president's foreign and trade policies also weighed heavily. His aggressive tariff stance has eroded confidence in the dollar's role in the global financial system. In response, central banks around the world reduced their US Treasury holdings and increased gold reserves, moving to diversify away from the dollar amid rising geopolitical risks and concerns over potential sanctions.



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

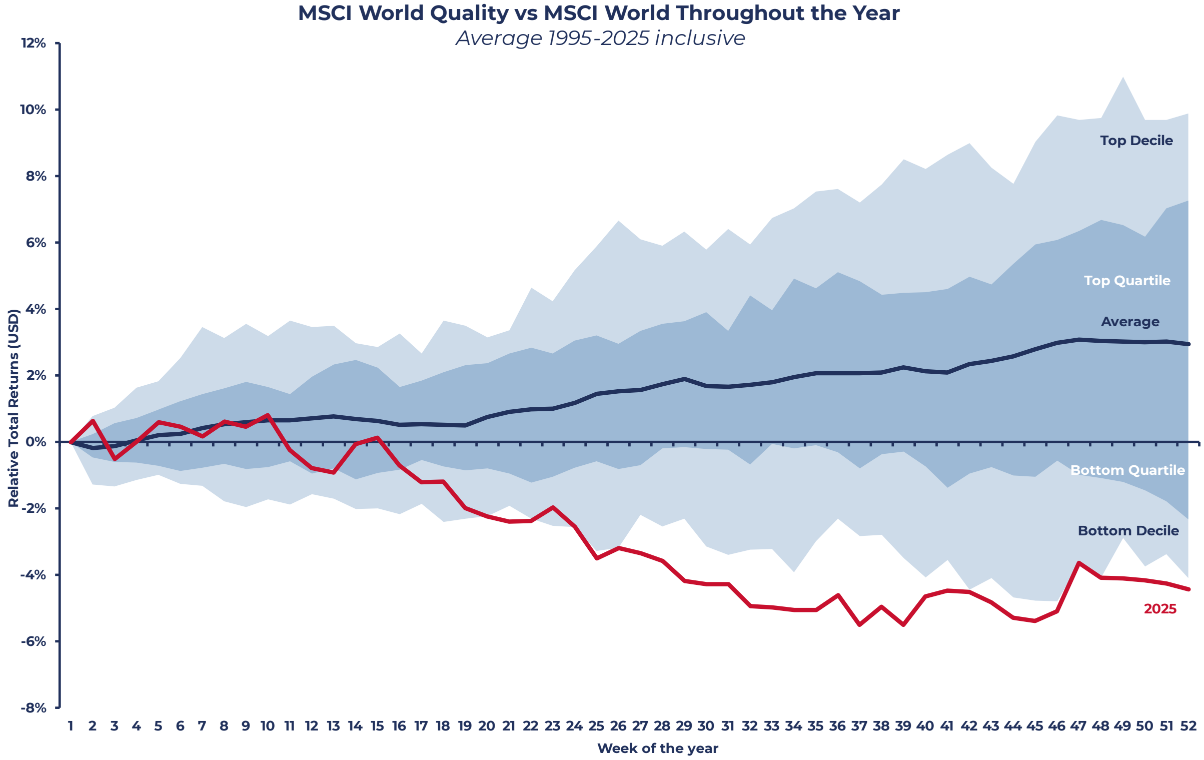
7. Quality underperformed

Another pocket of weakness in 2025 was quality (as a factor), which materially underperformed the broader benchmark. The MSCI World Quality Index suffered its worst year since 2003, posting a relative return of -4.7%, lagging the MSCI World. This is a marked divergence from the historical trend since 1995; in the average year, quality stocks (as MSCI defines them) have outperformed the wider index by 2.8 percentage points.



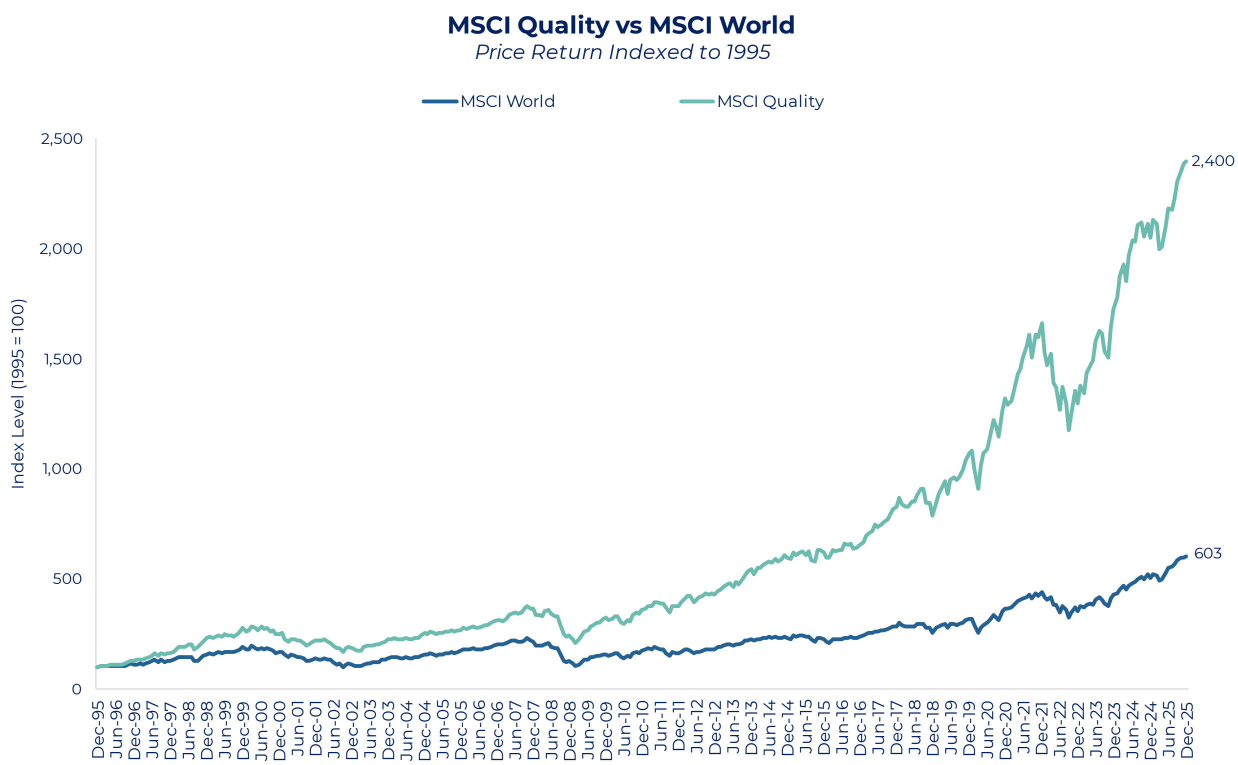
Source: Bloomberg, Guinness Global Investors, as of 31st December 2025

The underperformance of quality is common during risk-on periods, when more speculative and cyclical areas of the market tend to outperform. This was the case following the 'Liberation Day' sell-off in April, after which higher-volatility stocks saw significant outperformance relative to their lower-risk and higher-quality counterparts. In the chart below, we can see relative returns for the MSCI World Quality Index declining over the course of the year, placing 2025 in the bottom decile of performance since 1995.



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

Despite its weakness in 2025, the long-term track record of quality has been very strong. This factor has been a reliable provider of excess long-term returns, as evidenced by it historically outperforming the benchmark on average. Quality has been in favour over much of the past three decades, with the index generating far stronger returns than its MSCI World comparator.



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

Quality also has defensive characteristics that make it attractive. This factor tends to show more resilience during bear markets; since 1995, the MSCI Quality Index has outperformed MSCI World by an average of 3.5 percentage points in drawdowns that exceeded 10%. In the table below, we can see that Quality has outperformed the benchmark in 10 of the 12 drawdowns, which shows that Quality can help provide downside protection in falling equity markets.

Reason for sell off	Start date	End date	MSCI World Index	MSCI World Quality	Outperformance
1. Russian default and LTCM Crisis	17/07/1998	02/10/1998	-18.7%	-13.6%	5.1%
2. Dot-com crash	24/03/2000	04/10/2002	-47.5%	-41.4%	6.1%
3. Uncertainty leading up to Iraq War	29/11/2002	07/03/2003	-11.0%	-10.0%	1.0%
4. Global Financial Crisis	12/10/2007	06/03/2009	-56.7%	-46.9%	9.8%
5. Start of Eurozone sovereign debt crisis	23/04/2010	02/07/2010	-14.8%	-13.0%	1.7%
6. US sovereign credit rating downgrade	29/04/2011	23/09/2011	-20.2%	-12.3%	7.8%
7. China growth concerns	15/05/2015	12/02/2016	-16.4%	-9.6%	6.8%
8. Volatility spike / US-China trade issues	26/01/2018	21/12/2018	-16.4%	-14.1%	2.4%
9. Coronavirus	14/02/2020	20/03/2020	-31.9%	-28.1%	3.9%
10. Inflation concerns / Ukraine War	05/11/2021	14/10/2022	-25.0%	-28.9%	-3.9%
11. 'Higher for Longer' Interest Rates	28/07/2023	27/10/2023	-10.2%	-8.8%	1.4%
12. Trump tariff uncertainty	14/02/2025	04/04/2025	-14.4%	-14.6%	-0.2%

Source: Bloomberg, Guinness Global Investors as of 31st December 2025 (all data gross total return in USD)

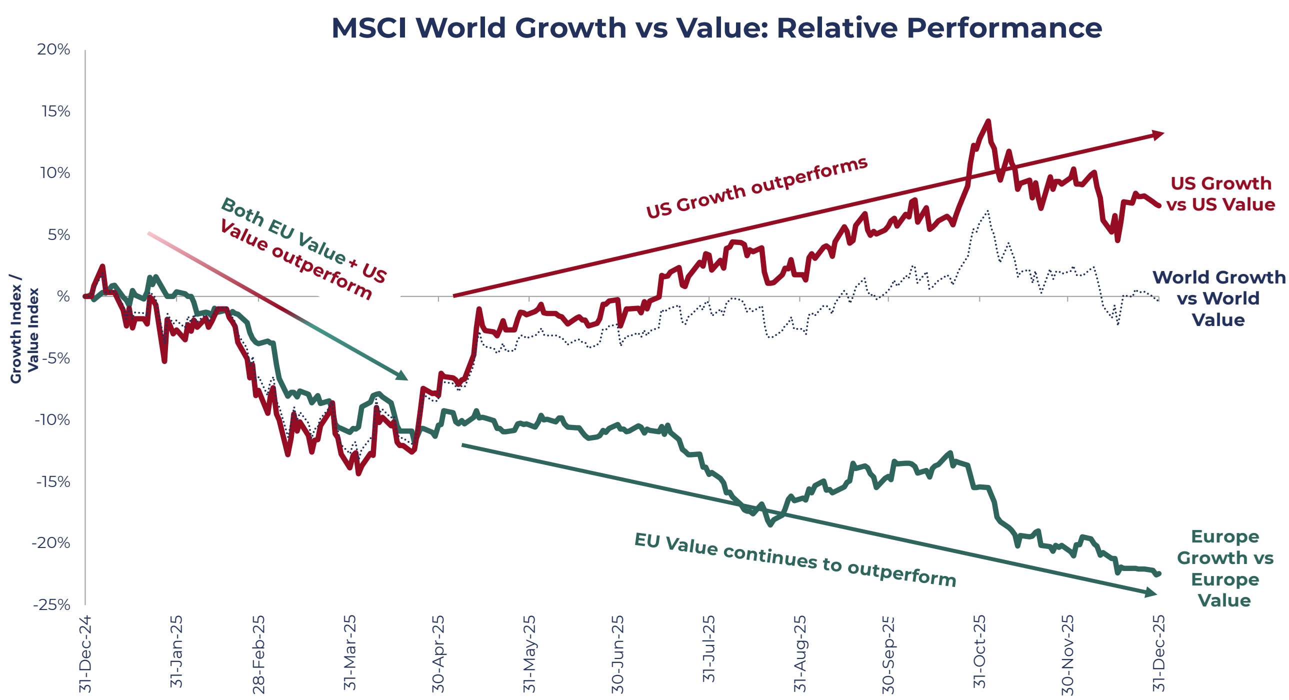
One feature of quality businesses as we define them is the ability to sustainably deploy capital into projects with attractive expected returns without compromising their long-term financial health. This disciplined reinvestment strategy creates a compounding flywheel effect, enabling such companies to build – and, crucially, maintain – competitive advantages over time. This allows these businesses to consistently generate persistent growth and create value through a market cycle.

The Fund applies a strict quality approach – focusing on high returns on capital, strong balance sheets, and sustainable competitive advantages – and applying a valuation framework to stock selection helps protect against the risks of chasing fads or overpaying for future growth. This is bolstered by using equal-weight approach to position sizing in the portfolio, which encourages investing with conviction while limiting stock-specific risk.

2025 – THE YEAR IN KEY PERIODS

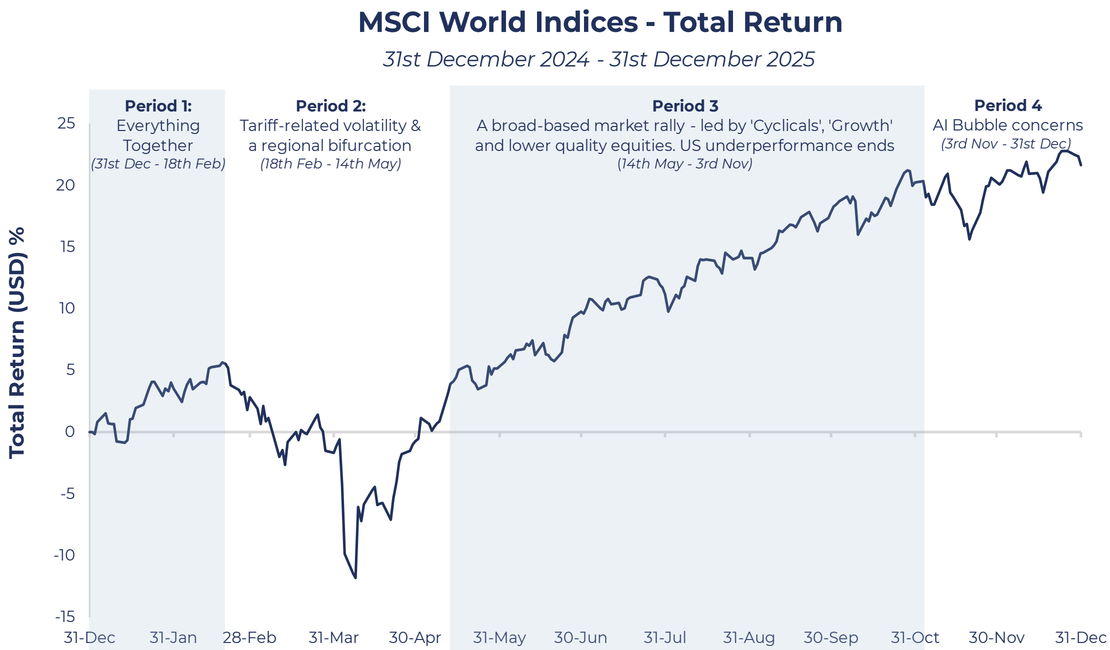
It has been another extraordinary year for equities. The MSCI World delivered a third consecutive year of double-digit gains (+21.6% in 2025, +19.1% in 2024, +24.5% in 2023, in USD terms), but the shifting landscape of market leadership is what has made 2025 contrast starkly with previous years. It has been the weakest year for quality as a factor since 2003 (when comparing returns of the MSCI World Quality Index with those of the MSCI World – theme 6, above), and we saw by far the most significant period of US underperformance since 2009 (theme 1, above) – US underperformance itself only occurring in four of the past 16 years. And despite such significant market volatility, growth and value ended the year exactly in line.

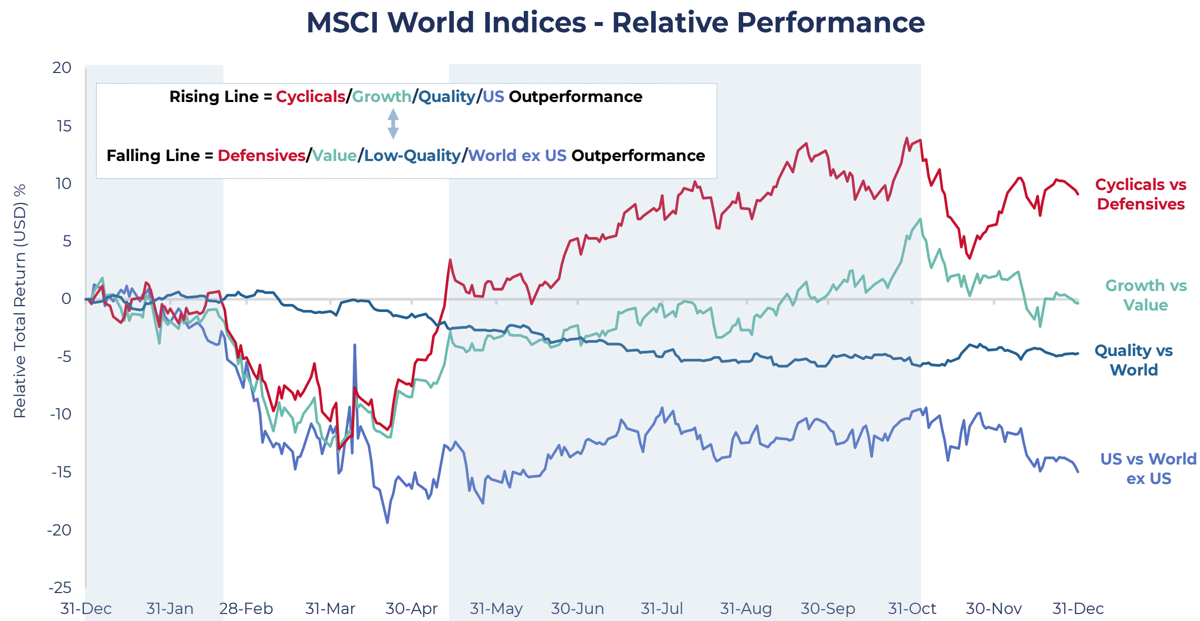
However, under the surface, there was a significant bifurcation regionally (see chart below) – where the US saw significant 'growth' outperformance, and Europe saw significant 'value' outperformance, with these trends offsetting each other at the global level. Since the market bottom on 9th April to year-end, the core contributors (not necessarily top performers, but a combination of performance and benchmark weight) to European benchmark performance were banks, pharma, aerospace & defence, semiconductors and oil & gas. Of these five, we would classify four of them as 'value' orientated industries. In the US, however, benchmark performance was driven predominantly by semiconductors, media & services, tech hardware, software services and banks – four out of five of which we would classify as 'growth' industries.



Source: MSCI, data as of 31st December 2025

Ultimately, in 2025, we saw cyclicals outperform defensives, the US underperform the rest of the world, growth and value perform in line, and quality stocks underperform lower-quality, speculative stocks. Yet, over 2025, these 'market leadership' positions shifted on a number of occasions. In the two charts below, we have identified four periods, defined not only by ultimate global equity performance (MSCI World) during that period, but by turning points in market leadership, as defined by factors (quality, growth, value, cyclicals, defensives) and regions (US vs the rest of world).





Source: MSCI, data as of 31st December 2025

Here, we discuss each of these periods in detail, the macro drivers that caused the shift in market leadership, and the impact on Fund performance.

Period 1 – Everything Together (31st Dec – 18th Feb)

US stocks outperformed in the immediate days following Trump's inauguration, but after a blitz of executive orders, markets showed a preference for the value on offer in Europe, given the lack of immediate US tariffs, the prospect of Ukraine peace talks, and improving economic growth expectations.

Fund performance: The Fund's overweight position in IT, the bottom-performing sector over the period, acted as a drag on relative returns. This was more than offset by good stock selection, with strong performance from semiconductor holdings (Infineon, KLA, LAM Research) and Communication Services (Netflix, Meta).

Period 2 – Tariff-related volatility and a regional bifurcation (Feb 18th – May 14th)

The MSCI World fell 17% between the market peak (February 18th) and trough (April 18th), with a significant bifurcation between US & non-US stocks. Weak US economic data and growing US trade policy uncertainty saw investors flock to more defensive areas of the market as cyclicals sold off. Trump's 'Liberation Day' tariffs, far more aggressive than previously expected, caused a sharp 11% drop in the MSCI World over the following week. Non-US stocks had held up well until this point but were not immune to the sell-off that followed Liberation Day. However, the MSCI World rallied hard in the weeks afterwards following a de-escalation in the trade-war as Trump announced a 90-day pause on reciprocal tariffs. As seen in the bottom of the two charts above, defensives had initially outperformed cyclicals and value initially outperformed growth, but both of these trends unwound in the market rally. Both quality and the US lagged throughout.

Fund performance: The Fund performed in line with the benchmark over the period as a whole. The overweight to Information Technology, and zero-weighting to Consumer Staples, Utilities, Energy, Real Estate and Materials acted as a headwind for relative performance during the market sell-off. However, as Trump reversed course on the 9th April, so did market leadership, and the headwinds that benefited the Fund during the early stages of the period fully reversed and acted as tailwinds in the rebound. Positive stock selection (Amphenol, Intuit, KLA) offset a negative allocation effect, leaving the Fund in line with benchmark over the period.

Period 3 – A broad-based market rally, led by 'cyclicals', 'growth' and low-quality equities (May 14th – Nov 3rd)

Despite a number of macro events that had the potential to derail positive equity momentum (US government shutdown, sticky inflation and a weak jobs market), equities continued to rally strongly. Euphoria around artificial intelligence was central to the rally, supported by rate cuts from the Federal Reserve, diminishing trade tensions, and corporate fundamentals pointing to a resilient business environment. Consequently, cyclicals and more speculative areas of the market outperformed, whilst defensive stocks and quality underperformed. The US largely moved in line.

Fund performance: The Fund's overweight to the benchmark's top two performing sectors, Information Technology and Communication services, and zero-weighting to the bottom-performing, Consumer Staples, were significant tailwinds to relative Fund performance during the period. This was partially offset by weaker performance from our exchanges (LSEG and Intercontinental), off-benchmark Consumer Discretionary holding Anta Sports, and streaming giant Netflix.

Period 4 – AI bubble concerns (Nov 3rd – Dec 31st)

A period of market volatility and shifting market leadership emerged in the final period of 2025. With AI-related capex guidance from hyperscalers (e.g. Oracle, Meta and Google) continuing to climb and increasingly circular deals being made among key players such as OpenAI, Nvidia, Oracle and AMD, markets grew wary of an emerging AI bubble. As seen in the charts above, investors favoured value over growth and there was a moderate rotation back towards both quality and defensives. The underperformance of the US re-emerged.

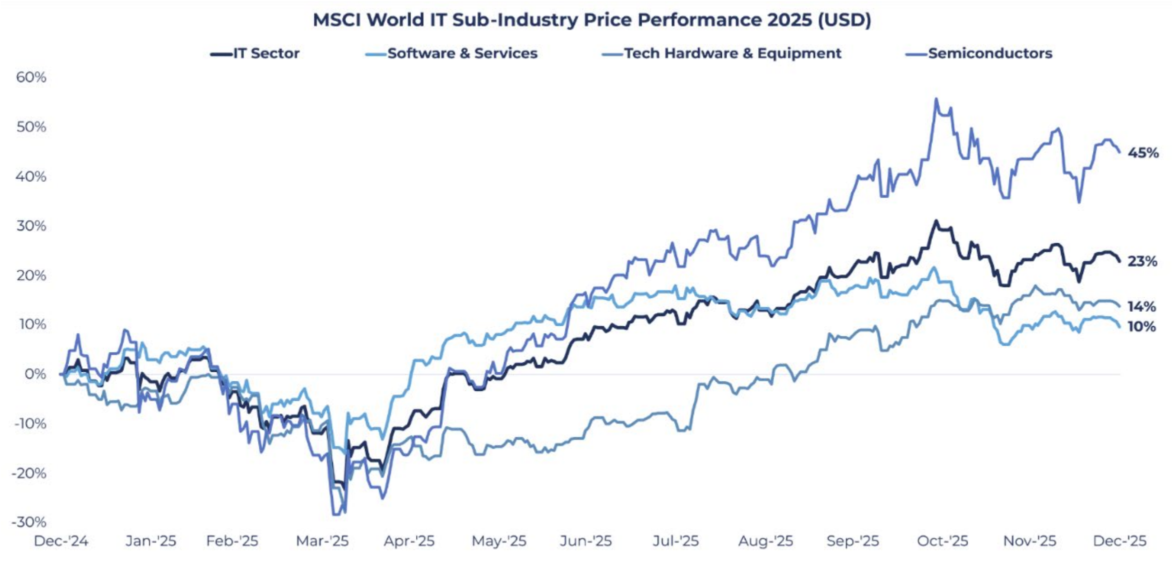
Fund performance: The Fund underperformed in the final weeks of the year, driven by the Fund's overweight to Information Technology, despite positive stock selection within the sector (Applied Materials, Lam Research, Salesforce). The outperformance of value over growth acted as a headwind to relative returns.

2025 – THE YEAR IN TECH

After strong performance of the technology sector over the last year and the Fund's overweight to the sector, we use five charts to describe the year in tech.

1. Semiconductor success

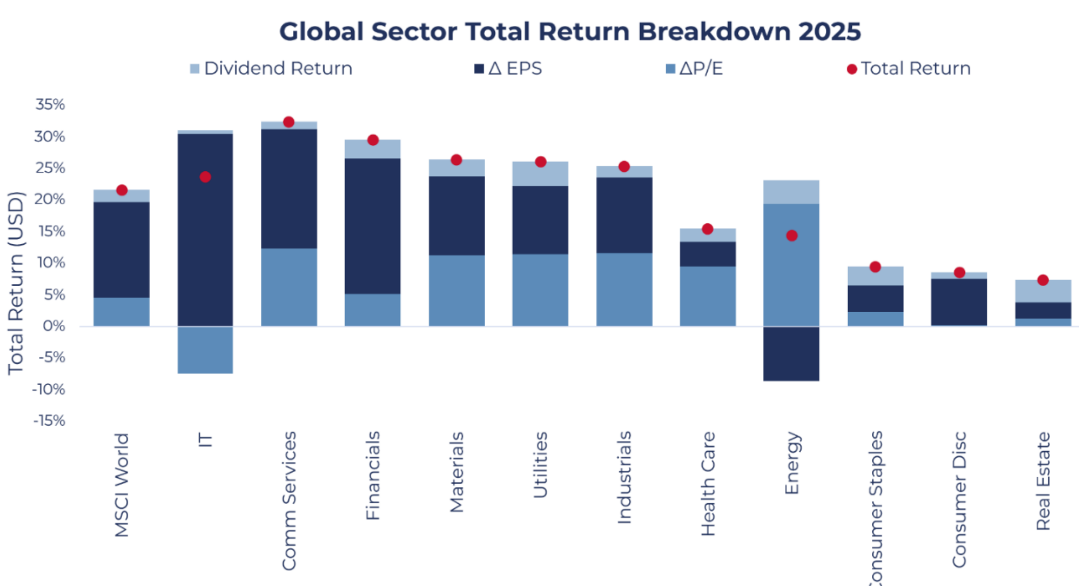
Semiconductors have been the clear outperformer within the MSCI World IT sector, finishing the year up 45% (USD), well ahead of the broader IT sector's 23% gain, reflecting sustained AI infrastructure demand. In contrast, Tech Hardware & Equipment delivered more moderate returns (14%) and the Software & Services industry group lagged notably, ending the year up only 10%, as AI disruption risk, slower enterprise spending, and monetisation concerns weighed on performance.



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

2. Earnings expansion

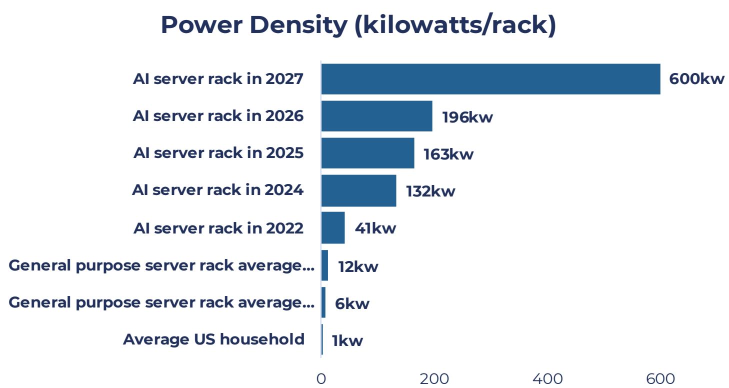
IT stands out as the strongest earnings growth story in 2025. The sector had the largest contribution to total return from growth in earnings per share (EPS) – nearly the entirety – and it was the only sector to undergo contraction in the price/earnings (P/E) multiple. All other sectors (bar Energy) saw a moderate combination of both multiple expansion and earnings growth, with some support from dividends too.

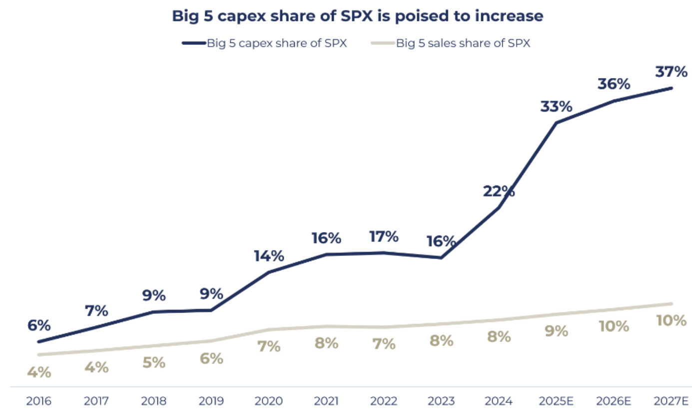


Source: Guinness Global Investors, Bloomberg, as of 31st December 2025

3. Spending spree

In 2025, the big five hyperscalers' share of total S&P 500 capital expenditure rose sharply, reflecting an acceleration in spending on data centres, advanced semiconductors and networking infrastructure to support rapidly growing AI workloads. Notably, this capex share is increasing materially faster than their share of sales, highlighting the highly capital-intensive nature of the current AI-driven build-out. This investment surge is being driven by the structural demands of AI compute, which requires significantly greater processing intensity and power density than traditional workloads. As illustrated by the rapid increase in server rack power requirements, rising from low double-digit kilowatts for general-purpose servers to well over 100kW and potentially 600kW for next-generation AI racks, the scale and complexity of infrastructure required continues to escalate.

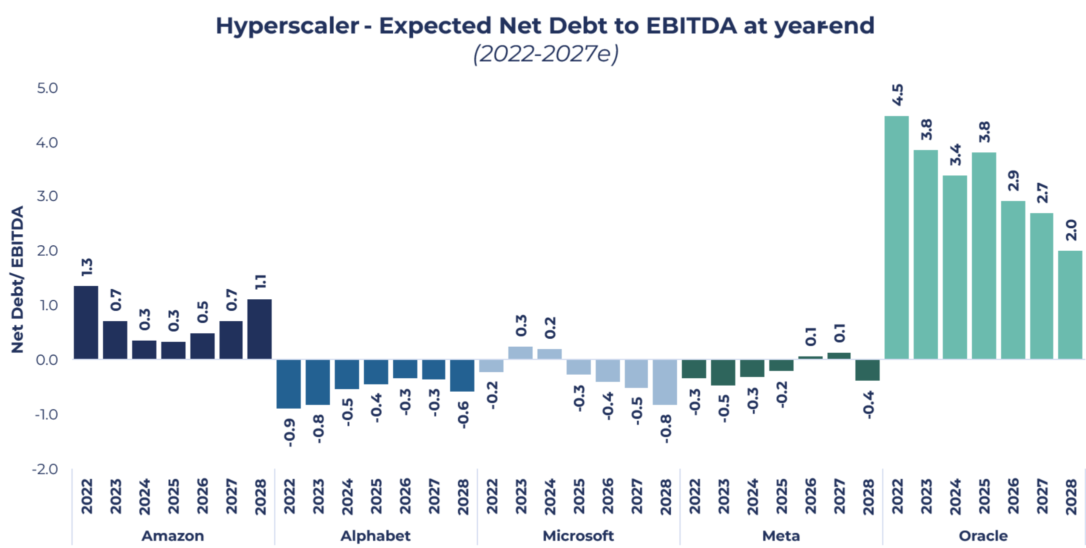




Source: Guinness Global Investors, Goldman Sachs, Bloomberg, as of 31st December 2025

4. Debt implications

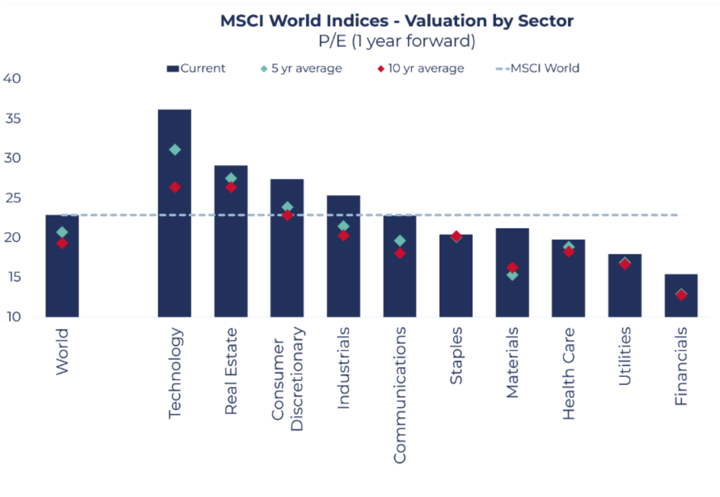
In a marked change in 2025, much of this spending is increasingly being funded through leverage, with hyperscalers' long-term debt rising as AI investments accelerate. This leverage impact is most visible at Oracle, where debt has climbed alongside aggressive data centre and cloud build-out. Reflecting growing credit market concern, Oracle's 5-year credit default swap spread has surged to its highest level in several years. By contrast, among the other hyperscalers, all of which we hold in the Fund, Net Debt to EBITDA ratios remain moderate, supporting balance sheet strength and capacity to absorb incremental debt.

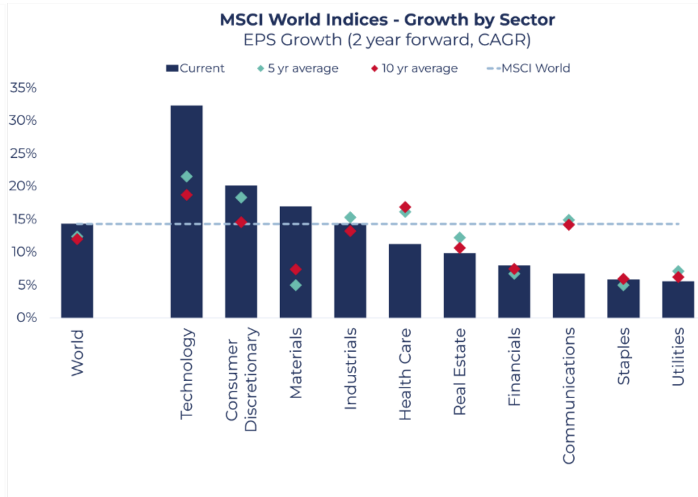


EBITDA: earnings before interest, tax, appreciation and amortisation. Source: Guinness Global Investors, Bloomberg, as of 31st December 2025

5. Valuation

From a valuation perspective, the IT sector continues to trade at a pronounced premium to its history, with forward price/earnings multiples well above both 5-year and 10-year averages. This valuation elevation also places technology meaningfully above the MSCI World and other sectors likely driven by tech optimism around innovation and AI-led growth. That said, heightened valuations are arguably justified by higher expected growth, as the IT sector is expected to produce more than 30% EPS growth over the next two years, comfortably outpacing other sectors and the broader index.

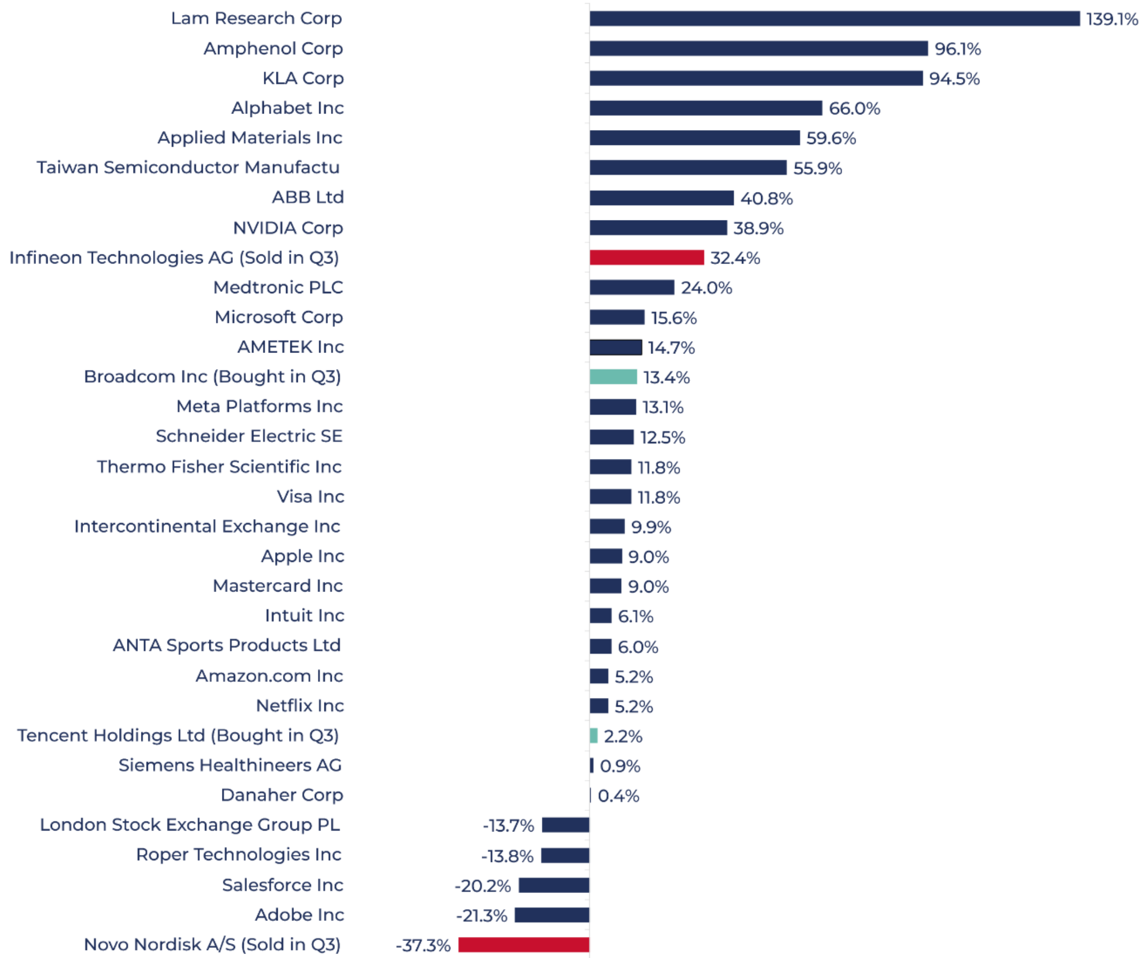




Source: Guinness Global Investors, Bloomberg, as of 31st December 2025

INDIVIDUAL STOCK PERFORMANCE

The chart below shows the Fund constituents' performance over 2025 in USD.



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

LAM Research (+139.2% in USD), the US semiconductor equipment manufacturer, ended the year as the Fund's strongest performer, underpinned by robust execution and its strategic positioning at the centre of the AI-driven semiconductor investment cycle. LAM Research, alongside other wafer fab equipment (WFE) manufacturers KLA Corp and Applied Materials, all held in the Fund, are beneficiaries of rising capex and AI infrastructure spending driven by the hyperscalers. Lam Research is a specialist in 'etch and deposition' (adding, patterning, and removing materials on a silicon wafer), KLA is focused on process control (monitoring and identifying areas to increase yield and ensure quality), and Applied Materials is a larger but broader player, which competes not only in etch & deposition and process control but also front-end (transistor and interconnect formation, CMP etc.) and back-end processes (advanced packaging). The AI infrastructure build-out is a significant tailwind for these firms, as hyperscalers require not only more but higher-complexity chips, driving chipmakers to invest heavily in capacity and cutting-edge chipmaking technologies. Over the year, hyperscalers have delivered upgrades to their AI capex outlooks, driving positive sentiment for the WFE manufacturers and feeding into management commentary. At LAM's most recent earnings, for example, the company highlighted that there would be $8bn in WFE spend for every $100bn spent in data centre capex, providing a supportive demand environment.

Alongside a broadly positive outlook, LAM research has delivered several quarters beating expectations across revenues, margins and EPS. Growth in Foundry and DRAM spending, which support logic and memory chips used in data centres and AI applications, has more than offset cyclicality and softer conditions in other chip types such as NAND. Further, LAM has demonstrated operational strength as it reaches record gross margin levels this year (>50%) driven by greater efficiencies, favourable product mix and strong customer demand for advanced nodes. Despite some concerns over contributions from China to growth this year, management expect this to normalise over time as export controls and earlier over-ordering unwind but still see the broader WFE market as healthy. Lam is particularly well positioned for this environment due to its leadership in etch and deposition, its growing exposure to advanced technologies such as high-bandwidth memory and advanced packaging, and its sticky, high-margin services business. With a strong competitive moat, rising equipment intensity, and sustained AI-led demand, Lam continues to show itself as a high-quality semiconductor company with solid growth prospects.

Amphenol

Amphenol (+96.1% in USD) is a leading designer and manufacturer of electrical, electronic, and fibre-optic connectors and interconnect systems, sensors, and cables. The company was one of the Fund's best performers over the year, having repeatedly printed strong quarterly results. Amphenol reported record third-quarter sales, which grew +53% year-on-year. This was mainly due to organic growth in the IT datacom market with robust demand for technologies related to data centres. The company's exposure to secular growth tailwinds in artificial intelligence gives us confidence in the outlook; this is evidenced by its solid order growth, up +11% sequentially in the third quarter, which is a positive leading indicator. Management also spoke to strong execution across end markets, achieving double-digit organic growth in all but one. This broad-based performance supported improving profitability, with adjusted operating margin expanding in the third quarter by +720bps year-over-year to reach a record 27.5%. The company has bolstered its organic growth prospects with strategic acquisitions to facilitate the expansion of their product portfolio and geographic coverage. Amphenol added to deals made earlier in the year with its recent purchase of Rochester Systems, which is a leading manufacturer of application-specific liquid level sensors that are primarily used for industrial applications. Management also expects to close their previously announced acquisitions of CommScope's Connectivity and Cable Solutions business and Trexon in the coming quarters.

While we note there remains some uncertainty around trade policy in the United States, the company has a localised production strategy that should mitigate risks related to tariffs. Since facing tariffs mainly directed towards China in 2017, Amphenol has increasingly been making products in the regions where their customers are buying them. Though we continue to watch for developments on tariffs, it is pleasing to see Amphenol benefiting from robust demand across its diversified range of end markets. Management have continued to return capital to shareholders, too, with the Board recently approving 52% growth in the quarterly dividend. We see these results as supportive of our view that Amphenol is a quality company with exposure to structural growth drivers and a solid capital allocation policy.

Adobe

Adobe (-21.3% in USD) has encountered headwinds over the past two years following a wave of AI-driven enthusiasm that propelled its share price up 77% (USD) in 2023. Initially seen as a beneficiary of the generative AI boom, investor optimism centred on Adobe's innovation in creative and marketing automation. For example, Firefly, the company's flagship generative AI tool, launched in March 2023 and quickly gained momentum, generating over 16 billion creative outputs and setting adoption records. Despite these promising metrics, Adobe's stock performance has faltered as the market digested a disconnect between management's upbeat narrative and quarterly results that have lagged expectations. Notably, market scepticism has centred less on the portfolio of Adobe's AI offerings and more on the pace and clarity of their monetisation. At the same time, the creative design market has grown increasingly competitive, with players such as OpenAI, Canva, and emerging startups releasing new generative tools – including text-to-video products – that challenge Adobe's leadership.

Rather than focusing on product monetisation, however, the company has focused its efforts on broad adoption – a strategy reminiscent of its successful rollout of PDF technology. While large enterprises value Adobe's 'commercially safe' AI tools, the company also sees a much larger opportunity in historically underpenetrated segments: non-traditional enterprise users and individual creators. By driving adoption across these untapped audiences, Adobe is laying the groundwork for deeper monetisation over time. Today, AI revenue remains a 'show-me' story, but indicators are encouraging. Standalone AI-first revenue (i.e. excluding enhancements to existing Adobe products) is tracking at c.$250 million annual recurring revenue (ARR) for FY25, while total AI-related ARR is believed to exceed $3.5 billion – approximately a third of the business. Long-term targets include taking this to 100%. Meanwhile, Adobe continues to exhibit high-quality fundamentals: a subscription-based model that generates over 96% of revenue, profit margins approaching 30%, and a deep distribution network supported by strong brand equity. These attributes should provide a durable competitive edge, but we remain cognisant of the changing landscape and potential for competition. At a P/E around 14x, Adobe looks to be de-risked from a valuation perspective, yet the firm is growing double-digits and has maintained leading quality credentials. The company's recent (as of Q425) $12bn buyback programme reinforces this view.

salesforce

Salesforce (-20.2% in USD) ended 2025 as one of the Fund's weakest performers. Salesforce, the market-leading provider of cloud-based customer relationship management (CRM) software, entered 2025 with strong momentum (after a +31% total return in 2024 H2) as the firm was increasingly seen as a winner from enterprise AI adoption. The firm's focus in recent years has been on building out infrastructure to support AI agents embedded across sales, services and marketing product suites, serving to further entrench the firm's competitive advantage in CRM software. Through late 2024 and early 2025, there were elevated expectations that these AI agents would be enough to re-accelerate declining levels of top-line growth since early 2023. However, as 2025 progressed, investors began to question both the timeline and scale of monetisation. Salesforce's most recent 'Agentforce' product has been positioned as a step-change in enterprise productivity, yet, as with a number of software-as-a-service companies over 2025 (including Adobe), markets became less focused on capability announcements and more focused on near-term proof of monetisation and revenue inflexion. High hopes of a near-term growth inflection were dashed early in the first earning print of 2025, as management guided to a continued revenue slowdown over 2025, marking the beginning of a prolonged period of share price underperformance for the stock. Concerns over the longevity of the firm's existing pricing model also emerged, with Salesforce's 'per-seat' (per-user) pricing model seemingly under threat by the prospect of AI agents automating entire workflows, therefore reducing the need for users, and weakening 'seat-based' growth.

Whilst sentiment around the stock may have been weak, fundamentals remained strong. Earnings expectations for fiscal years 2026 and 2027 increased 5.0% and 3.4% over the year, respectively. Margins continued to reach all-time highs, and despite the revenue guide for FY26 falling short of consensus in February 2025, expectations ended the year exactly in line with where they began, while FY27 saw a c.1% upgrade. Weak sentiment towards the firm has not necessarily been about current company performance, however, nor about Salesforce's ability to develop credible AI products, but about how quickly AI can bring growth in ARR rather than simply enhance existing subscriptions. While the road to monetisation may be longer than the market would like, there is clear evidence that AI momentum is growing – a narrative that resulted in a strong, positive market reaction in December. Six of the firm's top 10 deals in the final quarter were exclusively AI deployments, showing the traction the product is having among its larger customers. The number of Agentforce accounts grew 70% quarter-over-quarter, and Agentforce ARR was up 330% year-on-year. With Remaining Performance Obligation inflecting to +12.0% (from a low of +10% last quarter), and management pointing to "the largest pipeline generation quarter ever", the slide in growth appears to have at least stabilised, and management commentary indicates that a growth inflection may be on the near-term horizon. In our view, Salesforce's struggles in 2025 reflect a transition phase rather than a structural decline, and the firm remains well positioned to benefit from a technology that can materially lift growth at scale.

CHANGES TO THE PORTFOLIO

We sold two positions and initiated two new positions over the course of 2025.

Number of changes to the portfolio

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buys	6	7	4	5	3	5	3	3	1	4	2
Sales	6	7	4	5	3	5	3	3	1	4	2
Total Holdings	30	30	30	30	30	30	30	30	30	30	30

Sells

We exited our position in **Novo Nordisk**, having lost confidence in the company's ability to capitalise on its most important growth opportunity: the obesity and GLP-1 market.

The stock had been under pressure for much of the previous year amid rising concerns about increased competition, disappointing trial data from its next-generation obesity drug CagriSema, and persistent supply chain challenges. We maintained our holding on the expectation that several positive catalysts – including the phasing out of compounded drugs, new partnerships with CVS and telehealth providers, and a belief that the market was overly discounting Novo's long-term position – would ultimately be turning points for the stock.

However, the profit warning during July called into question these assumptions. Specifically, management reduced FY25 sales guidance by 6% and cut its free cash flow outlook by 1/3rd, driven by continued competition by compounded drugs (despite the US Food and Drug Administration removing Novo's Semaglutide drug from its shortage list), broader competition in both the US and international markets, and a slowing of the overall GLP-1 market. Compounding this was the appointment of a new CEO from within the company rather than the recruitment of an outsider with the technical nous to improve competitiveness in the US market. The news went contrary to the market's expectations and was seen as increasing the likelihood of 'more of the same'.

Given these developments, we no longer had sufficient conviction in Novo's ability to deliver attractive risk-adjusted returns over the longer term, and as a result, we exited the position.

We first purchased **Infineon** in September 2016, and the stock has delivered over 160% since then. However, performance since 2022 has been volatile. Infineon performed extremely well in the COVID rebound, with the stock benefiting from an intense chip shortage, but since early 2022, its valuation has been under significant pressure due to a mix of macro-related events. These include:

- A deteriorating economic climate leading to cyclical weakness in autos. Infineon is the leading supplier of chips to automakers, and with autos being the firm's largest end-market, its top line is highly correlated to the automotive end market. With autos being a largely discretionary item, a weaker economic backdrop has heavily suppressed demand for new vehicles.

- Changes to the chip market in China, Infineon's largest region and the key driver of growth. However, trade tensions with the US have spurred efforts from Beijing to invest heavily in their domestic semiconductor supply chain, including attempts to push local auto manufacturers to purchase local chips, reducing reliance on Western imports.

Since early 2022, these risks have caused significant volatility in the stock, and a significant de-rating has taken place. We felt the resulting deep discount was an unfair reflection of the fundamental strength in the stock and failed to reflect any mitigating circumstances. Infineon had been continuing to execute well despite the difficult market conditions by taking market share (e.g. 1% incremental market share in the auto end market in 2023), investing heavily in fast-growing areas (Silicon Carbide) with significant addressable markets, and benefiting from strength in AI and datacentre (c.10% of sales) end market demand. We also felt that the market was unfairly reflecting the key risks to the stock, in the sense that weakness in autos was cyclical rather than a fundamental shift in trend, and that Infineon retained significant barriers to entry in China and was competitively advantaged within the region. With all of this in mind, we remained comfortable with our position in Infineon – particularly given the heavy discount on offer.

However, an additional risk also emerged: tariffs. Infineon was one of the most exposed to tariff risks within the portfolio. In terms of first-order effects, the semiconductor industry is one of the most tariff-exposed due to highly globalised supply chains and its being perceivably an area of increasing importance to national and economic security. The second-order effects are potentially more impactful, with Infineon's autos end-market a focus of recent tariff policy, and likely driving a further slowdown in the market.

We also saw some quality aspects deteriorate over the holding period, with Cash Flow Return on Investment, our preferred measure of return on capital, falling from c.8.4% to c.6.7%. Together, in our view, these risks represented further potential negative catalysts, and until resolved, had the potential to weigh on both valuation and fundamental earnings growth. With equities rebounding following the easing of trade tensions after Trump's Liberation Day tariffs, and Infineon posting consecutive positive quarterly earnings, we took the opportunity to take profits after seeing a strong rebound in the share price and the valuation reach levels not far from its peak since the sell-off (c.20x price/earnings ratio at the time of sale). Ultimately, we found other ideas more compelling and were conscious of the decrease in quality and the potential for greater competition in Infineon's main growth market in the long term.

Buys

BROADCOM®

Broadcom develops semiconductor and software solutions that accelerate data centre computing, facilitate networking, manage storage, and secure enterprise systems. Central to its product offering are Application-Specific Integrated Circuits (ASICs), which are custom-built chips designed for a single task, unlike general-purpose processors. They deliver faster performance, lower power use, and reduced costs at scale, which makes them highly attractive for a growing number of AI workloads that require energy efficiency without compromising performance. Given their customisability and strong overall performance metrics, a wide range of use cases has driven rapid adoption of ASICs across industries. Despite roughly tripling revenues over the past five years, Broadcom has a forward growth outlook which remains very healthy given the ongoing AI infrastructure build-out; the consensus is for an annualised top line growth rate of 20% a year and above over the medium term.

Broadcom has also done well to cement its competitive position as a market leader in the AI hardware space with a clear moat enabled by huge R&D spending, a strong patent base, and a long history of design expertise in key chip technologies. It has also made use of its strong free cash position by acquiring VMware (a software virtualisation business) for $69bn in 2023 in a cash & stock deal. This move helped to strengthen Broadcom's recurring revenue base, broaden its enterprise software capabilities, and deepen relationships with large corporate and cloud customers. The firm displays remarkably high quality, with a return on capital over 20% and operating margins above 60%, which will continue to expand as it realises ongoing efficiencies from the VMware deal. The firm is trading at a reasonable valuation given its growth and quality characteristics, and we are confident that it is well placed to benefit from the ongoing AI infrastructure build-out given its strong positioning and attractive product offering, which continues to grow in importance across multiple end markets.

Tencent 腾讯

The investment case for **Tencent** rests on a uniquely diversified portfolio of high-quality businesses with a number of strong growth drivers, all at an attractive valuation. Tencent has a user base of 1.3 billion monthly active users on WeChat alone, almost equivalent to the entire Chinese population of 1.4bn. Spanning use cases across messaging, entertainment, payments, e-commerce, ride-hailing, government services, and even healthcare access, this breadth has made WeChat a near-essential app in daily life, embedding Tencent deeply in the routines of individuals and businesses. This entrenchment offers Tencent not just numerous competitive advantages that underline the firm's quality, but also provides significant growth optionality.

The diversification of the business is Tencent's most compelling quality attribute. Peers often compete with Tencent in just one or two departments – NetEase in gaming and Alibaba in Cloud and eCommerce, for example. Tencent, however, has a strong mix of established, maturing, highly cash-generative businesses (including market-leading positions in gaming and social media) as well as a significant number of promising growth sub-segments (with a number-three position in Chinese cloud), across both consumer and business applications. Diversification extends into the mix of defensive vs cyclical revenue streams. The firm's online advertising business is Tencent's most cyclical and provides a driver of growth in cyclical upswings. However, a greater mix of sales comes from gaming, cloud services, financial technology, and social networks (e.g. WeChat). These services have stable user bases and monetisation models, which are less sensitive to macroeconomic fluctuations, and have good growth drivers throughout the cycle. The firm's quality attributes are not just 'qualitative', however, and translate into superior operating metrics, with one of the best margins and return profiles in the Chinese internet/tech sphere.

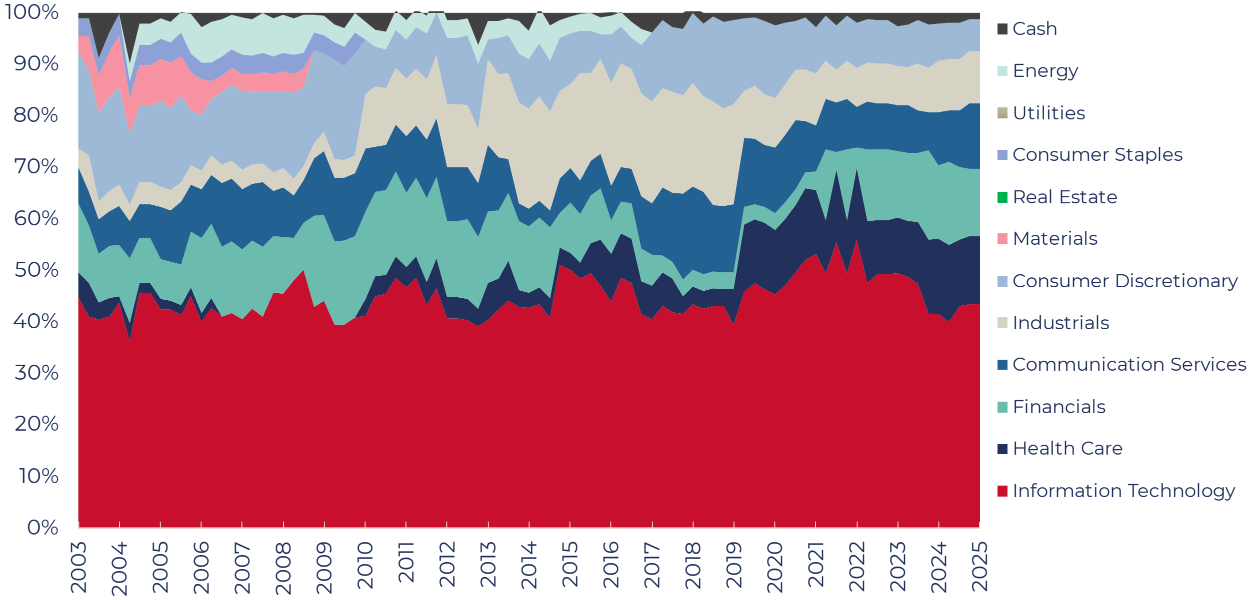
Diversification also extends into Tencent's growth profile, with the firm's three segments each offering a large contribution to the firm's high-single-digit top-line revenue growth outlook over the medium term. Growth is not reliant on any one business or customer group, or any single type of macro-environment, adding to the firm's quality profile. Three key growth drivers include a.) the cloud computing business, which can leverage the firm's impressive data sets and entrenchment within Chinese society; b.) increasing monetisation opportunities with respect to the firm's user base; c.) international expansion, particularly in gaming, where the firm has seen strong success so far. A significant advantage for the firm is its ability to invest heavily in growth without impacting its free cash flow outlook to the same extent as peers (Alibaba in particular).

Tencent's deep mix of quality and growth at an attractive valuation provides a compelling investment case, with a profile that fits firmly within the Fund philosophy.

PORTFOLIO CHARACTERISTICS

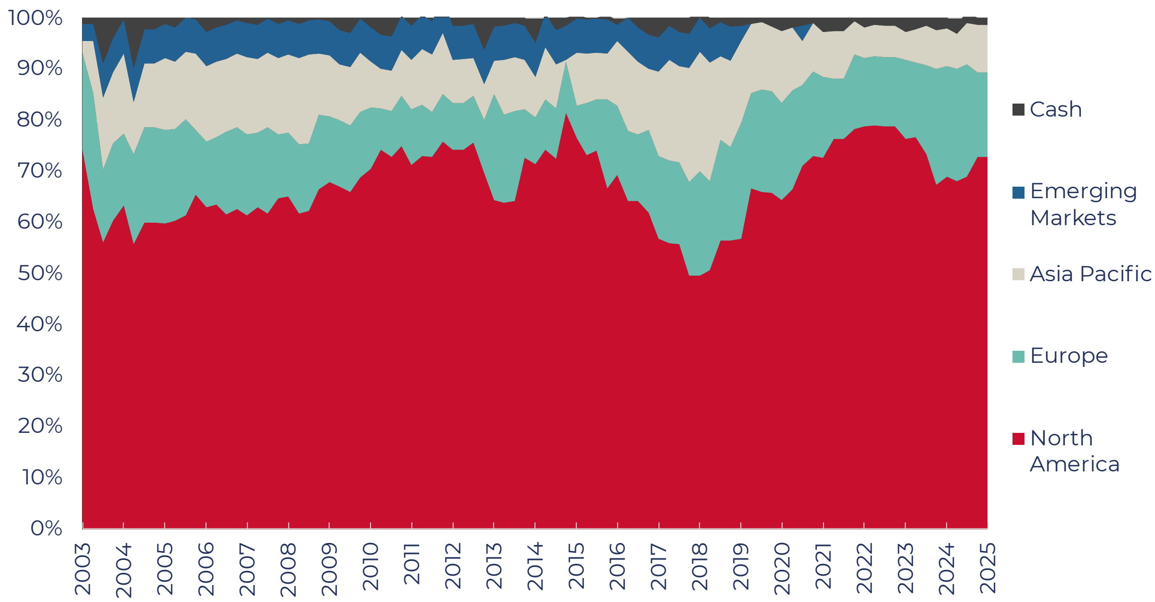
The charts below show the sector and geographic breakdown of the portfolio at the end of each quarter since the strategy's inception.

Portfolio sector breakdown (all dates at quarter-end)



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

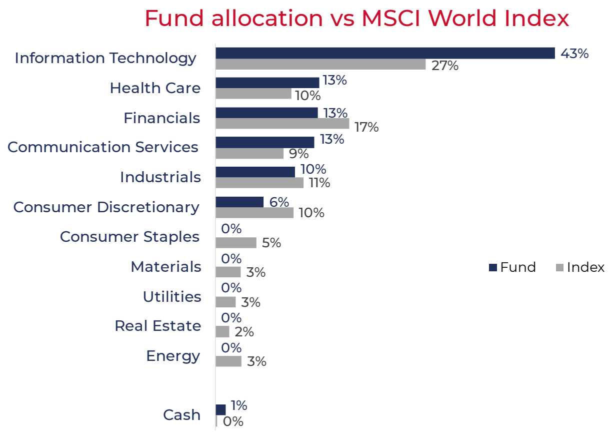
Portfolio geographic breakdown (all dates at quarter-end)

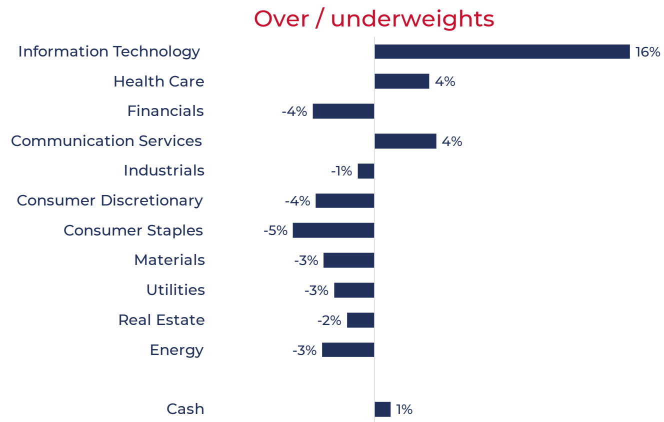


Source: Guinness Global Investors, Bloomberg, as of 31st December 2025

Over 2025, the net effect of the two buys and sells has increased the Fund's overweight to the Communication Services sector and decreased the exposure to the Health Care sector. Further, in comparison to last year, the Fund's geographic exposure has seen a shift towards North America and Asia Pacific and away from Europe after the purchase of Broadcom and Tencent and the sale of Novo Nordisk and Infineon.

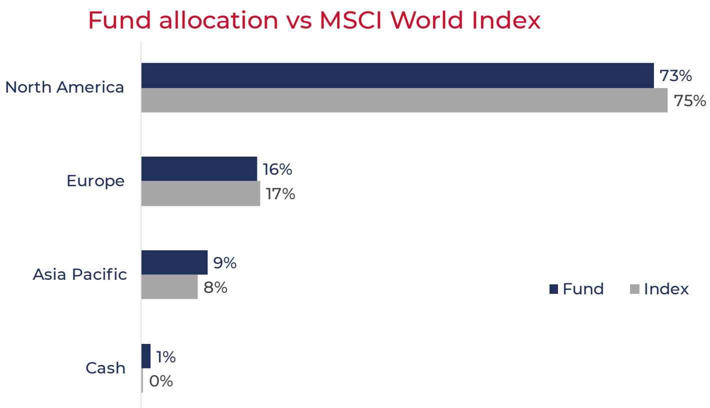
Sector breakdown versus MSCI World Index

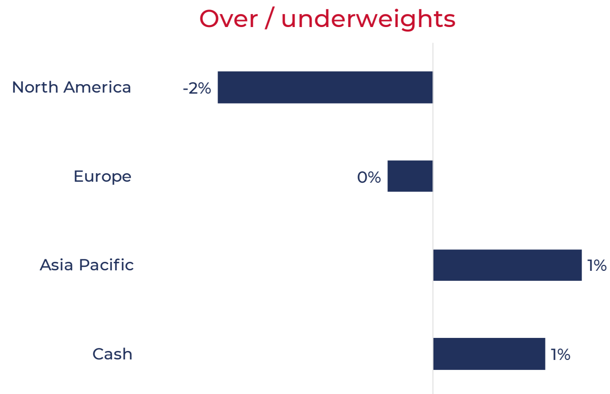




Source: Guinness Global Investors, Bloomberg, as of 31st December 2025

Geographic breakdown versus MSCI World Index





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

ENGAGEMENT

We believe that both individual and collaborative action around ESG issues is an important part of the investment process.

In 2025 we continued our participation in the CDP (formerly the Carbon Disclosure Project) non-disclosure campaign, which offers investors the opportunity to engage with companies that have received the CDP disclosure request but have not yet provided a response. The objective of the annual campaign is to drive further corporate transparency around climate change, deforestation, and water security, by encouraging companies to respond to CDP's disclosure requests. As of 2025, we are pleased to note that 27 of the Fund's 30 holdings have disclosed to the latest CDP climate change reporting cycle. In the case of one of the remaining three companies, disclosure was made at the parent company level. We have already written to the other two holdings, Ametek and Netflix, both acquired in 2024, to encourage their participation in CDP reporting.

Whilst disclosure is a significant first step, we view setting strong, achievable climate targets as critical in aligning companies globally to the goals set within the Paris Agreement to limit global temperature rise to below 1.5°C by 2050. We also believe it focusses companies on their exposure to broader business risk associated with emissions and the costs that can be incurred. Following from the success that the CDP campaign has had in encouraging our Fund holdings to disclose, we then felt it was important to then encourage our Fund holdings to set science-based emissions reduction targets (SBTs) through the Science Based Targets initiative (SBTi). The SBTi is a partnership between the CDP, UN Global Compact, WRI and WWF, and is a globally recognised standard in setting audited emission reduction targets. Its main purpose is to provide companies with resources and assistance to future-proof business growth by setting science-based emissions reduction targets that are aligned to the Paris Agreement.

In 2023, within the Global Innovators Fund and as part of a campaign led by the SBTi, we were co-signatories to eight engagements with companies that had yet to submit Science-Based Targets last year. We followed up this co-signed letter with our own letter, not only encouraging SBTi-audited targets, but also encouraging companies to commit to continued commitment to the CDP (given that they have previously participated in the CDP campaign). We continued from our efforts into 2024 as we re-engaged with five companies and initiated SBTi engagement with Ametek, which we purchased in the year. As of 2025, 21 out of 30 Fund holdings have set SBTi-approved targets and commitments. During 2025, Fund holding Nvidia committed to and subsequently received SBTi validation for two near-term emissions reduction targets. Since 2023, we have been engaging with Nvidia on the importance of setting emissions reduction targets and registering them with the Science Based Targets initiative (SBTi). We were therefore pleased to see that, in July 2025, Nvidia committed to reducing absolute Scope 1 and 2 emissions by 50% by FY2030 from a FY2023 base year, and to reducing Scope 3 emissions from the use of sold products by 75% per PetaFLOP (a measure of computing speed) over the same timeframe.

Building on our executive remuneration engagement that we started in 2023, we continued discussions with portfolio companies on the design and effectiveness of management incentive structures. Following a review of remuneration policies across all holdings, we see strong evidence that incentive frameworks materially influence management decision-making, corporate strategy, and overall company performance.

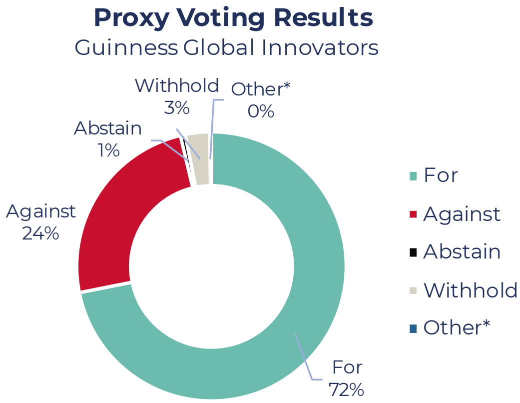
In 2023, we analysed the remuneration structures of all 30 Global Innovators holdings and engaged with 15 companies on best-practice approaches. These discussions continued through much of 2024, alongside an increased focus on companies that experienced meaningful shareholder dissent (approximately 10% or more) on their most recent remuneration proposals. In 2025, we engaged with 10 holdings on remuneration. Notably, one holding, Thermo Fisher, received significant shareholder dissent (64%) against executive compensation at its 2025 AGM. We discussed the substantial changes the company intends to propose next year and were encouraged by its proactive engagement with shareholders representing over 50% of voting power.

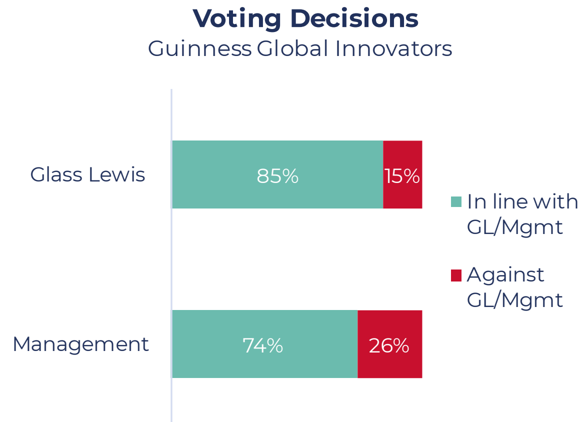
Overall, we are encouraged that, in most cases, companies are actively considering investor feedback and exploring changes to executive compensation structures to better align management incentives with shareholder interests. We will continue to monitor developments and engage with portfolio companies on these issues throughout 2026.

PROXY VOTING

As investment managers we aim to exercise the voting rights entrusted to us. Our voting philosophy reflects our corporate values, our long-term perspective, and our focus on sustainable returns. Over 2025, we voted in 96% of the 535 proposals allocated to holdings within the Guinness Global Innovators Fund. It is important to note that in some markets, such as Switzerland, shares are temporarily immobilised from trading until after the shareholder meeting has taken place. In these instances, we decided it would be in the clients' best interests to refrain from voting, and these 'non-voted' proposals accounted for the remaining 4% of proxy votes.

Of the proposals voted, 26% were 'Against' management, and 15% were 'Against' the recommendations of Glass Lewis, our proxy voting provider.





**Other includes votes such as '1 year', 'take no action', and 'do not vote'.*
Source: Guinness Global Investors, December 2025

OUTLOOK

The Guinness Global Innovators Fund seeks to invest in high-quality growth companies that are exposed to long-term secular growth trends and are trading at reasonable valuations.

During 2025, the Fund benefited from continued optimism surrounding artificial intelligence – one of the nine key innovation themes to which the strategy has significant exposure. Equities were further buoyed by rate cuts from the Federal Reserve and strong corporate earnings. However, as is common in risk-on periods, more speculative areas of the market were in favour and high-quality stocks underperformed. This made 2025 a more challenging environment for the Fund, with its focus on companies that have high returns on capital, strong balance sheets, and sustainable competitive advantages. Over the long run, this approach, combined with a growth-at-a-reasonable-price framework, has helped the Fund avoid volatile, non-profitable businesses that have typically seen large swings in valuations and underperformance over longer time frames. In the last decade, the quality factor has been a reliable provider of excess returns, as well as a source of downside protection during bear markets. We are pleased with the Fund's longer-term performance, with Guinness Global Innovators remaining in the top quartile versus peers in the IA Global sector across 3, 5, 10, 15, and 20-year periods.

The Fund is exposed to the secular trend of artificial intelligence through its investments in several of the leading enablers and integrators within the space. This has been a defining theme of 2025 and a key tailwind to performance over the year. However, the Fund is diversified across a number of other long-term secular themes that we believe should benefit from continued growth prospects with less sensitivity to the broader economic cycle. In our view, a diversified approach helps protect the Fund against the potential boom/bust cycles that investing in a single theme may experience, thereby reducing volatility of returns but maintaining the ability to potentially capture the upside of strong growth trends. A focus on valuation further aids our ability to avoid costly de-ratings of more speculative companies when growth, or the macro environment, disappoints.

The table below illustrates how the portfolio at year-end reflects the four key tenets of our approach: growth, quality, value, and conviction. The Fund has superior growth characteristics to the broader market, with both a higher trailing revenue growth rate, alongside higher estimated growth over 2027 (vs 2026). Fund holdings, on average, offer superior quality attributes than the broader index, with a significantly greater return on capital and more robust balance sheets. The Fund currently trades at a 15.9% premium to the benchmark on a 1-year forward P/E basis, which we believe is reasonable relative to the more attractive set of characteristics.

Portfolio metrics versus MSCI World Index

		Fund	MSCI World Index
Growth	Trailing 5-year sales growth (annualised)	15.3%	5.2%
	Estimated earnings growth (2027 vs 2026)	13.9%	12.1%
Quality	Return on Capital	24.1%	9.4%
	Median net debt/equity	19.2%	38.8%
Valuation	P/E (2026e)	23.1x	20.0x
	P/E (2026e) vs MSCI World Growth	23.1x	27.2x*
Conviction	Number of stocks	30	1320
	Active share	78%	-

**P/E of MSCI World Growth. Source: Guinness Global Investors, Bloomberg, as of 31st December 2025*

Looking ahead to 2026, global equity markets face an increasingly complex environment, yet there are clear grounds for optimism. Fiscal support in both Europe and the United States should be supportive to growth and is likely to be reinforced by further monetary easing through 2025, with policy rates in the US, UK and Europe already well below their 2023 peaks and further cuts expected as inflation pressures moderate. In parallel, the AI-driven capital expenditure cycle continues to gather momentum, spanning investments in power infrastructure, data centres and semiconductors, and providing a durable tailwind to corporate earnings. Collectively, these forces support a favourable earnings backdrop, with global earnings growth anticipated to remain robust over the coming year. However, this positive narrative is tempered by several uncertainties. Inflation dynamics are becoming increasingly uneven, particularly in the US, where the combined effects of tariffs and fiscal stimulus appear inflationary and may constrain the scope of further monetary easing. At the same time, emerging signs of US labour market softening and the potential for a slowdown in consumer spending make the macroeconomic backdrop less bright. Global equity markets enter 2026 with valuations at elevated levels, with many stocks trading at a premium to long-term averages. This valuation starting point increases sensitivity to external shocks or negative catalysts, particularly for AI-related stocks. For more on key themes likely to affect global equities in 2026, please see our December commentary, which you can read here.

In such an environment, we remain grounded in our investment philosophy of finding high-quality stocks with exposure to long-term secular growth themes. Such companies' growth prospects are protected by better fundamental characteristics in terms of margins and balance sheets but offer the potential to perform well during cyclical upswings. Our bottom-up approach helps identify these quality growth companies whilst maintaining valuation discipline. In addition, our equal weighting approach limits over-reliance on any single company. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

May we wish you a happy and prosperous New Year, and we look forward to updating you on the progress of the Fund over the course of 2026.

Portfolio Managers
Matthew Page
Ian Mortimer

Investment Analysts
Sagar Thanki
Joseph Stephens
William van der Weyden
Jack Drew
Loshini Subendran
Eric Santa Menargues
Laura Neill

GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	$1482.2m
Fund launch	31.10.2014
OCF	0.79%
Benchmark	MSCI World TR

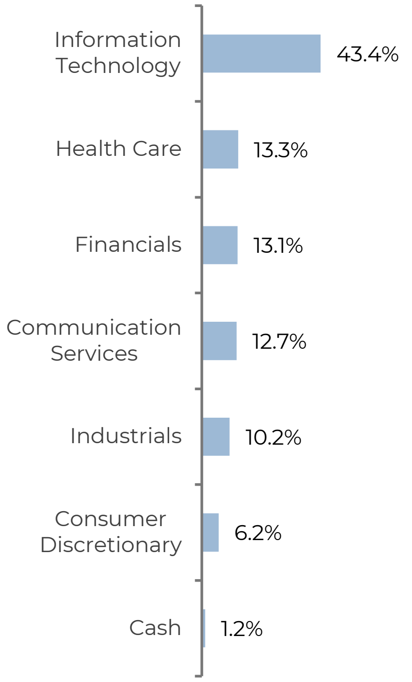
GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

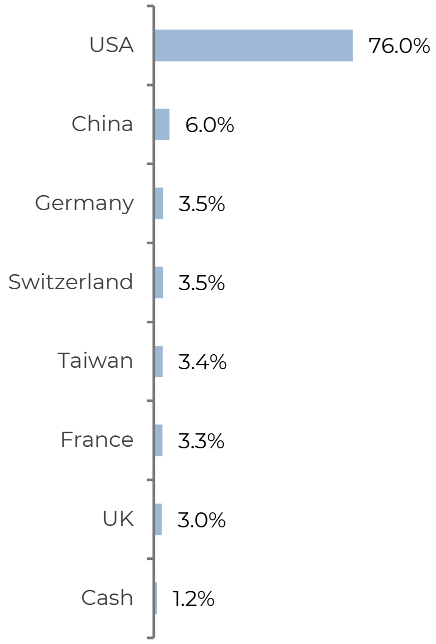
Lam Research Corp	3.7%
Applied Materials	3.6%
salesforce.com	3.6%
Siemens Healthineers	3.5%
Meta Platforms	3.5%
Alphabet	3.5%
ABB	3.5%
Intercontinental Exchange	3.5%
Adobe Systems Inc	3.4%
Taiwan Semiconductor	3.4%

Top 10 holdings	35.2%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

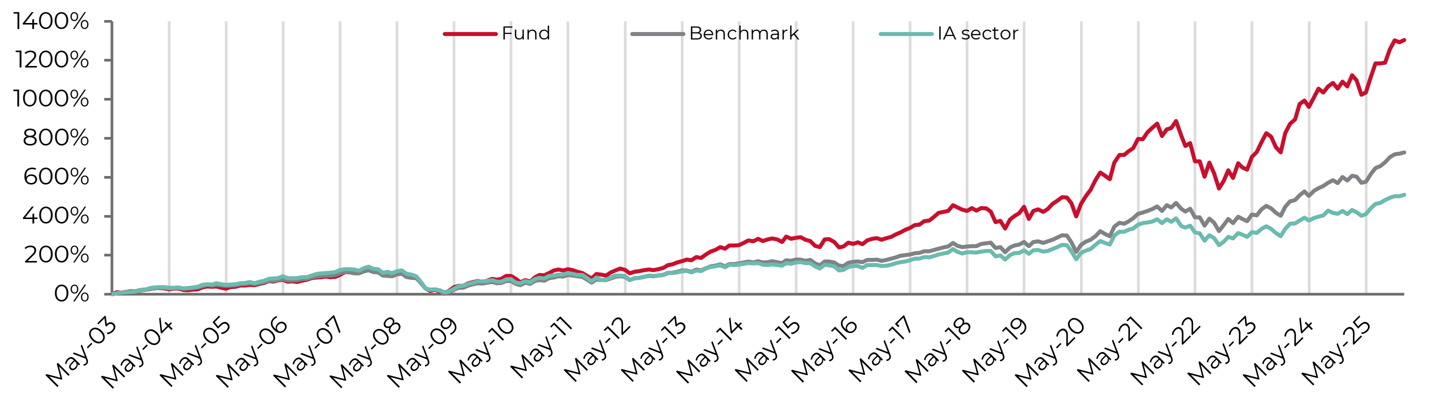
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.6%	+12.1%	+12.1%	+80.4%	+75.3%	+317.3%
MSCI World TR	-0.7%	+12.8%	+12.8%	+59.1%	+80.3%	+245.5%
IA Global TR	-0.2%	+11.2%	+11.2%	+41.1%	+47.7%	+175.2%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.9%	+20.4%	+20.4%	+101.7%	+72.5%	+281.3%
MSCI World TR	+0.8%	+21.1%	+21.1%	+77.9%	+77.4%	+215.3%
IA Global TR	+1.3%	+19.4%	+19.4%	+57.8%	+45.3%	+151.1%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-0.3%	+6.1%	+6.1%	+83.3%	+79.7%	+252.3%
MSCI World TR	-0.4%	+6.8%	+6.8%	+61.6%	+84.8%	+191.6%
IA Global TR	+0.1%	+5.3%	+5.3%	+43.4%	+51.4%	+132.3%

GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+12.1%	+21.9%	+32.1%	-20.7%	+22.6%	+32.1%	+31.3%	-11.9%	+22.0%	+27.7%
MSCI World TR	+12.8%	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%
IA Global TR	+11.2%	+12.6%	+12.7%	-11.1%	+17.7%	+15.3%	+21.9%	-5.7%	+14.0%	+23.3%
(USD)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+20.4%	+19.7%	+40.0%	-29.6%	+21.5%	+36.3%	+36.6%	-17.0%	+33.6%	+7.2%
MSCI World TR	+21.1%	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%
IA Global TR	+19.4%	+10.6%	+19.4%	-21.0%	+16.6%	+18.9%	+26.8%	-11.2%	+24.8%	+3.4%
(EUR)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+6.1%	+27.7%	+35.2%	-25.0%	+30.7%	+25.0%	+39.1%	-12.8%	+17.3%	+10.2%
MSCI World TR	+6.8%	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%
IA Global TR	+5.3%	+18.0%	+15.4%	-15.8%	+25.5%	+9.1%	+29.2%	-6.8%	+9.6%	+6.5%

GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (USD)



Simulated past performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflecting a US mutual fund which has the same investment process since the strategy's launch on 01.05.03.
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 0.79%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return. Graph data is in USD from 01.05.03.

WS GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	£20.4m
Fund launch	30.12.2022
OCF	0.79%
Benchmark	MSCI World TR

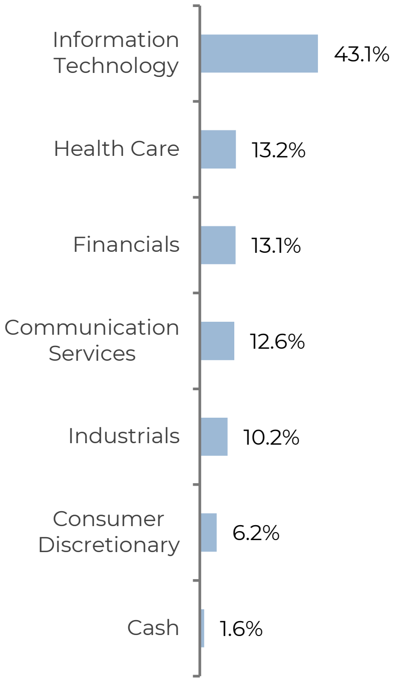
WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

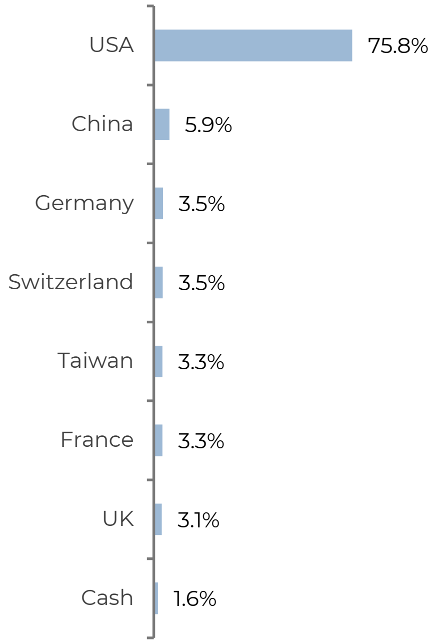
Lam Research Corp	3.7%
Applied Materials	3.6%
Alphabet	3.5%
salesforce.com	3.5%
Siemens Healthineers	3.5%
Meta Platforms	3.5%
ABB	3.5%
Intercontinental Exchange	3.5%
AMETEK	3.4%
KLA-Tencor	3.4%

Top 10 holdings	35.1%
Number of holdings	30

Sector



Country

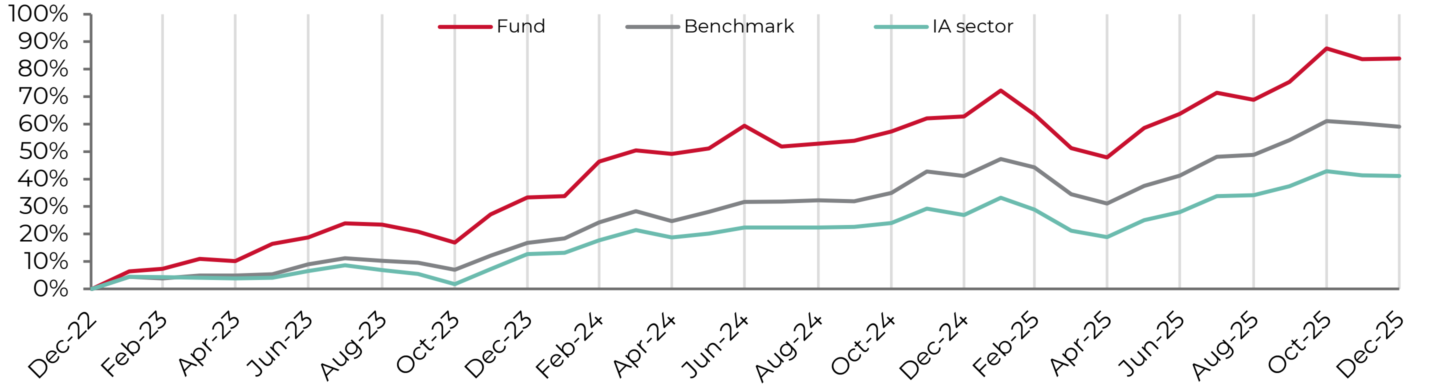


Past performance does not predict future returns.

WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE						
(GBP)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.2%	+13.0%	+13.0%	+83.9%	-	-
MSCI World TR	-0.7%	+12.8%	+12.8%	+59.1%	-	-
IA Global TR	-0.2%	+11.2%	+11.2%	+41.1%	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE										
(GBP)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+13.0%	+22.2%	+33.3%	-	-	-	-	-	-	-
MSCI World TR	+12.8%	+20.8%	+16.8%	-	-	-	-	-	-	-
IA Global TR	+11.2%	+12.6%	+12.7%	-	-	-	-	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (GBP)



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 0.79%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

IMPORTANT INFORMATION

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

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

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Funds or to buy or sell individual securities, nor does it constitute an offer for sale. 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.

GUINNESS GLOBAL INNOVATORS 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.

WS GUINNESS GLOBAL INNOVATORS FUND

Documentation
The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available in English from www.fundsolutions.net/uk/guinness-global-investors/ or free of charge from:-

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

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

Residency
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.

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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.