Guinness Emerging Markets Equity Income

Investment Commentary – April 2026

RISK

This is a marketing communication. Please refer to the Prospectus, supplement and KID/KIID (available on our website), which contain detailed information on the Fund's characteristics and objectives and full information on the risks, before making any final investment decisions.

The Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movements, and you may not get back the amount originally invested.

Past performance does not predict future returns.

ABOUT THE STRATEGY

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

OBJECTIVE

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

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COMMENTARY

Emerging markets fell sharply in March in sterling terms, driven by conflict in the Middle East. The MSCI Emerging Markets Net Total Return Index declined 11.4% (all performance figures in GBP unless stated otherwise). The Guinness Emerging Markets Equity Income Fund outperformed in the weak market, falling 6.7% in the month. Relative performance was driven partly by a reversal in the Korean memory stocks (not held in the fund), which suffered a pronounced sell-off at the beginning of the month. Emerging markets underperformed developed markets in the month, as the MSCI World was down 4.6%. The US fell by less, with the S&P 500 Index down 3.2%.

Asia was the worst-performing region, down 12.8%. EMEA (Europe, Middle East and Africa) was next, down 8.0%. Latin America was the best performer, though also negative, falling 2.5%. Value and growth both performed poorly, with Growth the worse of the two, down 11.7% versus Value down 11.2%.

Among the largest countries, the best performers were Saudi Arabia (+6.6%), Brazil (–0.1%) and Malaysia (–2.1%). The worst-performing countries were Korea (–24.1%), South Africa (–17.1%) and the UAE (–14.7%). The strongest-performing stocks in the portfolio for the month overall were ICBC (+8.1%), China Construction Bank (+6.7%) and Elite Material (+5.7%). The weakest performers were Shenzhou International (–25.0%), Hon Hai Precision (–23.5%), and Unilever (–23.2%).

EVENTS DURING THE MONTH

Trump set a deadline of April 6th for Iran to accept a deal or face US strikes on its energy sector. The president failed to soothe the stock market as Brent oil hit $116 a barrel, despite hints of “productive talks” with Tehran earlier in the month. In Venezuela, interim president Delcy Rodriguez began enacting reforms, passing a hydrocarbon law that opens the sector up to private investment. The US has restored diplomatic relations with the nation and begun unwinding sanctions on its oil sector.

Shin Hyun-Song was nominated governor of the Bank of Korea amid weakness in the won driven by sluggish growth in non-AI-related industries and dependence on oil from the Middle East. Shin has shown some scepticism over stablecoins, warning of their potential to accelerate capital outflows and jeopardise monetary stability. South Korea approved a $350bn investment into the US as part of a bilateral trade deal in the hope of reducing US tariffs. Of this, $200 bn is set to be injected into strategic industries such as semiconductors, pharmaceuticals, critical minerals, energy, AI and quantum computing.

China hosted its Development Forum, at which Premier Li Qiang espoused the country’s commitment to being the “cornerstone of certainty” and “harbour of stability” amid global instability. Japan’s biggest bank, Mitsubishi UFJ, closed the largest foreign investment in India’s financial sector. The $4.4bn deal signals strengthening business links between the fourth and fifth-largest world economies.

The Reserve Bank of India burnt through more than $20bn in foreign exchange reserves to defend the rupee (down 2.6% against the dollar over that period) in the fallout from the war with Iran.

US and Mexico launched a long-awaited review of their trade deal with Canada. Canada and Mexico have expressed the desire that the United States-Mexico-Canada Agreement remain a trilateral one. Mexico is seeking to shield its economy from Trump’s reshoring of manufacturing and high tariffs.

Indonesia’s Financial Services Authority (OJK) has begun to scrutinise several investment banks (in 32 ongoing cases) as it looks to regain investor confidence. In January, MSCI issued a downgrade warning, which triggered a 16% drop in Jakarta’s main stock index within two days. Jakarta has been quick to address MSCI’s concerns over “opacity in shareholding structures and possible co-ordinated trading behaviour”.

This month, we review recent results for our portfolio holdings. We comment on a recent change in the portfolio. And we provide our outlook for the month ahead, commenting on the conflict in Iran and the Middle East.

PORTFOLIO UPDATE

China Merchant Bank (CMB) delivered results which met consensus and were in line with preliminary results earlier in the month. The bank reported a recovery of revenue supported by net interest margin rebound, robust fee growth, and better cost efficiency, which led to 5% growth in pre-provisioning operating profit. In the retail segment, CMB maintained leadership with a +6.7% increase in customer numbers and AUM growth of 14.4%. Analysts have, however, noted concerns over non-interest fee volatility, elevated credit costs and the increase in the proportion of non-performing loans (NPL). Management has guided for stable new loan volume (implied +7%), which, when combined with lower net interest margin pressure, should drive positive net interest income growth in FY26. Furthermore, favourable macro factors include proactive regulatory and fiscal policy action to curb irrational competition in loan pricing.

Hon Hai Precision Industry released Q4 2025 earnings results below expectations, owing to a higher-than-anticipated tax rate of 35% as a result of international tax policy changes and earnings remittance from subsidiaries overseas. Management guided for positive top-line growth with Q1 2026 revenue up more than 15% year-on-year (although it was down quarter-on-quarter due to seasonality) and full-year 2026 up more than 15%. This is mainly driven by robust demand for AI graphical processing unit racks (expectations are that AI rack shipments will double this year), new earnings momentum from AI application-specific integrated circuits (ASICs) and outperformance in iPhone 17 series shipments. Return on equity guidance is set at 12% for 2027, and the company achieved its highest ROE level since 2019 in 2025 at c.11%. Operating margin guidance is set to maintain at 3%.

China Medical System's 2025 results demonstrated renewed growth, with sales up +9.9%, driven by drug innovation and exclusivity. Adjusted net profit grew 3.6%, meeting market consensus. The company announced plans to spin off its skin health business subsidiary, Dermavon, to list on the Hong Kong stock market. In January, core products for vitiligo, a chronic skin condition, were approved for marketing. In diversifying its product pipeline, the firm is advancing in-house R&D and reinvesting strategic returns (in 2025, total R&D expenses increased 40.5%). The final ordinary dividend was also announced at RMB 0.1366 per share.

Haitian International Holdings reported 2H 2025 earnings in line with consensus, with sales supported by overseas demand, while domestic performance remained flat. Revenue came in at +7%, but with a miss on net profit at +2%. This was likely dragged down by overseas plant expansion (in Serbia, India, Japan and Malaysia), higher selling and R&D costs. Gross profit margins remained stable at 32.6% (flat year-on-year). Management guides for revenue growth of +10% in 2026 (again from overseas sales, which should offset domestic softness), and net profit margins to remain similar as they prioritise top-line growth. Raw material and oil price fluctuations could hamper near-term demand.

Anta Sports released 2H 2025 results with a small revenue beat ahead of consensus across Anta/Fila/Other brands, and core operating profit margins largely in line with consensus. Full-year revenues were up +13.3%, with net income slightly offset by higher taxes. Descente and Kolon performed well with revenue increase +35% and +6%, and operating profit margins of 35% and 33%. Descente became the group's third brand to exceed RMB 10bn in retail sales. Management guides for moderate revenue growth with low single-digit percentage for Anta and mid-single digits for Fila (year-on-year), partially offset by greater than 20% growth in other brands. This mirrors a slowdown in the core brand and financial headwinds in the near term, given its recent acquisitions of Jack Wolfskin. Advertising and promotion costs are guided higher since 2026 is a major sports year. The FY2026 payout ratio came in at 50%, meeting analyst estimates, with no buyback plans as the group needs to reserve for the Puma acquisition. The final dividend was set at HK $1.08.

Haier Smart Home reported Q4 2025 earnings below estimates, which management attributed to organisational restructuring, US tariffs, high price competition, rising raw material costs (copper) and fading subsidy effects in China. Domestic revenue was down -15% year-on-year in Q4 but gained market share. The US experienced a slight (2%) decline, while other emerging markets grew around 7-8%. Margins underperformed primarily due to shipping from China in May-June at the height of US reciprocal tariffs and higher copper prices. Management announced a dividend A-share buyback plan of RMB 3-6 billion and looks to focus on competitiveness in mid-range and high-end categories to gain market share. The company expects continued impact from market competition, but expects a reduction in tariff impact in 2026. Analysts likewise note that easing raw material prices and rising operational efficiency should support the secular margin outlook.

Ping An Insurance delivered 2025 results mostly in line with consensus, with group operating profit after tax just above estimates at +10.3% for the year, although with a slowdown in Q4 performance. Group net profit rose 6.5% even with a Q4 drag (which still beat some peers), and total dividend per share was up 5.9% and within market estimates. Growth in operating profit after tax was fuelled by a reduced loss in asset management, growth in the Life segment and a surge in property and casualty. Property and casualty reported improvement in the ratio of expenses and losses and underwriting profits, which nearly doubled (RMB 10.7bn), although coming in just below expectations. Despite a pullback in investment performance for Q4, comprehensive investment yield remained strong and was up half a percentage point year-on-year at 6.3%. Analysts noted that weaker group earnings were affected by one-off non-operating items and unrealised gains from stocks. The group announced a final dividend of RMB 1.75 per share, bringing the full year dividend to RMB 2.79 per share (up 6% year-on-year). Looking ahead, management is optimistic for contractual service margin growth driven by higher new business contributions and returns and lower expense and claim ratios. They also aim to enhance return on equity by optimising capital allocations and capital-light businesses (healthcare and eldercare).

Industrial and Commercial Bank of China released FY25 results mostly in line with expectations, with net profit attributable to shareholders at +0.7% year-on-year. Net interest margin expanded 0.02 percentage points quarter-on-quarter, and core earnings turned positive with a bottom-line growth supported by a 59.4% reduction in Q4 income tax expenses due to investment into government and municipal bonds. Total loans grew 7.5% year-on-year in 2025, mainly fuelled by an increase in corporate loans and discounted bills. Analysts note some challenges in retail asset quality and a growth slowdown due to a decline in residential mortgage and credit card loans, which have offset personal consumption loan growth. Management has guided for a decline in loan yields in 2026, but at a slower rate, and has observed stabilisation in newly issued loan yields in February. Under the assumption of no further reductions to the loan prime rate, management expects net interest margin to follow an L-shape this year and growth in net interest income to resume.

Shenzhou International Holdings reported a slight miss on expectations as net profit fell 7% year-on-year, mainly dragged by a lower-than-expected gross profit margin (25.6%) and operating profit margin, higher-than-expected FX losses, rising labour costs and tariff sharing. Revenue grew +8.1%, with a slight miss in 2H25, which was up a moderate +2% year-on-year. Growth was mainly driven by Adidas (+29%) and Uniqlo (+4%), and regionally by Europe, while China's domestic demand remained weak. Management is conservative in gross profit margin recapture in 2026, noting that tariffs and foreign exchange headwinds are likely to remain, as well as some incremental costs from raw material inflation. Guidance for volume growth is set to the middle single digits, supported by the Cambodia plant and efficiency gains from tech upgrades in China. Management sees minimal impact from ongoing geopolitical tensions, having already signed raw material contracts earlier with suppliers; in the circumstances of price adjustments, these would apply with a lag. Final dividend was announced of HK$1.2 per share, which, with the interim dividend, implied a c.61% payout ratio, in line with estimates.

PORTFOLIO CHANGE

In March 2026, we sold Grape King Bio from the portfolio. Grape King is a Taiwanese health supplement company that has been a long-standing holding in the fund. In this case, part of the investment case for the company has been its expansion into China. While there have been many efforts by the company to kick-start this, we felt it had not taken hold sufficiently, and results at the overall company level were disappointing. We decided that we had given a sufficient amount of time for this thesis to play out, and so we exited the position.

OUTLOOK

After the strong performance of emerging markets in 2025, the first quarter of 2026 saw a return of volatility to the market. The quarter was defined by two contrasting phases: a continuation of 2025's AI-driven rally in January and February, and a sharp risk-off sell-off in March triggered by the outbreak of military conflict in the Middle East.

The US and Israeli strikes on Iran at the end of February, and Iran's retaliatory strikes on Gulf energy infrastructure, triggered the MSCI Emerging Markets Index's worst monthly decline since March 2020. The resulting surge in oil prices, with Brent trading above $100 per barrel at points during March, threatens the low levels of inflation seen across economies.

The immediate impact of the disruption to shipping through the Strait of Hormuz is in higher energy prices, but a sustained closure increases the prospect of disruption to supply chains.

Within the portfolio, we believe we are reasonably well-positioned for this environment. We are significantly underweight in India and have no South Korean exposure, while maintaining meaningful overweight positions in Mexico and Brazil. This combination offers a favourable 'beta' to a rising oil price, based on previous patterns, if the conflict is sustained. Furthermore, we have no direct exposure to the Middle East.

We think China is relatively well-positioned, having built up significant strategic oil reserves and possessing alternative supply channels. The country can therefore tolerate a degree of disruption to energy supplies, but not indefinitely.

Generally, the portfolio is invested in companies with relatively low energy intensity. By focusing on quality companies that have delivered consistently high returns on capital, we have typically avoided exposure to asset-intensive heavy industry.

The main second-order risk, if the conflict is prolonged, is the potential impact on consumer spending. If energy costs remain elevated, consumer budgets could start to be squeezed, prompting reductions in discretionary spending. This is something we have not seen strong evidence of yet, but is an area we will be watching closely.

The emphasis we place on the underlying quality of a business, earning high returns on capital and generating cash, provides the underpinning for rewarding shareholders with dividends while seeking to compound their earnings over the long term. And we believe it is this process of cash generation and reinvestment that is likely to be the long-term determinant of returns.

Companies with such a track record have shown the ability to navigate periods of uncertainty in the past, and we think they are well-positioned to do so again. It is this combination, embedded in an equally weighted portfolio, that we believe works particularly well in an emerging market context and provides investors with access to a disciplined strategy for navigating uncertain environments.

Portfolio Managers

Edmund Harriss
Mark Hammonds

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - FUND FACTS

Fund size	$22.5m
Fund launch	23.12.2016
OCF	0.77%
Benchmark	MSCI Emerging Markets
Historic yield	3.8% (Y GBP Dist)

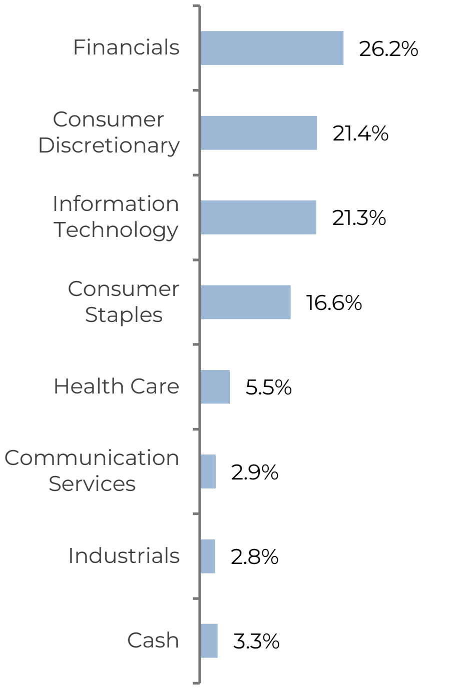
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

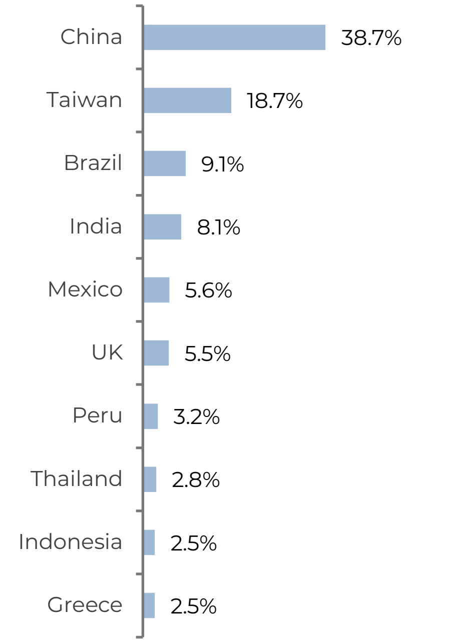
B3 SA - Brasil Bolsa Balcao	3.5%
Credicorp	3.2%
ICBC	3.0%
Porto Seguro	2.9%
China Construction Bank	2.9%
NetEase	2.9%
Kweichow Moutai	2.9%
Elite Material	2.9%
Coca-Cola Femsa	2.9%
Suofeiya Home Collection	2.9%

Top 10 holdings	29.9%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

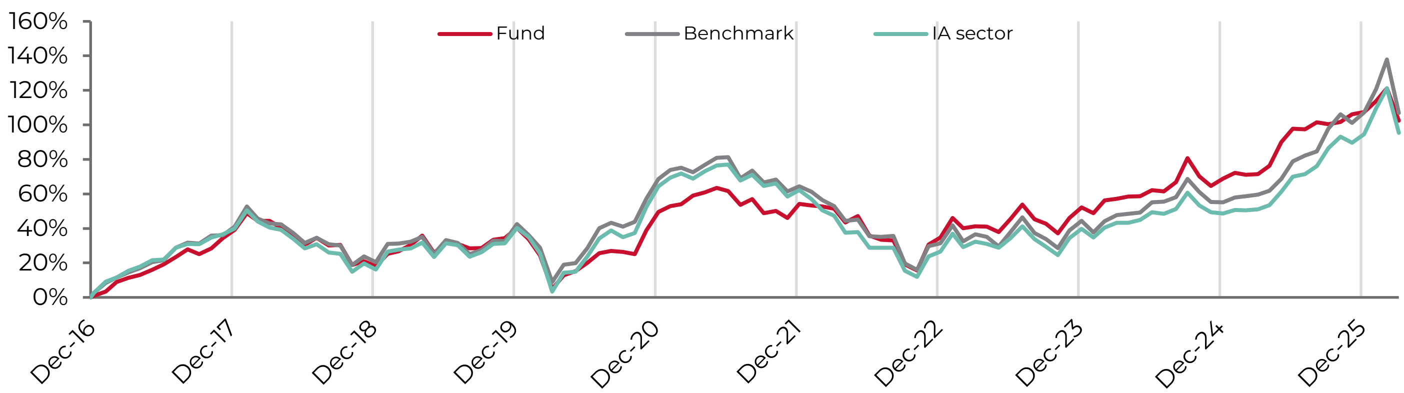
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-6.7%	-0.4%	+15.5%	+34.5%	+33.2%	-
MSCI Emerging Markets	-11.4%	+1.8%	+26.8%	+42.0%	+25.4%	-
IA Global Emerging Markets TR	-10.6%	+2.4%	+26.7%	+38.5%	+21.0%	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-8.5%	-2.4%	+18.0%	+43.4%	+27.3%	-
MSCI Emerging Markets	-13.1%	-0.2%	+29.6%	+51.4%	+19.9%	-
IA Global Emerging Markets TR	-12.3%	+0.4%	+29.4%	+47.7%	+15.7%	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-6.2%	-0.5%	+10.6%	+35.2%	+29.9%	-
MSCI Emerging Markets	-10.9%	+1.8%	+21.5%	+42.8%	+22.3%	-
IA Global Emerging Markets TR	-10.1%	+2.3%	+21.3%	+39.3%	+18.0%	-

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+14.4%	+12.9%	+6.6%	-1.6%	+4.0%	+3.4%	+14.2%	-9.8%	+25.8%	-
MSCI Emerging Markets	+24.4%	+9.4%	+3.6%	-10.0%	-1.6%	+14.7%	+13.9%	-9.3%	+25.4%	-
IA Global Emerging Markets TR	+21.9%	+8.2%	+4.3%	-12.2%	-0.5%	+13.6%	+16.0%	-11.8%	+24.4%	-
(USD)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+22.8%	+10.9%	+12.9%	-12.6%	+3.0%	+6.7%	+18.8%	-15.1%	+37.7%	-
MSCI Emerging Markets	+33.6%	+7.5%	+9.8%	-20.1%	-2.5%	+18.3%	+18.4%	-14.6%	+37.3%	-
IA Global Emerging Markets TR	+30.9%	+6.3%	+10.5%	-22.0%	-1.4%	+17.3%	+20.7%	-16.9%	+36.2%	-
(EUR)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+8.3%	+18.3%	+9.1%	-6.8%	+10.9%	-2.2%	+20.9%	-10.8%	+20.9%	-
MSCI Emerging Markets	+17.8%	+14.7%	+6.1%	-14.9%	+4.9%	+8.5%	+20.6%	-10.3%	+20.6%	-
IA Global Emerging Markets TR	+15.4%	+13.4%	+6.8%	-16.9%	+6.1%	+7.6%	+22.9%	-12.7%	+19.7%	-

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



Source: FE fundinfo net of fees to 31.03.26. 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, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

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

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Documentation

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

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

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

Investor Rights

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

Residency

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

Structure & regulation

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

Switzerland

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

Singapore

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

Telephone calls will be recorded and monitored