

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and 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 and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	19.12.2013
<b>Index</b>	MSCI Europe ex UK
<b>Sector</b>	IA Europe Excluding UK
<b>Manager</b>	Will James
<b>EU Domiciled</b>	Guinness European Equity Income Fund
<b>UK Domiciled</b>	WS Guinness European Equity Income Fund

## OBJECTIVE

The Guinness European Equity Income Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Europe ex UK region. The Funds aim to provide capital appreciation and a source of income that has the potential to grow over time. The Funds are actively managed and use the MSCI Europe ex UK Index as a comparator benchmark only.

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## COMMENTARY

European equities delivered negative returns in Q1 2026, with the MSCI Europe ex UK Index returning -2.4% (in GBP). The Guinness European Equity Income Fund returned -7.4%, underperforming the benchmark by 5.1 percentage points over the quarter.

Market performance was narrow and commodity-led, with Energy and Utilities dominating as the closure of the Strait of Hormuz and the resulting spike in oil prices pulled capital toward sectors the portfolio structurally does not own. Nearly every other area of the market fell, with Consumer Discretionary, Industrials, and Consumer Staples, each a meaningful portfolio overweight, among the notable decliners as elevated energy costs fed concerns over future margin pressure and weaker consumer sentiment. We are comfortable accepting periods of this kind of relative underperformance: our discipline of excluding Energy and Utilities reflects their historic profiles of cash flow return on investment (CFROI) below the cost of capital and of weaker capital discipline through the cycle. We would rather absorb short-term headwinds than compromise on the quality characteristics that drive long-term compounding.

At the stock level, Novo Nordisk was a notable detractor following the disappointing CagriSema trial readout and a revenue warning, an outcome we are reflecting on carefully. More than offsetting this, however, was BE Semiconductor, the quarter's standout performer, where a pre-announced order book well ahead of expectations, record results, and reported takeover interest from US rivals drove the shares to all-time highs.

The backdrop entering Q2 2026 is unusually complex: the Middle East conflict and energy-market disruption have reversed expectations of rate cuts and raised stagflation risks, displacing the more constructive set-up that greeted markets in January. Yet the underlying European story – Germany's fiscal pivot, easing political frictions with Orbán's exit, and ongoing focus on competitiveness – has not gone away and is likely to reassert itself once the geopolitical shock fades. Environments of elevated uncertainty are precisely where quality, cash-generative businesses with strong balance sheets prove their worth. The portfolio remains well balanced, with a robust and growing dividend profile. We remain patient and positive.

**MARKET REVIEW****A promising start, overtaken by events**

Q1 2026 proved to be one of the most turbulent quarters for European equity markets in recent memory. What began as a period of cautious optimism quickly gave way to a sharp geopolitical shock, with the market quickly trying to identify the perceived winners and losers across sectors and regions.

The quarter opened with genuine grounds for optimism. European earnings had shown early signs of stabilisation following the tariff-related disruptions of 2025, and investor sentiment towards the continent had been building into the end of the year. A Bank of America survey found that 63% of investors identified German fiscal stimulus as the primary catalyst for stronger European growth, while three-quarters believed European growth would accelerate in the coming months. The MSCI Europe ex UK index had gained 7.1% (in USD) by the end of February and significantly outperformed US markets in euro terms – an impressive start that reflected genuine re-rating momentum. Central to the market's early optimism was Germany's historic fiscal pivot. Germany's €500 billion off-budget infrastructure investment fund – covering transport, digital and energy spending – alongside a defence spending increase of more than 1% of GDP, represented the largest fiscal stimulus the country had seen in decades. Goldman Sachs has estimated that Germany's defence budget surged by €25 billion to €119 billion, a rise of more than 25%, while the broader fiscal programme was expected to contribute to close to half of Germany's projected 1.1% GDP growth in 2026. However, execution risks exist with actual defence and investment spending potentially falling short of budget targets in 2026 due to implementation challenges.

**Geopolitics dominates... again**

As has become a recurring theme, geopolitics ultimately dominated the quarter's narrative. On 28 February, US and Israeli strikes against Iran sent shockwaves through global markets. The Brent crude oil price surged sharply as Iran moved to restrict shipping through the Strait of Hormuz. The closure of the Strait disrupted approximately 20% of global oil supplies, which the International Energy Agency characterised as the largest supply disruption in the history of the global oil market, and around 20% of global liquefied natural gas (LNG) supplies.

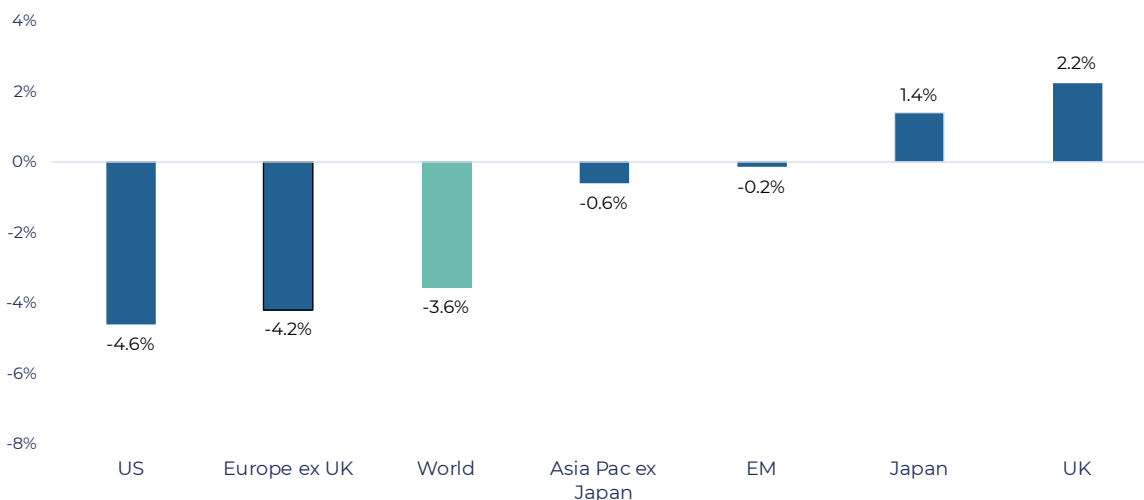
While Europe has made great strides to improve its energy balance, its vulnerability was acute and compounded by structural factors. European gas storage levels entering 2026 stood at just 46 billion cubic metres at the end of February, compared to 60 bcm in 2025 and 77 bcm in 2024 – leaving the continent with an uncomfortably thin buffer against any LNG supply shock. The European Central Bank warned that a prolonged conflict would likely trigger stagflation and push major energy-dependent economies, including Germany and Italy, into technical recession by the end of 2026. The ECB consequently postponed planned rate reductions and raised its inflation forecast – a significant reversal of the monetary easing narrative that had been a key pillar of the bull case for European equities entering the year.

## PERFORMANCE DRIVERS

### Regional performance: Europe lags, UK and Japan hold up

The MSCI Europe ex UK Index fell 4.2% in USD terms in Q1, while the US index declined 4.6%. Each was dragged down by the energy and geopolitical shock. The MSCI World fell 3.6%. In contrast, the UK delivered positive returns of 2.2%, supported by its commodity tilt, while a weaker sterling provided an additional tailwind for UK stocks. Japan also outperformed, rising 1.4%, buoyed by yen dynamics and political stability following a snap election victory.

**Q1 2026 regional returns in USD**

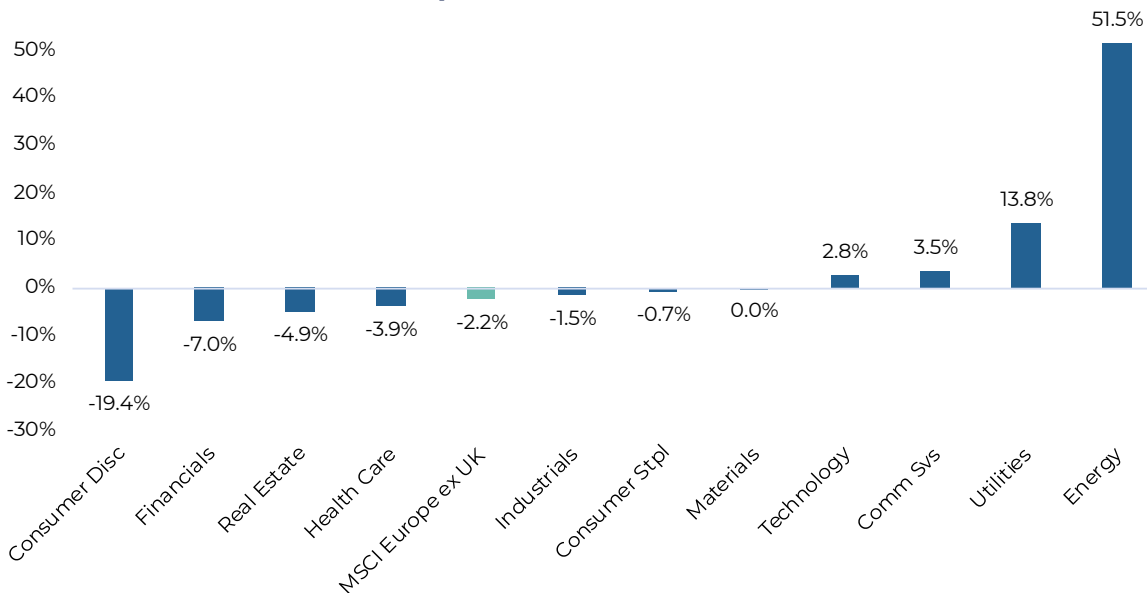


Source: Guinness Global Investors, MSCI, Bloomberg; data as of 31.03.2026

### Sector rotation: Energy soars, Consumer Discretionary collapses

The strongest performers year-to-date for European equities included Energy (+51.5% in Q1 in EUR), Utilities (+13.8%), and Communication Services (+3.5%), reflecting commodity price dynamics, infrastructure spending expectations, and defensive rotation. The Energy sector's extraordinary gain was a direct consequence of the oil supply shock: the sector benefited from surging commodity prices even as the broader economy suffered from them – a familiar but uncomfortable dynamic for diversified investors.

**MSCI Europe ex-UK Sector Performance**



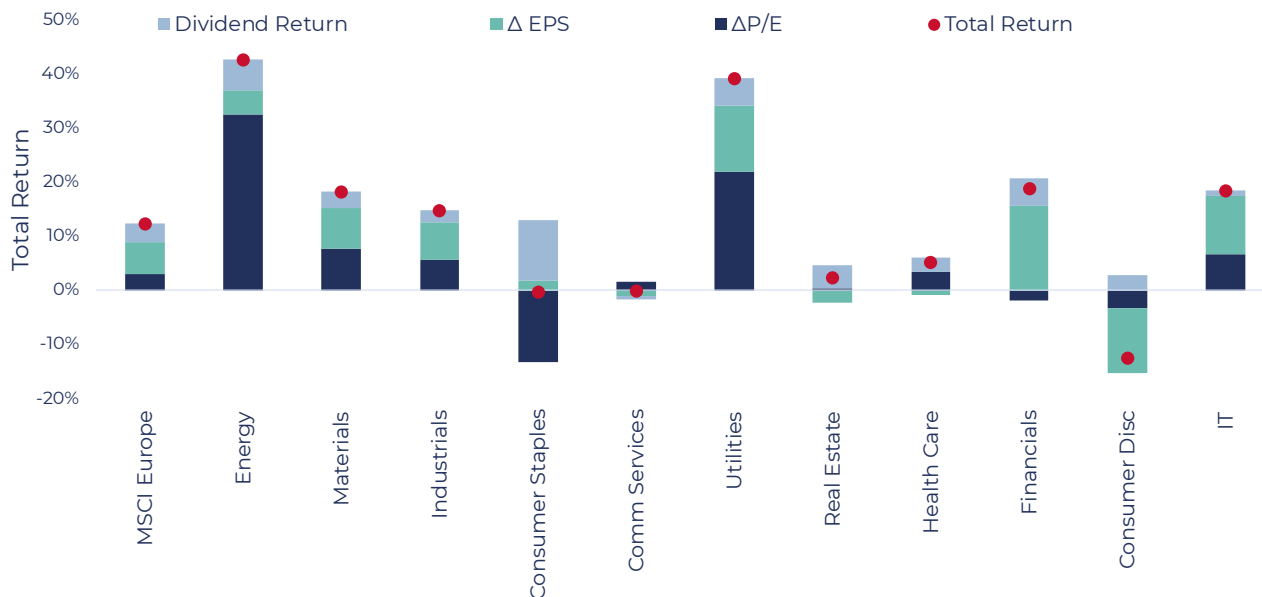
Source: Guinness Global Investors, Bloomberg; data as of 31.03.2026

## Guinness European Equity Income

At the other end of the spectrum, Consumer Discretionary fell -19.4%, driven by fears of a demand downturn and cost-of-living pressures, while Financials (-7.0%) and Real Estate (-4.9%) also fell, the latter particularly sensitive to the abrupt reversal of ECB rate-cut expectations. Healthcare (-3.9%), Industrials (-1.5%) and Consumer Staples (-0.7%) also saw declines.

The 12-month sector total return breakdown reinforces a key message: Energy and Utilities have been the dominant return drivers over the past year, with both sectors generating strong total returns underpinned by a combination of multiple expansion, earnings growth, and healthy dividend contributions. Consumer Staples, by contrast, delivered a near-zero total return over the same period, with the dividend contribution largely offset by negative earnings revisions. Consumer Discretionary was a meaningful detractor over the trailing 12 months.

### European Sector Total Return Breakdown: Mar 25 to end Mar 26



Source: (in EUR) Guinness Global Investors, Bloomberg; data as of 31.03.2026

### The 'HALO' effect

Remember the GRANOLAS? Well, Goldman Sachs has come up with another acronym: the 'HALO' companies – those with Heavy Assets, Low Obsolescence. This has become one of the most powerful drivers of the 'Value' factor over the past 12 months, and nowhere more so than in Europe. The thesis is straightforward: in a world defined by geopolitical instability, inflationary pressure, and uncertainty about the impact and implications of artificial intelligence, investors have gravitated towards businesses that own real, physical, difficult-to-replicate assets, with the Utilities, Energy, and Telecommunications sectors being the principal beneficiaries.

The outperformance of asset-heavy sectors has been driven by two converging narratives. The first is geopolitical. Following the Trump administration's outwardly protectionist policies of last year, and as conflict in the Middle East has escalated, uncertainty has moved to the top of the market's agenda. Coupled with a renewed focus on energy security (or lack thereof), investors have sought the relative safety of businesses that own physical infrastructure or are sensitive to commodity prices. Utilities, telecoms, and energy companies are seen as safe havens as they are short-duration (you know what you are getting), inflation-hedged and strategically important – characteristics that unsurprisingly attract capital when the macro-outlook is uncertain. The second narrative revolves around the advent of artificial intelligence and the market's desire to back the winners and avoid (or short) the losers. Again, this plays perfectly to the HALO theme – asset-heavy (low-return) businesses are easier to back than asset-light (higher-return) businesses given the much lower risk of 'disruption'; AI is not going to suddenly be able to dig holes in the ground but could easily change the revenue and margin profile of an asset-light software business. The market has seemed to 'shoot first and ask questions later'. In addition, AI plays perfectly to the electrification theme. It is energy-intensive since training large language models and running inference at scale requires vast amounts of computing power. Data centres are proliferating at a pace, and the grid infrastructure required to power

## Guinness European Equity Income

them is substantial. Therefore, in the market's view, Utilities seem perfectly placed as the lights must stay on. Similarly, Telecoms, given their infrastructure – the pipes and towers that carry data – are deemed to be similarly immune to AI disruption. Telcos have been repositioned in the market's mind as essential infrastructure rather than ex-growth utilities.

### DRIVERS OF PERFORMANCE

Over the quarter, the fund delivered -7.4% (in EUR), underperforming the index by 5.1 percentage points as the MSCI Europe ex UK Index was down -2.4%.

As discussed earlier, the Energy and Utilities sectors dominated index performance, both fuelled by the Strait of Hormuz closure and the sharp rise in oil prices. Nearly every other sector fell, with Consumer Discretionary, Industrials, and Consumer Staples among the notable decliners – all areas where the fund carries meaningful overweights – as elevated energy costs fed fears of future margin pressure and weaker consumer sentiment across the broader economy.

Hence, allocation was a primary headwind. The absence of Energy and Utilities accounted for nearly two percentage points of relative underperformance in isolation. Stock selection was also a drag in certain positions, specifically in Consumer Staples and Communication Services, which contributed to underperformance in the quarter.

On the positive side, stock selection was positive in Consumer Discretionary, Information Technology and Financials despite the weaker sector performances.

### STOCK PERFORMANCE

#### Top Performers in Q1

**BE Semiconductor (Besi) (+33.8% in EUR)** was the quarter's best performer, driven by surging demand for its chip packaging equipment from AI data centre customers. In January, the company pre-announced orders of c.€250m, well above what analysts had expected, as chipmakers ramped up spending on the advanced assembly technology Besi specialises in. February's full results confirmed the strength: revenue of €166.4m and orders of €250.4m, more than double the same period a year earlier. In March, the stock hit record highs on reports that Besi was planning a major manufacturing expansion into Vietnam, had secured a role in a key TSMC production process, and was rumoured to have attracted potential takeover interest from US semiconductor equipment rival Lam Research in addition to Applied Materials (which currently holds a c.9% stake in Besi).

**Deutsche Börse (+12.5%)** rose on the back of strong full-year results and an attractive capital return package. February's results showed record revenues of €5.2bn, a dividend increase to €4.20 per share, and the launch of a €500m share buyback, all of which were well received. ETF trading volumes on its Xetra exchange jumped 53% year-on-year, reflecting continued growth in passive investing across Europe. The quarter also saw the formalisation of a previously-flagged €5.3bn acquisition of Allfunds, a platform connecting fund managers with distributors globally, which represents a meaningful strategic expansion into fund services infrastructure, although completion is not expected until 2027. In addition, the heightened market volatility as a result of the conflict in the Middle East contributed.

**Euronext (+8.2%)** completed a €250m share buyback in January and reported solid full-year results in February with revenue growth of c.12% driven by non-volume businesses, which now cover 157% of operating expenses. The stock's appeal rests partly on the fact that a large portion of its income comes from stable, non-trading sources like listings and technology services, which makes earnings less dependent on market volatility. An additional catalyst is expected later in 2026 as the company begins monetising its post-trade infrastructure.

#### Bottom Performers in Q1

**Novo Nordisk (-26.6%)** had a difficult quarter after a promising start. January was positive; the company launched an oral version of its blockbuster weight-loss drug Wegovy to strong early demand, with 170,000 patients starting treatment within the first four weeks. February reversed this entirely. First, the company warned that 2026 revenues could fall by as much as 13%, blaming aggressive pricing pressure in the US market. Then, trial data showed that its next-generation drug CagriSema

## Guinness European Equity Income

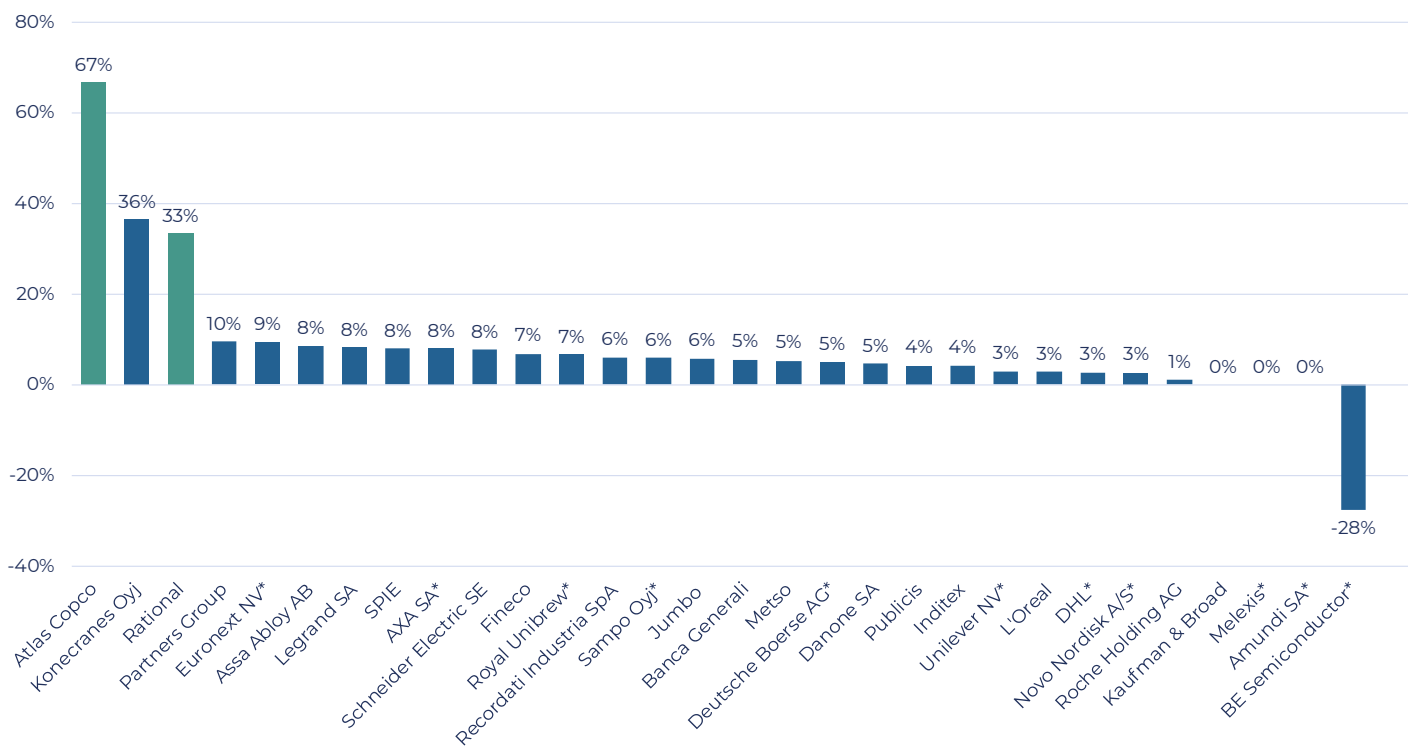
lost a head-to-head comparison against Eli Lilly's competing drug tirzepatide for weight loss – a significant blow given how much investors had looked to it as the next growth driver. In March, further bad news arrived as cheap generic versions of its key ingredient launched in India, and a separate trial showed the drug failed to help Alzheimer's patients.

**Publicis (-20.1%)** fell sharply despite entering the year with strong operational momentum. The driver was a broader market reassessment of the advertising industry's exposure to AI disruption. As AI tools become capable of automating more of the creative and digital work that agencies have traditionally charged for, investors began questioning the durability of earnings across the sector. In February, the company confirmed its 2026 organic growth guidance of 4% to 5% but noted that its Sapient division, which helps large companies with technology and digital transformation projects, remained flat as clients held back on capital expenditure commitments, which investors read as a leading indicator of potential downside. That said, we are not overly concerned at this time. Publicis has been one of the most proactive agencies in embedding AI into its own operations and client offerings, which we think positions it as a beneficiary of the shift.

**Jumbo (-19.5%)**, the Greek toys and homeware retailer, fell after a disappointing trading update in January revealed that December sales growth had slowed sharply, from around 8% to roughly 5%. This matters more for Jumbo than most retailers because the Christmas period accounts for about a third of its annual revenue. The slowdown was blamed on logistics disruptions during the holiday season, with Romania particularly weak due to currency moves and a VAT increase. The sales miss overshadowed an announcement of a special dividend of €0.50 per share. In addition, the announcement that Greece was likely to be reconsidered for inclusion in Developed Europe indices (from its 'Emerging Market' classification) by index providers such as MSCI has weighed on the shares this year. This has resulted in some Emerging Market funds that hold Jumbo being forced to sell ahead of the reclassification, which has now been confirmed for March 2027 by MSCI.

## DIVIDEND

### Dividend Growth FY2025 - Current Portfolio



\* Company with share buyback programme in place. Source: Guinness Global Investors, Bloomberg, 31.03.2026

The Guinness European Equity Income portfolio **delivered a strong dividend performance** in FY2025, with aggregate local currency dividend growth of 9% across holdings while median dividend growth was 6%. Whichever number one chooses to focus on, it is a reflection of strong underlying cash generation across the portfolio's holdings.

## Guinness European Equity Income

In addition, the breadth of dividend growth was impressive. **26 out of 30 holdings grew their dividend** year-on-year. Only three companies held their dividend flat, and just one, BE Semiconductor, paid less in 2025. This was anticipated and consistent with the company's stated dividend policy of paying up to 100% of earnings per share as dividends (earnings were down due to the cycle), rather than any sign of financial stress. We anticipate that, all going well, Besi will be delivering supernormal growth next year as the investment case comes through.

**Atlas Copco stood out with dividend growth of 67%**, a figure that includes a special dividend (something it is prone to do once cash on the balance sheet has built up). **Konecranes OYJ delivered +36% organic dividend growth**, while the recent purchase Rational delivered +33%. The latter also benefited from a special dividend.

The overall picture reinforces the portfolio's characteristic of steady, compounding income growth rather than lumpy or volatile distributions.

In addition to growing dividends, **11 portfolio companies have ongoing share buyback programmes in place** (as denoted by asterisks in the chart above), providing a meaningful additional layer of capital return to shareholders. This **underscores the quality bias of the portfolio**: companies that are well able to generate surplus cash and deploy it both through dividends and buybacks tend to be businesses with **strong balance sheets and disciplined capital allocation**.

Overall, the **dividend picture** for the Guinness European Equity Income portfolio **remains a very encouraging** one. The combination of near-universal dividend growth, a healthy aggregate growth rate, and supplementary capital returns through buybacks paints a picture of a portfolio populated by financially resilient, cash-generative businesses continuing to reward shareholders even against a backdrop of broader macroeconomic uncertainty.

## PORTFOLIO ACTIVITY

In early March, we exited our position in Universal Music Group (UMG) for three reasons:

1. **Governance.** UMG's reported earnings strip out a significant amount of real economic cost. Stock-based compensation, recurring restructuring charges, and impairments are all excluded from the metrics used to set management pay. The CEO's total compensation is equivalent to roughly 14% of EBITDA (earnings before interest, tax, depreciation and amortisation), which we consider excessive. We engaged with investor relations on this point but came away unsatisfied; the company's justification was essentially that high pay was necessary to retain talent from competitors such as Spotify. We prefer to own businesses where management incentives are transparent and tied directly to operational performance and shareholder returns.
2. **Strategy.** A central pillar of the investment case is UMG's ability to generate more revenue per user through premium streaming tiers, superfan products, and higher wholesale pricing with platforms. This has shown some traction in Asia, but UMG's revenues are weighted toward western markets, where we are less convinced the same monetisation dynamic will play out – not least because, unlike Tencent, UMG is not itself a platform and therefore has limited ability to control the consumer relationship.
3. **Structural pressures that are difficult to underwrite.** The traditional label model faces quiet but meaningful headwinds: more artists are retaining ownership of their masters or moving to distribution-only deals, which over time could compress margins. And the discovery layer, the mechanism that drives music consumption, is increasingly owned by algorithm-driven platforms like Spotify, TikTok, and Tencent's ecosystem, reducing UMG's influence over how its catalogue reaches listeners. Taken together, we felt the industry dynamics were becoming sufficiently opaque that we lacked the visibility needed to hold the position with conviction.

We replaced UMG with **Rational AG**. Rational makes combi-ovens for professional kitchens and, in our view, has the hallmarks of a quality compounder: an aligned management, a disciplined approach to capital allocation, a strong focus on returns on capital, and a deep philosophy of customer centricity. The stock had de-rated significantly, which we saw as an attractive entry point.

Our investment case rests on three points:

## Guinness European Equity Income

1. **Operating leverage as the investment cycle matures.** In recent years Rational has been investing heavily in new factories, new products, and geographic expansion. That phase is largely complete. With the cost base now largely set, incremental revenue should flow more directly to the bottom line. We see a credible path to EBIT margins of around 27%.

Part of this includes China turning from a headwind to a potential tailwind. Rational has recently opened a dedicated factory in China to manufacture its entry-level oven locally, with local suppliers and costs, and margins management described as comparable to the group average. Previously, serving China meant exporting from Europe, with a structural penalty on both pricing and margins. That drag is now reversing as the factory ramps up.

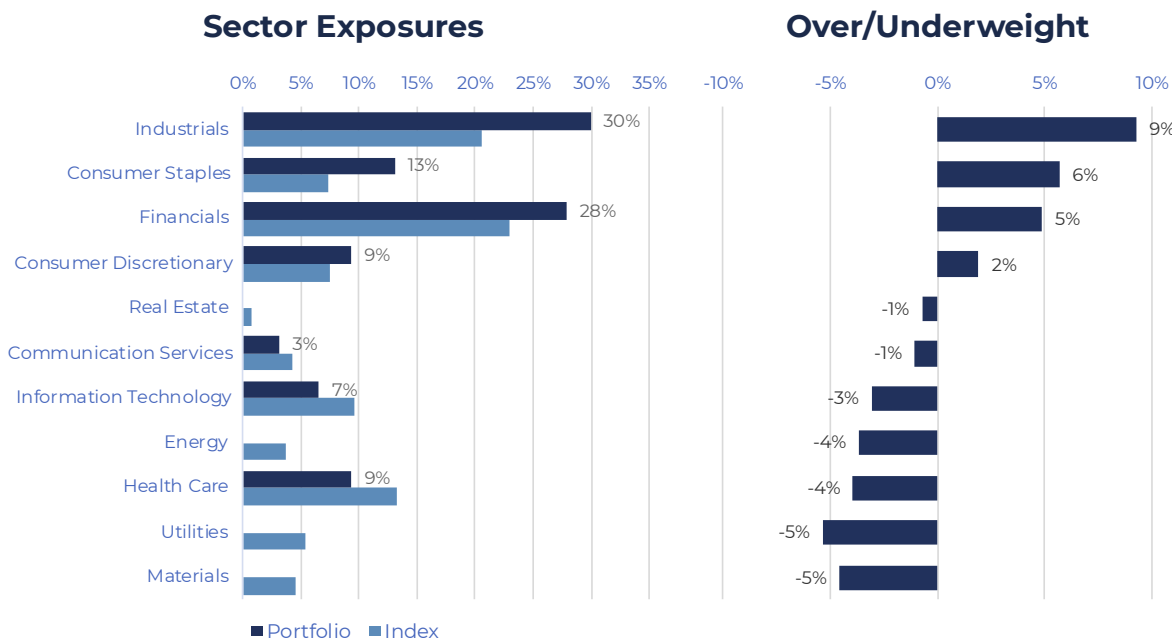
2. **A durable business model.** With around 100,000 units installed globally, Rational generates revenues not only from the original equipment but also a growing stream of recurring revenue from parts, servicing, and consumables — now 31% of revenues, up from 25% in 2015, and growing with every new unit placed. This stream is structurally protected: warranties require Rational-certified service and parts, and roughly 9,000 third-party technicians are audited annually to Rational's standards. Customer retention is near 100%. The balance sheet is clean, with no bank debt, net cash of c.€200m post-dividend, and high cash returns on capital. The founding family retains a c.48% stake, aligning long-term interests with shareholders.
3. **Valuation.** The free cash flow yield stood at approximately 3.7% against a 10-year average of 2.3%. For a business with no debt, returns on capital of c.18%, and a credible mid-to-high single-digit growth profile, we did not think this required a multiple re-rating to generate an attractive return.

We made three portfolio changes in January, as previously outlined in our February commentary:

- **Nestlé** was replaced with **L'Oréal**. Despite the new management team's evident efforts to reignite volumes and accelerate growth, our analysis indicated that L'Oréal offered superior value relative to the growth and durability of returns we anticipate. We believe L'Oréal has a stronger business model, underpinned by a consistent ability to innovate and gain market share. The switch improves portfolio quality by moving from a company navigating balance sheet leverage and volume headwinds to one with a stronger financial position and superior organic growth.
- **Helvetia Baloise**, a Swiss insurer, was sold following a strong run in 2025. The proceeds redeployed into **Fineco**, where we can invest with higher conviction. Helvetia Baloise's announced merger introduced execution risk, and our analysis suggested the investment case was becoming increasingly reliant on synergy realisation and cost reduction to meet profitability targets. By contrast, Fineco benefits from more visible structural growth tailwinds, driven by a compelling customer value proposition and a consistent track record of market share gains.
- **Mapfre**, a Spanish insurer held since the fund's launch in 2013, delivered a strong re-rating from 2020 onwards following an extended period of subdued performance. The position was sold in January, with proceeds deployed into **Partners Group**, a Swiss private markets asset manager. We believe near-term concerns around private credit created a valuation opportunity that undervalued both the strength of the franchise and the sustainability of its returns, while failing to fully reflect the structural increase in client allocation to private markets not captured by valuation.

**PORTFOLIO POSITIONING**

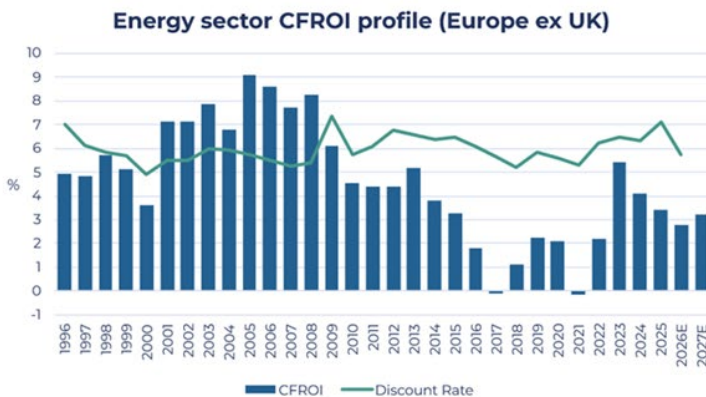
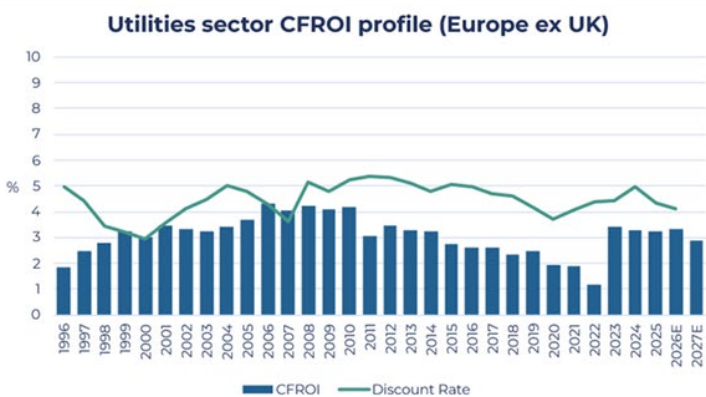
The portfolio's largest overweights relative to the index are in Industrials (overweight +9%), Consumer Staples (+6%), and Financials (+5%), with a smaller overweight in Consumer Discretionary (+2%). We hold no exposure to Materials, Utilities, or Energy – the latter two sectors being structural absentees from our investment universe rather than tactical underweights.



Source: Guinness Global Investors, Factset; data as at 31.03.2026

**Why we don't own Energy and Utilities**

The exclusion of Utilities and Energy reflects a core feature of our process: we seek companies where CFROI has exceeded 8% consistently over the prior eight years. As the two charts below illustrate, neither sector has historically met this bar. The Utilities sector's CFROI profile for Europe ex-UK has rarely exceeded 4% since 1996 and has remained well below the discount rate for virtually the entire period. The picture for Energy is similar on a through-cycle basis. While the sector generated strong returns in the mid-2000s commodity boom, CFROI collapsed post-2014 and turned negative in 2018 and 2021, with forward estimates pointing to a return of only around 3%, again below the cost of capital. In both cases, returns have been structurally insufficient to compound wealth over time.

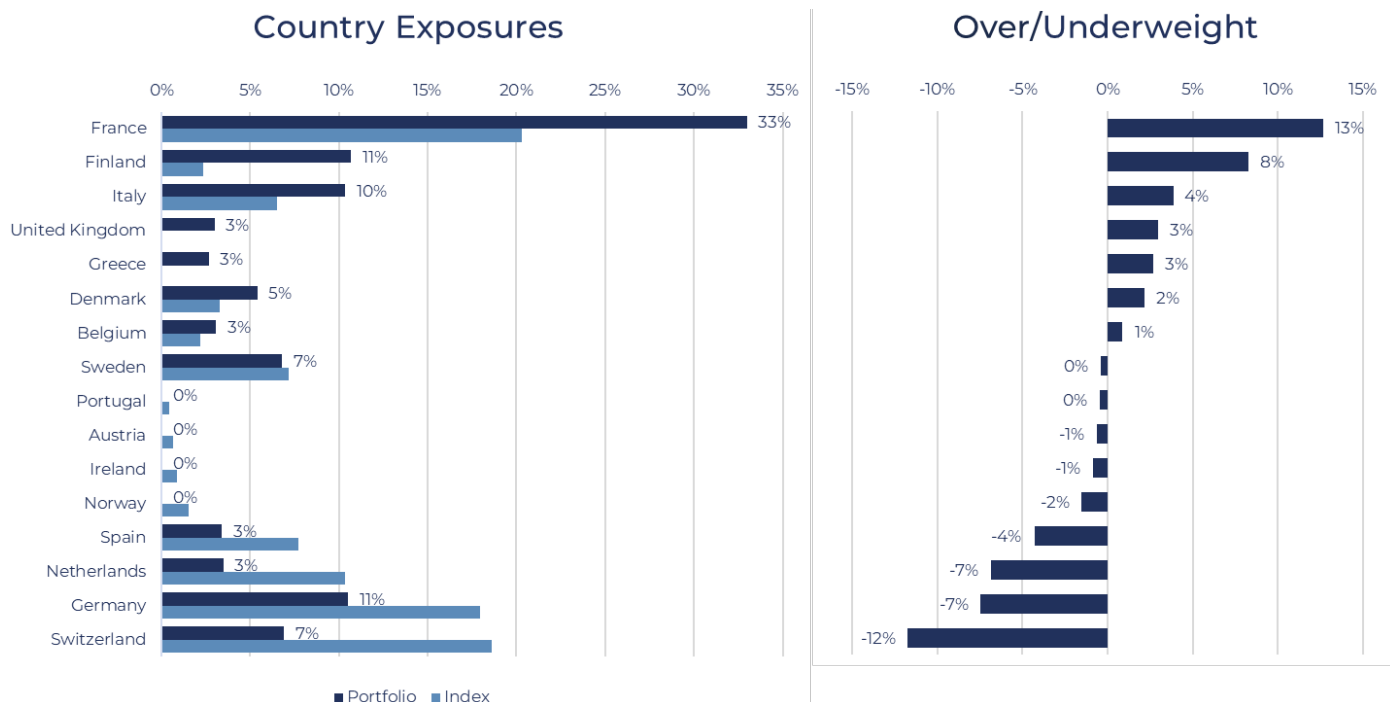


Source: Guinness Global Investors, UBS HOLT; data as of 31.03.2026

We are comfortable accepting periods of relative underperformance when these sectors rally, in exchange for the long-term returns we anticipate by sticking to the discipline of remaining invested in highly cash-generative, high-returning businesses with strong balance sheets.

## Guinness European Equity Income

Country and sector positioning are not managed explicitly. Any overweight or underweight is purely the output of a high-conviction, 30-stock selection process that prioritises quality and valuation. We do not screen by dividend yield; rather, the fund's income, which exceeds the benchmark yield, emerges naturally from owning cash-generative businesses with the financial strength to sustain and grow their dividends over time.



Source: Guinness Global Investors, Factset; data as at 31.03.2026

## OUTLOOK

The environment facing European equity investors entering the second quarter of 2026 is, by any measure, an unusually complex one. The geopolitical shock delivered by the outbreak of conflict in the Middle East in late February and the subsequent disruption to global energy markets has materially altered the near-term macro landscape from the one investors had anticipated at the start of the year. The European Central Bank has warned that a prolonged conflict risks triggering a period of stagflation, putting pressure on energy-dependent economies across the continent. The reversal of expected rate cuts, the sharp rise in energy input costs, and the resulting compression in consumer and industrial confidence have combined to create a more challenging backdrop.

Yet it is worth remembering how the year began. European equities had made a decent start to 2026 on hopes that Europe would be left to focus on itself to improve its competitiveness and that the drag from tariffs would subside. Should the conflict in the Middle East eventually resolve itself, then the market will be able to turn its attention back to Europe's potential. Germany's historic fiscal pivot represented a genuine regime change in European fiscal policy, with meaningful multiplier effects that could broaden out across the continent over the coming years. That story has not gone away. Once the worst of the Iran war is over, positive domestic fundamentals will likely come to the fore again. Germany is likely to react to the current bout of stagflation by speeding up its pro-growth reforms in addition to the ongoing fiscal stimulus, with the butterfly effect being felt across Europe. In addition, the recent victory in Hungary of the pro-European Peter Magyar and his Tisza Party by a landslide somewhat eases the way for the EU by removing a thorn in its side in the form of Viktor Orbán. Orbán has been happy to play the anti-EU card on multiple occasions, and his proximity to Russia and President Putin has been very problematic given his willingness to use Hungary's veto (e.g. against further funding of Ukraine). The end of the Orbán veto removes a key obstacle to closer European cooperation within the framework of the EU, for instance, in the negotiations about the EU's next seven-year financial framework for 2028-2034.

It would, of course, be foolish to try to predict how the current geopolitical environment resolves itself, or what the precise path of energy prices, inflation, and interest rates will look like from here. Markets have rarely rewarded those who attempt

## Guinness European Equity Income

to do so with any consistency. What we can say is that environments of elevated uncertainty and heightened macro volatility have historically been precisely the conditions in which the quality characteristics we seek – persistent high cash returns, strong balance sheets, and the ability to compound through the cycle – prove their worth most clearly. Companies that have the financial resilience to sustain and grow their dividends regardless of what the world throws at them are exactly the kind of businesses we want to own.

The portfolio remains well balanced across quality and value, with exposure to globally leading European companies supported by strong structural growth drivers. The dividend profile of the portfolio is robust: as the FY2025 data demonstrates, the overwhelming majority of our holdings are not only sustaining their dividends but actively growing them, underpinned by strong free cash flow generation and disciplined capital allocation. We believe this combination of a solid and growing income stream, together with exposure to businesses with genuine long-term earnings potential, leaves the strategy well positioned.

The near term may well remain volatile. But we remain patient and positive. We are convinced that investing in high-quality companies at reasonable valuations, with the discipline to hold through periods of uncertainty, continues to be a reliable route to long-term wealth creation. We will continue to work hard to deliver long-term capital growth and a steady, growing income stream, and believe the strategy is well-equipped for all weathers – however changeable the weather may prove to be.

### **Portfolio Manager**

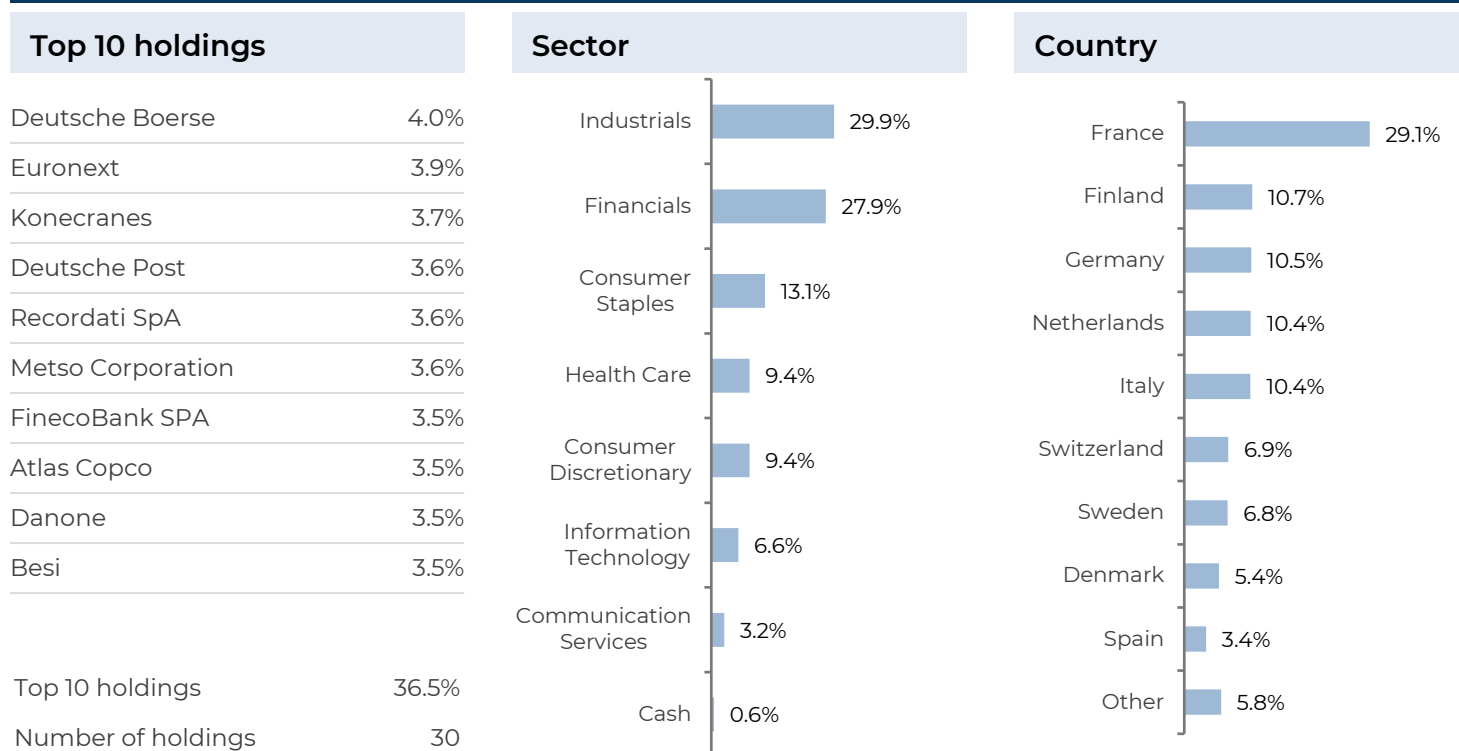
Will James

**GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$117.7m
Fund launch	19.12.2013
OCF	0.77%
Benchmark	MSCI Europe ex UK TR
Historic yield	3.2% (Y GBP Dist)

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

**GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO**



## Guinness European Equity Income Fund

Past performance does not predict future returns.

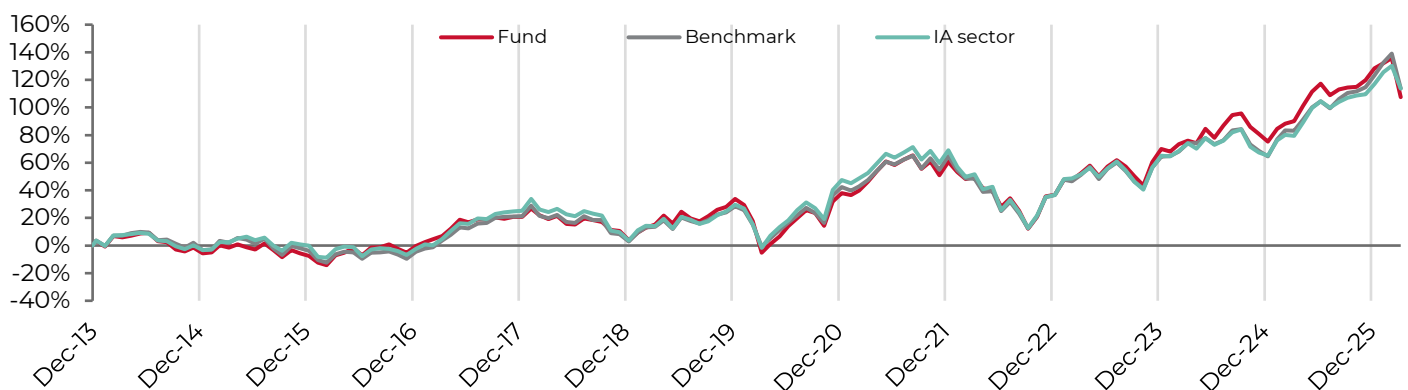
### GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-10.3%	-7.4%	+6.8%	+27.7%	+48.4%	+143.0%
MSCI Europe ex UK TR	-8.8%	-2.3%	+14.8%	+32.5%	+51.8%	+148.8%
IA Europe Excluding UK TR	-8.9%	-3.4%	+12.1%	+27.1%	+41.0%	+130.3%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-12.0%	-9.2%	+9.1%	+36.2%	+41.8%	+123.3%
MSCI Europe ex UK TR	-10.6%	-4.2%	+17.3%	+41.4%	+45.1%	+128.3%
IA Europe Excluding UK TR	-10.6%	-5.3%	+14.6%	+35.6%	+34.8%	+111.3%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-9.8%	-7.4%	+2.3%	+28.4%	+44.6%	+120.4%
MSCI Europe ex UK TR	-8.3%	-2.4%	+9.9%	+33.3%	+48.0%	+125.8%
IA Europe Excluding UK TR	-8.4%	-3.4%	+7.4%	+27.8%	+37.5%	+108.9%

### GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+21.4%	+5.0%	+17.2%	-4.2%	+17.5%	+0.1%	+23.7%	-8.8%	+10.7%	+28.5%
MSCI Europe ex UK TR	+26.2%	+1.9%	+14.8%	-7.6%	+16.7%	+7.5%	+20.0%	-9.9%	+15.8%	+18.6%
IA Europe Excluding UK TR	+22.5%	+1.7%	+14.0%	-9.0%	+15.8%	+10.3%	+20.3%	-12.2%	+17.3%	+16.4%
(USD)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+30.4%	+3.1%	+24.2%	-14.9%	+16.4%	+3.3%	+28.6%	-14.0%	+21.2%	+7.8%
MSCI Europe ex UK TR	+35.5%	+0.1%	+21.7%	-18.0%	+15.7%	+10.9%	+24.8%	-15.1%	+26.8%	-0.6%
IA Europe Excluding UK TR	+31.6%	-0.1%	+20.8%	-19.2%	+14.7%	+13.8%	+25.2%	-17.3%	+28.4%	-2.4%
(EUR)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+15.0%	+10.0%	+20.0%	-9.3%	+25.2%	-5.2%	+31.1%	-9.8%	+6.4%	+10.9%
MSCI Europe ex UK TR	+19.5%	+6.8%	+17.6%	-12.6%	+24.4%	+1.7%	+27.1%	-10.9%	+11.4%	+2.4%
IA Europe Excluding UK TR	+16.0%	+6.6%	+16.7%	-13.9%	+23.4%	+4.4%	+27.5%	-13.1%	+12.8%	+0.5%

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



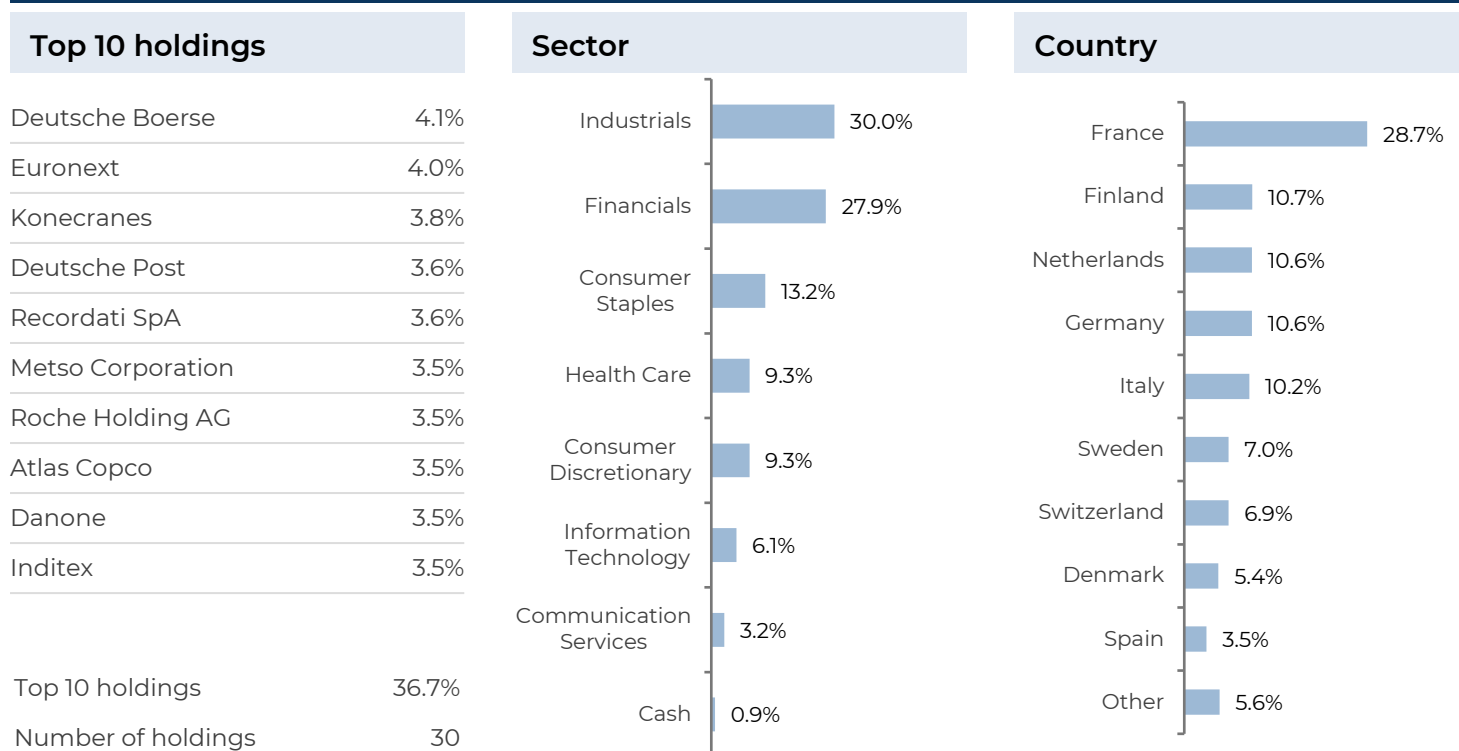
Source: FE fundinfo net of fees to 31.03.26. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF is 0.77%. Returns for share classes with a different 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.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS**

Fund size	£1.3m
Fund launch	30.12.2022
OCF	0.77%
Benchmark	MSCI Europe ex UK TR
Historic yield	3.1% (Y Inc)

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.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO**



## WS Guinness European Equity Income Fund

Past performance does not predict future returns.

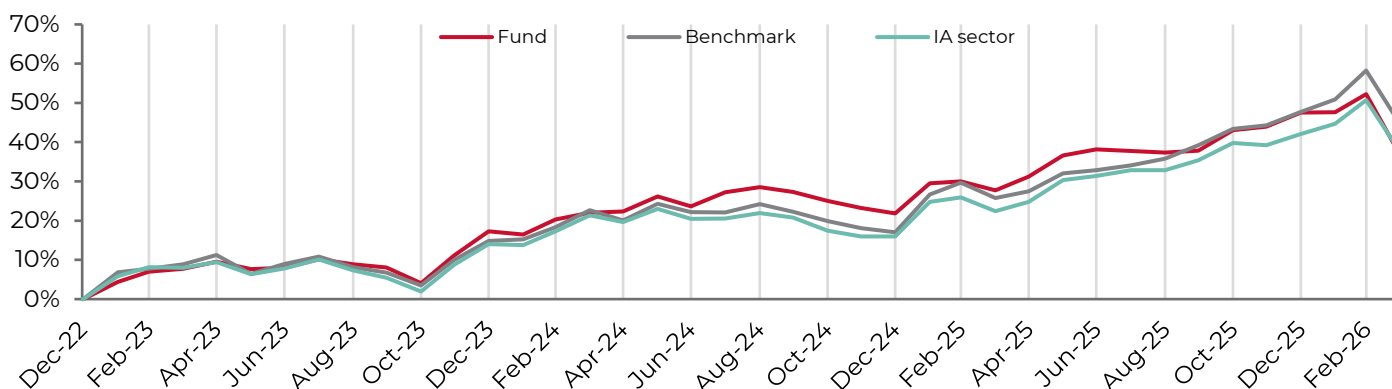
### WS GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-10.3%	-7.5%	+6.9%	+26.7%	-	-
MSCI Europe ex UK TR	-8.8%	-2.3%	+14.8%	+32.5%	-	-
IA Europe Excluding UK TR	-8.9%	-3.4%	+12.1%	+27.1%	-	-

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

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+21.1%	+3.9%	+17.3%	-	-	-	-	-	-	-
MSCI Europe ex UK TR	+26.2%	+1.9%	+14.8%	-	-	-	-	-	-	-
IA Europe Excluding UK TR	+22.5%	+1.7%	+14.0%	-	-	-	-	-	-	-

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



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.

## 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 European Equity Income Fund and the WS Guinness European Equity Income Fund. It may provide information about the Funds' portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on [www.guinnessgi.com](http://www.guinnessgi.com).

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

### GUINNESS EUROPEAN EQUITY INCOME FUND

#### Documentation

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

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

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

#### 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'Île, 1204 Geneva, Switzerland.

#### Singapore

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

### WS GUINNESS EUROPEAN EQUITY INCOME FUND

#### Documentation

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

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

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

#### Residency

This Fund is registered for distribution to the public in the UK but not in any other jurisdiction. In other countries or in circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients.

#### Structure & regulation

The Fund is a sub-fund of WS Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.

Telephone calls will be recorded and monitored.