Guinness Global Innovators

Investment Commentary – April 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 the first quarter of 2026, the Guinness Global Innovators Fund returned -4.5% (in GBP), the MSCI World Index returned -1.6%, and the IA Global sector average return was -2.6%. The Fund underperformed the Index by 2.8 percentage points (pp) and underperformed its peer group average by 1.9pp.

The first quarter of 2026 was marked by a sharp shift in market sentiment due to geopolitical tensions and energy market disruptions. The escalation of the US-Iran conflict drove a surge in oil prices in which Brent crude reached $118 per barrel, its highest level since 2022. This prompted a reassessment of the global monetary policy outlook given concerns around inflation and uncertainties over the prolonging of the conflict. Against this backdrop, equities among other asset classes experienced broad-based corrections as investors struggled for areas of safety.

Alongside the macro turbulence, the quarter saw a meaningful shift in how markets are pricing the long-term AI opportunity. The software sector in particular came under renewed scrutiny. In recent months, the release of models such as Claude Cowork have raised concerns over so-called 'vibe coding': the ability to create applications via natural language prompts which raises the prospect of software becoming increasingly commoditised or even displaced. As a result, the sector has experienced notable weakness, with the S&P 500 Software index trading at a discount to the broader market despite historically commanding a significant premium.

In this commentary, we examine the implications of the current geopolitical environment on market dynamics. We also dive deeper into the software industry weakness to understand whether this reflects a structural shift in the industry landscape and how the market is repricing these companies.

The Fund's relative performance over the first quarter can be attributed to the following:

- Amid the impact of the Iran War, the Fund's zero weight allocation to more defensive sectors such as Utilities (which returned +9.1% in USD) and Consumer Staples (+4.3%) acted as a headwind to performance.
- The Fund's zero weight to Energy (+37.3%), which rallied strongly as higher oil prices and the ongoing conflict drove strong gains in energy stocks, had a similar effect.
- Although the Fund's overweight to the IT sector resulted in a negative allocation effect, this was offset by strong stock selection in the sector, particularly from our wafer fabrication equipment (WFE) holdings. Applied Materials (+33.2%), Lam Research (+25.0%) and KLA (+21.3%) had a strong quarter driven by continued demand for their equipment as part of the AI build-out. In contrast, the MSCI World Semiconductor industry index returned -0.7% over the quarter.

It is pleasing to see the strategy in the top quartile versus the IA Global Sector over the longer time frames of 10, 15 and 20-year periods, as well as since the launch in 2003.

Past performance does not predict future returns.

Cumulative % total return in GBP to 31st March 2026	YTD	1 year	3 years	5 years	10 years	15 years*	20 years*	Launch*
Guinness Global Innovators	-4.5	14.5	52.7	62.1	292.7	620.9	913.6	1502.4
MSCI World	-1.6	16.4	49.3	70.6	232.6	408.5	509.9	874.7
IA Global (average)	-2.6	13.4	32.1	39.4	164.8	254.1	318.4	611.6
IA Global (ranking)	**	251/568	57/497	120/437	7/266	2/161	1/103	1/79
IA Global (quartile)	**	2	1	2	1	1	1	1

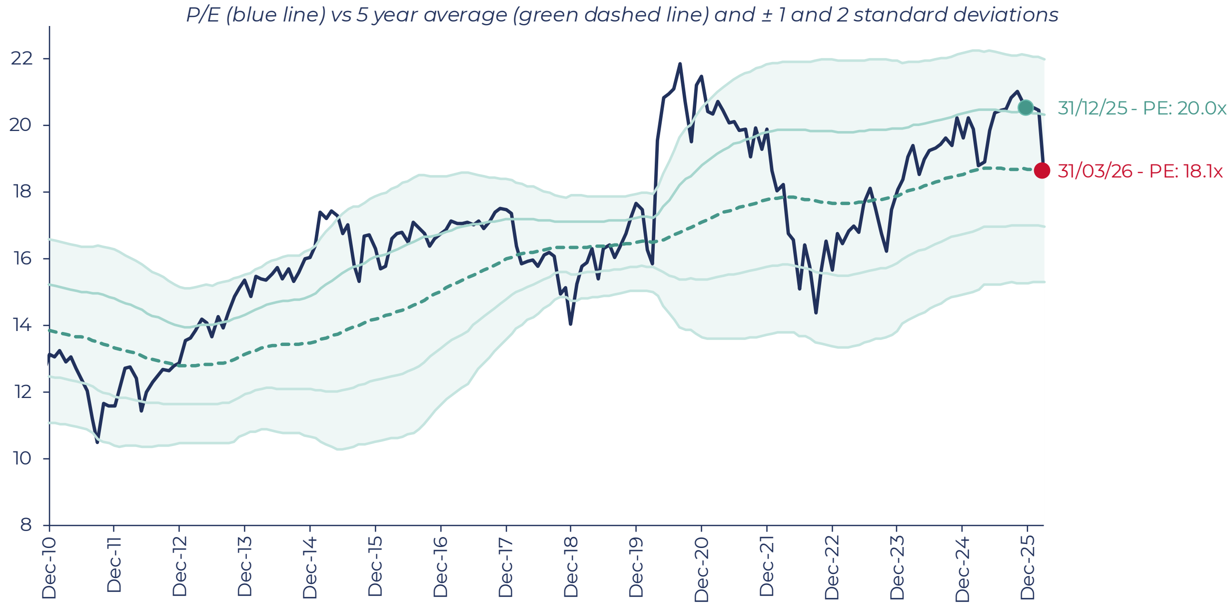
Source: FE fundinfo. Net of fees. Data as of 31st March 2026.
**Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01/05/2003.*
***Ranking not shown in order to comply with European Securities and Markets Authority rules*

QUARTER IN REVIEW

In January and February, persistent geopolitical tensions, policy uncertainty, and a fundamental re-evaluation of software disintermediation risk resulting from AI fuelled a high level of market volatility, but global equity markets still trended positively to reach all-time highs. Investors rotated away from growth, cyclicals and software names in particular into international (ex-US) markets, value, and 'physical economy' assets. In the final month of the quarter, conflict in the Middle East triggered a severe energy shock, reignited inflation and growth fears, brought a change in market leadership and drove a broad-based rerating of the benchmark. From peak to trough (25th February to 30th March) the MSCI World Index produced a total return of -8.8% in USD terms. Over the quarter, valuation multiples compressed significantly, with the MSCI World's price to earnings (P/E) ratio (1-year forward) falling around 10% since the end of 2025 (from 20.0x to 18.1x). It is worth noting, however, that the year began from an elevated starting point (the green dot in the following chart), with valuations more than one standard deviation above their five-year average. At the end of the quarter, valuations had largely normalised and are back in line with historical levels (red dot).

P/E Ratio (1 year fwd): MSCI World Index

P/E (blue line) vs 5 year average (green dashed line) and ± 1 and 2 standard deviations

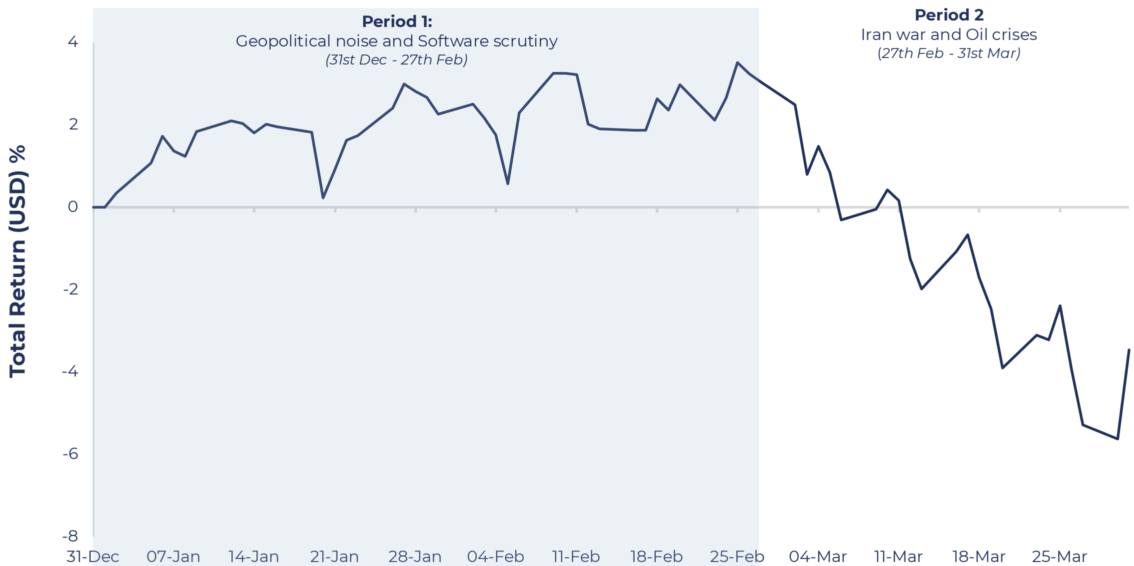


Source: Bloomberg, Guinness Global Investors. Data 31.12.2010 – 31.03.2026

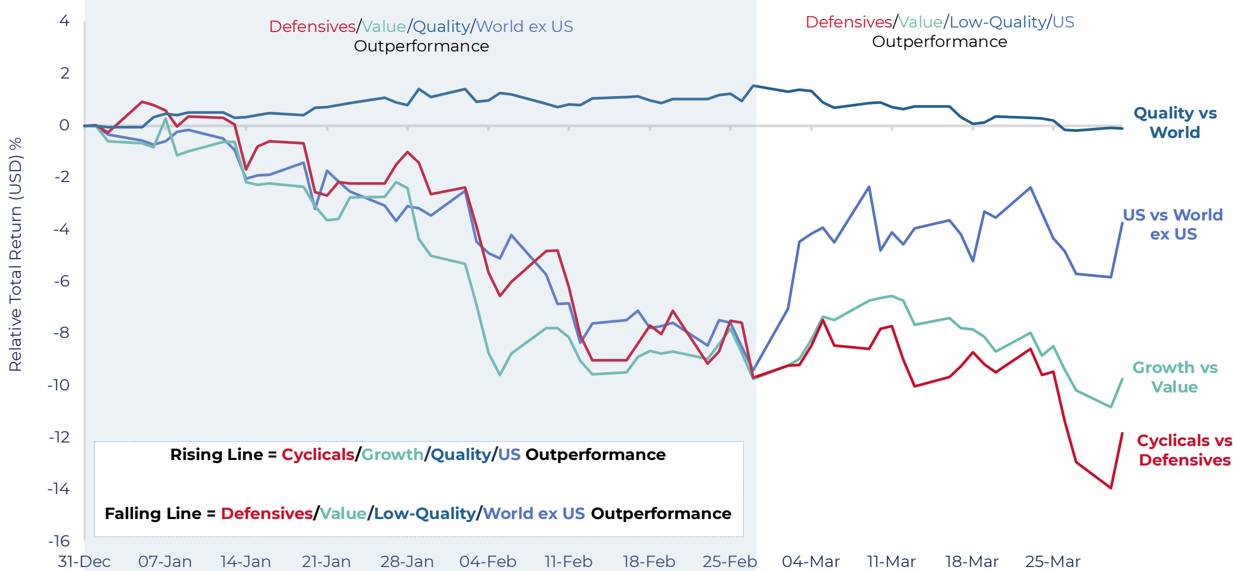
The quarter is best understood in two periods distinguished by a clear inflection in market leadership, sentiment, and the dominant macro drivers.

MSCI World Indices - Total Return

Q1 2026



MSCI World Indices - Relative Performance



Source: Bloomberg, Guinness Global Investors. Data 31.12.2025 – 31.03.2026

Period 1: Geopolitical Noise & Software Dynamics (January – February)

Markets digested significant macro news flow over January and February, contending with regime uncertainty in Venezuela following US forces' capture of Nicolás Maduro, continued demands from President Trump that the US "must have" Greenland (by force if necessary, putting strain on the NATO alliance), subsequent threats of tariffs on European countries who opposed these plans, US threats of 100% tariffs on Canada should it follow through on a trade deal with Beijing, and spiking Japanese yields on the prospect of fiscal stimulus and already elevated debt levels. Trade tensions were somewhat eased at Davos, but inevitably a high level of macro noise resulted in divergent regional, sector and factor performance over the period.

Despite these risks, global equities (as measured by the MSCI World Index) climbed to all-time highs, led by international (ex-US) stocks. Although it produced positive returns, the US underperformed as investors rotated away from US mega-caps (every Magnificent Seven stock underperformed the MSCI World) and AI-exposed software names. The global software industry came under immense pressure during the period, falling -21% over the first two months of the year, reflecting a structural reassessment of software business models in the age of AI. Investors' key concerns include the risk of enterprises building AI tools in-house (dubbed 'DIY risk'), intensifying competition from AI-native startups, existential headwinds to seat-based pricing as AI agents replace human users, and fundamental shifts in software architecture that could render legacy platforms obsolete. The market instead rotated towards 'HALO' stocks – Heavy Assets, Low Obsolescence – or 'physical economy stocks', prioritising companies perceived to possess a level of natural immunity to AI-driven technological disruption.

Whilst equities reached all-time highs, this was anything but a broad-based rally. Instead, the period was defined by a sharp and deliberate rotation away from US growth, mega-caps and software and into more defensive areas of the market alongside value and international equities – and more AI-immune HALO stocks in particular.

Period 2 - The Iran War & Energy Crisis (March)

Market sentiment and leadership shifted swiftly at the end of February when American and Israeli strikes on Iran triggered a rapid escalation into a wide-ranging regional conflict in the Middle East, including retaliatory Iranian strikes on Saudi Arabia, the UAE, and Qatar. As the conflict broadened, an effective closure of the Strait of Hormuz – through which approximately one fifth of global oil and liquefied natural gas (LNG) flows – resulted in upheaval in energy and freight markets globally. Brent crude oil surged from $72 a barrel to $118 by the end of March, freight costs (the WCI Composite Container Freight Benchmark) jumped 20% quarter-on-quarter as carriers diverted from the Middle East, and Qatar's LNG production halt sent European gas prices up nearly 50%.

Markets have been weighing the long-term implications of a drawn-out conflict. In particular, the energy shock has increased the risk of a stagflationary environment – the combination of rising inflation and slowing growth. The rising cost of energy, a ubiquitous input, has heavily dented confidence in the outlook for inflation, which is already at elevated levels relative to central bank targets. Economic growth expectations have also come under pressure given weak numbers in the US jobs market, falling business output expectations and weakening consumer confidence. With stagflation at the top of mind, this has had a material effect on central banks' scope for further monetary easing. Before the war, markets implied an expectation of around two 25-basis-point interest rate cuts in the US for 2026; this fell to near zero by month-end. In Europe, the contrast was even more stark: before the war, markets priced in a c.50% probability of one rate cut in 2026; by month-end they implied three rate *hikes*.

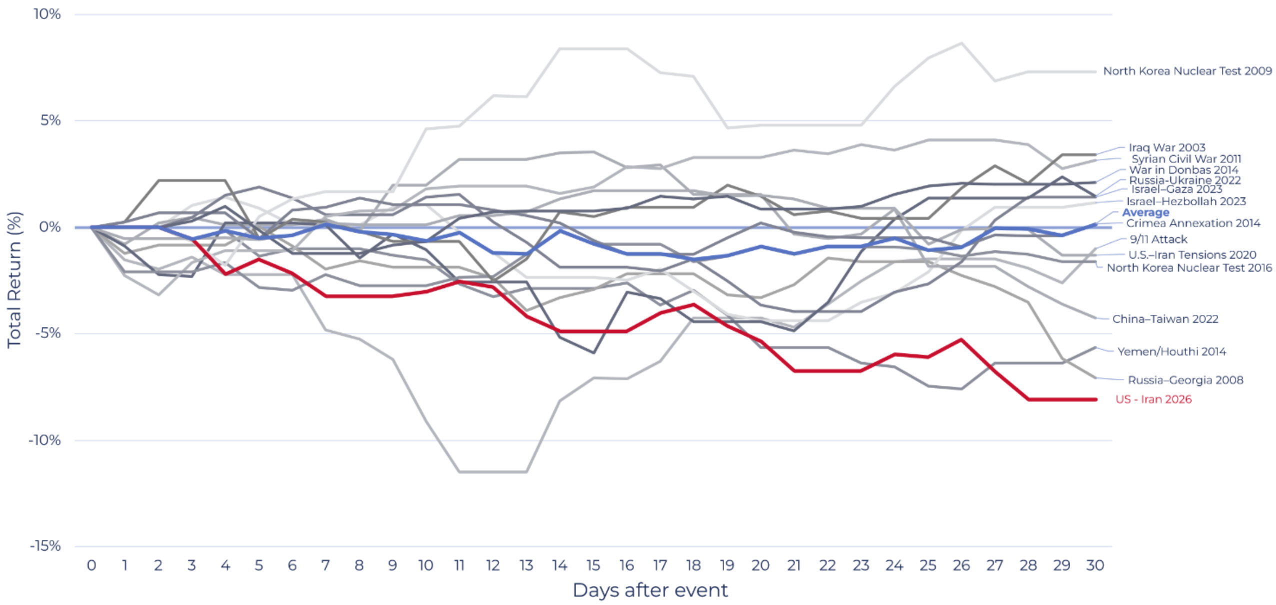
With bond yields rising sharply as a result, and gold failing to provide its typical safe-haven status, investors have had few places to hide. Bank of America's recent fund manager survey showed that, during March, investors piled into cash at the fastest rate since the Covid-19 pandemic. Defensives continued to outperform cyclicals in the risk-off environment, and rising rate expectations contributed to growth underperformance relative to value, but by country, US stocks began to outperform again, with many net importers of energy (particularly in Asia) selling off harder than the rest of the world.

Market reactions to the Iran War

The conflict that was a geopolitical tail risk in February crystallised into the defining macro event of the quarter. On Saturday 28th February 2026, the US and Israel launched joint surprise airstrikes on sites across Iran, killing Supreme Leader Ali Khamenei and several other senior officials. Iran responded with retaliatory missile and drone strikes against US bases and Gulf states hosting American forces. What markets had been nervously pricing as a low-probability scenario had arrived.

From the first day of each of the major geopolitical conflicts this century, the MSCI World's average 30-day total return has hovered close to zero, with most conflicts resolved into modest recoveries within a month. The Iran War episode is a clear outlier, as shown by the chart below.

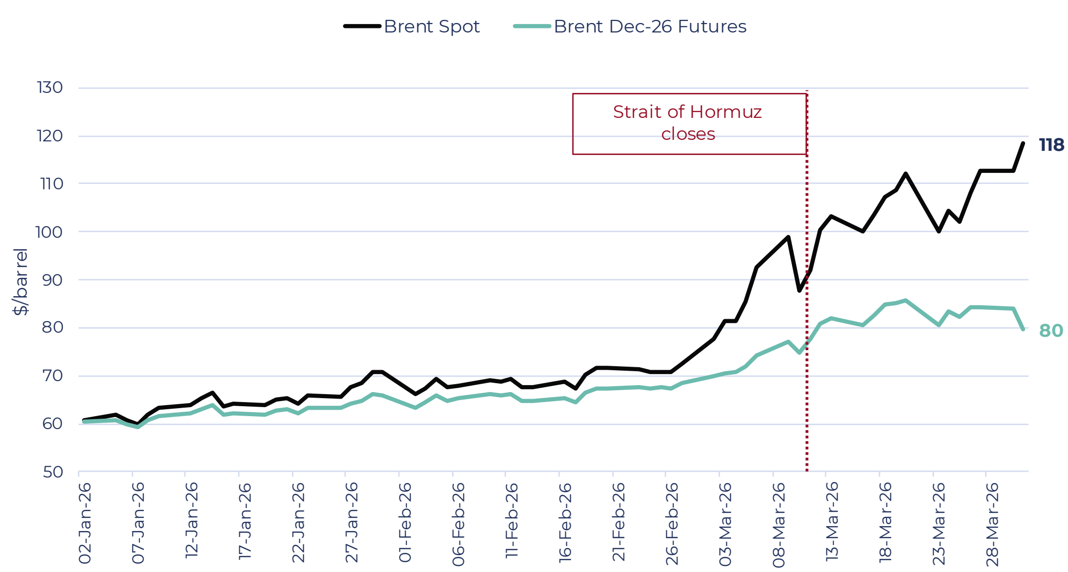
MSCI World 30 day Total Return Post Major Global Conflict Events, Century to date



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

What distinguishes this conflict from most of its predecessors is the direct disruption to global energy supply. Brent crude rose nearly 50% during March alone, the largest monthly rise since May 2020, with intraday spot prices briefly touching $120 per barrel before settling at $118 at month-end (although prices shifted significantly in early April). The chart below shows the spot and December 2026 futures prices for Brent since the start of the year. Interestingly, since the start of the conflict, Brent spot prices have risen 63%, whilst December 2026 futures have increased by 16%. The gap between the two suggests markets view the current disruption as largely temporary, while still pricing in some degree of lasting structural damage to supply.

Markets currently see oil supply disruptions as more temporary than permanent

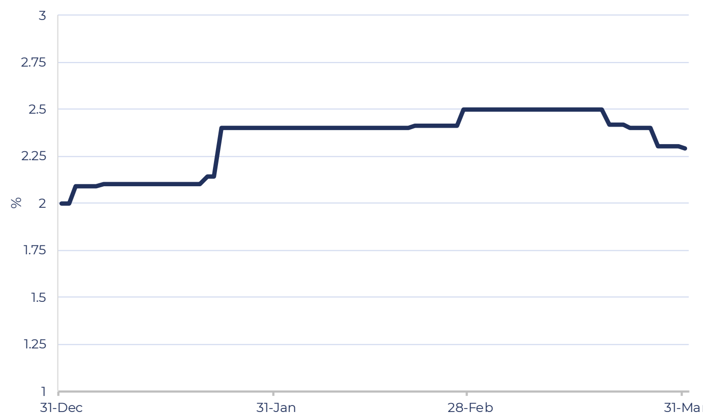


Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

Persistently elevated oil prices can weigh on global economies through several channels. The most direct is inflation: energy is a foundational input cost for businesses and households alike, and a sustained rise in oil prices feeds through into broader price pressures. Central banks facing this dynamic are caught in a difficult position. Raising rates to contain inflation can risk choking off growth, whereas a looser approach on interest rates can lead to price pressures becoming entrenched in the economy.

US 2026 CPI Consensus Forecast (%)

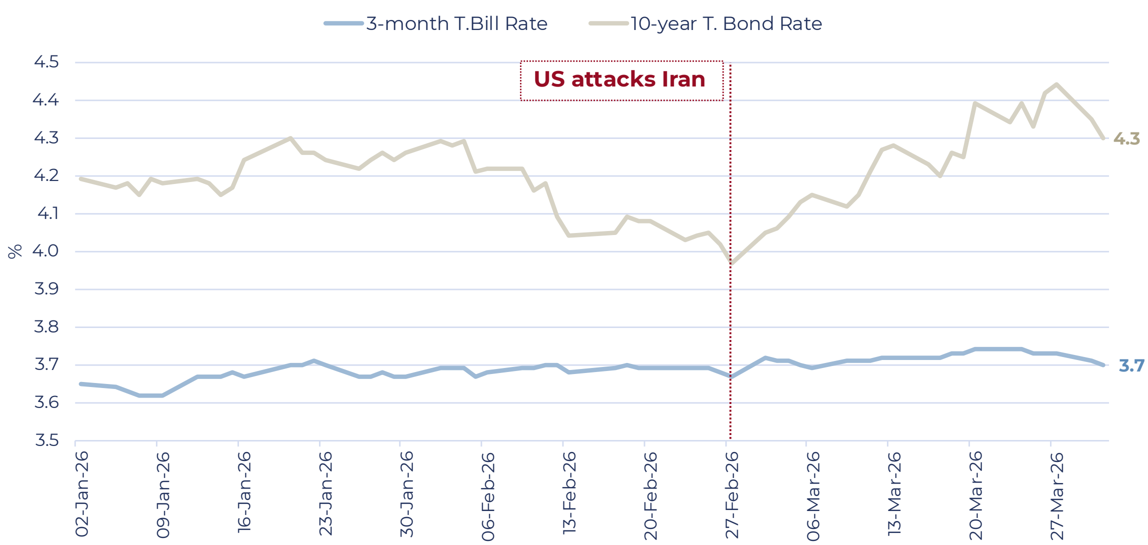
US 2026 GDP Consensus Forecast



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

Ahead of the official inflation prints, US government bond markets offer a real-time window into where inflation expectations are heading. As depicted in the chart below, the three-month Treasury bill rate has remained relatively stable since the start of the conflict, moving from 3.67% on February 27 to 3.70% on March 31, whereas the 10-year rate has jumped significantly, reaching 4.30% by month-end. Out of the two drivers of interest rates, expected inflation and expected real growth, it is likely that the market is pricing in a persistent increase in inflation. One could also argue that the Federal Reserve will be forced to raise rates, but according to the stable three-month Treasury bill rate, this doesn't seem to be what markets are currently expecting. With 10-year yen and euro rates also up through the month, it appears that higher inflation expectations are shared across currencies and countries.

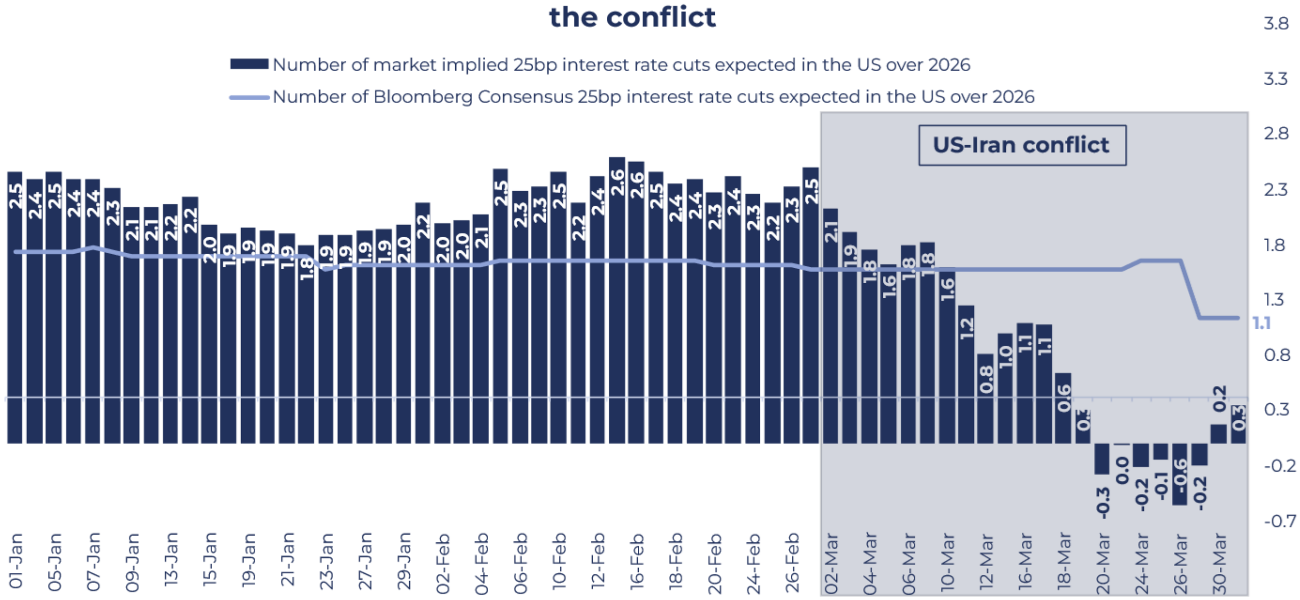
The 10-year US Treasury Bond Rate has climbed up since the start of the conflict



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

Looking at forward market expectations, we can see that sentiment towards US monetary policy has notably changed since the beginning of the conflict. Before the conflict began, the implied rate from forward markets was 2.5 interest rate cuts of 25 basis points in 2026, whereas this number had dropped to 0.3 cuts by the end of March, as shown by the dark blue bars in the chart below. In stark contrast, however, economists were still expecting one interest rate cut during 2026 (shown by the light blue line) by the end of March.

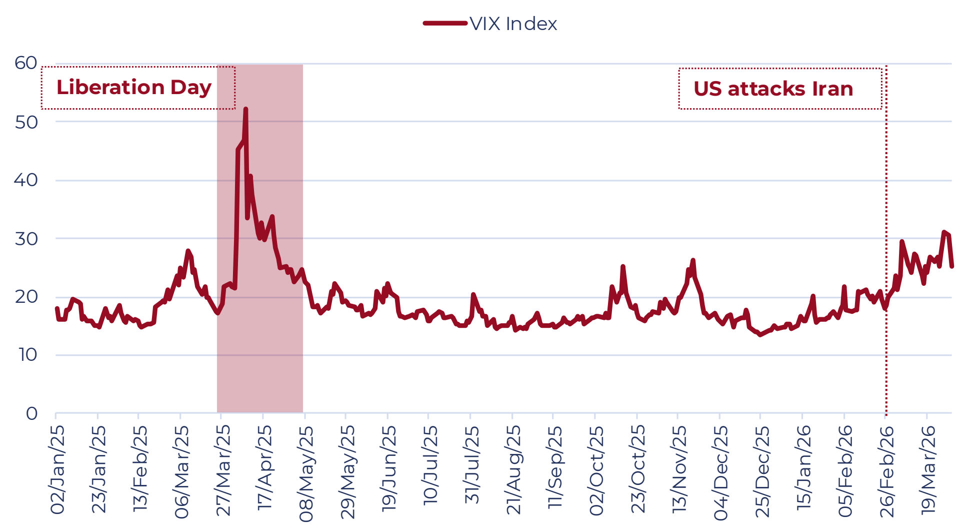
Interest Rates Economist Forecasts have barely budged since the start of the conflict



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

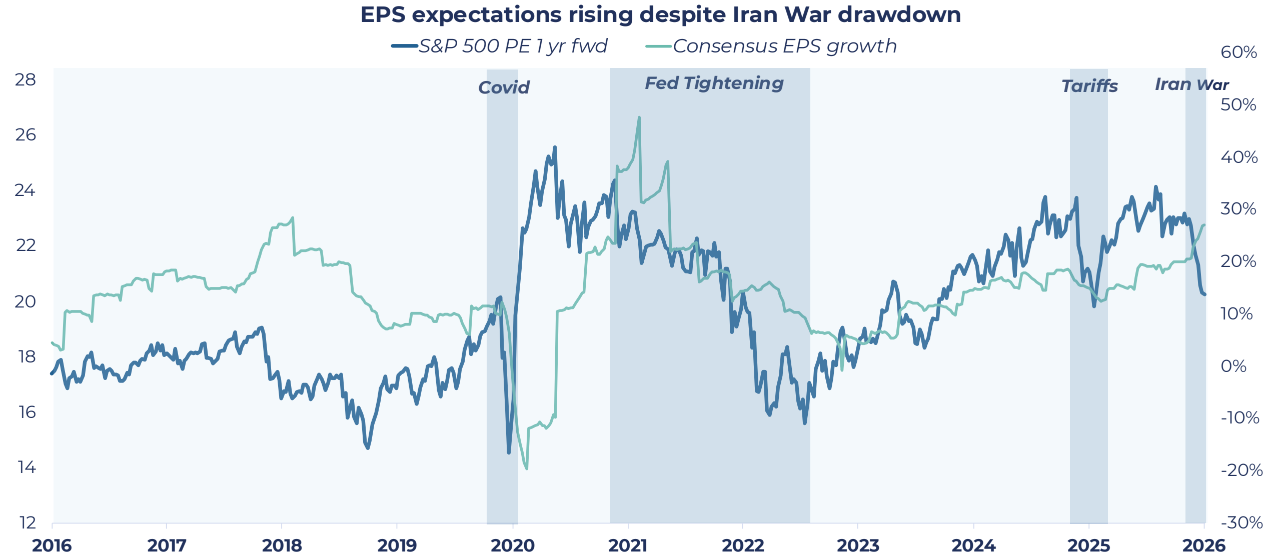
This uncertainty around future oil prices, interest rates and growth has manifested itself in elevated volatility in equity markets. The chart below shows the performance of the VIX Index, which measures the market's expectations for 30-day forward-looking volatility for the S&P500 Index, from the start of 2025 until the 31st of March 2026. The VIX Index spiked following the US attack in Iran, but volatility levels remained well below Liberation Day levels of early April 2025.

Equity market volatility has spiked, but remains well below 'Liberation Day' levels



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

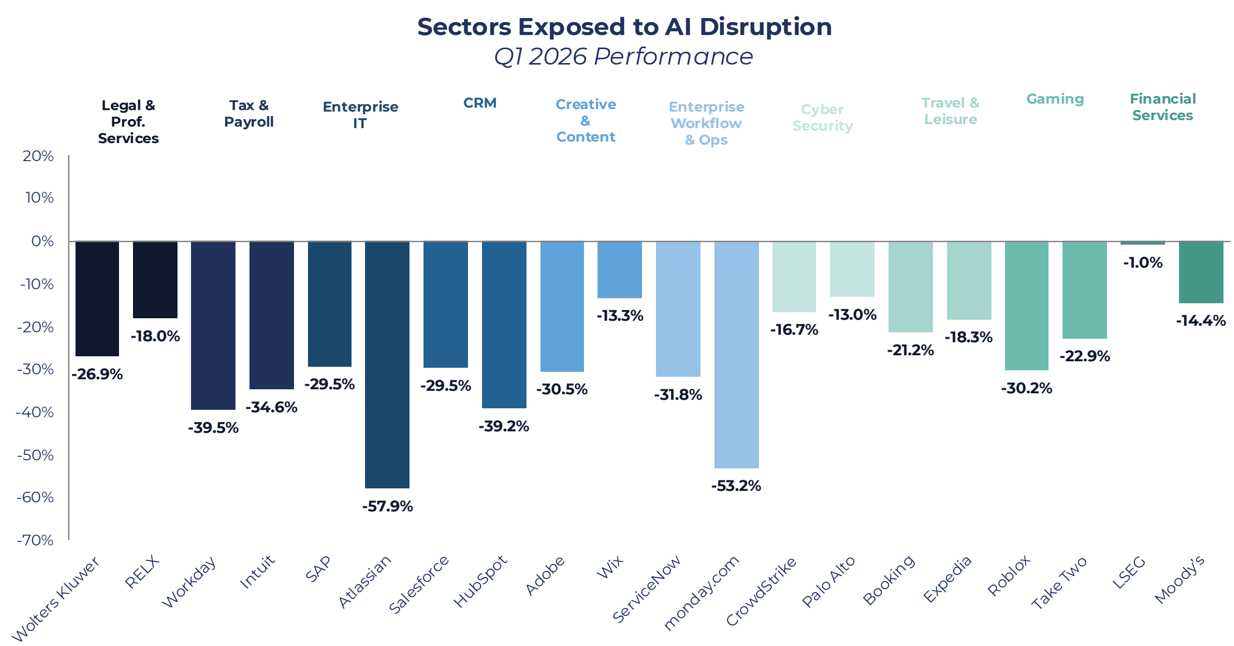
Despite the sharp drawdown in equities following the escalation of the Iran War, markets continue to signal resilience in underlying earnings expectations. As shown in the chart below, while the S&P 500 1-year forward P/E has pulled back notably, S&P 500 consensus earnings growth has remained broadly stable and even trended higher. This marks a clear departure from prior drawdowns, such as Covid, last year's Liberation Day tariff shock, and the Federal Reserve's tightening cycle, where equity market weakness was accompanied by a deterioration in earnings expectations. Instead, consensus expectations suggest the market is anticipating a solid upcoming earnings season even with the geopolitical shock. That said, we remain watchful for upcoming earnings as companies begin to face rising input costs, supply chain disruptions, and other second-order effects stemming from the conflict.



Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2026

The 'SaaS-pocalypse'

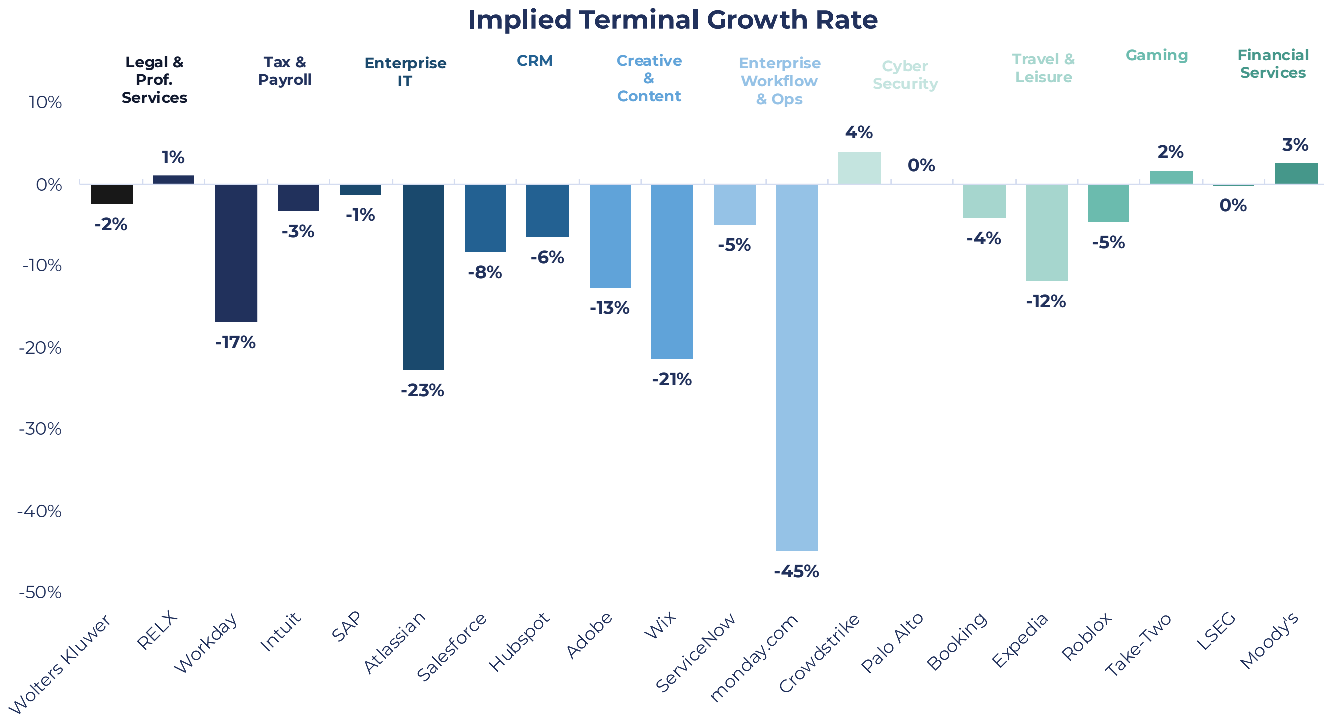
Over Q1, a sequence of high-profile AI product launches, including Anthropic's Claude Cowork – capable of generating spreadsheets from screenshots, drafting reports from raw notes, and automating legal workflows – have prompted a major reversal in sentiment over software-as-a-service companies, with many commentators now asserting that these software-as-a-service (SaaS) firms are effectively 'dead.' This shift was not driven by deteriorating near-term fundamentals – in fact, fundamentals remain largely intact – but rather reflects the market's attempt to reprice structural uncertainties and the more credible threat that AI now poses to the software industry. As these technologies evolve, they may alter how software is developed, delivered, and consumed, introducing new competitive pressures and lowering barriers to entry. Tools such as Claude Cowork exemplify this transition, enabling individuals to design and implement workflows with far greater ease, which in turn could diminish the traditional reliance on externally provided software solutions. In reassessing this risk, markets have been unforgiving, with software and adjacent AI-exposed sectors experiencing widespread drawdowns, some exceeding 50%, and the broader software index declining by more than 20% since the start of the year.



Source: Guiness Global Investors, Bloomberg. Data as of 31.03.2026

Is SaaS really dead?

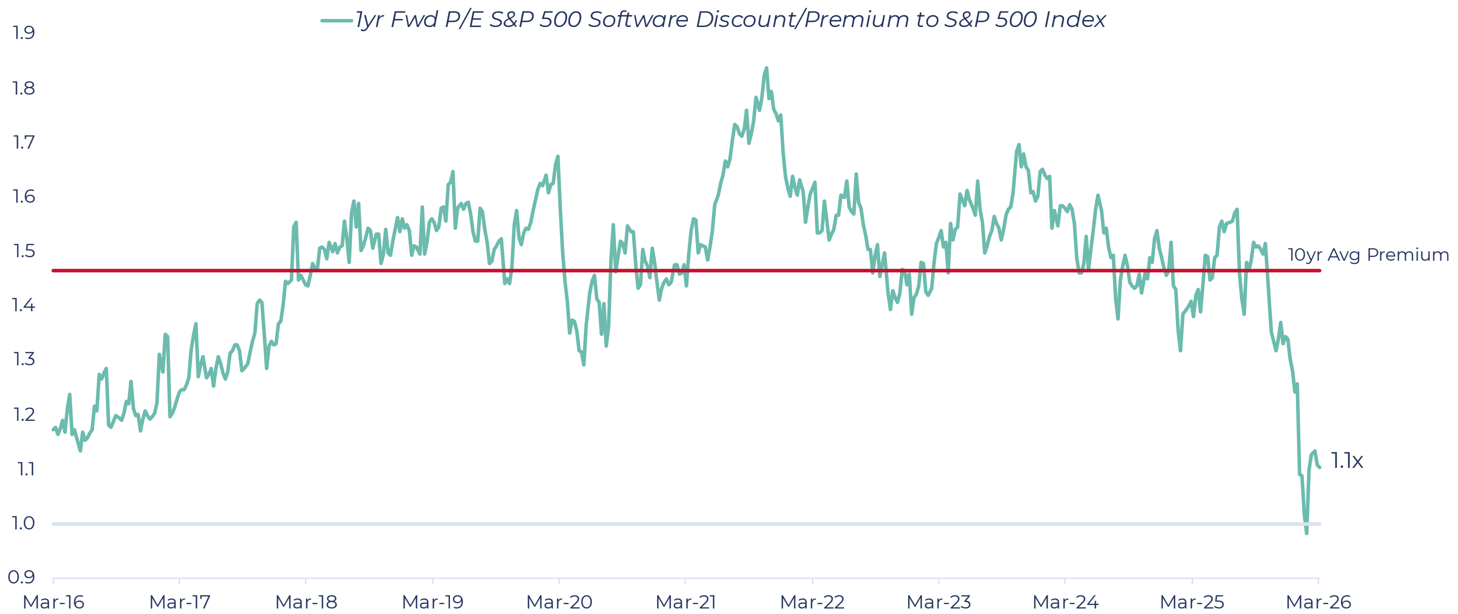
At the core of the sell-off is a growing concern that the traditional SaaS model, built on seat-based pricing, workflow-specific applications and high switching costs, may be structurally challenged by the emergence of more capable, agentic AI systems. The rise of 'vibe-coding', whereby users create applications with natural language prompts, has triggered fears that barriers to software creation are weakening, potentially commoditising elements of the SaaS stack. Further, product releases, particularly from firms such as Anthropic, have highlighted the ability to create autonomous agents capable of completing end-to-end tasks rather than incremental productivity tools. If AI can generate reports, build spreadsheets, or execute workflows directly from unstructured inputs, the need for dedicated software interfaces may diminish. These concerns are increasingly reflected in market pricing. Implied terminal growth rates have compressed sharply for many software companies, including the enterprise workflow company Monday.com, with markets now pricing an implied terminal growth rate of less than -40% for the company.



Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2026

As well as growth rates, investors are also questioning the durability of pricing power and the longevity of product cycles. Taken together, this has led to a material compression in valuation multiples, with the premium of software relative to the broader market falling well below historical averages. As shown in the chart below, the S&P 500 Software index briefly traded at a discount to the broader S&P 500 in Q1, in the first such occurrence in more than a decade and a sharp deviation from its long-term average premium. Historically, software has commanded this premium due to its superior growth profile, recurring revenue models, and strong pricing power, all of which supported greater visibility and durability of cash flows relative to the broader market.

S&P 500 Software traded at a discount to broader Index in Q1



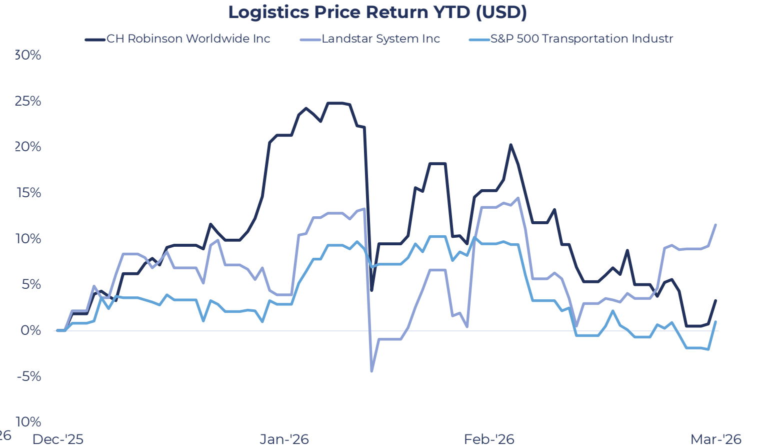
Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2026

Fickle markets

Whilst the threat of AI-driven disruption is clearly possible, markets have at times appeared overly reactive in attempting to price the real-world impact. In February, a little-known karaoke-machine company turned AI start-up, Algorhythm, issued a press release claiming its software could eliminate 30% of trucking journeys lost to empty runs. This triggered a sharp sell-off across logistics and freight stocks, with approximately $17.4bn erased from the market capitalisations of including CH Robinson, Landstar and JB Hunt.

Algorhythm Price Return YTD (USD)

Logistics Price Return YTD (USD)



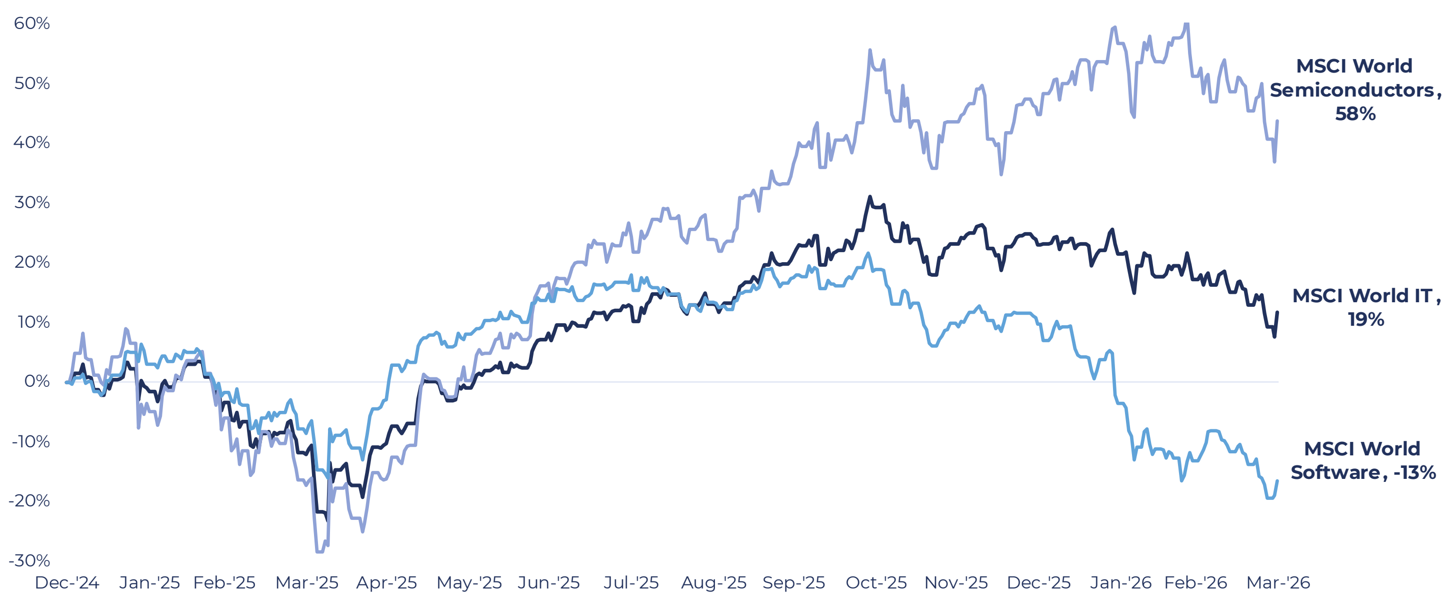
Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2026

Following this, Algorhythm's CEO admitted the calculation was intended to be illustrative, and the notion that these global logistics companies would hand over commercially sensitive data to enable this was highly improbable. However, markets were reacting as if this were the case. The same pattern repeated when Altruist, a private fintech, announced an AI tax planning tool. Wealth management stocks, including companies like Charles Schwab, dropped materially. These are only two examples of increasingly common market reactions to AI news flow.

Technology bifurcation

A defining feature of this quarter has been the stark underperformance of software relative to other parts of the technology sector, notably semiconductors. Since late 2025, the MSCI World Software Index has lagged both the broader IT and semiconductor indexes significantly, with the bifurcation widening further into Q1 this year.

MSCI World IT: Semiconductors vs Software Price Return (Jan-25 - Mar-26) (USD)



Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2026

Especially in the first two months of the quarter, markets were rewarding companies tied to the 'picks and shovels of AI' where demand visibility is stronger than downstream software names. The semiconductor industry has so far been one of the major beneficiaries of the data centre build-out as hyperscalers continue allocating increasing amounts of capital towards cutting-edge chips. Interestingly, memory has been a particular bright spot, with Micron, SK Hynix and recently-listed Sandisk seeing meaningful share price appreciation as demand for high-bandwidth memory, which is essential for AI training and inference workloads, continues to outpace supply. In contrast, software is increasingly viewed as a potential victim of disruption rather than a beneficiary. This divergence has created an unusual dispersion, where investors are simultaneously bullish on AI as a theme while bearish on large swathes of the software layer that historically captured a significant share of technology profits.

How should long-term investors consider AI's threat to software?

The extent to which AI poses a structural threat to software remains an open question, but it is clearly shaping current market weakness. On the one hand, there is a genuine bear case. AI, particularly in an agentic form, raises the prospect of software becoming increasingly commoditised or even displaced. Agentic AI introduces a new computing layer that can sit between users and applications, executing tasks autonomously without requiring direct interaction with traditional software. In such a scenario, automation could structurally reduce the number of end users, and seat-based monetisation becomes structurally challenged as fewer human users are needed per unit of work, and software risks being abstracted away into commoditised back-end functionality.

On the other hand, there are important constraints on this narrative. AI systems remain probabilistic and lack the determinism, auditability and regulatory compliance required for many mission-critical workflows. In many industries, such as payroll software, where accuracy and accountability are key, traditional software retains a clear advantage. Moreover, incumbent platforms benefit from deep integration, proprietary data and embedded network effects, all of which are difficult to replicate. Further, many software companies have been quick to defend their products, with many seeing advancements in AI as a source of opportunity rather than threat.

What are companies saying?

SAP: "AI raises the bar for secure updates, telemetry-driven improvement, and shared controls – all strengths of mature SaaS. AI agents don't replace enterprise software. They rely on it." – *CEO Christian Klein*

Intuit: "Companies like Anthropic look to the partnership with us because at the end of the day, they see and understand that this is a business that comes with a lot of liability and LLMs can't just create the platform that we've created overnight." – *CEO Sasan Goodarzi*

ServiceNow: "You need AI plus workflows because AI is probabilistic, which by definition means we can't be certain about the results. ... AI doesn't replace enterprise orchestration. It depends on it. It depends on governance; it depends on scale." – *CEO William McDermott*

LSEG: "AI is a tailwind here, too, as more data consumption drives more insights, leading to more trading volumes and ever-growing demand for risk management. So, our positioning is strong, and our strategy is working." – *CEO David Schwimmer*

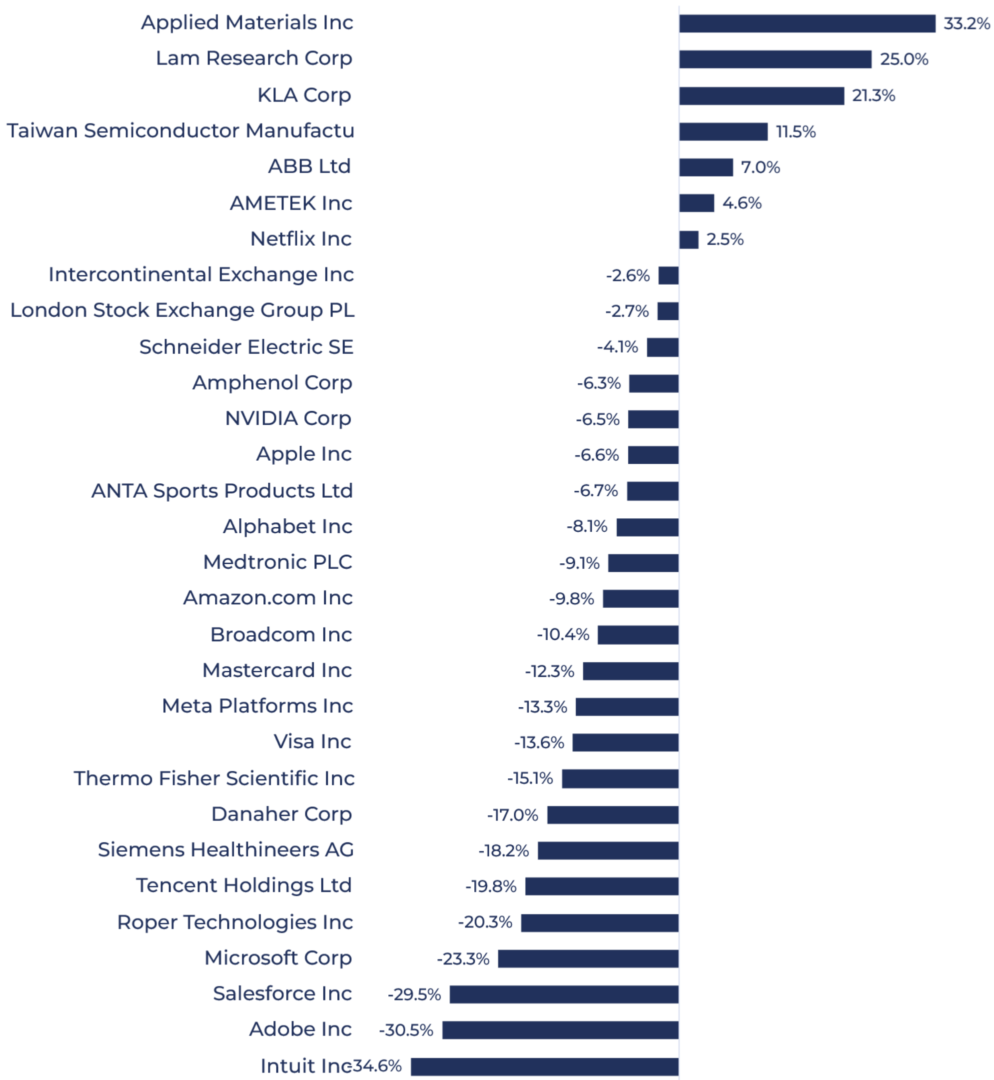
Salesforce: "And if there is a SaaSpocalypse, I think it might be being eaten by the SaaSquatch [a play on Sasquatch, a mythical creature also known as Bigfoot] because there are a lot of companies using a lot of SaaS because SaaS just got a lot better with Agents as a Service." – *CEO Marc Benioff*

Our thoughts on AI's threat to software

As we continue to assess the risk, in our view, it is clear that AI is unlikely to uniformly destroy software, but rather to redistribute value across the technology stack. While standalone applications may face margin pressure, platforms that successfully embed AI capabilities could further entrench their competitive position. Though incumbent software vendors still benefit from durable moat drivers, such as customer-specific workflow knowledge, proprietary data, and high switching costs, it remains unclear how both consumers and enterprises will ultimately integrate AI into their daily operations, and whether these technologies will alter existing software models or meaningfully displace them over time. At the same time, the pace of change across the ecosystem is accelerating rapidly, driven by continuous improvements in large language models alongside the emergence of new, more powerful semiconductor architectures. We are actively monitoring these developments.

STOCK PERFORMANCE

The chart below shows the portfolio constituents' returns over Q1 2026 in USD.



Source: Guinness Global Investors, Bloomberg, as of 31st March 2026

Applied Materials (+33.2% in USD)
Applied Materials was the Fund's top performer in the quarter thanks to an excellent quarterly earnings print. Results and forward commentary pointed to a clear inflection in growth beginning in the second half of FY 2026, highlighting the firm's significant exposure and leading role in the global AI infrastructure build-out. Applied Materials is the broadest player in front-end, process control and advanced packaging manufacturing and remains well positioned to capture share as chipmakers invest in the full range of semiconductor manufacturing processes. Although headline revenue declined 2.1% year-on-year due to difficult comparators as a result of China normalisation and lumpy orders from Taiwan Semiconductor Manufacturing, this was comfortably ahead of expectations and at the top end of management guidance. Adjusted earnings per share were flat year-on-year but also beat consensus, supported by stronger-than-expected revenue and solid margin execution. Importantly, underlying demand trends were notably stronger than the headline numbers suggest.

Management's commentary highlighted that AI was approaching a "tipping point" where the race for higher performance and energy efficiency is funnelling unprecedented investment into leading-edge logic, high-bandwidth memory, and advanced packaging – all areas where Applied Materials maintains a process equipment leadership position. Despite management indicating that the first half will remain relatively soft, a meaningful inflection is expected in the second half, with equipment sales projected to grow more than 20% in 2026. This implies the potential for second-half systems revenue growth of roughly 30-40% year-on-year, bringing Applied Materials' growth outlook broadly in line with peers such as KLA and Lam Research, which are also held within the Fund. Management's decidedly upbeat tone was underpinned by a sharp acceleration in customer orders, particularly in leading-edge foundry/logic and DRAM, but even more encouraging was the outlook. Capacity is effectively sold out for 2026, providing unusually strong visibility for a business with historically short lead times. To prepare for this demand, the company has nearly doubled its system manufacturing capacity over the past few years and proactively increased its inventory by nearly $500 million year-on-year to support 2026–2027.

Lam Research (+25.0%)
Lam Research also performed strongly in the quarter. Lam is a leading semiconductor equipment manufacturer providing wafer fabrication equipment (WFE). In supplying the highly specialised tools need to manufacture advanced chips, Lam sits at the heart of the semiconductor value chain. As demand for AI, high-performance computing, and datacentre infrastructure has accelerated, foundries and integrated device manufacturers have responded with record levels of capital expenditure, driving a strong upcycle in WFE spending. The AI-infrastructure build-out is particularly important, since hyperscalers require both more chips and increasingly complex architectures. This materially increases equipment intensity across the manufacturing process which, in addition to further product wins, is expected to drive share gains for Lam. The depth and breadth of the current investment cycle into AI have expanded Lam's customer base and widened its addressable opportunity. The strength of its competitive positioning was evidenced by the latest quarterly report, in which results and guidance came in materially ahead of expectations. DRAM and AI-related demand rose sharply, services growth surprised to the upside, and China revenues were more resilient than feared. Despite some near-term margin pressure, the outlook is positive, with management pointing to sustained growth into next year due to the WFE upcycle being constrained by supply rather than demand. Specifically, the supply-demand imbalance in high-bandwidth memory is causing increased uptake for Lam's tools such as SABRE and Syndion. While valuations of WFE stocks have become more demanding following strong performance, the combination of structural AI demand, rising equipment intensity and highly recurring service revenues supports our view of Lam as a high-quality beneficiary of the next tailwind to semiconductor growth.

Adobe (-30.5% in USD)
Adobe, the flagship creative software provider, saw soft performance over the quarter. Market sentiment has meaningfully shifted as generative AI has given way to concerns about monetisation and competitive intensity. These centre on the proliferation of AI-native design tools that lower the barriers to content creation particularly among more casual users. However, this view may underappreciate where Adobe's value truly lies. For professional and enterprise users, the appeal is not simply image generation, but commercially safe, rights-cleared content integrated into a broader Adobe flywheel of creation, editing, distribution and analytics. The latest set of results presented a complex picture: headline numbers beat expectations with total revenue growing 12% year-on-year, but there were some signs of cannibalisation in the standalone Stock business by generative AI. That being said, Adobe also demonstrated AI momentum, with annual recurring revenue in "AI-first" products tripling and exceeding $250m in Firefly – indicating that Adobe is successfully building a new monetisation engine. Total AI-enhanced annual recurring revenue also represents a meaningful portion of the business, suggesting AI is being layered onto the platform instead of replacing it. Management chose to maintain rather than raise 2026 guidance and announced the retirement of long-time CEO Shantanu Narayen. This has exacerbated investor

uncertainty, but Adobe continues to exhibit high-quality fundamentals. The company has profit margins approaching 30%, a subscription-based model embedded into mission-critical processes, and a deep distribution network supported by strong brand equity. However, in a rapidly changing environment we continue to monitor the stock for any deterioration in growth or quality credentials that may point to negative impact from AI and note the potential divergence that could occur between medium-term and long-term outlooks for this business.

Intuit (-34.6%)
Intuit, the leading provider of financial and tax software for small and medium-sized businesses, ended the quarter as the Fund's weakest performer, reflecting market scepticism regarding the pace of its AI monetisation and broader fears of generative AI disrupting its core tax and accounting businesses. While there are certainly elements of the business that are exposed to AI disruption, in our view the risks may be overstated. In tax, the value of software lies not in automation or the completion of filings (already a commoditised function), but in brand trust, regulatory accuracy, and deep integration across the consumer finance ecosystem, connecting payroll providers, banks, brokers, and tax authorities. Intuit’s scale and decades of consumer brand investment underpin confidence that filings are done correctly, enable faster refunds through integrated lending capabilities, and provide access to human support when issues arise. These are advantages that general-purpose AI tools cannot easily replicate. Intuit’s exposure to smaller businesses and its growing presence in the middle market further insulate the business, as customers of this size are likely to lack the resources or appetite to build and maintain in-house financial software. Finally, Intuit is proactively integrating AI into its offerings, as evidenced by AI-assisted features in TurboTax, which gives us reassurance about the company’s value proposition.

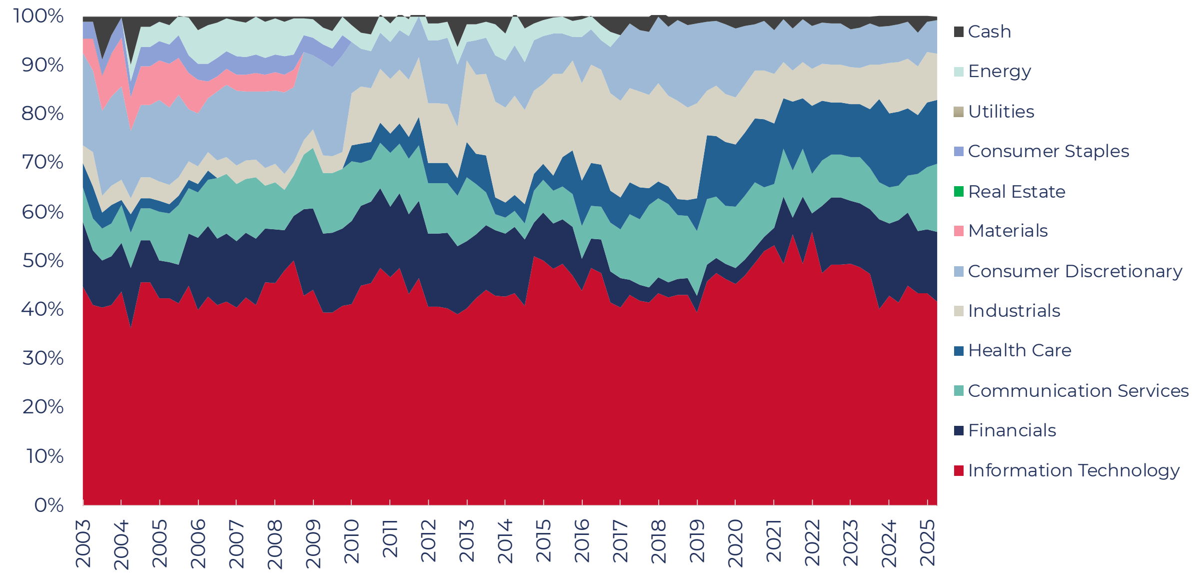
The firm’s quarterly results provided some welcome respite, with Intuit delivering a strong set of numbers that were comfortably ahead of expectations and helped stabilise sentiment toward the end of the month. Revenue grew 17% year-on-year, supported by broad-based momentum across the company’s core ecosystem, including QuickBooks Online, TurboTax and Credit Karma. Encouragingly, the company continues to gain traction in the middle market, where larger customers are adopting more advanced versions of QuickBooks and the newer Intuit Enterprise Suite, expanding Intuit’s addressable market beyond its traditional small-business base. Elsewhere, Credit Karma delivered particularly strong growth, benefiting from a healthier consumer credit environment and increased engagement across its platform. While the ongoing turnaround at Mailchimp remains a modest headwind and management maintained their full-year guidance (the market was hoping for a raise) due to the inherent volatility of tax season, the overall tone of the results was positive. Taken together, the update reinforced our view that Intuit’s key growth drivers remain firmly in place, helping to reverse some of the negative momentum in the share price as investors refocused on the business's underlying strength. We continue to follow the stock closely, however, and note that the market remains cautious.

PORTFOLIO CHARACTERISTICS

In Q1 2026, we made no changes in the portfolio.

The chart below shows how the exposure of the portfolio has evolved since the strategy's launch in 2003. We continue to hold no exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities. Information Technology remains our largest exposure, split between the three sub-sectors of semiconductors, software and services, and technology hardware.

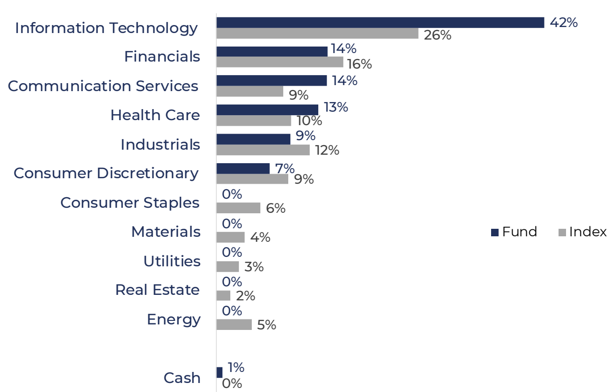
Sector breakdown since strategy launch



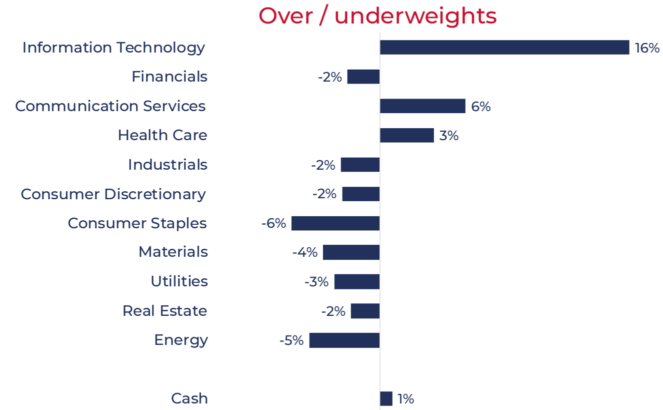
Source: Guinness Global Investors, Bloomberg (data as at 31st March 2026)

The Fund continues to have a large overweight to IT (16%), while its 0% exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities leaves these areas underweight relative to the benchmark.

Fund allocation vs MSCI World Index



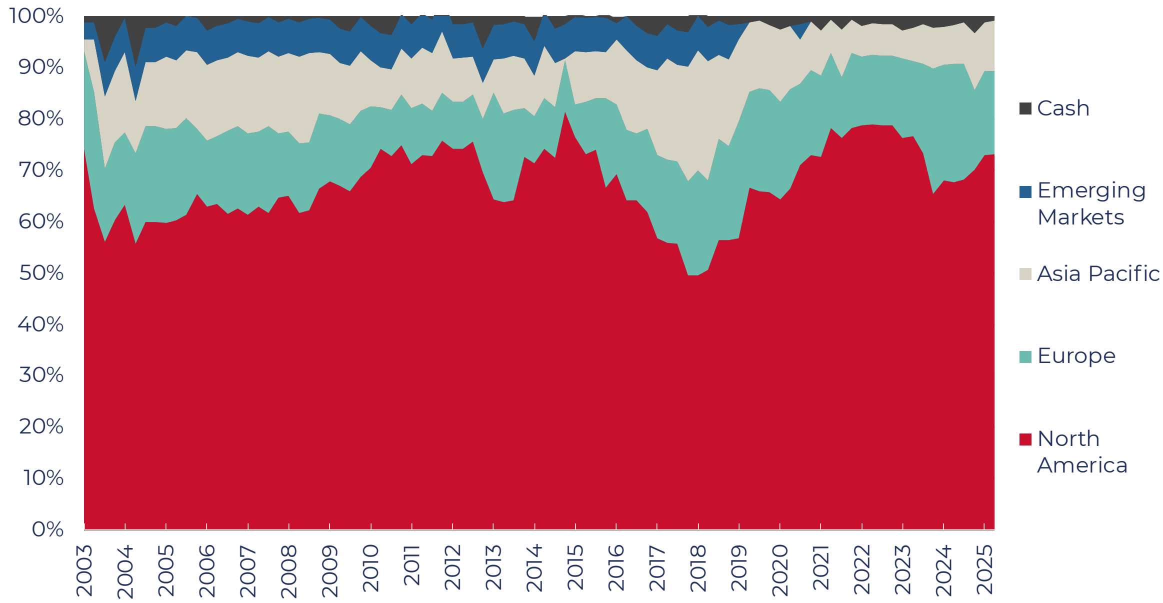
Over / underweights



Source: Guinness Global Investors, Bloomberg (data as at 31st March 2026)

On a regional basis, North America continues to be the largest exposure (73%), followed by Europe (16%) and Asia Pacific (10%).

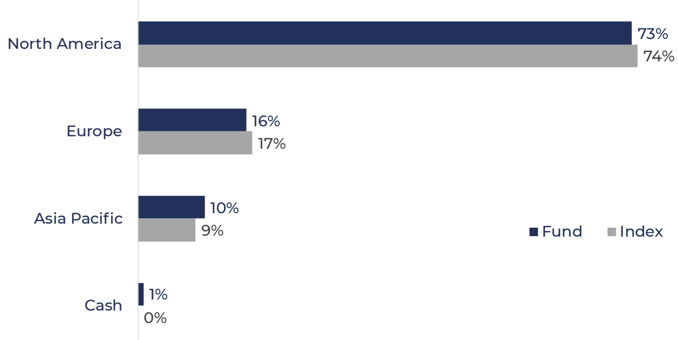
Geographic breakdown since strategy launch



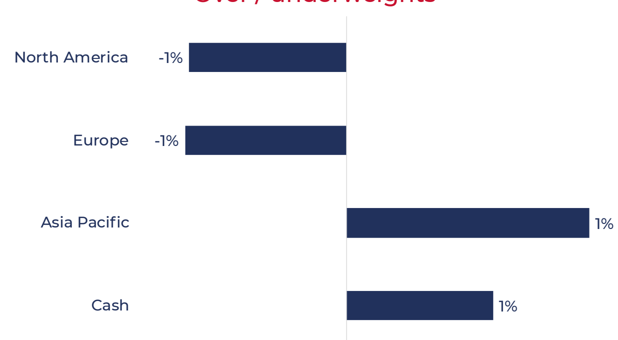
Source: Guinness Global Investors, Bloomberg (data as at 31st March 2026)

Relative to the benchmark, the Fund has a small underweight position to North America and to Europe and a slight overweight position to Asia Pacific.

Fund allocation vs MSCI World Index



Over / underweights



Source: Guinness Global Investors, Bloomberg (data as at 31st March 2026)

OUTLOOK

The Guinness Global Innovators Fund seeks to invest in quality growth companies trading at reasonable valuations. With this approach, we aim to invest in companies that are experiencing faster profit growth, larger margins and lower susceptibility to cyclical pressures. In particular, our focus on quality growth-at-a-reasonable-price has shown its strength in avoiding the highly-valued non-profitable tech businesses that have swung between large rises and falls but ultimately underperformed significantly over the post-pandemic period.

The table below illustrates how the portfolio reflects the four key tenets of our approach of growth, quality, valuation, and conviction.

- **Growth** drives long-term returns. We focus on companies with exposure to long-term secular growth themes that are expected to grow faster than the market over time and which may offer more predictable, sustainable growth.
- **Quality** protects against downside risks. We focus on high and consistent return on capital, balance sheet strength, and sustainable competitive advantages. Valuation is important; we aim to avoid overpaying for (uncertain) future growth.
- **Valuation** is important – we will not overpay for future growth.
- **Conviction** is reflected in our high active share, 30-stock, equal-target-weight portfolio, long-term, low-turnover approach.

The Fund has many superior characteristics to the broad market: higher sales and earnings growth, superior return on capital, and greater balance sheet strength, with higher historic growth. The Fund currently trades at a 9.6% premium to the MSCI World Index on a price/earnings (P/E) basis (2026e), with expected earnings growth (2026 vs 2025) of 17.8% vs the MSCI World of 13.8%. Compared to the MSCI World Growth Index, the Fund trades at a 17.0% discount (P/E 2026e), but with a comparable level of expected earnings growth.

Portfolio metrics versus MSCI World Index		Fund	MSCI World Index
Growth	Trailing 5-year sales growth (annualised)	14.6%	5.8%
	Estimated earnings growth (12M forward)	17.8%	13.8%
Quality	Median Return-on-Capital	24.5%	9.4%
	Median net debt/equity	15.8%	37.5%
Valuation	Price/Earnings ratio (2026e)	20.5x	18.7x
	Price/Earnings ratio (2025e)	17.8x	16.5x
Conviction	Number of stocks	30	1311
	Active share	79%	-

Source: Guinness Global Investors, Bloomberg, as of 31st March 2026

The current market environment has been shaped by heightened geopolitical tensions, including the ongoing conflict involving Iran, rising inflationary pressures and evolving monetary policy expectations. At the same time, weakness across parts of the software sector has tempered what had previously been very strong enthusiasm for AI-related stocks. These dynamics have contributed to increased market volatility and a more uncertain backdrop for global equities. Despite a complex macro-economic setting, stock fundamentals have shown resilience, giving us reassurance in our bottom-up approach to stock-picking. We are confident that the Fund's focus on high-quality growth stocks, underpinned by structural innovation themes, stands us in good stead. Our research process helps to identify these quality growth companies whilst also maintaining a valuation discipline – which is particularly important in the context of a market where valuation is front of mind. In addition, our equally weighted positions limit 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.

We look forward to updating you on the progress of the fund over the remainder of 2026 and thank you for your continued support.

Portfolio Managers
Matthew Page, CFA
Dr Ian Mortimer, CFA

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

GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	$1292.4m
Fund launch	31.10.2014
OCF	0.79%
Benchmark	MSCI World TR

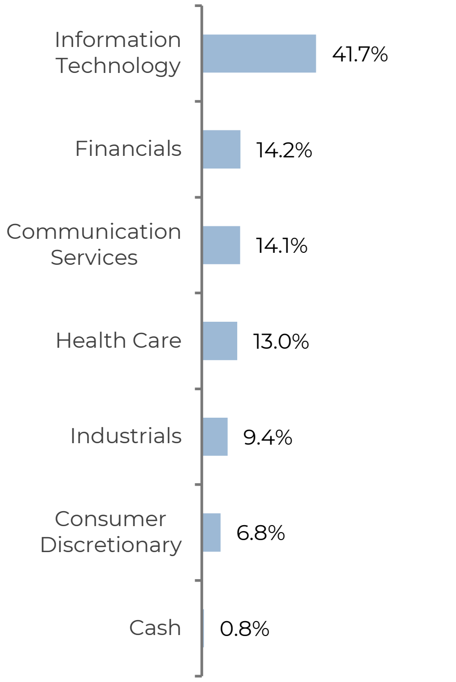
GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

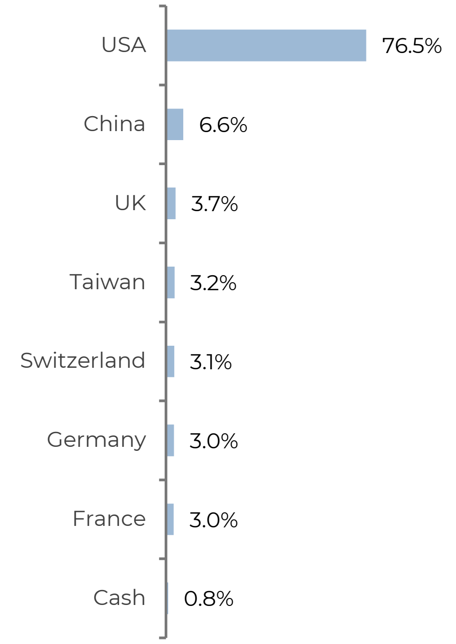
Netflix	4.1%
London Stock Exchange Group	3.7%
Roper Technologies Inc	3.7%
Amazon.com	3.6%
Intercontinental Exchange	3.5%
Broadcom	3.5%
Mastercard Inc	3.5%
KLA-Tencor	3.5%
salesforce.com	3.5%
Thermo Fisher Scientific	3.5%

Top 10 holdings	36.0%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

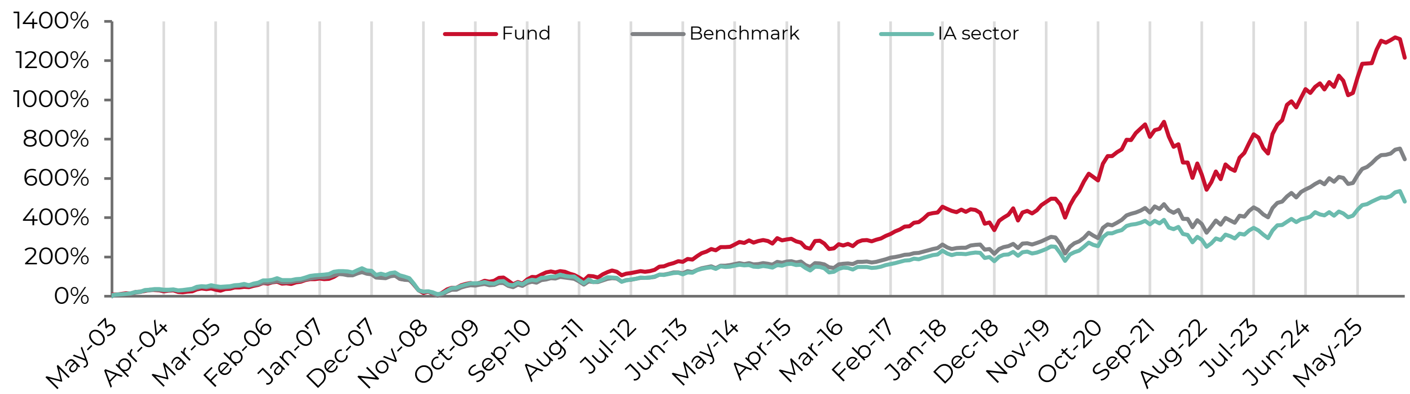
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-4.9%	-4.5%	+14.5%	+52.7%	+62.1%	+292.7%
MSCI World TR	-4.5%	-1.6%	+16.4%	+49.3%	+70.6%	+232.6%
IA Global TR	-6.6%	-2.6%	+13.4%	+32.1%	+39.4%	+164.7%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-6.7%	-6.4%	+17.0%	+62.9%	+54.9%	+260.7%
MSCI World TR	-6.4%	-3.6%	+18.9%	+59.2%	+63.0%	+205.1%
IA Global TR	-8.4%	-4.5%	+15.9%	+40.9%	+33.2%	+142.9%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-4.4%	-4.5%	+9.7%	+53.6%	+58.0%	+256.4%
MSCI World TR	-4.1%	-1.7%	+11.5%	+50.1%	+66.3%	+201.8%
IA Global TR	-6.1%	-2.7%	+8.6%	+32.8%	+35.9%	+140.2%

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 31.03.26. 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 0.79%. 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

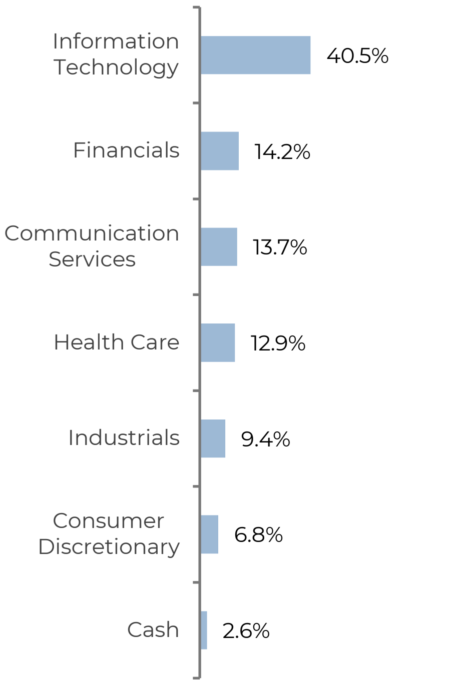
WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

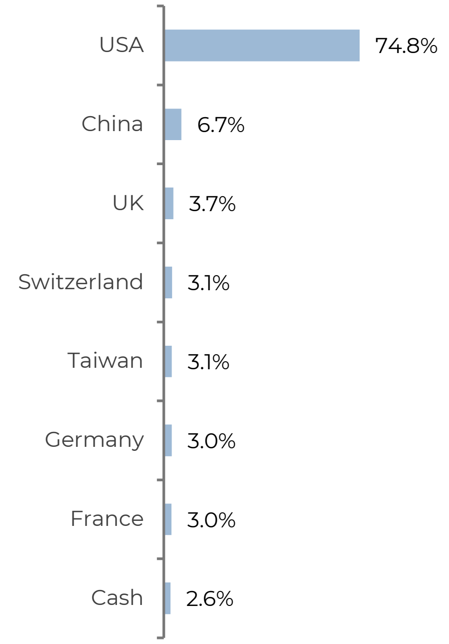
Netflix	4.0%
London Stock Exchange Group	3.7%
Roper Technologies Inc	3.7%
Intercontinental Exchange	3.5%
Mastercard Inc	3.5%
Amazon.com	3.5%
salesforce.com	3.5%
Visa	3.5%
Tencent Holdings	3.4%
Thermo Fisher Scientific	3.4%

Top 10 holdings	35.8%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

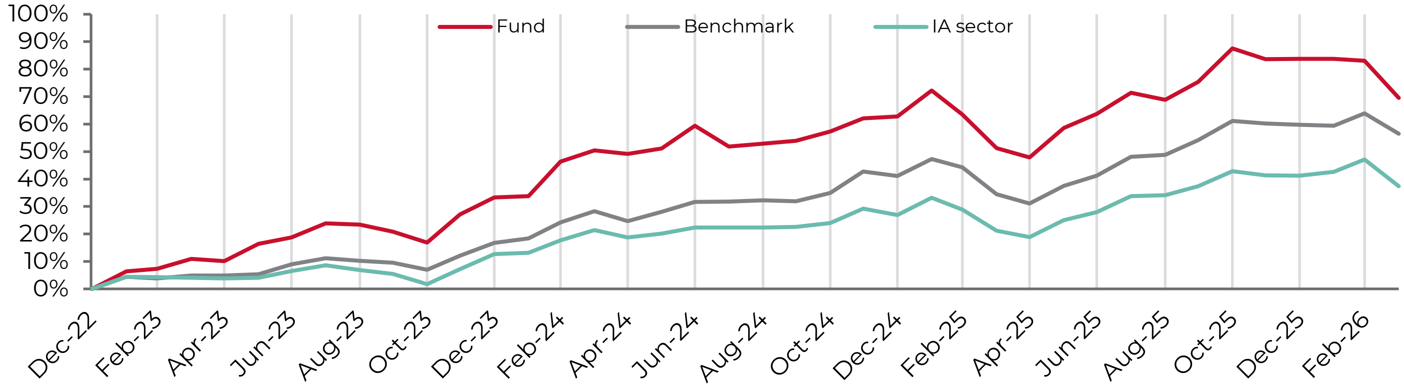
WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-7.4%	-7.8%	+12.1%	+52.9%	-	-
MSCI World TR	-4.5%	-1.6%	+16.4%	+49.3%	-	-
IA Global TR	-6.6%	-2.6%	+13.4%	+32.1%	-	-

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 31.03.26. 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 0.79%. 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.