

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID and KIID for the Funds, which contain full information on the risks and detailed information on the Funds' characteristics and objectives, before making any final investment decisions.

The Funds are equity funds. Investors should be willing and able to assume the risks of equity investing. The value of an investment 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

<b>Launch</b>	15.12.2020
<b>Index</b>	MSCI World Mid Cap Index
<b>Sector</b>	IA Global
<b>Managers</b>	Sagar Thanki, CFA Joseph Stephens, CFA
<b>EU Domiciled</b>	Guinness Global Quality Mid Cap Fund
<b>UK Domiciled</b>	WS Guinness Global Quality Mid Cap Fund

## INVESTMENT POLICY

The Guinness Global Quality Mid Cap Fund & WS Global Quality Mid Cap Fund are designed to provide exposure to high-quality growth companies benefiting from the transition to a more sustainable economy. The Funds hold a concentrated portfolio of mid-cap companies in any industry and in any region. The Funds are actively managed and use the MSCI World Mid Cap Index as a comparator benchmark only.

## CONTENTS

<b>Commentary</b>	1
<b>Guinness Global Quality Mid Cap Fund</b>	
Key Facts	16
Performance	17
<b>WS Guinness Global Quality Mid Cap Fund</b>	
Key Facts	18
Performance	19
<b>Important Information</b>	20

## COMMENTARY

In the first quarter of 2026, the Guinness Global Quality Mid Cap Fund returned 4.9% (in USD), whilst the MSCI World Mid Cap Index returned -0.7%. The Fund therefore outperformed the benchmark by 5.6 percentage points. Four factors drove this positive performance versus the benchmark and broader peer group (IA Global):

### 1) Divergence vs the Magnificent 7.

The concentrated trade that defined the market since 2020 has begun to unwind. Year-to-date, all Magnificent 7 stocks have underperformed the S&P 500, whilst only Nvidia and Alphabet have outperformed since 31st Dec 2024. This has led to broadening market leadership.

### 2) Strong earnings delivery from portfolio holdings.

Q1 earnings season was a net positive for the Fund. Several holdings reported results materially ahead of expectations, with beats concentrated in the semiconductor and industrial sectors.

### 3) Disciplined software exposure.

The Fund's allocation to Software and Services of approximately 7% is modest — slightly above the MSCI World Mid Cap's 4.5%, but well below many global growth peers that carry materially higher concentrations. This positioning left the Fund less exposed to the sharp software sell-off driven by concerns over AI-led disruption to traditional software business models. Our modest exposure is primarily a result of our valuation discipline, with many software names trading on high multiples and elevated future growth expectations.

### 4) Overweight AI infrastructure and semiconductors:

Holdings in semiconductor and data centre infrastructure businesses were among the Fund's strongest contributors in the quarter, and our overweight exposure stems from our focus on companies exposed to secular growth areas. As hyperscaler capital expenditure continues to expand, the Fund's exposure to the key beneficiaries of this spending across the semiconductor and industrial sectors drove meaningful positive attribution in Q1, including Vertiv, up 55% year to date (YTD), and Teradyne up 53% YTD.

## Guinness Global Quality Mid Cap

The first quarter of 2026 was marked by a sharp shift in market sentiment, as geopolitical tensions and energy market disruptions weighed on global markets. The escalation of the US-Iran conflict drove a surge in oil prices and Brent crude to \$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 prolongation of the conflict. Against this backdrop, equities, among other asset classes, experienced broad-based corrections as investors sought 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 has raised concerns over so-called 'vibe coding': the ability to create applications via natural language, which raises the prospect of software becoming increasingly commoditised or even displaced. As a result, the sector has experienced notable weakness, with the MSCI World Software Index ending the quarter down 23.9% (USD).

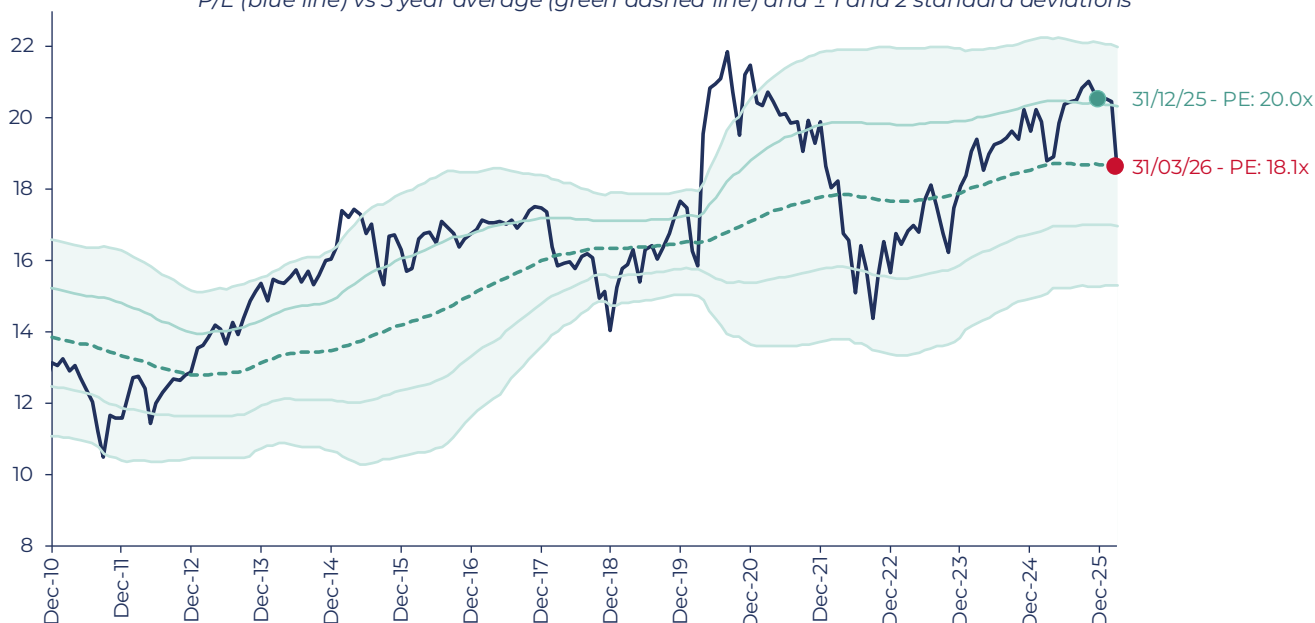
In this commentary, we examine the implications of the current geopolitical environment on market dynamics. We also dive deeper into the software industry's weakness to understand whether this reflects a structural shift in the industry landscape and how the market is repricing these companies.

### MARKET COMMENTARY

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

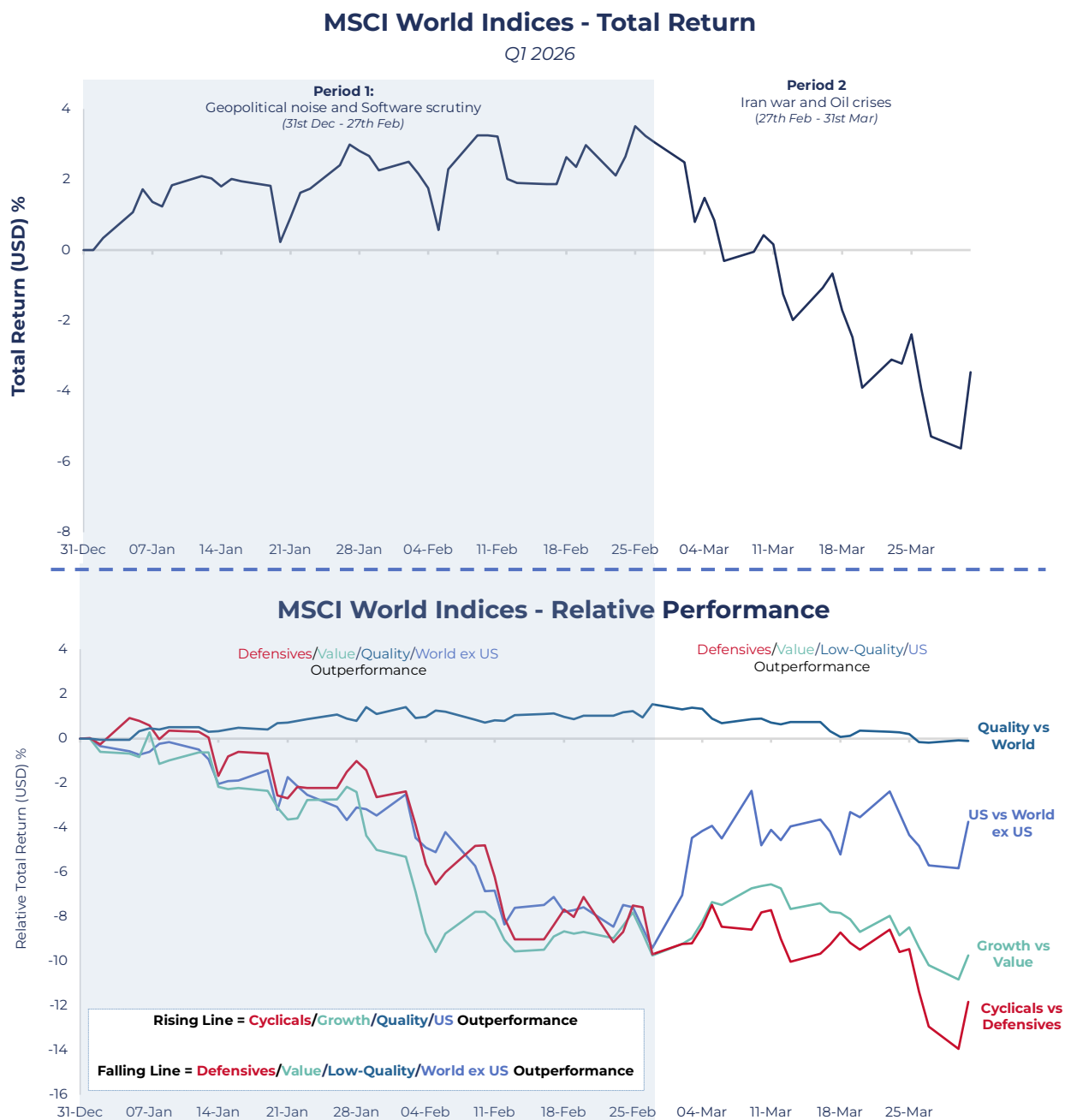
*P/E (blue line) vs 5 year average (green dashed line) and  $\pm 1$  and 2 standard deviations*



Source: Bloomberg, Guinness Global Investors, March 2026

## Guinness Global Quality Mid Cap

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



Source: Bloomberg, Guinness Global Investors, March 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.

### 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.

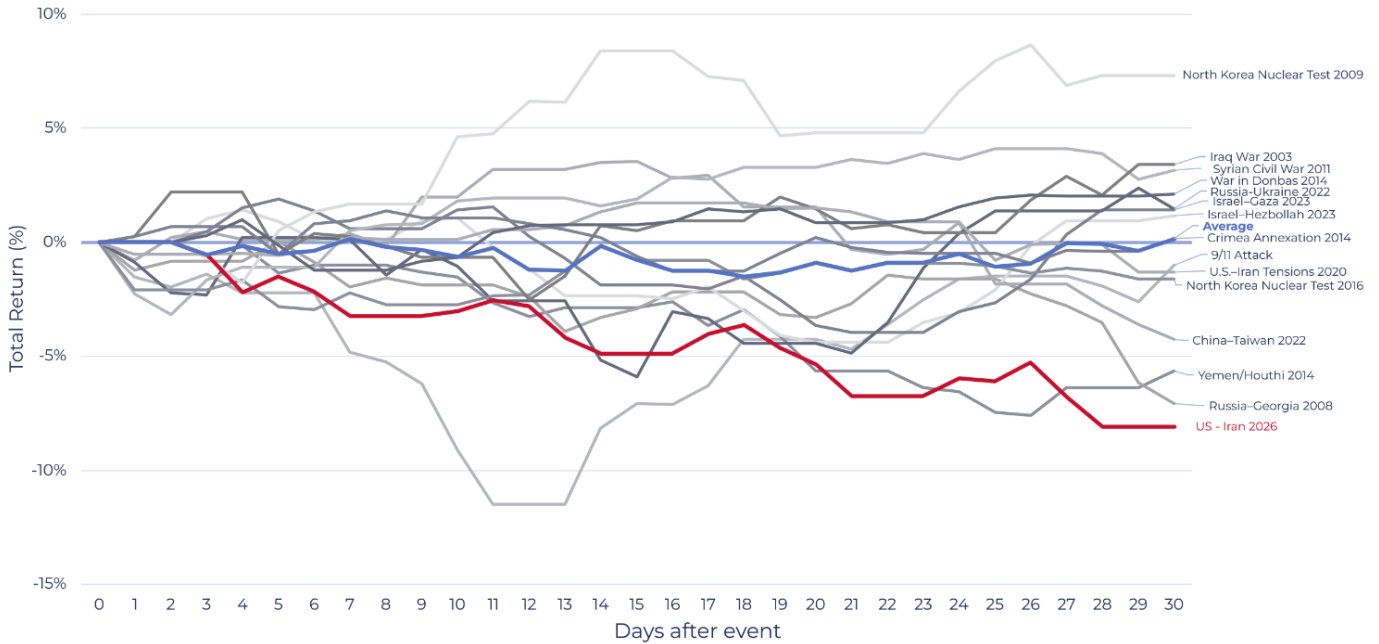
### Market reactions to the US-Iran War

The conflict that was a geopolitical tail risk in February crystallised into the defining macro event of the quarter. On Saturday 28<sup>th</sup> 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 US-Iran 2026 episode is a clear outlier, as shown by the chart below.

# Guinness Global Quality Mid Cap

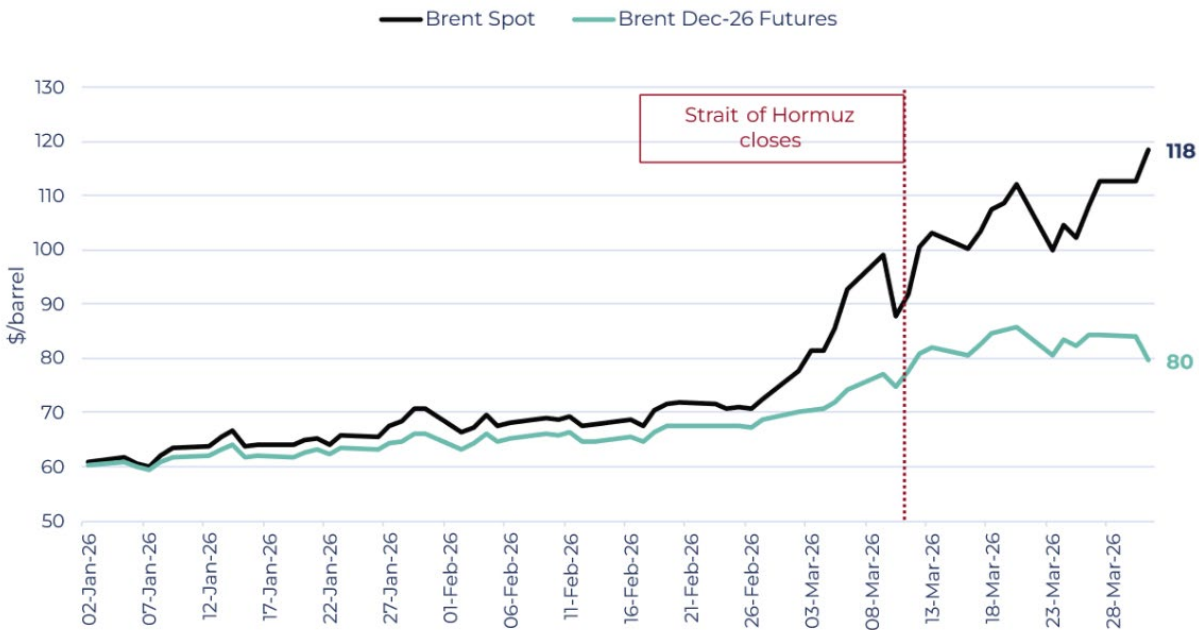
## MSCI World 30 day Total Return Post Major Global Conflict Events, Century to date



Source: Bloomberg, Guinness Global Investors, March 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.

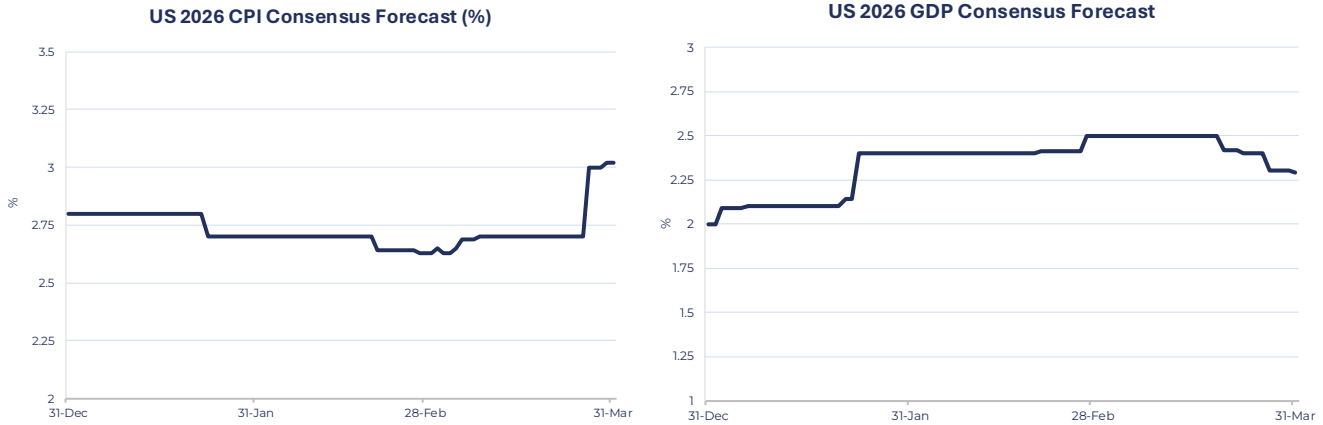
### Markets currently see oil supply disruptions as more temporary than permanent



Source: Bloomberg, Guinness Global Investors, March 2026

## Guinness Global Quality Mid Cap

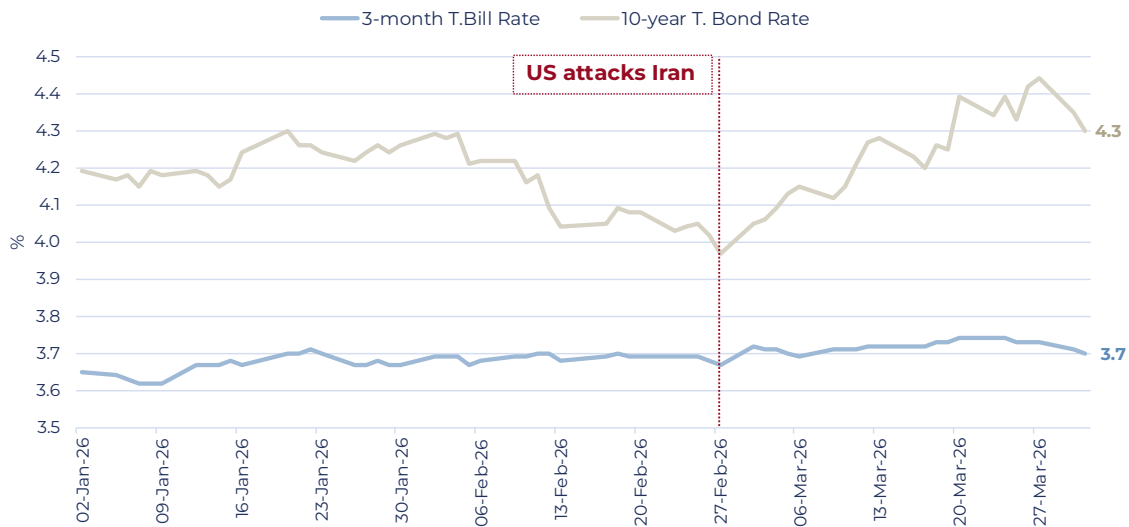
Persistently elevated oil prices can weigh on global economies through several channels. The most direct is inflation: energy is a foundational input cost for businesses and households alike, and a sustained rise in oil prices feeds through into broader price pressures. Central banks facing this dynamic 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.



Source: Bloomberg, Guinness Global Investors, March 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

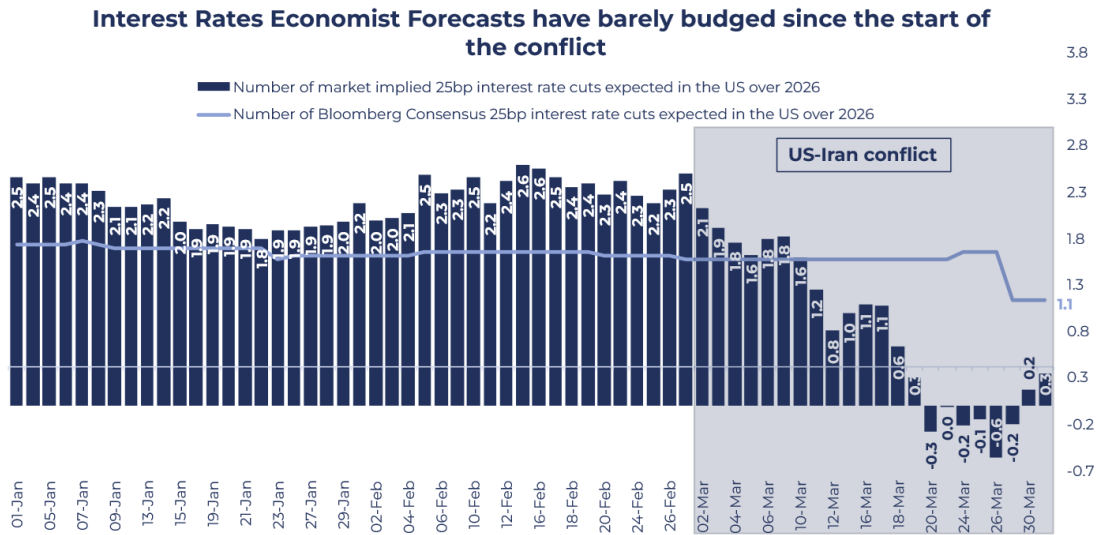


Source: Bloomberg, Guinness Global Investors, March 2026

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

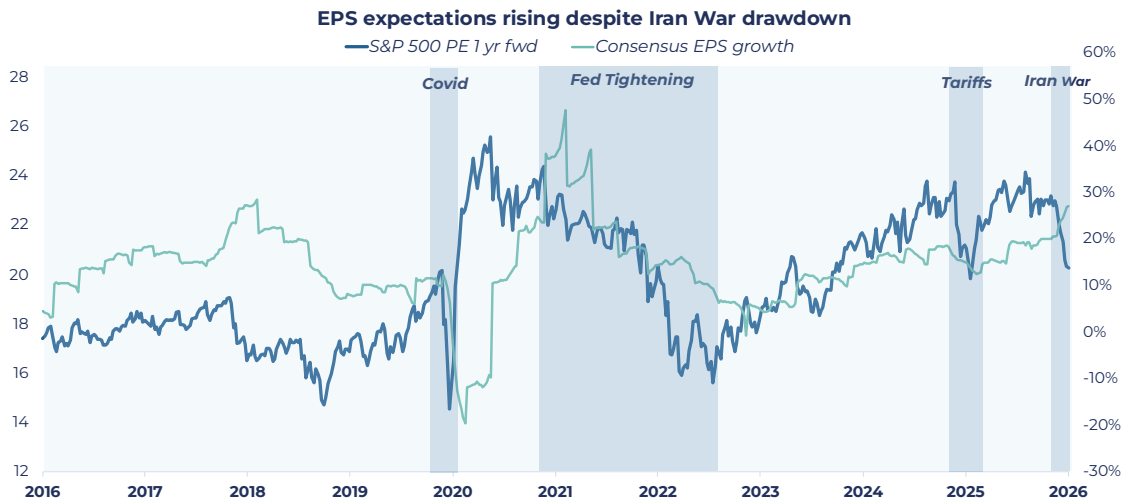
## Guinness Global Quality Mid Cap

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.



Source: Bloomberg, Guinness Global Investors, March 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 EPS 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 Fed's tightening cycle, in which equity market weakness was accompanied by a deterioration in earnings expectations. Instead, consensus expectations suggest the market anticipates a solid upcoming earnings season despite 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.



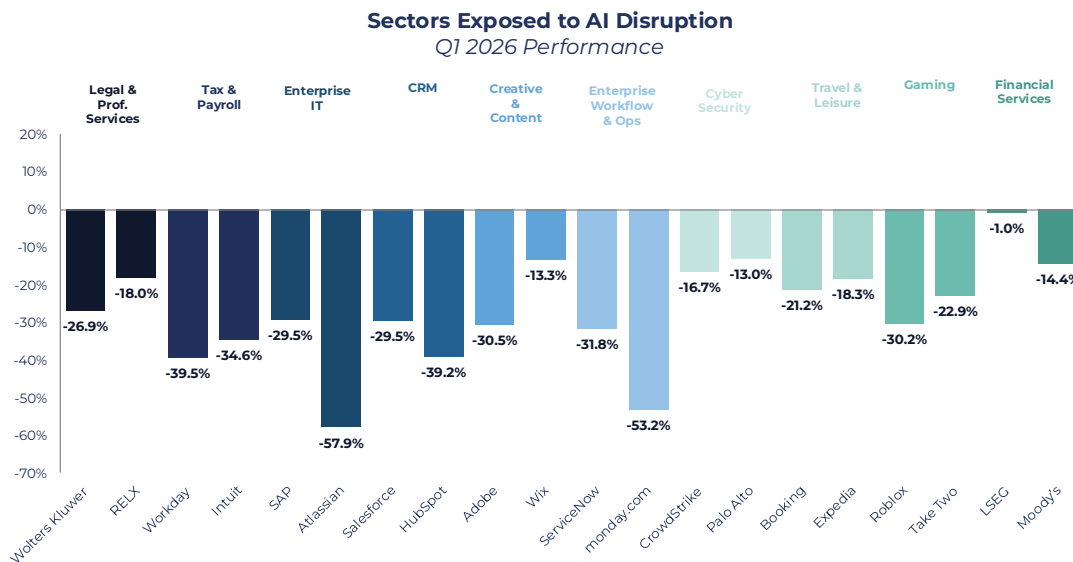
Source: Bloomberg, Guinness Global Investors, March 2026

### 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

## Guinness Global Quality Mid Cap

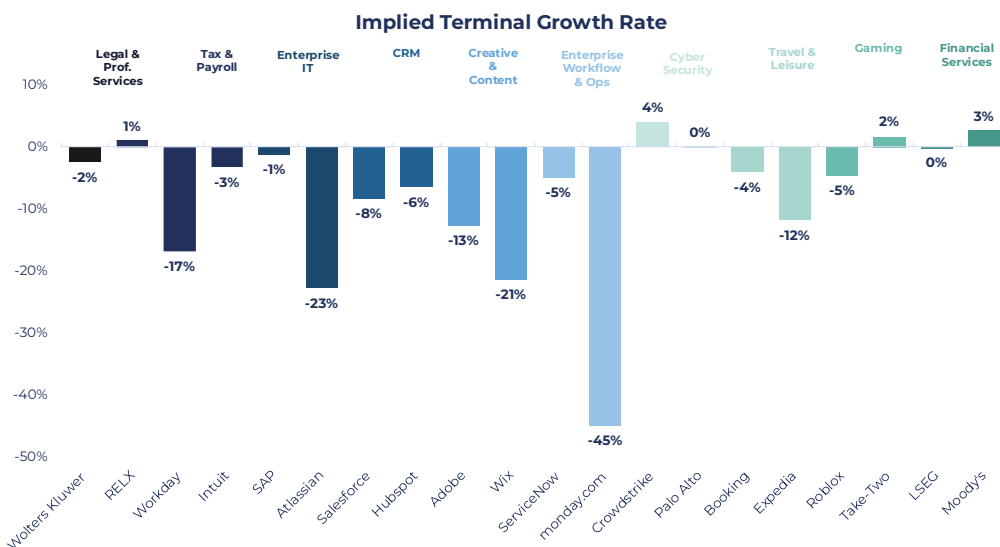
more credible threat that AI now poses to the software industry. As these technologies evolve, they may alter how software is developed, delivered, and consumed, introducing new competitive pressures and lowering barriers to entry. Tools such as Claude Cowork exemplify this transition, enabling individuals 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: Guinness Global Investors, Bloomberg, March 2026

### Is SaaS really dead?

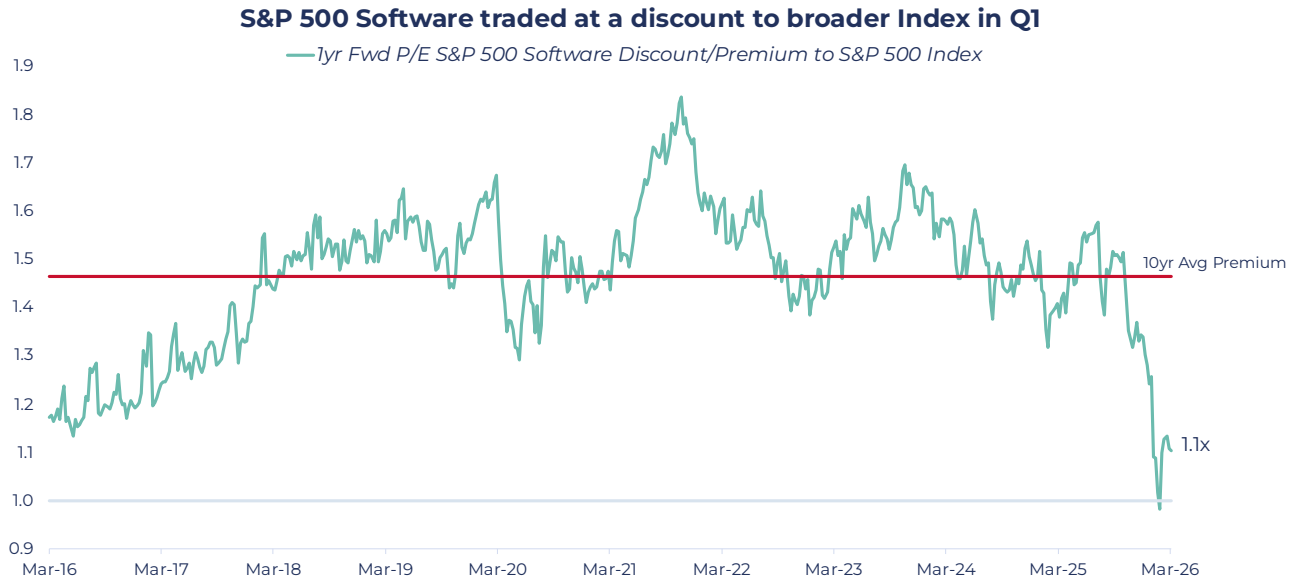
At the core of the sell-off is a growing concern that the traditional SaaS model, built on seat-based pricing, workflow-specific applications and high switching costs, may be structurally challenged by the emergence of more capable, agentic AI systems. The rise of 'vibe-coding', whereby users create 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, March 2026

## Guinness Global Quality Mid Cap

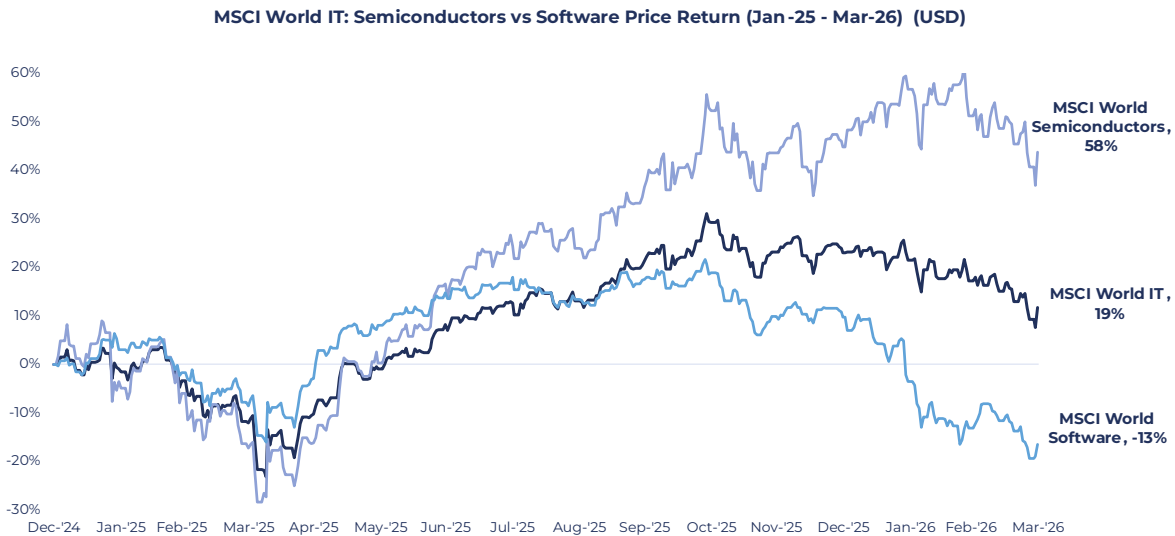
As well as growth rates, investors are also questioning the durability of pricing power and the longevity of product cycles. Taken together, this has led to a material compression in valuation multiples, with the premium of software relative to the broader market falling well below historical averages. 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.



Source: Guinness Global Investors, Bloomberg, March 2026

### 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.



Source: Guinness Global Investors, Bloomberg, March 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.

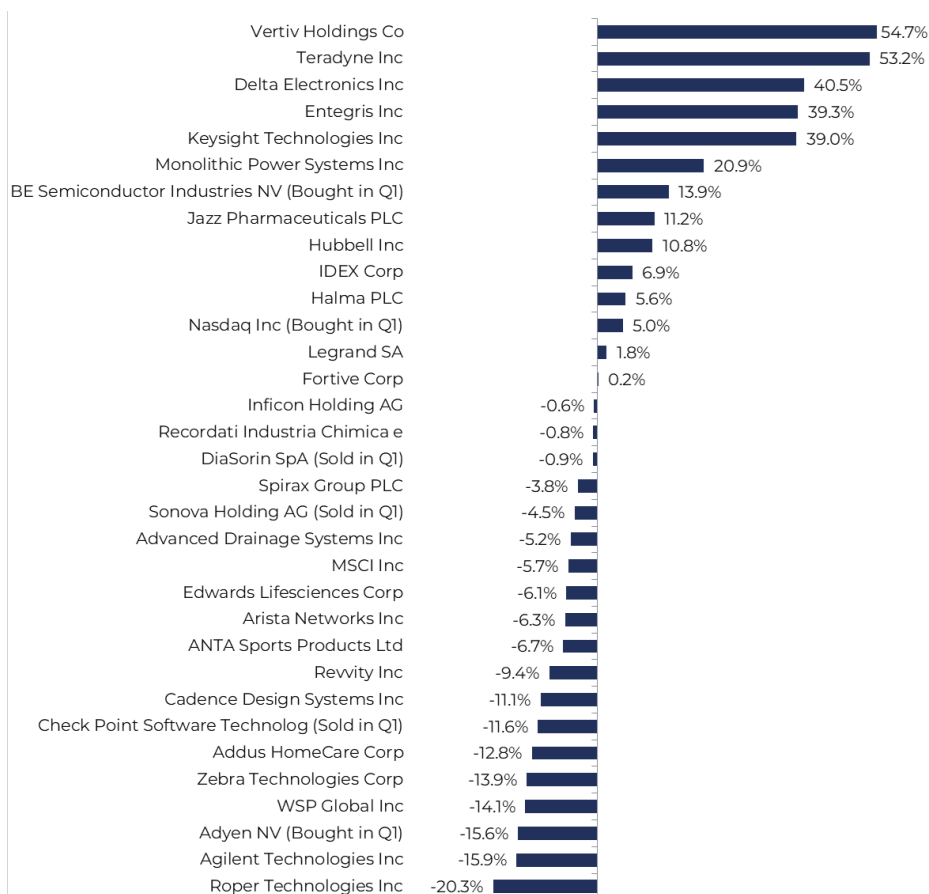
### **How are we thinking about all of this – risks vs opportunities**

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 a threat.

The resulting weakness from this sell-off has also created opportunities for the Fund. Over Q1, we initiated three new positions. Two of which, Adyen and Nasdaq, were on our watchlist, and given the weakness in software/data and analytics stocks (which included these two businesses), we decided this provided an attractive entry point.

FUND PERFORMANCE OVER THE QUARTER



Source: Guinness Global Investors, Bloomberg as of 31.03.2026, in USD



**Vertiv (+54.7%)** was the strongest-performing holding over the quarter, as earnings surpassed estimates. Indeed, on February 11, 2026, Vertiv issued 2026 guidance that significantly outpaced consensus estimates. The market had underestimated the sheer scale of data centre infrastructure demand, as evidenced by Vertiv's organic order growth of 252.0% year over year. The company's backlog reached \$15.0 billion—more than double the previous year's level—far surpassing estimates. Vertiv now anticipates 2026 organic sales growth of 27.0% to 29.0% and adjusted EPS of \$5.97 to \$6.07, representing a 43.0% year-over-year increase.

TERADYNE

Similarly, **Teradyne (+53.2%)** saw a significant share price jump after reporting earnings that beat expectations. The company reported fourth-quarter revenue of \$1.1 billion on February 2, 2026, which was 44.0% higher than the prior year and well above analyst estimates of \$970 million. This sizable beat was fuelled by semiconductor test demand for AI-related compute and memory that far exceeded estimates. Looking ahead to the first quarter of 2026, Teradyne's revenue guidance of \$1.15 billion to \$1.25 billion remains significantly above the consensus forecast of \$ 921 million.



Finally, and in a similar vein to the above, **Delta Electronics (+40.5%)**, the 4th largest Taiwanese company and largest supplier of power supply and management/cooling components globally, has benefited from the rising AI infrastructure spend amongst hyperscalers and in the increased need for power efficiency. Delta is a highly diversified across electric

vehicle infrastructure, telecoms, and consumer electronics, however, Delta's AI servers and cooling solutions has driven the company's material share price performance since last April, which is also having an increasing contribution to revenue - reaching 27% in last quarter and is expected to rise to 50% of sales over the coming quarters, with overall margins expected to benefit from these relatively higher margin solutions.

### Roper TECHNOLOGIES

**Roper Technologies (-20.3%)**, a diversified vertical software provider, was the fund's weakest performer, primarily due to broader fears about AI in software businesses. However, we believe Roper is well-positioned relative to prevailing market concerns. While the ultimate impact of AI remains uncertain, Roper's software assets are highly niche and underpinned by deep domain expertise, which provides a degree of insulation from disruption. The company operates a decentralised model in which portfolio businesses run independently, generate strong free cash flow, which is repatriated to the parent company and deployed to further acquisitions. This disciplined capital allocation strategy allows Roper to maintain exposure across a broad set of end markets. Roper exited FY25 with 12% revenue growth and 8% yoy free cash flow growth, supported by solid demand in its data and diagnostics software businesses, reinforcing confidence in the company.

## CHANGES TO THE PORTFOLIO

We made three changes to the Fund's holdings during the quarter, selling our positions in Sonova, Checkpoint and DiaSorin, whilst initiating positions in Adyen, Nasdaq and BESI.

### adyen

**Adyen** is a digital-first, end-to-end payments platform connecting merchants directly to card networks — delivering higher authorisation rates, lower false positives, and a unified view of the customer across channels and geographies. It is a smaller-cap alternative to Visa and Mastercard, but sits closer to the merchant and offers genuine software value-add on top of pure processing. Both large-cap peers have faced multiple compression from regulatory pressure on interchange fees, while the broader payments sector has been weighed down by stablecoin fears — the prospect of peer-to-peer digital settlement bypassing card networks entirely. Adyen is better positioned than most to navigate this, having developed infrastructure to accept stablecoin payments and positioning itself as network-agnostic. Over 80% of volume growth comes from existing merchants, with further runway from POS expansion and the secular shift to cashless commerce. The stock de-rated sharply after the recent quarterly earnings narrowly missed expectations, whilst broader weakness in payment businesses (given their software nature) left the valuation at a fraction of historical levels, creating a compelling entry point into a highly cash-generative business.

### Nasdaq

**Nasdaq** is better understood as a financial technology and data company than a traditional exchange, with around 80% of revenues non-transactional and 60% recurring across regulatory software, anti-financial crime technology, market data, and index licensing. It is a smaller-cap analogue to larger exchanges such as ICE, but has gone further in pivoting away from transaction-driven exchange revenues toward high-margin, SaaS businesses. The stock has been caught in the broader software sell-off, as markets fret that AI will commoditise data and analytics platforms. We think this misses the point — the losers will be software platforms without proprietary data, while those sitting on decades of unique, transactional data will be the beneficiaries. Nasdaq's market data and index IP are precisely that. With the company expecting to continue growing at double-digit rates, EPS growth guided at low-double-digits through 2028, and net debt improving from 5.2x to 3x post the Adenza acquisition, the fundamental trajectory is positive, whilst the recent software-related market sell-off provides a strong entry point.



**Besic** is the undisputed leader in hybrid bonding — the most advanced semiconductor packaging technology available. Where ASML pushes front-end scaling by cramming more transistors onto a single die, Besic enables back-end system scaling by connecting chiplets with direct copper-to-copper bonds, delivering orders-of-magnitude improvements in interconnect density, bandwidth, and energy efficiency.

The stock fell by more than 15% in early March 2026 after a report that JEDEC (the semiconductor standards body whose members include Nvidia, Samsung, and SK Hynix) was discussing lowering the minimum thickness limit for memory chips. The concern is that hybrid bonding derives part of its value from enabling thinner chip stacks (used to create high bandwidth memory, HBM) by eliminating solder bumps. Hence, relaxing the thickness constraint may allow memory makers to build HBM stacks using cheaper thermocompression bonding without adopting hybrid bonding in the near term. We view this as a timing debate, not a structural one. Industry consensus holds that hybrid bonding will ultimately be unavoidable, with SK Hynix's VP of Package Development stating it will be essential for HBM stacks of 20 layers or more. Critically, Besic's logic chiplet exposure — where hybrid bonding is already in commercial production at AMD, Intel, and TSMC — is entirely unaffected by discussions on HBM standards. With industry-leading margins and growth predicted to continue at 20+%, we see good upside to a stock providing a critical innovation at a time when the AI industry is facing increasing energy bottlenecks.



**Sonova** is one of the world's largest hearing aid companies operating through its Phonak, Unitron, and Au dioNova brands across hearing instruments, audiological care, and cochlear implants. We bought it as a high-quality compounder with an attractive razor-and-blade model, a large installed base driving recurring consumables and service revenues, underpinned by structural tailwinds from an ageing global population and low hearing aid penetration in emerging markets. However, the FDA's approval of over-the-counter hearing aids opened the US market to consumer electronics players and eroded the premium positioning, whilst Sonova's acquisition of the Sennheiser consumer hearing division introduced exposure to a structurally difficult market — low switching costs, commoditising technology, and intense competition from well-resourced consumer brands. With the moat appearing narrower than originally assessed and capital deployed into a lower-quality segment, we decided to exit our position.



**Check Point Software** is one of the world's largest pure-play cybersecurity companies, offering network, endpoint, and cloud security solutions to enterprise and government clients worldwide. We held it for its exceptional financial quality, with around 83% recurring revenues and operating margins of approximately 40%. The core concern was growth. Check Point has lagged faster-moving peers such as Palo Alto Networks and CrowdStrike, which have taken share with more modern, platform-native architectures better suited to cloud and zero-trust security. We held the position on the basis that an increasingly hostile threat environment would push Check Point toward sustained double-digit revenue growth. That inflection never materialised with consistency and as such, we concluded that there were better investment opportunities.

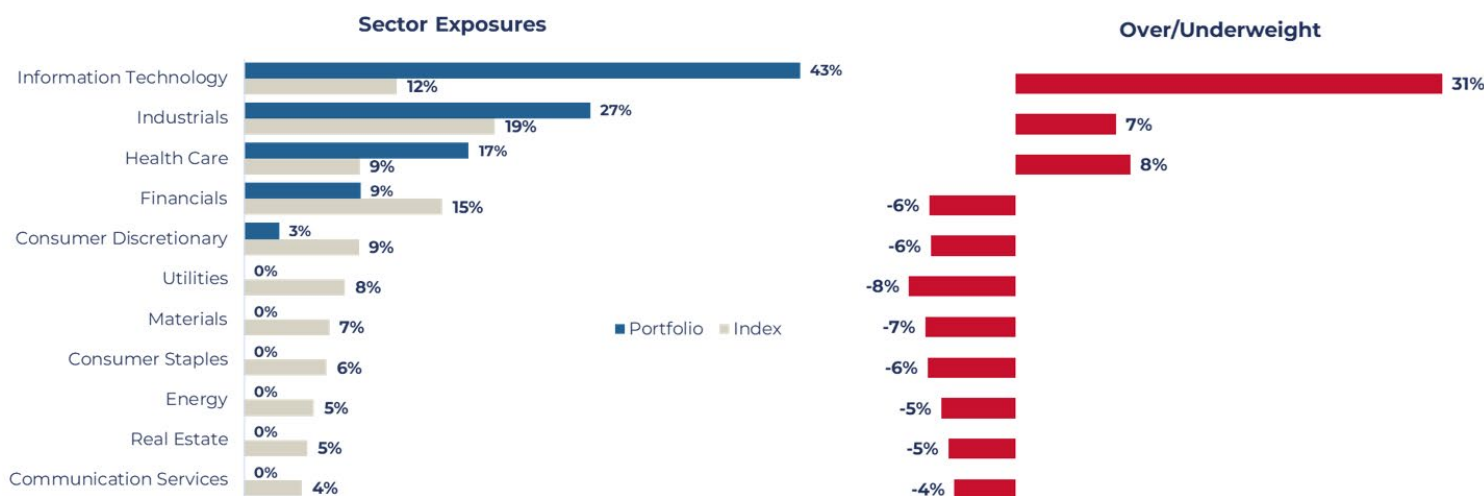


**DiaSorin** is one of the world's leading speciality diagnostics companies, offering immunodiagnostics and molecular diagnostics solutions to hospitals and laboratories globally, with a particularly strong franchise in infectious disease, oncology, and neurology testing. We bought it as a high-quality compounder with a defensible niche - long-term reagent rental contracts with hospital laboratories, and a sticky installed base of analysers that generate recurring consumable revenues across an ageing and chronically ill patient population.

The core concern for us was long-term growth. DiaSorin's revenue profile was materially inflated during the COVID-19 pandemic as demand for infectious disease testing surged, and the subsequent normalisation proved more prolonged and more damaging to the underlying growth algorithm than initially anticipated. With revenue growth expectations revised down repeatedly and the pathway back to double-digit organic growth remaining uncertain, the quality-growth combination that underpinned our original thesis had deteriorated.

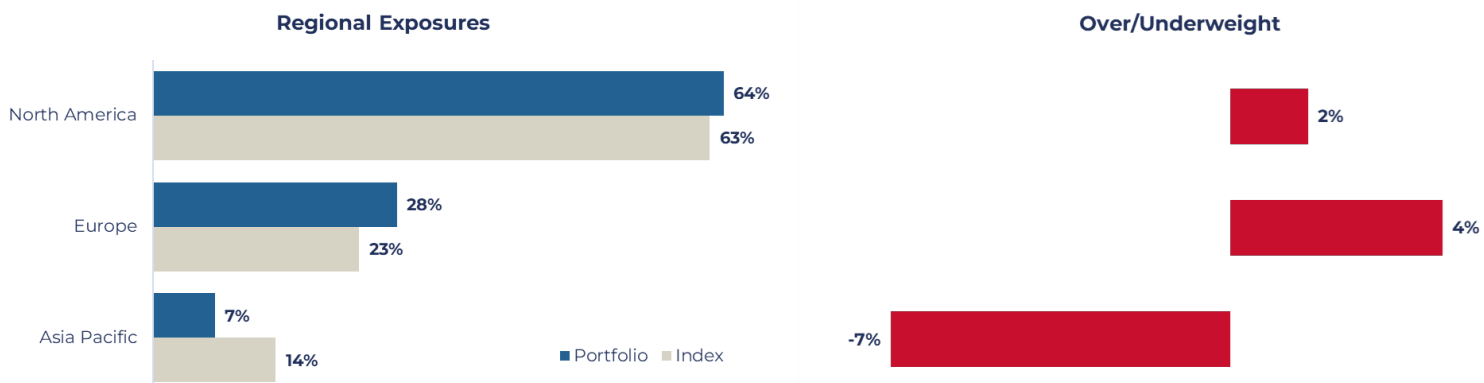
**FUND POSITIONING**

Looking at the Fund's exposure by GICS sector relative to the MSCI World Mid Cap Index, the Fund continues to have no exposure to highly regulated and commoditised areas of Real Estate, Energy, Materials, and Utilities. We continue to hold the majority of Fund holdings within the IT (43%), Industrial (27%), Health Care (17%), Financial (9%) and Consumer Discretionary (3%) sectors. This is not a conscious view of the select sectors' outlooks but rather a bottom-up consequence of our focus on quality and mid-cap growth businesses.



Source: Guinness Global Investors, Bloomberg, as of 31.03.2026

On a regional basis, North America remains the Fund's largest exposure (64%), followed by Europe (28%) and Asia Pacific (7%). The Fund has an in-line exposure to North America, whilst having a relative underweight to Asia-Pacific, which is offset by its overweight exposure to Europe.



Source: Guinness Global Investors, Bloomberg, as of 31.03.2026

Finally, the table below illustrates the four key tenets of our approach: quality, growth/value, and conviction. We follow these metrics at the portfolio level to ensure we deliver what we say we will. At the year-end, we are pleased to report that the portfolio continues to deliver on all three of these measures relative to the MSCI World Mid Cap Index as well as the MSCI World Index:

## Guinness Global Quality Mid Cap

	Fund	MSCI World	MSCI World Midcap
<b>Quality</b>			
Return-on-capital	▲14.4%	6.2%	4.8%
Net Debt/EBITDA	▼0.6x	1.8x	2.4x
Profit Margin	▲18.3%	10.7%	6.7%
<b>Growth</b>			
Trailing 5-year sales growth (annualised)	▲10.6%	6.2%	6.5%
Trailing 5-year EPS growth (annualised)	▲11.4%	6.9%	5.2%
PE (2026e)	▲23.5x	18.7x	17.0x
<b>Conviction</b>			
Number of stocks	30	1550	850
Active share		99%	98%

Source: Guinness Global Investors, Bloomberg, as of 31.03.2026

We look forward to keeping you informed on the Guinness Global Quality Mid Cap Fund, and thank you for your support.

### Portfolio Managers

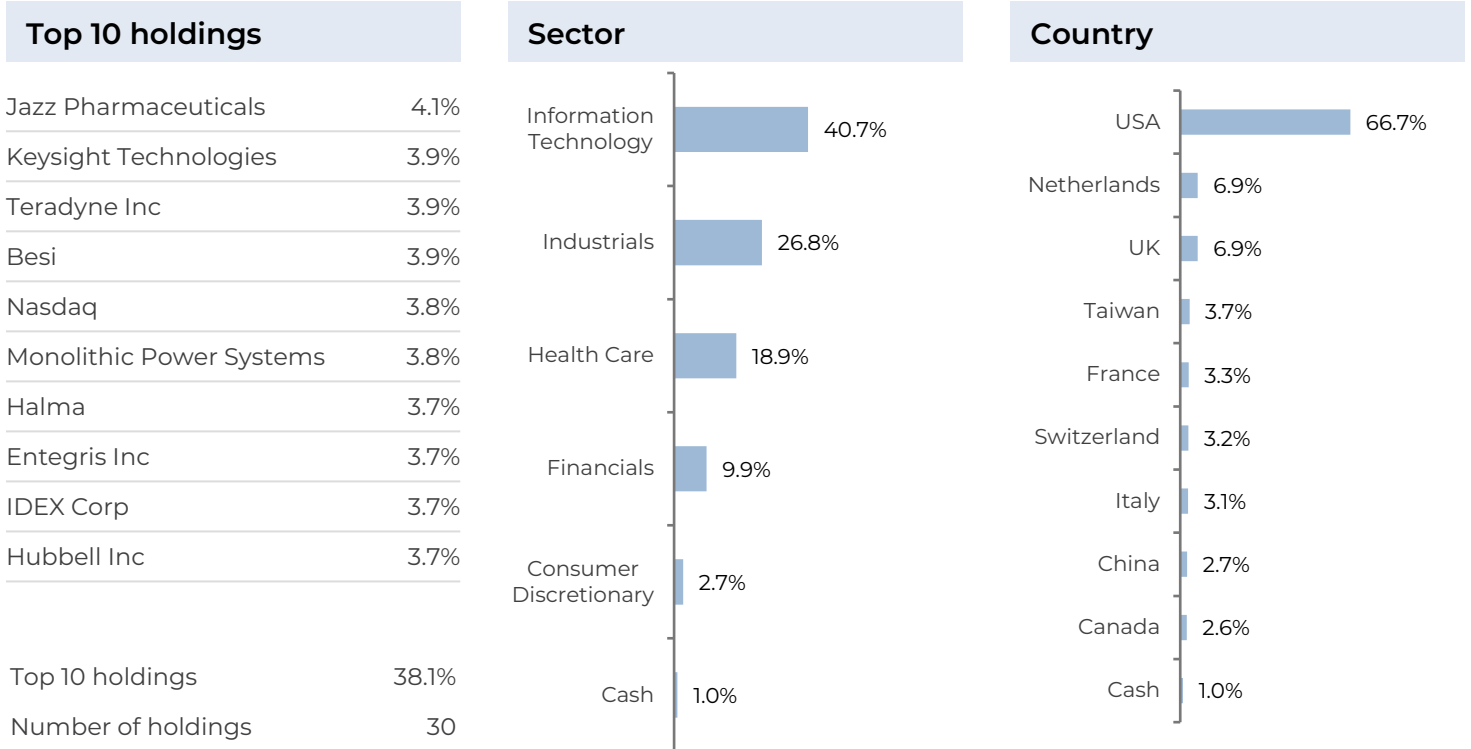
Sagar Thanki, CFA

Joseph Stephens, CFA

**GUINNESS GLOBAL QUALITY MID CAP FUND - FUND FACTS**

Fund size	\$10.6m
Fund launch	15.12.2020
OCF	0.77%
Benchmark	MSCI World Mid Cap TR

**GUINNESS GLOBAL QUALITY MID CAP FUND - PORTFOLIO**



## Guinness Global Quality Mid Cap Fund

Past performance does not predict future returns.

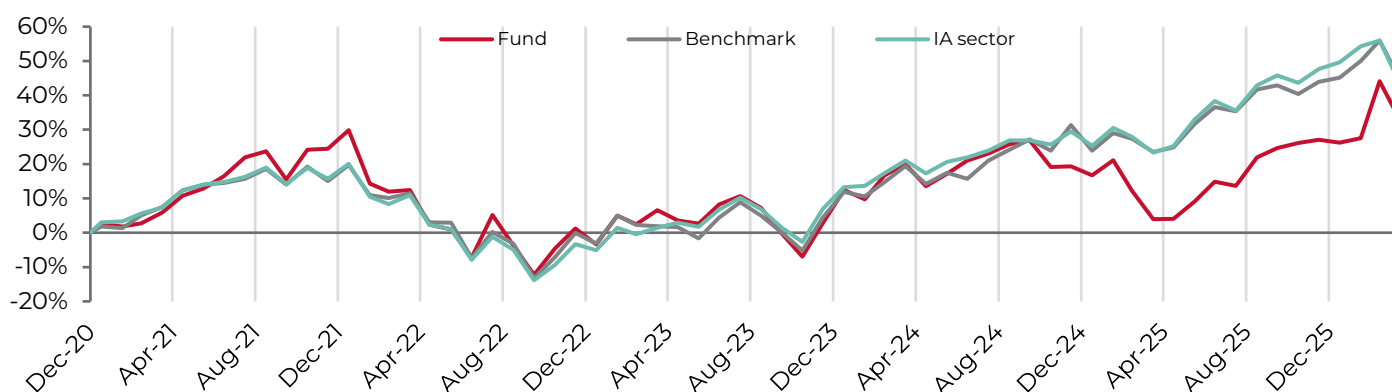
### GUINNESS GLOBAL QUALITY MID CAP FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-6.4%	+7.0%	+24.6%	+16.5%	+30.8%	-
MSCI World Mid Cap TR	-5.8%	+1.3%	+14.2%	+33.5%	+40.3%	-
IA Global TR	-6.6%	-2.6%	+13.4%	+32.1%	+39.4%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-8.2%	+4.9%	+27.3%	+24.3%	+25.0%	-
MSCI World Mid Cap TR	-7.6%	-0.7%	+16.6%	+42.4%	+34.1%	-
IA Global TR	-8.4%	-4.5%	+15.9%	+40.9%	+33.2%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-5.9%	+6.9%	+19.3%	+17.2%	+27.5%	-
MSCI World Mid Cap TR	-5.3%	+1.2%	+9.4%	+34.3%	+36.7%	-
IA Global TR	-6.1%	-2.7%	+8.6%	+32.8%	+35.9%	-

### GUINNESS GLOBAL QUALITY MID CAP FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+0.6%	+5.7%	+9.8%	-16.3%	+27.9%	-	-	-	-	-
MSCI World Mid Cap TR	+9.1%	+12.7%	+9.0%	-8.9%	+18.7%	-	-	-	-	-
IA Global TR	+11.2%	+12.6%	+12.7%	-11.1%	+17.7%	-	-	-	-	-
(USD)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+8.1%	+3.9%	+16.4%	-25.6%	+26.7%	-	-	-	-	-
MSCI World Mid Cap TR	+17.2%	+10.7%	+15.5%	-19.1%	+17.6%	-	-	-	-	-
IA Global TR	+19.4%	+10.6%	+19.4%	-21.0%	+16.6%	-	-	-	-	-
(EUR)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	-4.7%	+10.8%	+12.4%	-20.8%	+36.4%	-	-	-	-	-
MSCI World Mid Cap TR	+3.3%	+18.1%	+11.6%	-13.8%	+26.6%	-	-	-	-	-
IA Global TR	+5.3%	+18.0%	+15.4%	-15.8%	+25.5%	-	-	-	-	-

### GUINNESS GLOBAL QUALITY MID CAP FUND - PERFORMANCE SINCE LAUNCH (USD)

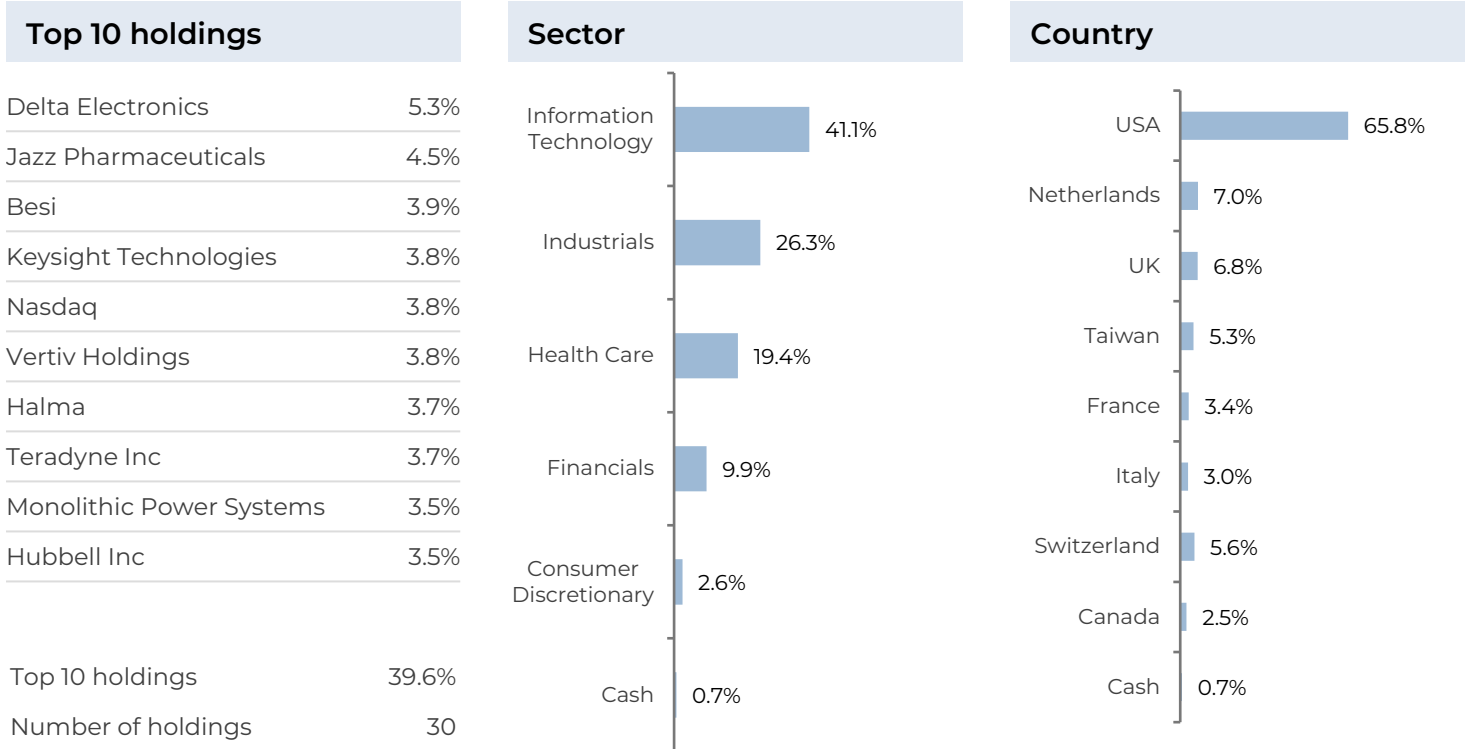


Source: FE fundinfo net of fees to 31.03.26. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF is 0.77%. Returns for share classes with a different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

**WS GUINNESS GLOBAL QUALITY MID CAP FUND - FUND FACTS**

Fund size	£0.6m
Fund launch	30.12.2022
OCF	0.77%
Benchmark	MSCI World Mid Cap TR

**WS GUINNESS GLOBAL QUALITY MID CAP FUND - PORTFOLIO**



## WS Guinness Global Quality Mid Cap Fund

Past performance does not predict future returns.

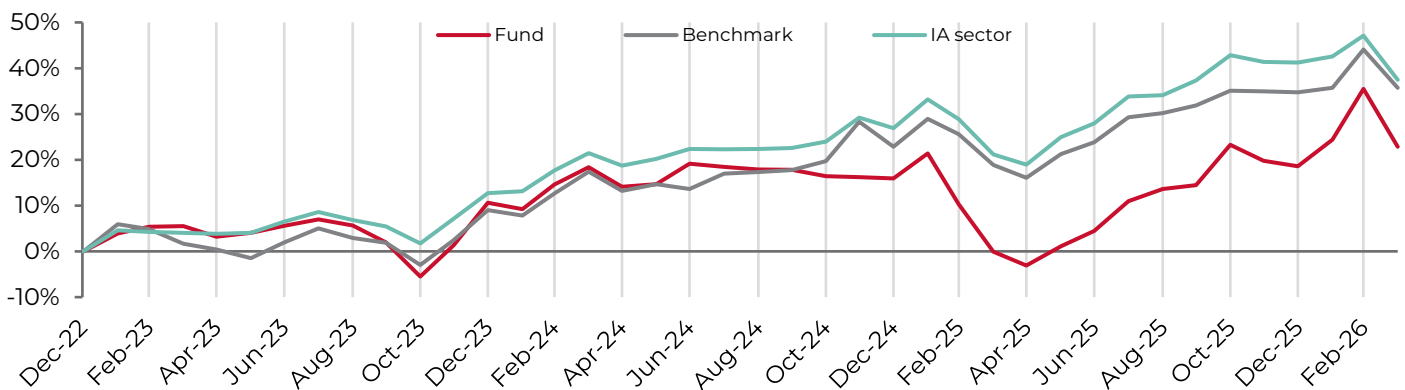
### WS GUINNESS GLOBAL QUALITY MID CAP FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-9.3%	+3.7%	+22.9%	+16.5%	-	-
MSCI World Mid Cap TR	-5.8%	+1.3%	+14.2%	+33.5%	-	-
IA Global TR	-6.6%	-2.6%	+13.4%	+32.1%	-	-

### WS GUINNESS GLOBAL QUALITY MID CAP FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+2.2%	+4.9%	+10.6%	-	-	-	-	-	-	-
MSCI World Mid Cap TR	+9.1%	+12.7%	+9.0%	-	-	-	-	-	-	-
IA Global TR	+11.2%	+12.6%	+12.7%	-	-	-	-	-	-	-

### WS GUINNESS GLOBAL QUALITY MID CAP 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 Global Quality Mid Cap Fund and the WS Guinness Global Quality Mid Cap 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 GLOBAL QUALITY MID CAP FUND

### Documentation

The documentation needed to make an investment, including the Prospectus, Supplement, the 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 Global Quality Mid Cap 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.