

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID and KIID for the Funds (available on our website), 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 and the income from it can fall as well as rise because of market and currency movements, and you may not get back the amount originally invested. The Funds only invest in the Asia region; they are therefore susceptible to the performance of that region and can be volatile.

Past performance does not predict future returns.

## COMMENTARY

In May, the Guinness Asian Equity Income Fund rose 4.9% (Y share class, in GBP), underperforming the MSCI AC Asia Pacific ex Japan Net Total Return Index benchmark, which rose 10.9%.

May was another month in which returns in developed market regions were clustered around the mean while emerging market returns were among the top and bottom performers. Emerging Asia excluding China was the best-performing market, up 18%, while Latin America was down -4.2%. Investors continue to try to balance ongoing geopolitical uncertainty against still-supportive earnings and AI-related investment trends.

*Commentary continues overleaf*

## INVESTMENT POLICY

The Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Asia Pacific region. The Funds are managed for income and capital growth and invest in profitable companies that have generated persistently high returns on capital over the last decade, and that are well placed to pay a sustainable dividend into the future. The Funds are actively managed and use the MSCI AC Asia Pacific ex Japan Index as a comparator benchmark only.

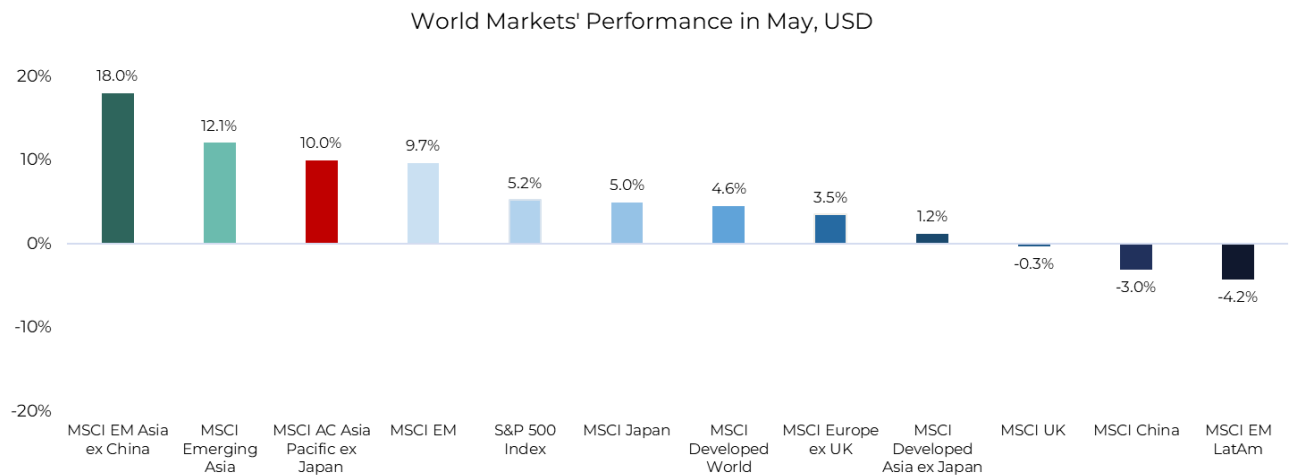
## ABOUT THE STRATEGY

<b>Launch</b>	19.12.2013
<b>Index</b>	MSCI AC Asia Pacific ex Japan Index
<b>Sector</b>	IA Asia Pacific Excluding Japan
<b>Managers</b>	Edmund Harriss Mark Hammonds Valerie Huang
<b>EU Domiciled</b>	Guinness Asian Equity Income Fund
<b>UK Domiciled</b>	WS Guinness Asian Equity Income Fund

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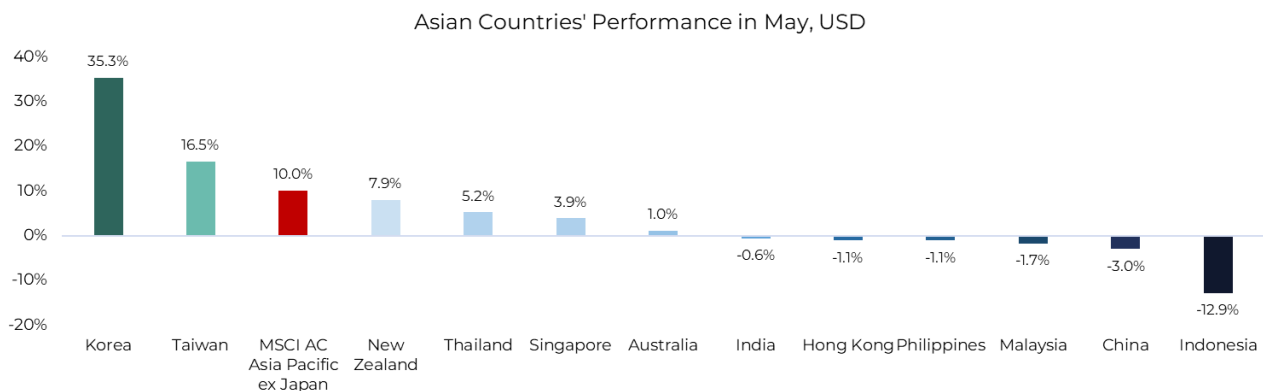
## Guinness Asian Equity Income



Source: Bloomberg, MSCI, Guinness Global Investors. Net returns in US dollars as of 31<sup>st</sup> May 2026

The dominant macro driver remained the conflict surrounding Iran and the disruption to energy markets. Although the Strait of Hormuz remained “open”, commercial traffic continues to recover slowly, and negotiations to extend the ceasefire made limited headway through the month. This left the Brent oil price supported above \$100 per barrel for most of May before it drifted lower at the end of the month.

The anxiety in energy markets fed directly into broader concerns around inflation, interest rates and global growth. Higher oil prices reduced confidence that central banks would be able to deliver an aggressive easing cycle, while bond markets also experienced periods of heightened volatility as investors reassessed inflation expectations and fiscal risks. Despite this backdrop, global equity markets remained relatively resilient, supported by stronger-than-expected corporate earnings and continued enthusiasm around AI-related capital expenditure, particularly across technology and semiconductor sectors. Markets repeatedly demonstrated a willingness to look through near-term macro uncertainty when supported by visible earnings growth and cash flow generation.



Source: Bloomberg, MSCI AC Asia Pacific ex Japan, Guinness Global Investors. Net returns in US dollars as of 31<sup>st</sup> May 2026

The MSCI AC Asia Pacific ex Japan Index rose 10.0% in USD terms during the month, outperforming developed markets, with gains led overwhelmingly by Korea, up 35.3%, and Taiwan, which rose 16.5%. As in previous months, the relentless appetite for AI memory has driven the outperformance in these two markets. Demand for advanced semiconductors, memory and AI infrastructure remained robust, supporting both earnings expectations and capital flows into the region. Taiwan overtook India as the world's fifth-largest equity market during the month, reflecting the scale of investor demand for AI-linked hardware and semiconductor exposure. South Korea similarly benefited from strong performance in Samsung Electronics, SK Hynix and broader AI supply chain names as investors increasingly concentrated their exposure in markets viewed as direct beneficiaries of the global AI build-out.

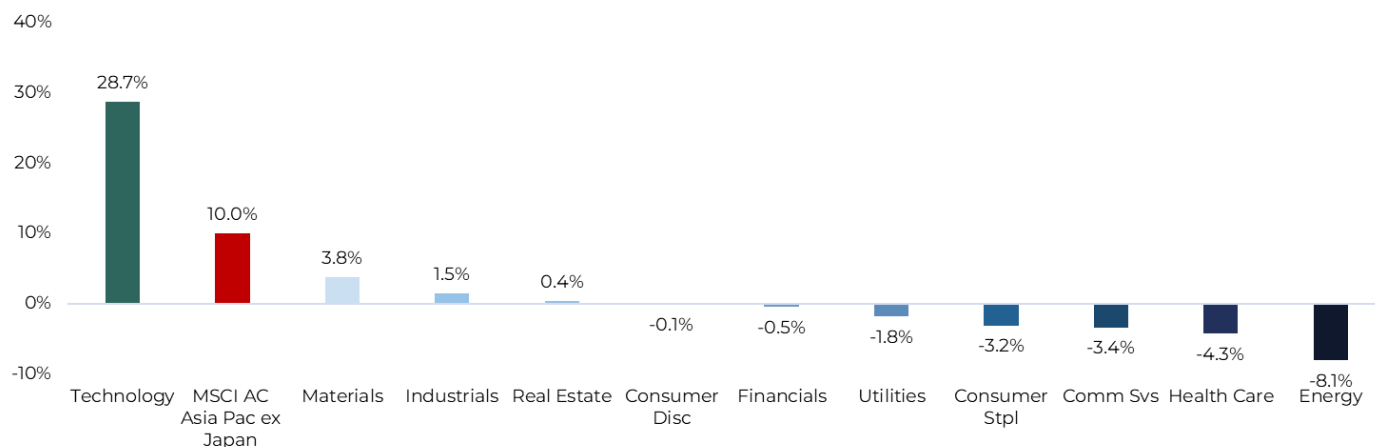
China's market backdrop remained more mixed. The country's producer price index fell 2.7% in April, worse than the 2.5% drop seen in March. On top of this, whilst April's consumer price index was up 1.2% year-on-year, above market expectations, this reflected the composition of higher oil and goods prices versus falling food prices, suggesting the underlying

## Guinness Asian Equity Income

deflationary impulse has yet to fully clear. The meetings between Trump and Xi late in April had been a focal point for sentiment, but in the absence of any tangible policy or stimulus follow-through from Beijing, the market was unable to build on the initial optimism.

India and parts of ASEAN faced a more challenging environment. Higher oil prices remained a direct headwind for energy-importing economies through their impact on inflation, current account balances and currencies. Indian equities remained sensitive to movements in crude prices and foreign capital flows, while Southeast Asian markets generally lagged the stronger technology-driven performance seen in East Asia. Indonesia was further hit by news that MSCI would remove several companies from its Indonesia index and small-cap index at the end of the month. MSCI had previously highlighted issues within the Indonesian equity market back in January, particularly related to transparency, causing markets to worry that Indonesia might be downgraded to Frontier Market status later this year.

Asia Sector Performance in May, USD



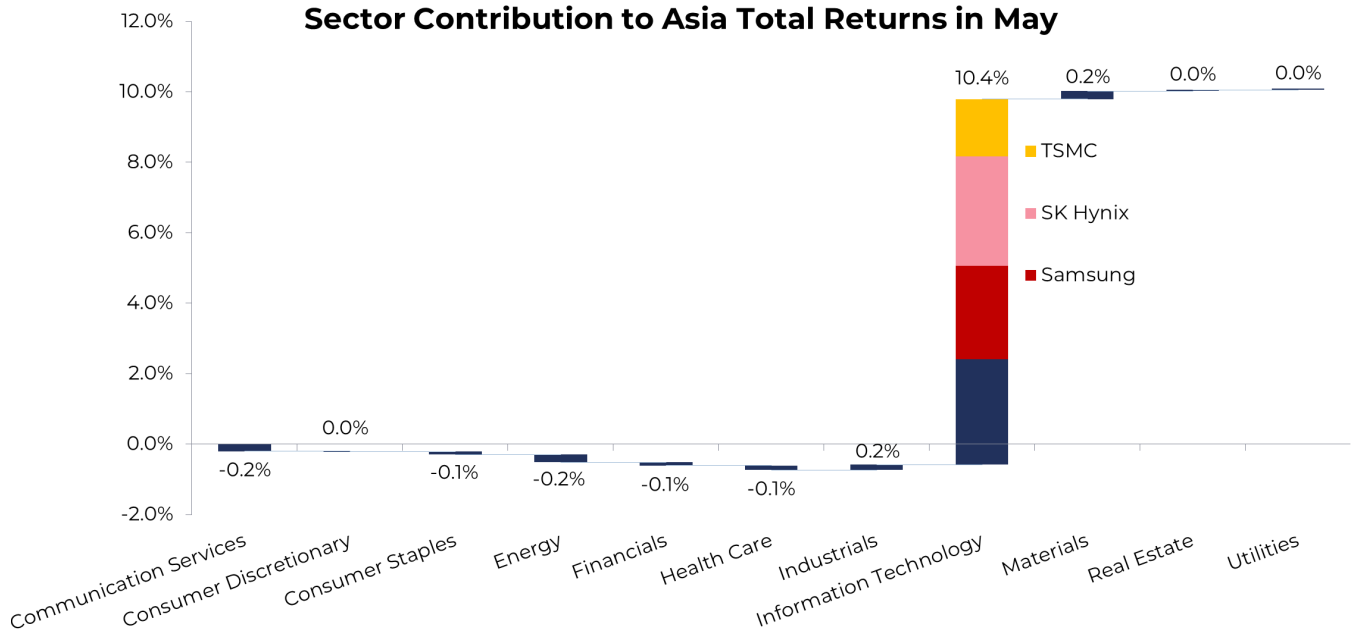
Source: Bloomberg, MSCI, Guinness Global Investors. Net returns in US dollars as of 31<sup>st</sup> May 2026

Unsurprisingly, sector performance reflected the sharp narrowing of investor appetite towards key AI beneficiaries. Technology was again the strongest-performing sector in May, rising almost 30%. More defensive sectors continued to lag the broader market as investors deepened their cyclical growth exposures.

FUND REVIEW

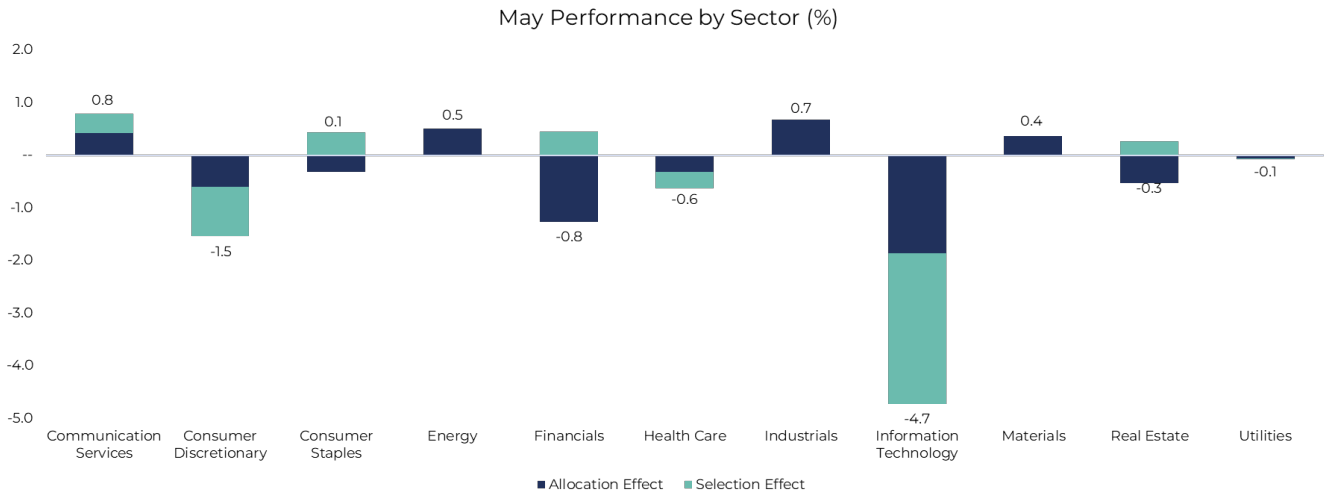
Past performance does not predict future returns.

As has been the case for most of the last 12 months, recent benchmark outperformance is being driven by a narrow set of names. TSMC, SK Hynix, and Samsung Electronics accounted for 74% of the benchmark's total returns in May. On a year-to-date basis, these three names contributed 70% of the benchmark's total returns.



Source: FactSet, MSCI, Guinness Global Investors. Net returns in US dollars as of 31<sup>st</sup> May 2026.

In May, the Fund suffered from both negative allocation effect and selection effect, primarily driven by not having enough Tech, and specifically not holding SK Hynix and Samsung Electronics and having underweight exposure to TSMC.



Source: FactSet, MSCI, Guinness Global Investors. Net returns in US dollars as of 31<sup>st</sup> May 2026.

As a reminder, SK Hynix and Samsung Electronics do not make it into our investment universe, and TSMC is held at an underweight of around 10 percentage points versus the benchmark due to our equal weighting approach. However, we would highlight that every Technology name within the Fund except Catcher Technology contributed positively to the Fund's absolute returns.

## Guinness Asian Equity Income

The Fund's overweight to Financials and Health Care detracted as the market continued to invest into the growth rally. Within Financials, positive contributions from BOC Hong Kong and DBS Group were large enough to overcome the detractions from the Fund's Chinese Financials and Bank Rakyat.

In Consumer Discretionary, our relative overweight detracted. Haier Smart Home and Suofeiya Home Collection drove the relative detractions on a stock level (more information below).

### LEADERS AND LAGGARDS

#### Leaders

All three of the top performing companies within our portfolio come from the Tech sector.

**Largan Precision** rose +41.1% (in USD) due to two main reasons. First, the company reported better-than-expected revenues for April, up +23% year-on-year, driven by stronger iPhone sales than the market was expecting. Second, Largan reported advancements in its co-packaged optics (CPO) technology, which uses light to transmit data, improving speed and efficiency.

**Qualcomm** (+39.8%) and **Hon Hai Precision** (+32.9%) saw share prices rise in May, primarily due to continued AI enthusiasm. Qualcomm prices moved up on news of a 90-day temporary US-China tariff pause, as well as news that the company had agreed a deal to supply ByteDance's data centres with custom AI chips. Hon Hai reported strong 1Q26 results, with net profit rising 19% year-on-year. During the call, Hon Hai also noted that the 63% increase in operating profit was driven by robust AI demand, thanks to its dominance in AI server racks.

#### Laggards

Below are the three worst performing names in the portfolio.

**China Medical System** fell -17.3% in May. There were no clear, idiosyncratic factors driving the share price decline. Instead, we believe the share price fall was primarily driven by investors increasingly rotating towards growthier sectors.

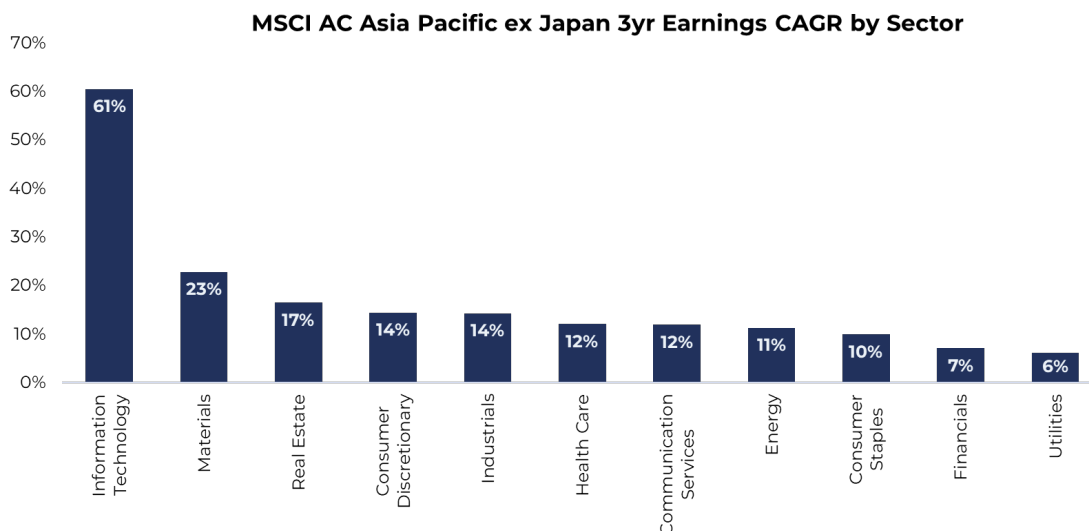
**Suofeiya Home Collection** fell -15.9% in May broadly due to weak 1Q26 results. Revenues fell 25% year-on-year, and the company went from profit in the previous year to a loss of RMB38m. The outlook for the company remains choppy due to continued pressure on consumer demand, forcing analysts to revise down their 2026 earnings forecasts.

**Haier Smart Home** fell -10.2% in May despite supportive measures including an 18.9m A-share buyback program during the month. The company noted margin headwinds driven by higher tariffs and rising raw material costs. In addition, the company continued to feel pressures impacting the wider appliances sector.

## OUTLOOK

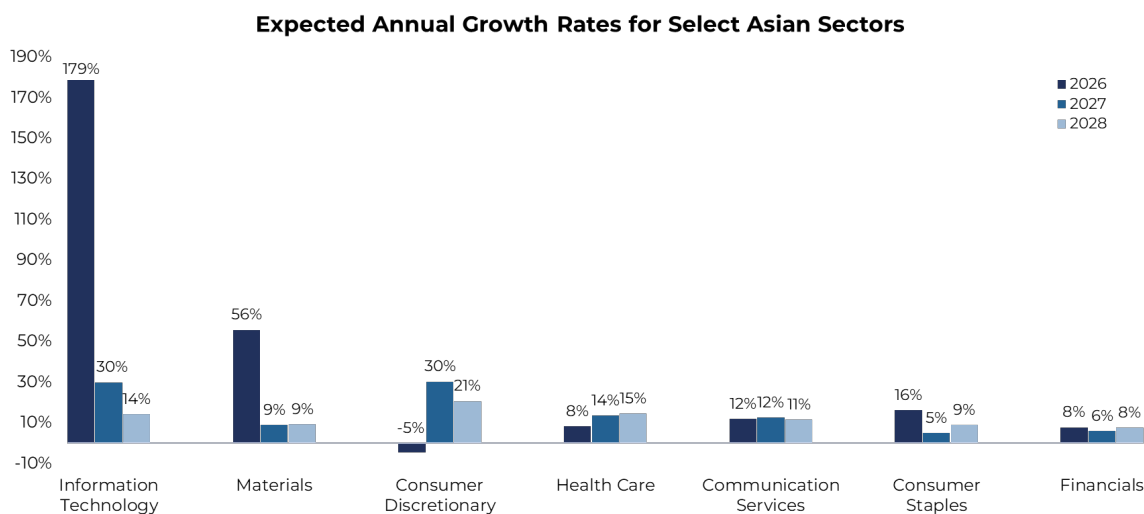
Looking ahead to the remainder of 2026, the outlook for Asian equities remains similar to last month. The region continues to benefit from several supportive medium-term trends, including ongoing investment into AI infrastructure, continued semiconductor demand, manufacturing diversification and rising wealth across many emerging economies. However, market leadership is likely to remain narrow and increasingly driven by earnings delivery rather than broad multiple expansion.

This selectivity is particularly evident when looking at earnings expectations across sectors. The expected three-year annualised earnings growth for Tech looks impressively high at 61%.



Source: Bloomberg, MSCI, Guinness Global Investors. Data as of 31<sup>st</sup> May 2026

However, that headline figure masks a much more uneven profile, with earnings expected to grow 179% in 2026 before slowing sharply to 14% by 2028. A similar pattern can be seen in Materials, where earnings growth is expected to fall from 56% in 2026 to around 9% thereafter. Such growth profiles can create attractive opportunities, but they also tend to be associated with higher valuation volatility as investors quickly reassess expectations when growth begins to normalise. The sharp derating experienced by many AI-related names during March provided a timely reminder of this dynamic.



Source: Bloomberg, MSCI, Guinness Global Investors. Data as of 31<sup>st</sup> May 2026

In contrast, sectors benefiting from longer-term demographic and structural trends, such as Consumer Discretionary and Health Care, are expected to deliver steadier earnings growth over the next several years. While these sectors may not offer the same near-term earnings acceleration as parts of the Tech sector, they provide steady exposure to rising wealth,

## Guinness Asian Equity Income

changing consumption patterns and ageing populations across the region; patterns that are sustained over a longer time frame and that are less affected by market whims.

The events of the past three months have been a useful reminder that a double-digit rebound in regional markets can be driven by the same handful of names that drove a double-digit drawdown the month before. Dispersion across countries and sectors is now wide enough that broad regional exposure is not, on its own, diversification. Benchmark exposure and active exposure to Asia are increasingly differentiated. The MSCI AC Asia Pacific ex Japan Index is, on a market capitalisation basis, increasingly an AI supply chain index with a long tail of more diversified businesses. TSMC, Samsung Electronics and SK Hynix now account for 29.4% of the benchmark and have driven the bulk of the regional return profile over the past 12 months. That offers significant beta in an upcycle, as April and May have demonstrated, but it also concentrates risk in a narrow set of companies whose earnings cycles, capital intensity and geopolitical exposure are correlated in ways that historical risk models tend to understate.

By region, Korea and Taiwan remain highly leveraged to the global technology cycle, while India and Southeast Asia remain more exposed to oil prices, currencies and domestic demand conditions. China's outlook remains more selective, with stronger opportunities likely concentrated in areas linked to industrial upgrading, technology and balance sheet strength rather than broad domestic recovery. At the same time, geopolitical risks remain elevated. While markets have repeatedly responded positively to signs of progress around a potential Iran agreement and an eventual reopening of the Strait of Hormuz, the situation remains fluid, and energy markets are likely to remain a key source of volatility in the second half of the year. Higher oil prices, tighter financial conditions and elevated earnings expectations in some parts of the market all point toward a more selective environment for investors.

Against this backdrop, diversification across business models, end markets, geographies and balance sheet profiles remains critical. We continue to believe that portfolios anchored in high-quality companies with durable competitive advantages, strong balance sheets and clear earnings visibility are best positioned to navigate a more volatile environment. While periods of dislocation are likely to persist, they should also continue to create opportunities for long-term investors focused on fundamentals rather than short-term market sentiment.

### **Portfolio Managers**

Edmund Harriss

Mark Hammonds, CFA

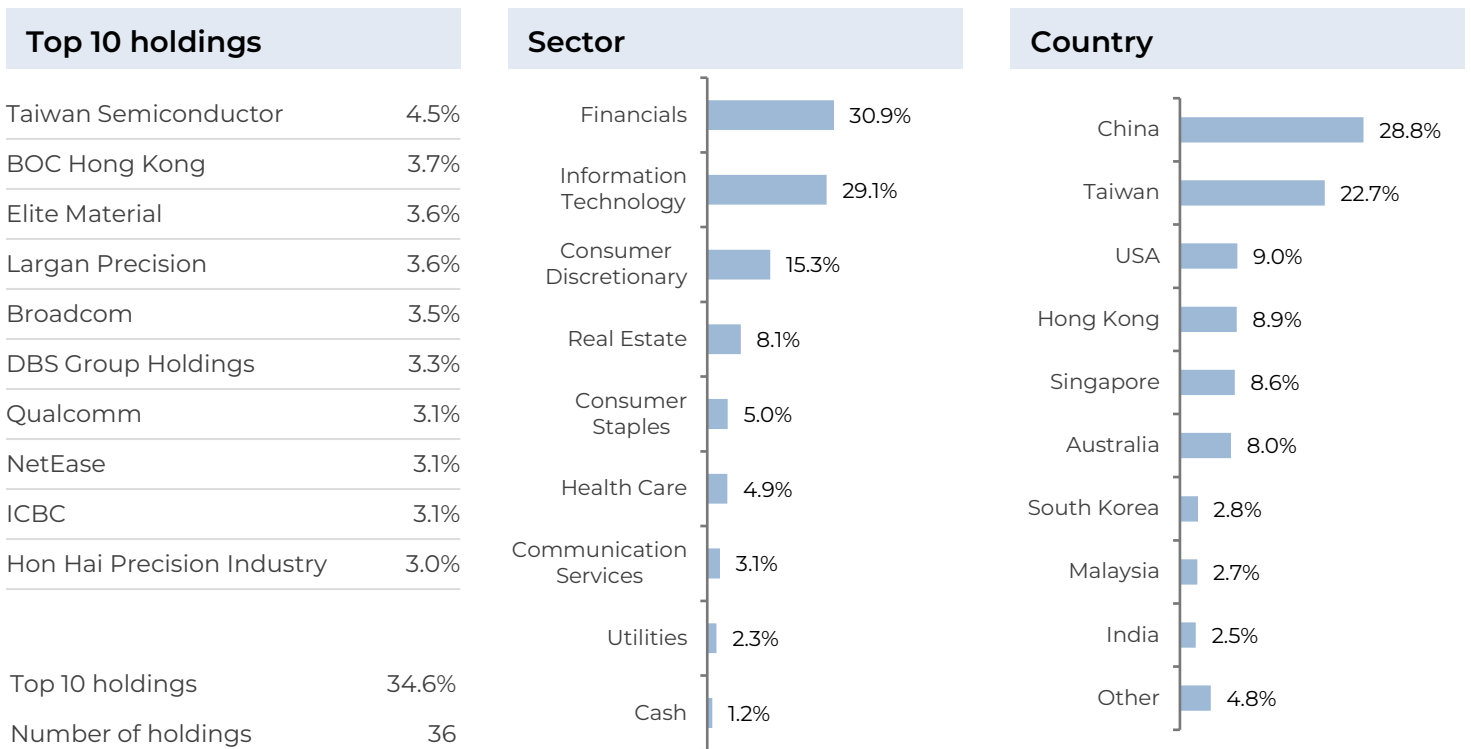
Valerie Huang, CFA

**GUINNESS ASIAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$298.1m
Fund launch	19.12.2013
OCF	0.77%
Benchmark	MSCI AC Asia Pacific ex Japan TR
Historic yield	3.7% (Y GBP Dist)

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

**GUINNESS ASIAN EQUITY INCOME FUND - PORTFOLIO**



## Guinness Asian Equity Income Fund

Past performance does not predict future returns.

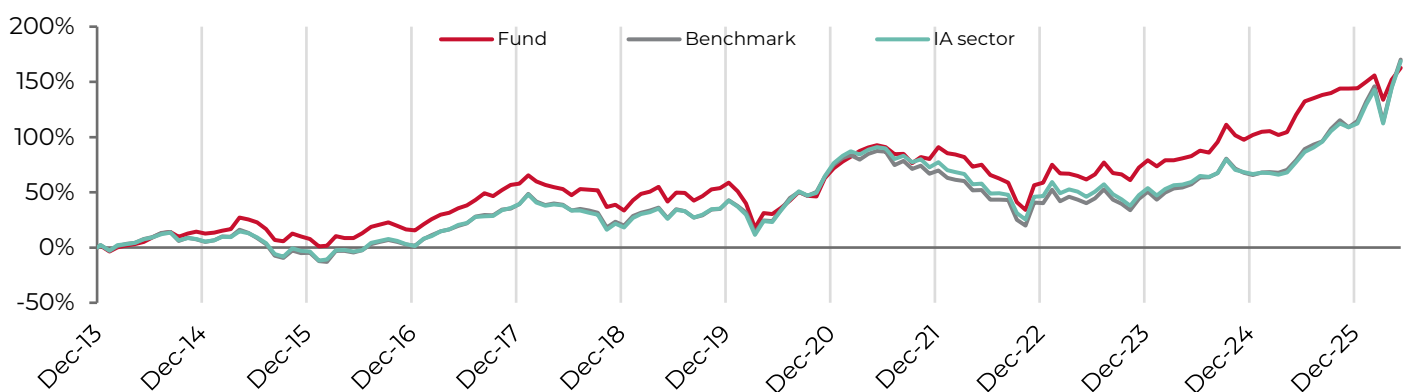
### GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.9%	+7.2%	+19.2%	+49.2%	+43.2%	+160.4%
MSCI AC Asia Pacific ex Japan TR	+10.9%	+25.5%	+51.0%	+77.3%	+52.0%	+205.5%
IA Asia Pacific Excluding Japan TR	+10.6%	+26.2%	+51.5%	+69.2%	+48.3%	+200.6%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.1%	+7.4%	+19.1%	+62.2%	+36.2%	+141.3%
MSCI AC Asia Pacific ex Japan TR	+10.0%	+25.8%	+50.9%	+92.8%	+44.1%	+182.9%
IA Asia Pacific Excluding Japan TR	+9.7%	+26.5%	+51.5%	+84.0%	+40.6%	+178.4%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.6%	+8.1%	+15.9%	+48.2%	+42.1%	+130.1%
MSCI AC Asia Pacific ex Japan TR	+10.6%	+26.6%	+46.8%	+76.2%	+51.0%	+169.9%
IA Asia Pacific Excluding Japan TR	+10.3%	+27.3%	+47.4%	+68.1%	+47.3%	+165.6%

### GUINNESS ASIAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+12.6%	+14.9%	+6.4%	-6.3%	+12.2%	+4.8%	+14.4%	-10.3%	+24.6%	+28.2%
MSCI AC Asia Pacific ex Japan TR	+20.6%	+12.1%	+1.3%	-7.1%	-2.0%	+18.7%	+14.6%	-8.6%	+25.1%	+27.3%
IA Asia Pacific Excluding Japan TR	+19.0%	+10.0%	-1.0%	-6.9%	+1.5%	+20.0%	+15.8%	-9.8%	+25.3%	+25.7%
(USD)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+20.9%	+12.8%	+12.7%	-16.8%	+11.1%	+8.1%	+19.0%	-15.5%	+36.5%	+7.5%
MSCI AC Asia Pacific ex Japan TR	+29.6%	+10.2%	+7.4%	-17.5%	-2.9%	+22.4%	+19.2%	-13.9%	+37.0%	+6.8%
IA Asia Pacific Excluding Japan TR	+27.8%	+8.1%	+4.9%	-17.3%	+0.5%	+23.8%	+20.4%	-15.1%	+37.2%	+5.3%
(EUR)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+6.6%	+20.4%	+8.9%	-11.4%	+19.6%	-0.8%	+21.2%	-11.2%	+19.9%	+10.7%
MSCI AC Asia Pacific ex Japan TR	+14.2%	+17.5%	+3.7%	-12.1%	+4.5%	+12.3%	+21.3%	-9.6%	+20.3%	+10.0%
IA Asia Pacific Excluding Japan TR	+12.6%	+15.3%	+1.4%	-11.9%	+8.2%	+13.6%	+22.7%	-10.8%	+20.5%	+8.5%

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

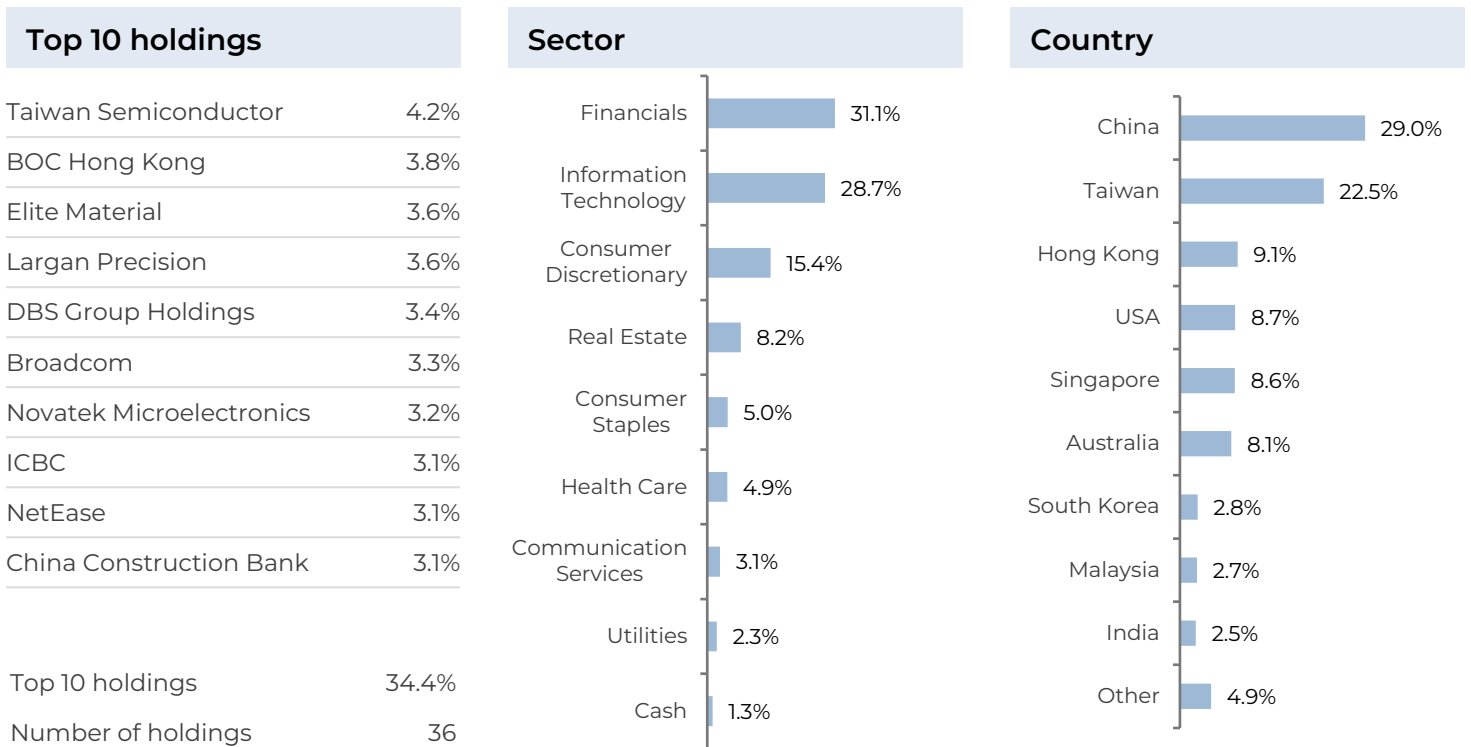


Source: FE fundinfo net of fees to 31.05.26. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF is 0.77%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

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

Fund size	£4.8m
Fund launch	04.02.2021
OCF	0.77%
Benchmark	MSCI AC Asia Pacific ex Japan TR
Historic yield	3,8% (Y GBP Inc)

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



## WS Guinness Asian Equity Income Fund

Past performance does not predict future returns.

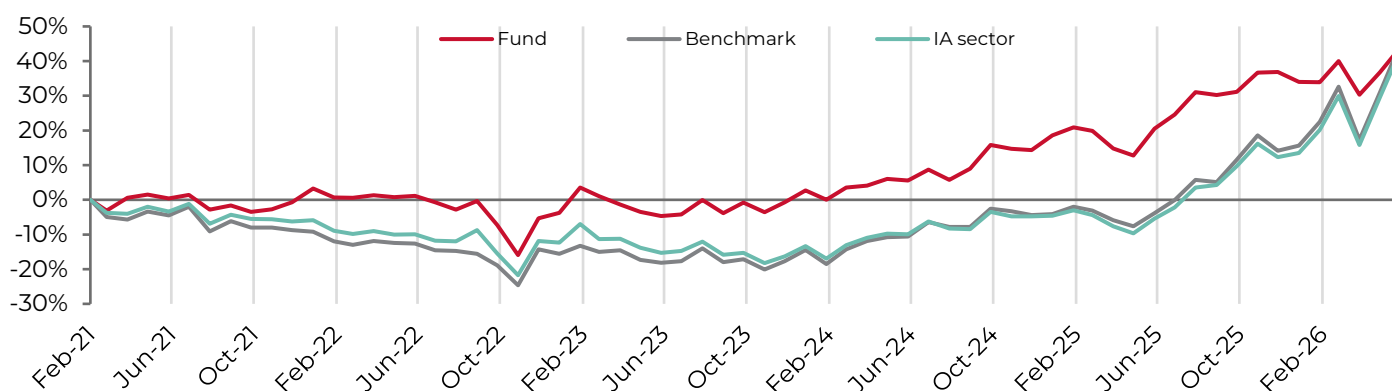
### WS GUINNESS ASIAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+5.4%	+7.5%	+19.6%	+51.2%	+43.6%	-
MSCI AC Asia Pacific ex Japan TR	+10.9%	+25.5%	+51.0%	+77.3%	+52.0%	-
IA Asia Pacific Excluding Japan TR	+10.6%	+26.2%	+51.5%	+69.2%	+48.3%	-

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

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+13.1%	+15.5%	+6.7%	-6.8%	-	-	-	-	-	-
MSCI AC Asia Pacific ex Japan TR	+20.6%	+12.1%	+1.3%	-7.1%	-	-	-	-	-	-
IA Asia Pacific Excluding Japan TR	+19.0%	+10.0%	-1.0%	-6.9%	-	-	-	-	-	-

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



FE fundinfo net of fees to 31.05.26. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF is 0.77%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return. Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the latest month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

## IMPORTANT INFORMATION

**Issued by Guinness Global Investors** which is a trading name of Guinness Asset Management Limited which is authorised and regulated by the Financial Conduct Authority and registered with the Securities and Exchange Commission ("SEC"). SEC registration does not imply a certain level of skill or training.

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

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

The Funds are actively managed and use the MSCI AC Asia Pacific ex Japan Index as a comparator benchmark only.

### GUINNESS ASIAN EQUITY INCOME FUND

#### Documentation

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

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

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

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'Ille, 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 ASIAN EQUITY INCOME FUND

#### Documentation

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

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

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

#### Residency

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

#### Structure & regulation

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

**Glossary of Terms:** A glossary explaining key investment terms used in our marketing materials is available here: <https://www.guinnessgi.com/glossary>

Telephone calls will be recorded and monitored.