Guinness Pan-European Equity Income

Investment Commentary – June 2026

RISK

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

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

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	19.02.2025
Index	MSCI Europe
Sector	IA Europe including UK
Manager	Will James
EU Domiciled	Guinness Pan-European Equity Income Fund

OBJECTIVE

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

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COMMENTARY

European equities delivered positive returns in May, with the MSCI Europe Index returning 3.5% in GBP. The Guinness Pan-European Equity Income Fund returned 2.7%, underperforming the benchmark by 0.8 percentage points over the month.

May saw European equity markets continue to recover on signs that the US and Iran were edging towards some form of resolution in the Middle East. While the situation remains febrile, it is likely to be the key short-term driver as we enter the summer months. Any resolution to the conflict would be a key positive for European markets given the region's perceived sensitivity to oil price fluctuations, with the sectors which had underperformed in March's geopolitically driven sell-off leading any rebound. The AI trade continued apace with the Technology sector outperforming while Energy and Utilities, neither of which the portfolio owns, saw a reversal after their strong Q1 run.

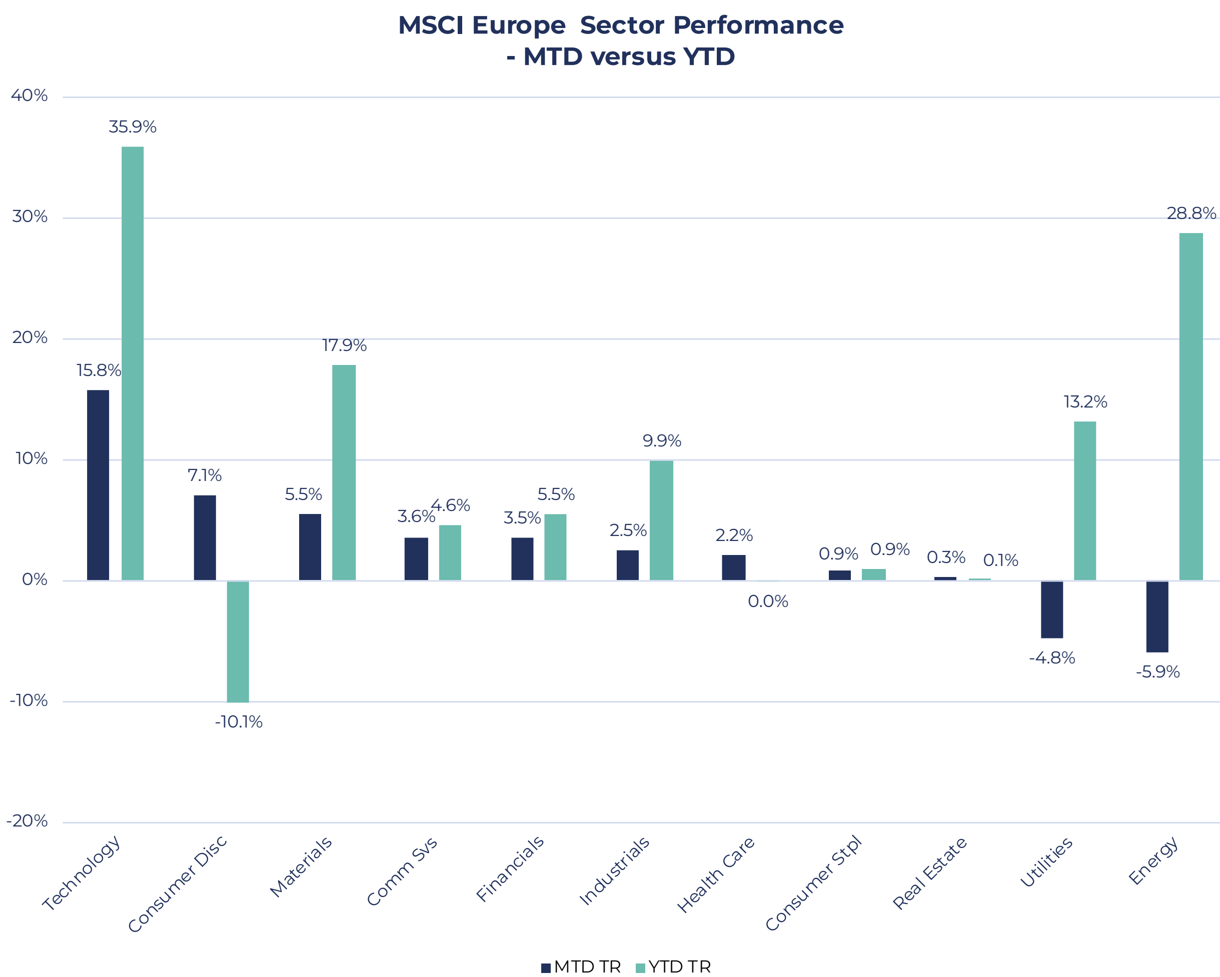
The portfolio remains well balanced across high quality, undervalued dividend paying companies and no significant changes were made during the month. As ever we remain patient, prudent and positive.

MARKET REVIEW

Sector performance in May extended April's risk-on tone. Technology (which was up +15.8% in EUR), Consumer Discretionary (+7.1%) and Materials (+5.5%) led the index higher, with the discretionary names rebounding after a weak start to the year. The only negative performers were Utilities (-4.8%) and Energy (-5.9%), the latter giving back further ground as oil fell sharply on the easing of the Middle East conflict.

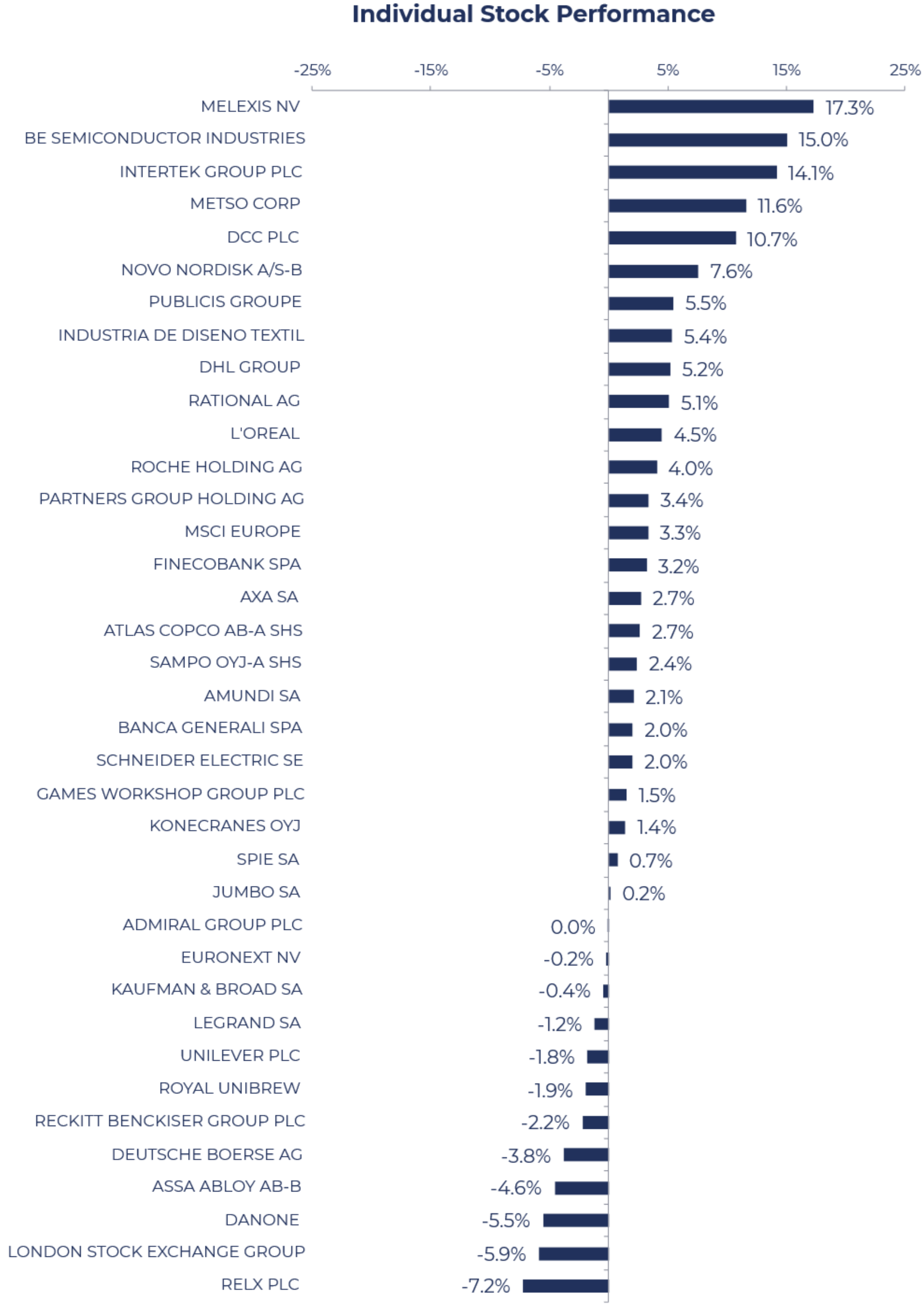
Technology's strong performance came from the AI theme that has dominated markets all year. The specific catalyst in May was US tech earnings: strong results from the likes of Nvidia reassured investors that AI capex is holding up, which reflected positively across the European names levered to it. The move was amplified by how narrow the sector is being dominated by ASML and a handful of semiconductor names (STMicroelectronics, Infineon, BE Semiconductor, ASM International). With few options for liquid AI pure-plays in Europe, flows concentrate into a small group of perceived proxies, and when the AI trade runs, that scarcity makes the sector move sharply.

Year-to-date (YTD), leadership has rotated at the top: Technology (+35.9%), lifted by its strong May, has overtaken Energy (+28.8%), which slipped as it fell back over the month. Materials (+17.9%), Utilities (+13.2%) and Industrials (+9.9%) all remain ahead of the index. Consumer Discretionary (-10.1%) is still the worst performer YTD, despite May's bounce, with autos, luxury, and retail continuing to bear the brunt of tariff anxiety and soft Chinese demand. Health Care (0.0%), Real Estate (+0.1%) and Consumer Staples (+0.9%) are all roughly flat YTD.



Source: Bloomberg; EUR, 31.05.2026

STOCK PERFORMANCE



Source: Bloomberg. Data in EUR as of 31.05.2026

Earnings Season

May was another constructive month for the portfolio, with no real operational disappointments. The data-centre demand that drove markets in April carried into **Legrand's** Q1 earnings release: organic sales grew +9.3%, nearly three points ahead of consensus, with almost all of it driven by the US market.

Euronext beat investor expectations across the board, with revenue up +15.3% and adjusted earnings before interest, tax, depreciation, and amortisation (EBITDA) being around 6% ahead at a 65% margin, as equity market volatility increased trading activity over the month. **Banca Generali** grew net banking income 11.6%, took in record net inflows of €1.9 billion and raised its earnings guidance. **FinecoBank** reported net sales (inflows) of €4.6 billion, up +44%, and upgraded its medium-term outlooks.

Sampo's headline profit fell due to mark-to-market losses in its investment book. This suggests an accounting markdown rather than a problem with the underwriting business, where results beat expectations, and the combined ratio improved to 84.4%. Sampo also announced a fresh €350 million share buyback. **Novo Nordisk's** numbers were flattered by a one-off provision reversal, and adjusted operating profit came in about 13% ahead of expectations. Wegovy pill sales of DKK 2.26 billion were almost double the predicted DKK 1.16 billion, early signs that the new CEO's strategy of pushing volume to offset pricing pressure appears to be showing signs of traction.

Recordati modestly beat expectations, with revenue up 4.9% (8.7% in like-for-like sales), though the result was overshadowed by a €10.7 billion bid from CVC and Groupe Bruxelles Lambert to take it private.

DCC reported full-year results in May, delivering a strong and highly cash-generative performance: adjusted earnings per share (EPS) grew 9.9%, cash conversion was 108%, alongside a 5% dividend increase and completion of the £700 million capital return. Similar to Recordati, the share price performance (+10.7%) was driven primarily by takeover interest following the board's rejection of an initial cash bid from KKR and Energy Capital Partners in late April. Strategically, the group continues to focus on its Energy business, which recovered in the second half and underpins the proposed rebrand to DCC Energy plc.

RATIONAL, the German professional kitchen manufacturer, delivered solid numbers, with sales up 8% (+11% in like-for-like sales), and confirmed its predicted performance remains on track. North America was the standout, up over +26% organically (the US market being +30%, excluding the foreign-exchange headwind) as its distinctive direct-sales model, which sends former chefs to demonstrate in customers' own kitchens, continues to take share. Asia remained a laggard ahead of the dedicated iCombi1 oven launch in China that management expects to seed a recovery as the oven is locally assembled and is specialised to the requirements of Chinese kitchens.

First-quarter earnings for 2026 were overall reassuring. Tariffs, currency headwinds and market volatility notwithstanding, the bulk of the portfolio posted solid earnings, generated strong cash, maintained conservative balance sheets and kept investing for the long term.

Contributors

Melexis
INNOVATION WITH HEART

Melexis (+17.3% in EUR) is a fabless designer of analogue and mixed-signal semiconductor sensors, primarily for automotive end-markets. Shares of the company rose in May despite Q1 results (released in April) being in line with expectations and unchanged guidance, as the market began to look through the slower first half of 2026, anticipating an improving demand and pricing environment in the second half. The main driver of performance was management's positive tone on improving order intake, better regional visibility, and a reframing of flat first-half projections as conservatism (organic growth was +6% year-on-year in Q1, before a 4% foreign-exchange headwind).

BE Semiconductor/BESI (+15.0%), the leader in hybrid bonding, was among the standout performers in May. As a direct beneficiary of AI infrastructure build-out, BESI continued to be carried by the theme through the period, supported by Q1 results (released in April) that showed orders up over 100% year-on-year, while a long-term revenue target of €1.5–1.9bn underpins the structural growth case.

Intertek (+14.1%) continues to be pursued by EQT in May. Its £58 proposal from 5th May was rejected, but the Swedish private equity firm returned on 11th May with a fourth and "final" offer of £60 per share in cash plus the FY25 dividend of up to 107.7 pence, so around £61 per share in total. This values Intertek at roughly £9.2 billion, a premium of about 40% to the pre-bid price. On 13 May the Board said it would be "minded to recommend" a firm offer on these terms and paused its strategic review. The shares rose on the news and now track the bid.

Detractors

RELX (-7.2%) remained under pressure after Anthropic expanded Claude's legal capabilities, adding 12 new legal-focused integrations. These included partnerships with platforms such as Thomson Reuters' CoCounsel Legal (powered by Westlaw), as well as Harvey, Box, Everlaw and DocuSign. The development has contributed to ongoing market concerns that AI could erode the competitive advantages and pricing power of established legal information providers such as RELX, particularly if platforms like Claude increasingly control the user interface and customer relationship.

We remain comfortable with our investment, as we do not see this as a binary, winner-takes-all threat the market appears to be pricing in. It is still too early to assess RELX's decision not to make LexisNexis directly available within Claude, instead choosing to embed Claude into its own Lexis+ platform through the Protégé AI assistant. The success of this strategy ultimately depends on where legal professionals choose to conduct their work. If the centre of gravity moves to the AI model interface, their decision looks wrong, since lawyers working in Claude can access Westlaw but not LexisNexis directly. If they continue to work inside the specialist platforms (LexisNexis uses Claude within its platform), Lexis retains the user interface and the customer relationship.

More importantly, the same trend that pressures their Legal segment is a tailwind to Risk, RELX's largest segment: at around 36% of revenue and roughly 40% of adjusted operating profit. AI lowers the cost of committing fraud at scale through synthetic identities, automated bots and deepfakes, which raises demand for the identity verification, fraud detection and financial-crime solutions that LexisNexis Risk Solutions sells. A Risk seminar hosted by RELX during the month reassured us on the durability of that competitive advantage.

LSEG (-5.9%) gave back some of its strong April gains during May as investors took profits following a robust Q1 report, which came in ahead of consensus with strength across every segment and especially its Markets division. Share price performance was also not helped by the same AI-disruption fears that affected RELX and the broader data and workflow software sector. LSEG has tended to trade as a proxy for that fear, with data and analytics roughly half of revenue and therefore deemed at risk by the market.

That said, the CIO offered some reassurance at a meeting with sell-side analysts. His argument was that LSEG's competitive strength lies in proprietary network infrastructure and last-mile delivery. The latter means connectivity to c.600 venues with microsecond latency (i.e., the delay), while performance is backed by contractual service-level agreements covering speed and uptime that only a provider owning the underlying network can credibly offer. He also reframed AI as a new distribution channel rather than a direct threat to the business model. While this is a reasonable argument, the market remains focused on identifying which business models are most vulnerable to AI disruption, with it taking time for winners and losers to become apparent.

Danone (-5.5%) saw April weakness persisting through to May, with the shares lagging a recovering market. The main drivers of the drag were Consumer Staples falling out of favour and two continued market events: the April rumour that Danone is exploring a buyout of Reckitt's Mead Johnson, and the recall of infant formula in Europe due to potential contamination with cereulide, which was exacerbated mid-month when French, Belgian and Swiss media questioned the speed of Danone's and Nestlé's recalls.

CHANGES TO THE PORTFOLIO

In May, we sold Recordati and purchased shares in Games Workshop. With Recordati now trading close to the recent bid price in CVC Capital Partners' offer, the remaining upside looked limited, and holding onto it carried an opportunity cost against a business we have more conviction in.

Games Workshop is the Nottingham-based creator of Warhammer. It designs and manufactures its miniatures in-house, sells them worldwide through its own stores, online and independent retailers, and licenses the Warhammer universe to third parties at high margins. It has everything we look for in our quality bucket: a high cash flow return on investment (CFROI of over 20%), a prudent, conservative management team that distributes only genuinely surplus cash and keeps the balance sheet healthy (net debt/EBITDA of -0.4x), and a clear customer value proposition.

Retail is a tough sector, but Games Workshop has carved out a real niche, with a loyal community and the kind of pricing power few retailers enjoy; enough to push through price rises this year to offset US tariffs without denting volumes.

We see a clear runway for further growth in both the core hobby and the licensing pipeline and we believe that a free cash flow yield over 4.5% is an attractive entry point for a company with a net cash balance sheet, free cash flow per share compounding at close to 29% a year over three years, and a dividend that yields around 2.7% and has grown at close to 19% a year over five years.

OUTLOOK

Tensions in the Middle East eased through May. A fragile ceasefire and hopes of the Strait of Hormuz reopening pulled oil sharply lower, and crude had its worst month since the pandemic, taking much of the energy-driven pressure off inflation and expected interest rates, and allowing markets to become more risk-on. However, we would caution against reading too much into a single month's swing, as the situation is still far from resolved.

Should the conflict in the Middle East eventually resolve itself, the market will be able to return its attention to Europe's recovery. Germany's fiscal pivot and the broader pro-growth agenda have not gone away, and the structural case that drew investors to Europe at the start of the year remains intact. We avoid speculating on what the exact path of oil prices, inflation, or interest rates will be. We would rather focus on owning businesses that can navigate a range of outcomes by continuously adapting through effective capital allocation than position the portfolio for any one of the multitude of possible scenarios.

The lesson of the past few years is that periods of geopolitical uncertainty and macro volatility are precisely when quality matters most. In a more fragmented, politically volatile environment, we prefer to anchor on what stays constant, rather than on the macro variables that constantly shift. The businesses best placed to weather whatever comes tend to share the same traits that we look for: persistently high cash flow return on investments (CFROI) sustained through market cycles, strong balance sheets, and the ability to pass costs through to prices when weaker competitors cannot. They are also, in our view, companies that can continue to pay and grow their dividends, funded by strong free cash flow and disciplined capital allocation.

The near term may well remain volatile. But we remain patient and positive. We are convinced that investing in high-quality companies at reasonable valuations, with the discipline to hold through periods of uncertainty, continues to pave the way for reliable long-term wealth creation.

Portfolio Manager

Will James, CFA

GUINNESS PAN-EUROPEAN EQUITY INCOME FUND - FUND FACTS

Fund size	$5.0m
Fund launch	19.02.2025
OCF	0.77%
Benchmark	MSCI Europe TR
Historic yield	2.9% (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.

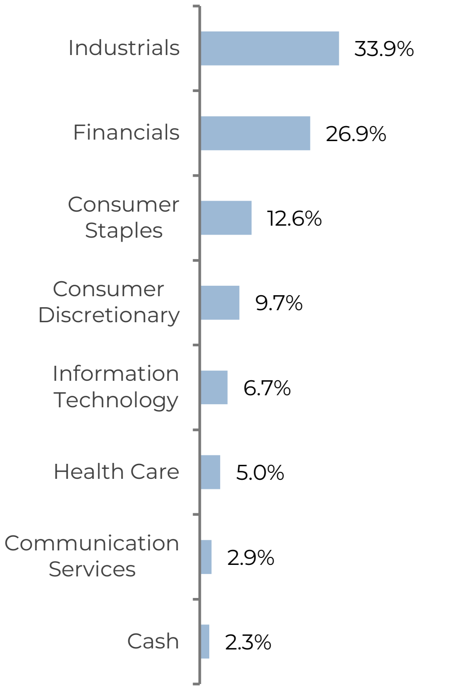
GUINNESS PAN-EUROPEAN EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

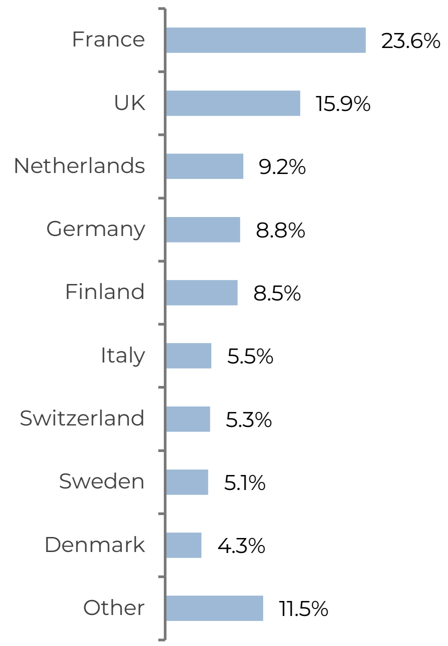
Besi	3.8%
DCC	3.4%
DHL Group	3.1%
Deutsche Boerse	3.0%
Admiral Group	3.0%
Melexis	3.0%
Intertek	2.9%
Metso Corporation	2.9%
L'Oreal SA	2.9%
Konecranes	2.9%

Top 10 holdings	30.8%
Number of holdings	36

Sector



Country



Past performance does not predict future returns.

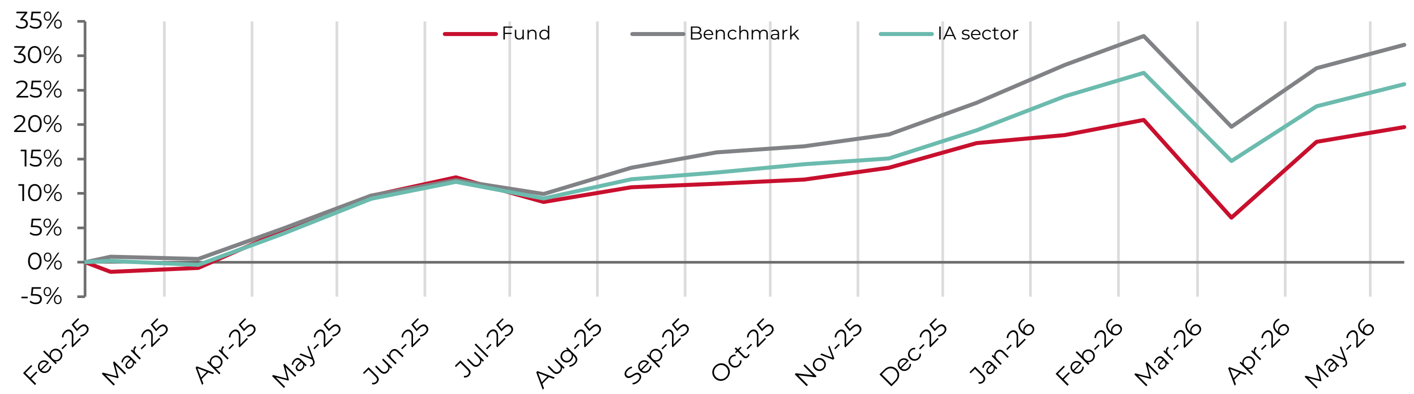
GUINNESS PAN-EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.7%	+1.8%	+9.2%	-	-	-
MSCI Europe TR	+3.5%	+6.6%	+20.0%	-	-	-
IA Europe including UK TR	+3.4%	+5.4%	+15.3%	-	-	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+1.8%	+2.0%	+9.1%	-	-	-
MSCI Europe TR	+2.6%	+6.8%	+20.0%	-	-	-
IA Europe including UK TR	+2.6%	+5.6%	+15.2%	-	-	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.4%	+2.6%	+6.1%	-	-	-
MSCI Europe TR	+3.2%	+7.5%	+16.7%	-	-	-
IA Europe including UK TR	+3.1%	+6.3%	+12.1%	-	-	-

GUINNESS PAN-EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	-	-	-	-	-	-	-	-	-	-
MSCI Europe TR	-	-	-	-	-	-	-	-	-	-
IA Europe including UK TR	-	-	-	-	-	-	-	-	-	-
(USD)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	-	-	-	-	-	-	-	-	-	-
MSCI Europe TR	-	-	-	-	-	-	-	-	-	-
IA Europe including UK TR	-	-	-	-	-	-	-	-	-	-
(EUR)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	-	-	-	-	-	-	-	-	-	-
MSCI Europe TR	-	-	-	-	-	-	-	-	-	-
IA Europe including UK TR	-	-	-	-	-	-	-	-	-	-

GUINNESS PAN-EUROPEAN 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. Graph data is in USD.

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

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GUINNESS PAN-EUROPEAN EQUITY INCOME FUND

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

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