Guinness Global Innovators

Investment Commentary – November 2025

GUINNESS GLOBAL INVESTORS

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KID/KIIDs for the Funds (available on our website), which contain detailed information on their characteristics and objectives and full information on the risks, before making any final investment decisions.

The Funds are equity funds. Investors should be willing and able to assume the risks of equity investing. The value of an investment can fall as well as rise as a result of market and currency movements, and you may not get back the amount originally invested.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
EU Domiciled	Guinness Global Innovators Fund
UK Domiciled	WS Guinness Global Innovators Fund

INVESTMENT POLICY

The Guinness Global Innovators Funds are designed to provide investors with global exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. Innovation can take many forms, and not just in disruptive tech-driven products. It is the intelligent application of ideas and is found in most industries and at different stages in the company lifecycle. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

CONTENTS

COMMENTARY

In October 2025, the Guinness Global Innovators Fund returned 5.9% (in GBP), the MSCI World Index returned 4.5%, and the IA Global sector returned 4.0%. The Fund therefore outperformed the Index by 1.4 percentage points and outperformed its peer group by 1.9 percentage points.

For a sixth consecutive month, global equity markets ticked upwards, driven by continued optimism over the outlook for AI, better-than-expected inflation facilitating further rate cuts, and progress in trade talks. There was a short period of volatility early in October following heightened tensions around US-China trade relations relating to rare-earth minerals, but these soon eased as China agreed to delay export controls. Despite rising slightly from 2.9% to 3.0%, US inflation in September was lower than expected, suggesting the tariff pass-through has been more modest than feared. Positively, stickier sources of inflation – services and rent – continued to see disinflation.

Consequently, the Federal Reserve cut rates by 25 basis points for the second meeting in a row, supporting the outperformance of growth stocks (over value) during the month. While company earnings season largely added further impetus to equities, underpinned by strong corporate fundamentals, underlying concerns relating to an AI bubble resulted in volatile share price reactions from the Big Tech names (both positive and negative) as further increases to guidance with respect to capital expenditures were met with a mixed investor reaction. Despite enthusiasm for AI-driven productivity gains remaining high, concerns grew over the sustainability of elevated spending levels and their potential to compress future margins.

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

- The Fund's overweight to the benchmark's top-performing sector, Information Technology, was the largest contributor to relative Fund performance over the month of October. This was supported by a positive stock selection effect, with the semi-equipment manufacturers Lam Research (+17.6%), Applied Materials (+13.9%) and KLA (+12.1%) delivering particularly strong outperformance.

- The Fund also benefited from strong stock selection within Healthcare and Industrials, with Thermo Fisher (+17.0%), Danaher (+8.6%), and Ametek (+7.5%) outperforming their respective sectors.

- This was offset by a weaker stock selection effect in Communication Services and Consumer Discretionary. Meta (-11.7%) ended the month as the Fund's bottom performer, and regional headwinds in China contributed to weaker performance from off-benchmark Chinese holdings Tencent (-5.0% USD) and Anta Sports (-13.3% USD), the largest detractors to relative Fund performance.

- The Fund's zero weight to the four negatively performing sectors over the month, Consumer Staples, Materials, Real Estate and Energy, provided a tailwind from an allocation perspective.

It is pleasing to see the strategy in the top quartile versus the IA Global Sector over the longer time frames of 3, 5, 10, 15 and 20-year periods, as well as since launch.

Past performance does not predict future returns.

Cumulative % total return in GBP to 31 October 2025	YTD	1 year	3 years	5 years	10 years	15 years*	20 years*	Launch*
Guinness Global Innovators	14.6	18.9	81.3	99.9	332.2	759.1	1186.2	1614.3
MSCI World	14.2	19.4	57.9	103.0	258.4	474.8	621.6	903.6
IA Global (average)	12.6	15.2	43.1	67.1	182.2	298.1	418.5	639.6
IA Global (ranking)	**	167/544	18/494	90/420	7/257	1/151	1/93	2/80
IA Global (quartile)	**	2	1	1	1	1	1	1

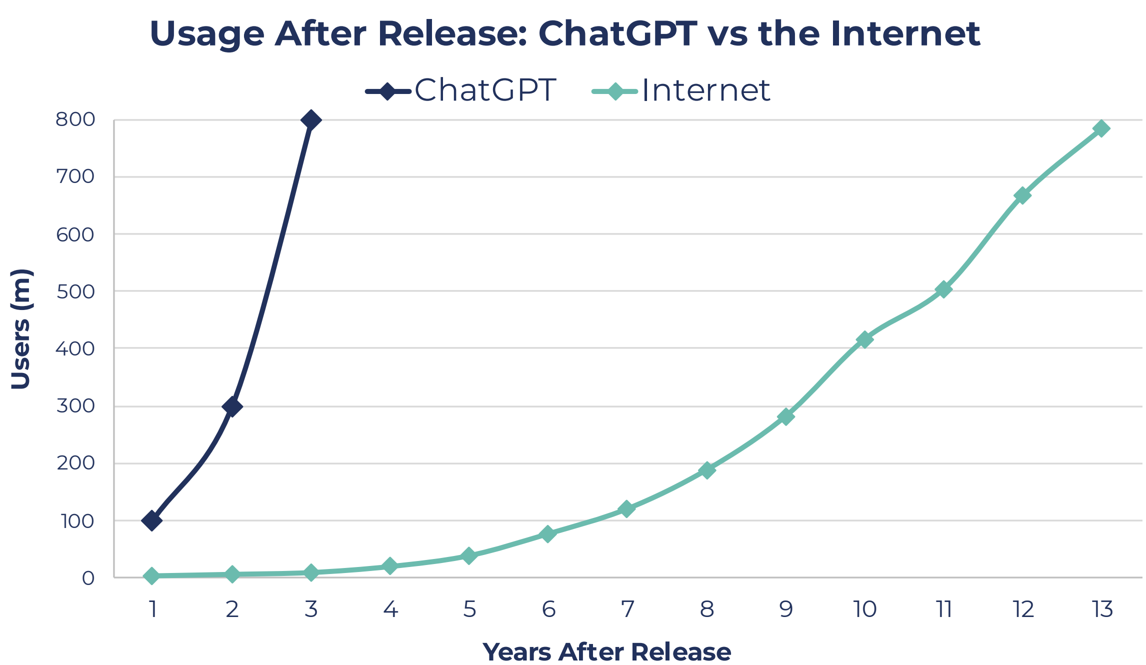
Source: FE fundinfo. Net of fees. Data as 0f 31st October 2025
**Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01/05/2003.*
***Ranking not shown in order to comply with European Securities and Markets Authority rules*

MARKET REVIEW

Are we in an AI bubble?

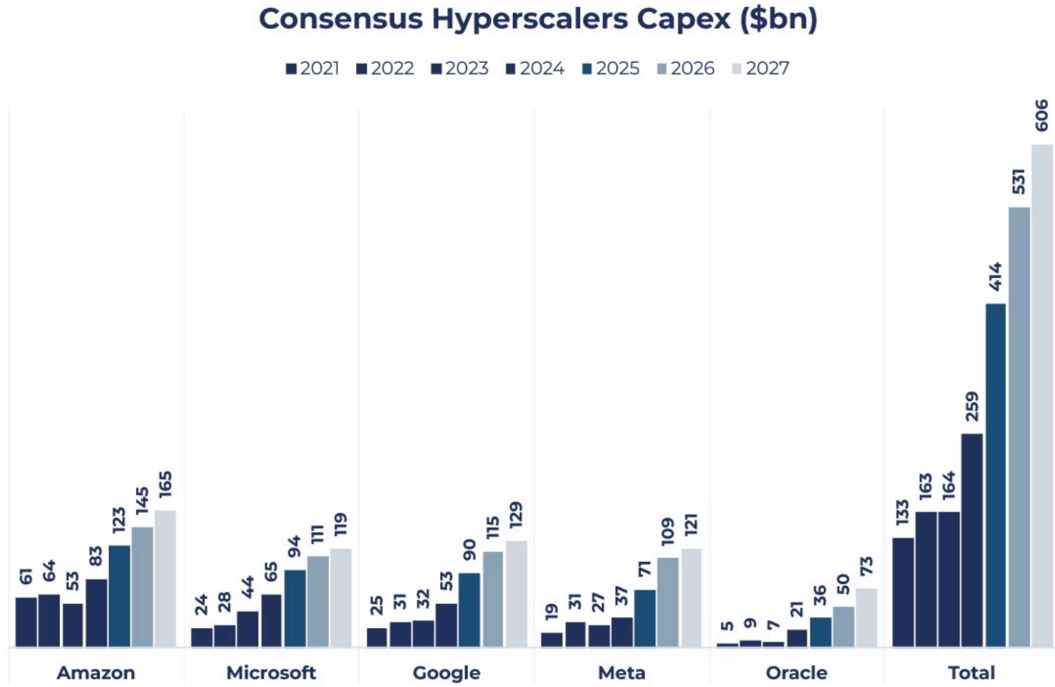
This is the question currently weighing on investors. A bubble is simply a period when current asset prices greatly exceed their intrinsic valuation, often fuelled by excessive optimism and rampant speculation. Bubbles have taken many forms through history. Some are financial in nature: the South Sea speculation in the early 1700s, the stock market frenzy of the 1920s, and Japan's 1980 real estate boom that saw such rapid land price appreciation that Tokyo's Imperial Palace was briefly worth more than all Californian real estate. Other bubbles are technological, driven by the promise of new and exciting breakthroughs: the 1840s railway build-out and of course the 1990s Telecom expansion which, at its peak, saw 70 million miles of excess fibre built only to lay unused underground. And, of course, some are pure speculation, best characterised by the 1630s tulip mania when certain bulbs went for up to 10,000 guilders (over half a million dollars in today's money) despite their fleeting usefulness.

From tulips to artificial intelligence. The current optimism surrounding AI was catalysed by the launch of ChatGPT in November 2022. Whilst AI has arguably been around in some form or another since the 1950s (via 'machine learning', 'expert systems', and 'neural networks') it is only in the last few years that a more practical and user-friendly form has enabled broader uptake. The chart below highlights the rapid adoption of large language models (LLMs), with ChatGPT weekly active users reaching c.800m just three years after launch, a milestone that took the internet 13 years to achieve. Even so, we remain in the early stages of AI adoption and considerable debate surrounds the full range of applications and use-cases.



Source: FT, Guinness Global Investors, as of 31st October 2025

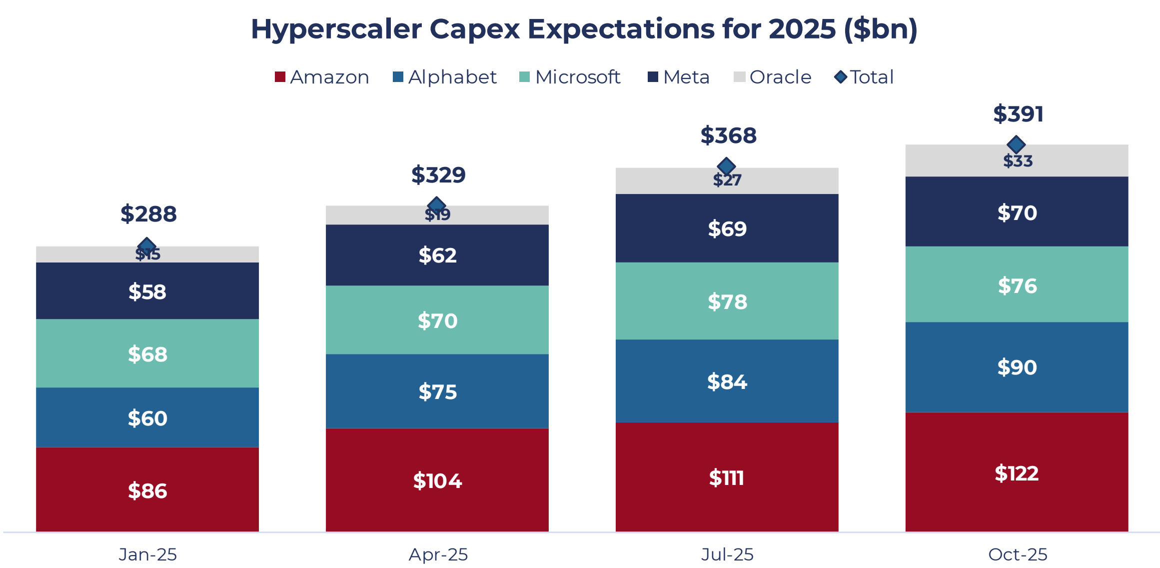
As a result, major technology firms have committed unprecedented capital to build out the infrastructure that has the potential to support this next technological advance. Capital expenditure (capex) by the five largest hyperscalers (firms which operate data centres and provide cloud computing) will exceed $400bn this year and half a trillion dollars next year, as shown by the chart below. Investors are starting to wonder where such staggering amounts are to be allocated and what return they will generate. In this commentary, we survey the AI capex landscape, discuss the sustainability of the spend, and weigh up the arguments on both sides of the debate to make sense of the AI narratives that are driving equity markets.



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

The case for an AI bubble

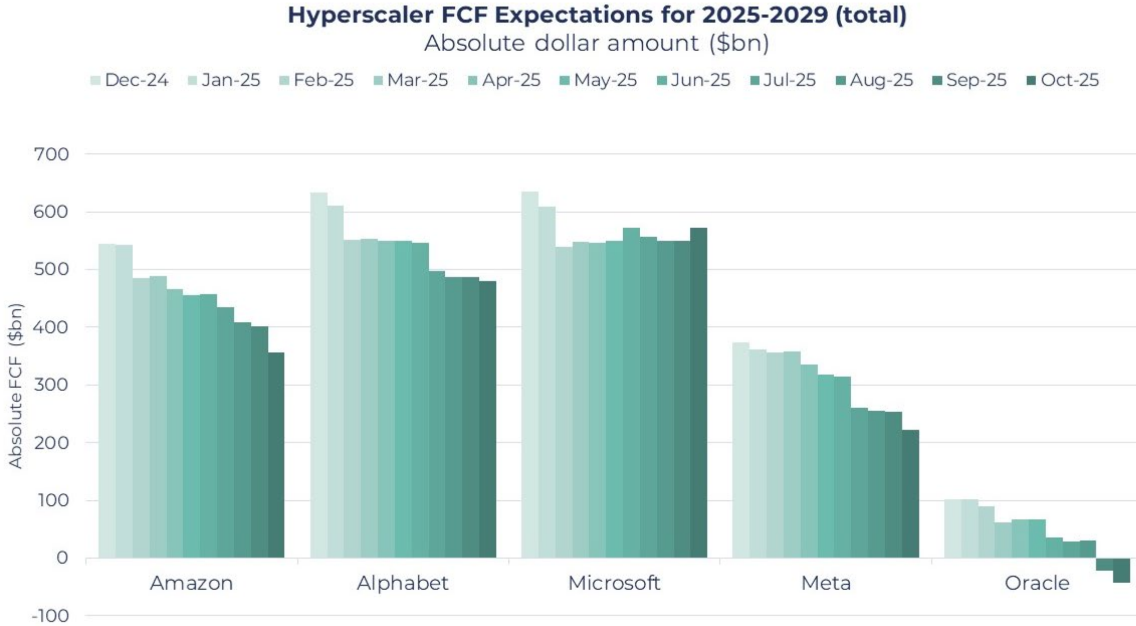
As the third-quarter reporting season began, hyperscalers' capital expenditure guidance emerged once again as the most closely watched metric, with markets betting on its implications for the continuation of the AI trade. The message from managements across these firms pointed to a strong imbalance between compute demand and supply, leading to increased capex expectations for the next few years. As shown in the chart below, hyperscaler capex expectations for 2025 have risen from $288bn at the start of the year to $391bn in October. This upward trend is expected to continue in 2026, as demonstrated by Meta's CEO Mark Zuckerberg, who noted the firm's 2026 capex would be "notably larger" than in 2025, a prediction made by many of the leading firms.



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

Rising capital intensity

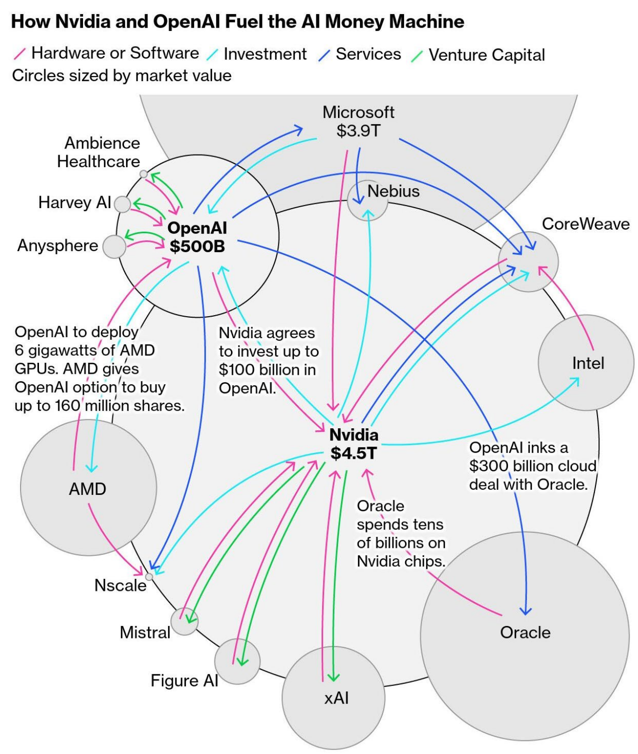
Ten years ago, companies like Meta, Alphabet, and Microsoft were considered asset-light businesses with relatively low capital intensity levels. Today, they are evolving into capital-intensive enterprises, driven by the race to secure the compute power necessary to develop and scale AI technologies. The shift is reflected in declining free cash flow expectations (see below) as rising AI infrastructure spend outpaces near-term earnings contributions. Oracle warrants a special mention, with the market currently predicting it will generate negative cumulative free cash flow over the 2025-2029 period.



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

AI circularity

Another recent market development has been the growing number of circular partnerships among companies leading the infrastructure build-out.



Source: Bloomberg, as of 31st October 2025

At first glance, these transactions may appear to be a consequence of a complex and closely interlinked ecosystem. However, these deals between suppliers and customers are becoming increasingly creative, introducing a degree of systemic risk. For example, AMD and OpenAI's partnership saw the former agreeing to provide 6GW of GPUs and the latter issuing warrants for c.10% of the company in return, if certain purchase milestones are met. Shares of AMD jumped 30% on the news, more than offsetting the potential dilution and highlighting the euphoric market reaction to these creative circular deals. While some suggest these are more like frameworks, setting out a potential path forward as the AI build-out continues to ramp, their size and quantum are starting to raise concern. For instance, OpenAI has made a staggering c.$1.5 trillion worth of cumulative spending commitments, underscoring its ambition to secure the necessary compute needed to develop frontier AI models. However, this figure contrasts starkly with its c.$13bn in annual revenues and $12bn loss in the last quarter, calling into question the feasibility of its spending. Just recently, CEO Sam Altman stated his ambitions to add 1 gigawatt (estimated to cost about $50bn) a week of new capacity from 2030, equivalent to the output of a nuclear plant every seven days.

Risk asymmetry favours overinvestment

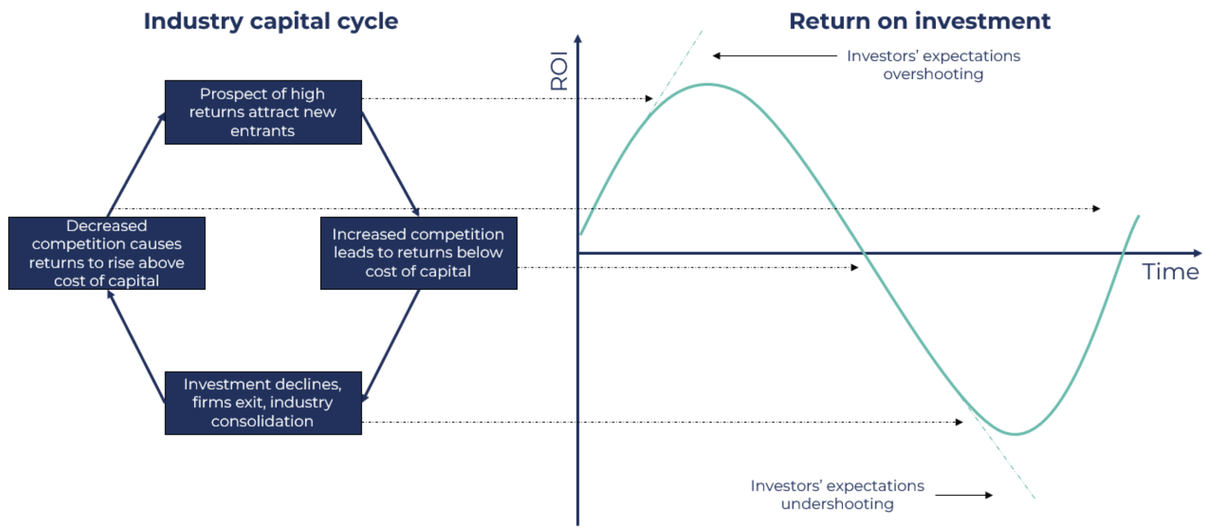
Taking a step back, if we consider the range of potential outcomes under different capital allocation strategies (i.e., underinvesting versus overinvesting), it appears that an overbuild of capacity may be the most probable outcome, driven by risk asymmetry. In a potential AI bubble scenario, the downside of overinvestment is industry-wide overcapacity leading to depressed returns on invested capital (ROIC) and potential write-downs, something that the tech giants will likely be able to absorb. Conversely, the downside of underinvestment if AI becomes transformational is far more severe; this includes the risk of fundamental disruption, loss of competitive edge, and even existential risk to their business models (as shown by the red box in the bottom right corner below). Game Theory therefore suggests that leaning towards 'overinvesting' (the green box top right) would be most logical.

Capital Allocation Strategy	AI Outcome Scenario: AI Bubble	AI Outcome Scenario: AI is Transformational
Overinvest Upside Downside	- Capital misallocation - Industry-wide overcapacity - Industry-wide depressed ROIC and potential write-downs	- Market leading position - Durable competitive moat - Outsized returns
Underinvest Upside Downside	- Existential risk if AI happens to be a transformational shift - Preserved capital, but limited upside	- Loss of competitive edge - Existential risk - Disruption by more aggressive competitors

Source: Guinness Global Investors, as of 31st October 2025

The capital cycle

As hyperscalers and neoclouds (providers built specifically for AI and high-performance computing workloads) accelerate their infrastructure, this phase of the capital cycle is characterised by strong demand and the prospect of outsized returns. This serves to draw in new capital and leads to intensifying competition. If the cycle unfolds like previous technology build-outs, rising competition and sustained capital inflows can often create excess capacity, meaning returns fall below the cost of capital and a broader industry correction occurs. However, the duration and depth of this cycle remain uncertain and it may not necessarily follow historical patterns.



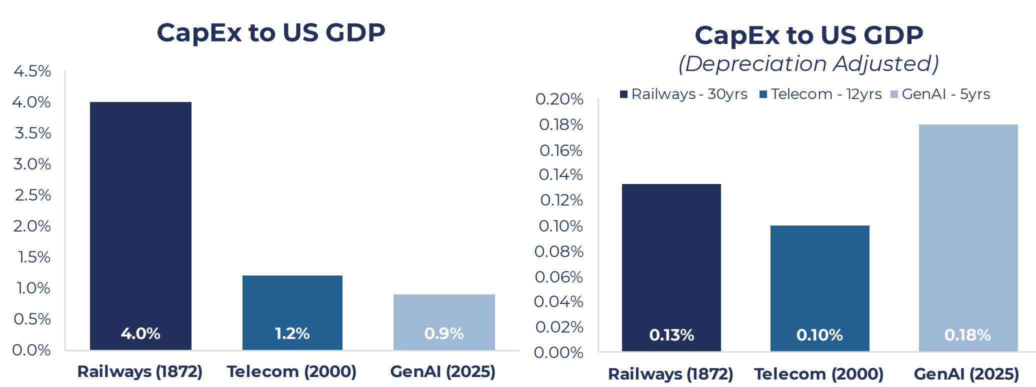
Source: Guinness Global Investors, as of 31st October 2025

The case for a boom (not a bubble)

While bubbles thrive on abundant capital and accelerating narratives, a 'boom' may look very similar in its early stages (with rising valuations and accelerating investment) but, crucially, the fundamentals eventually catch up thanks to underlying cash flows, productivity gains, and genuine demand growth in the longer term. At the moment, the situation is a clear imbalance between demand for AI and supply, and while that doesn't necessarily mean there won't be an investment overshoot, one could argue that booms eventually consolidate into durable industries with lasting economic value. And while investors continue to focus on the 'ROI' of these investments, there are early signs that AI is leading to meaningful business gains from Meta's improved advertising algorithms, Microsoft's enhanced software suite, and Amazon's superior marketplace conversions thanks to its AI-powered shopping assistant. Taken together, a strong case can be made that AI will lead to long-term productivity gains and economic improvements for many different firms and industries, ultimately justifying the substantial capex investments currently being made.

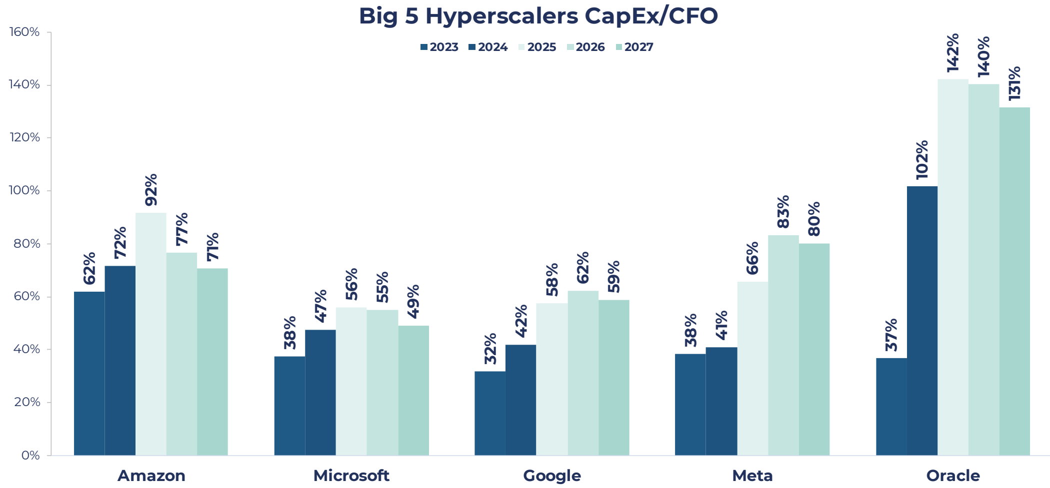
But is the capex affordable?

Some estimates put the overall AI capex spend at c.0.9% of US GDP (assuming c.70% of announced capex is spent in America). As shown by the chart below, this is a manageable figure when comparing to previous infrastructure investment cycles, particularly the railway and telecom build-outs, which ran at roughly 4% and 1.2% respectively. That said, GPUs have relatively short lives given the pace of technological development. When adjusting for the depreciation cycle (annual spend / useful life) the current build-out looks slightly more aggressive.



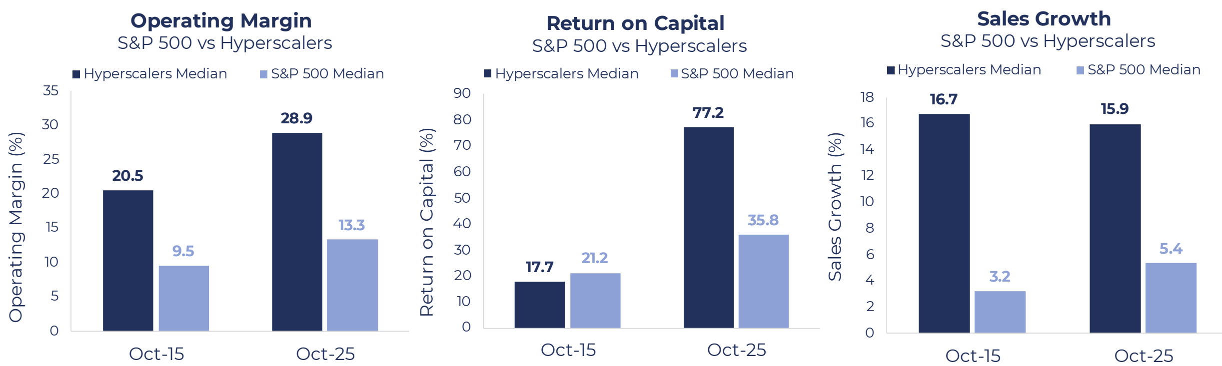
Source: FRBSF, FRED, JSTOR, Synergy Research, Wired, as of 31st October 2025

But there are reasons to still be optimistic. First, unlike previous investment cycles which have been more fuelled by debt and equity, much of the current build-out is being funded by free cash flow, a more sustainable and less systemically risky source. The chart below shows that, excluding Oracle, the other four hyperscalers can fund the forecast capex entirely out of their cash from operations.



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

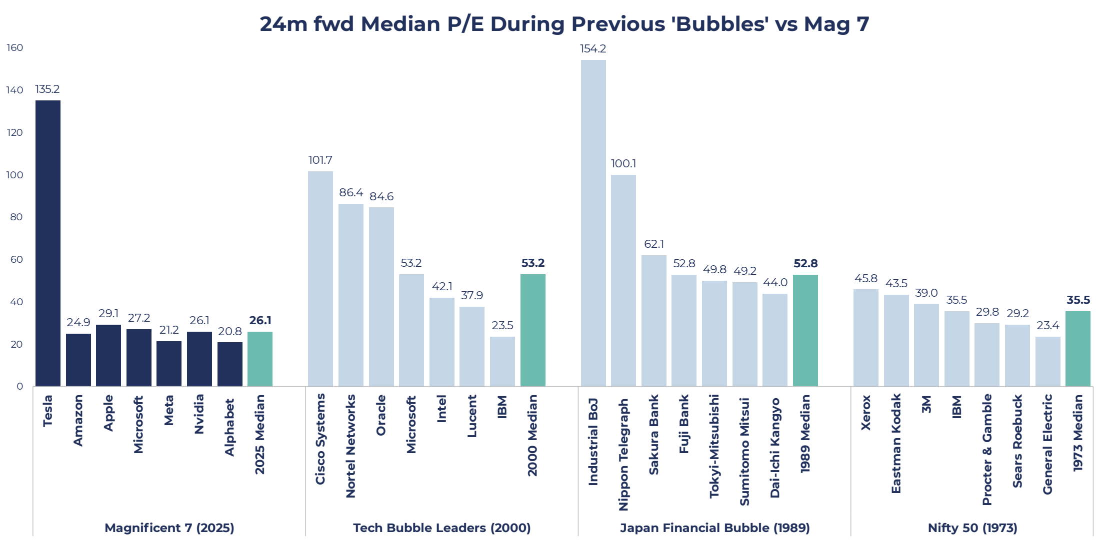
Moreover, the big tech companies funding the build-out remain very high-quality. These firms can afford to make aggressive forward-leaning investments, with strong margins, healthy returns and a strong growth outlook to fund the spending.



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

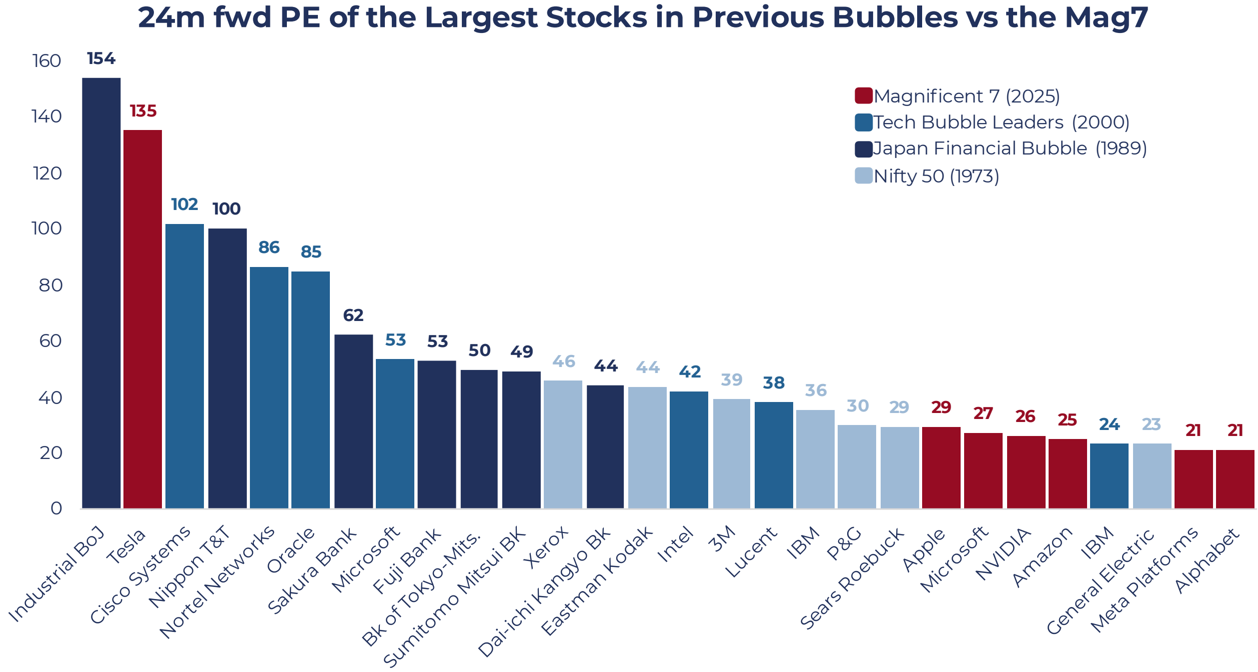
Tech leaders' valuations remain reasonable

Today's Magnificent 7 are at far more reasonable valuations than the seven largest index stocks in previous bubbles, three of which are shown below. Tesla remains the current outlier, with a 24-month forward price/earnings (PE) ratio over 135, but the other six are trading at justifiable levels given their growth and quality characteristics, with a median multiple of 26.1x.



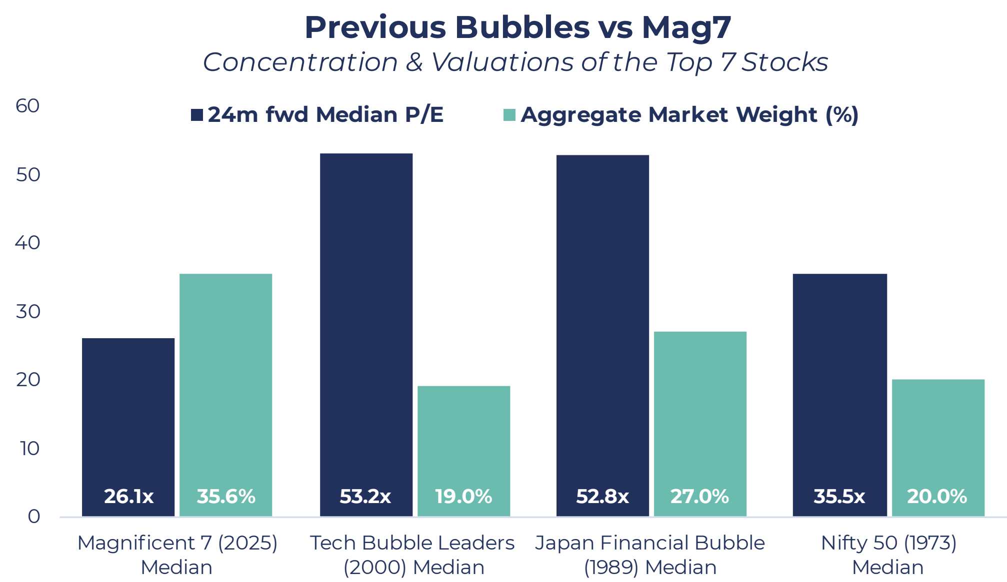
Source: Goldman Sachs, as of 31st October 2025

To take this analysis a step further, we can rank each of the 28 bellwether stocks shown above from highest to lowest valuation. Most of the Magnificent 7 remain cheap compared to past bubbles' leaders, with the 2000 DotCom names and the 1980s Japanese Financial stocks looking substantially more expensive.



Source: Goldman Sachs, as of 31st October 2025

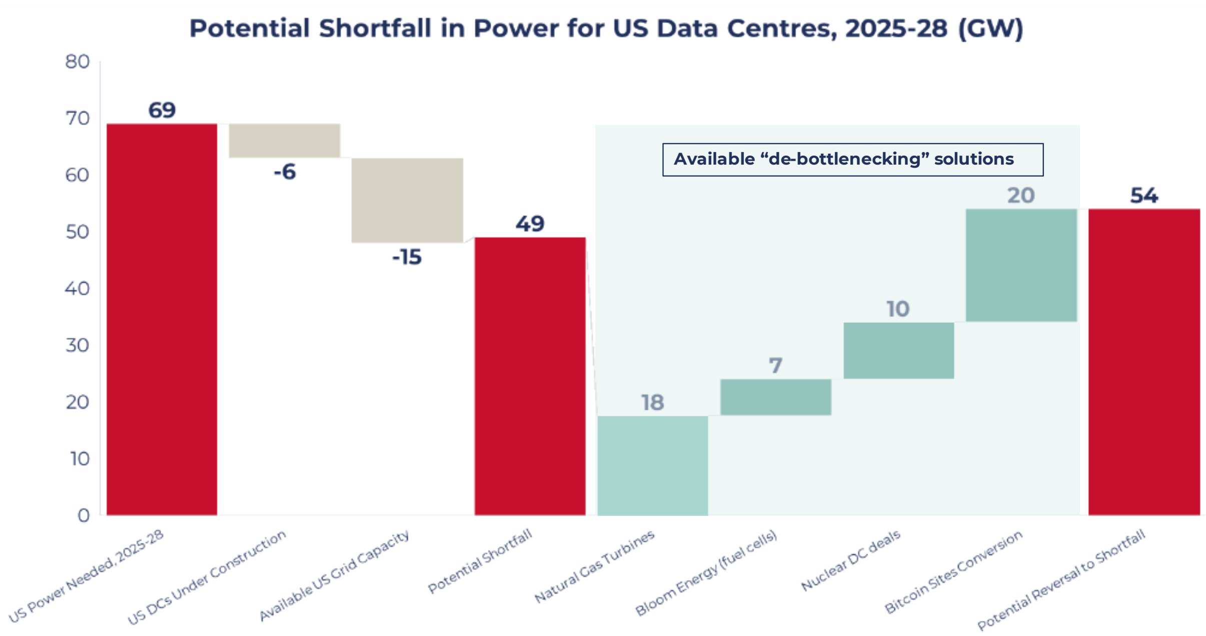
Much of the market discourse year-to-date has centred around the oversized influence of the current market leaders. As it stands, the Magnificent 7 account for over 35% of the S&P500, a level of index concentration that exceeds that of previous market bubbles. While concentration risk remains a significant consideration, when it comes to the Funds, our exposure to idiosyncratic risk is mitigated by the equal-weight structure of our portfolios. Additionally, our Funds have been actively realising gains throughout the market rally and reallocating capital into companies we believe offered more compelling valuations.



Source: Goldman Sachs, as of 31st October 2025

Other significant developments: power as the bottleneck

The rapid expansion of AI and cloud computing has triggered an unprecedented wave of data centre construction. The related surge in demand for electrical power is placing mounting pressure on power grids, raising concerns about potential shortages. Morgan Stanley estimates that the US data centre power shortfall through 2028 could total 49 gigawatts before considering innovative solutions whose time-to-power doesn't rely on the typical grid interconnection process. To close the power gap, one of the most attractive solutions is the conversion of bitcoin sites into data centres as these offer the fastest time-to-power (according to Bernstein, bitcoin miners provide 'ready' power, which cuts the time-to-power by 75%) with the lowest execution risk. Other potential 'de-bottlenecking' solutions include natural gas turbines, fuel cell technology and nuclear energy.



Source: Morgan Stanley, Guinness Global Investors, as of 31st October 2025

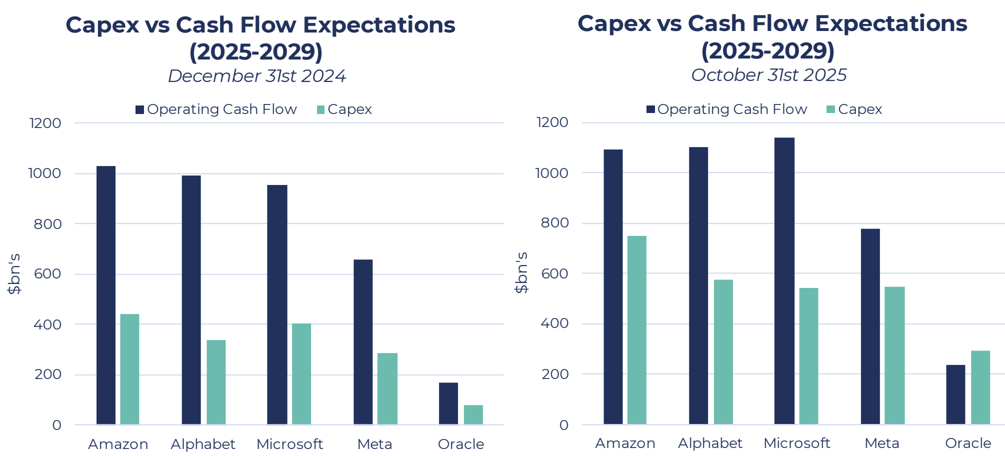
Also: the shift from cash to debt finance

Each infrastructure build-out has had its own method of financing. The American railroads were heavily debt-financed, the DotCom boom was funded by venture capital with public market investors later adding to the speculative craze, and the AI infrastructure build-out has so far been paid for primarily out of company cash. However, with growing capex expectations, we have seen a recent appetite for greater debt funding:

- Elon Musk's xAI raised $5bn in debt in July and is currently raising a further $12bn.
- In September, Oracle raised $18bn through US investment-grade bonds.
- In October, Meta announced a $30bn debt raise, an offering that was highly oversubscribed (with $125bn of orders).
- In November, Alphabet has announced a $25bn debt raise in the US and Europe.

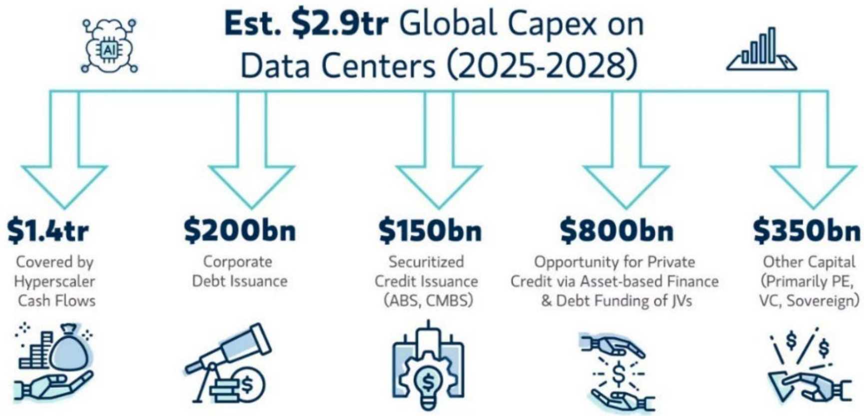
Source: Bloomberg, as of 31st October 2025

The hyperscalers remain well capitalised for now, displaying very low levels of total leverage. This may help to explain the growing appetite to raise debt, since their business models and strong balance sheets could easily absorb a greater debt burden. Given the need for ongoing spending, this seems the most logical next step, and the market is already starting to price this in. The chart below shows how expectations have evolved over 2025: at the start of the year, capex projections remained comfortably within projections for cash flow from operations (below left), but as of month-end, the buffer looks much thinner (below right).



Source: Bloomberg, Guinness Global Investors, as of 31st October 2025

We are also paying close attention to the way in which these deals are being structured. Some debt financing is not actually appearing directly on balance sheets. A notable example is Meta's recent partnership with investment firm Blue Owl, which has created a $27.3bn special purpose vehicle (SPV) to raise both debt and equity, with Meta's 20% share below the limit required to consolidate the debt onto their own balance sheet.



Source: Morgan Stanley, as of 31st October 2025

Looking to the medium term, Morgan Stanley estimates that total global data centre capex will hit $2.9 trillion between 2025 and 2028. It is estimated that hyperscalers will cover roughly half of this spend from cash generation but the rest will likely come from some combination of private credit, securitised finance and other forms of capital (private equity, venture capital, sovereign operators). With growing spending demands, how this build-out gets funded will be of substantial importance and will remain an area we pay close attention to.

Summary

Having weighed both sides of the discussion, we can see how different narratives have shaped investor sentiment over the past few years. While we stop short of calling it a bubble, we continue to monitor market developments closely with the growing levels of spending commitments, circular partnerships, and debt financing weighing heavy on the sustainability of the build-out. As ever, we continue to believe that the Fund's approach to investing – focusing on high-quality companies that can demonstrate persistently high returns on capital whilst also applying a stringent valuation discipline – allows us to avoid the more speculative parts of the market and help us identify strong compounding businesses for the long term.

EARNINGS SEASON REVIEW

It has been a strong earnings season in the US so far, with an average earnings per share (EPS) surprise of +6.4% for the 374 companies (c.76% of which beat expectations) in the S&P 500 that have reported as at the time of writing. Average earnings growth was 11.7% in a fourth consecutive quarter of double-digit growth. In Europe, the STOXX 600 (277 out of 515 have reported) has seen weaker results, with an average earnings surprise of +4.5%, just 55% of companies beating expectations, and average earnings growth of +5.7%.

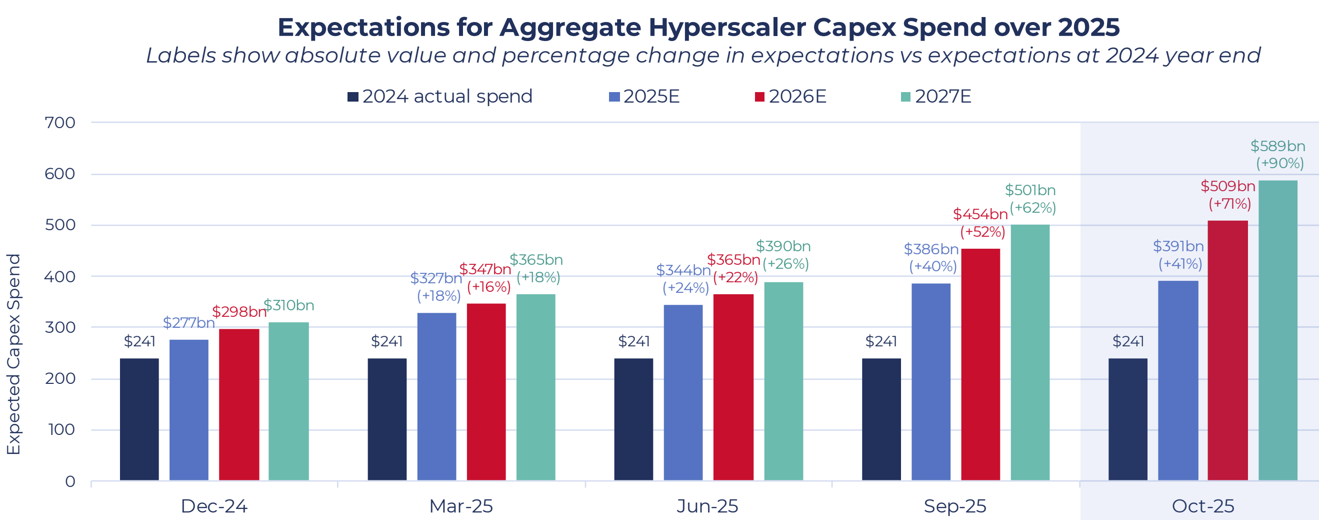
Sources: Bloomberg, S&P Global, STOXX, October 2025

A number of key themes emerged during earnings season:

- Rising capital expenditure expectations among AI hyperscalers
- AI workflows and revenue projects are accelerating
- Tariffs are having an impact, but companies are navigating the environment well
- A divergence in spending habits between high-income and low-income households

Capex expectations among the hyperscalers continue to rise, with guidance raises across the board

As noted above, expectations for capex spend have risen significantly over 2025 for the five large hyperscalers, particularly in more distant time periods. For 2027, expectations started the year at $310bn, end ended September at $501bn – a 62% increase. Over earnings season, we saw this figure jump an additional $88bn for 2027 (and $53bn for 2026), taking the year-to-date upgrade to +90%. All five hyperscalers spent more than expected on capex in Q3, and all guided for further increases for FY25 or FY26.



Hyperscalers: Amazon, Google, Meta, Microsoft and Oracle. Sources: Bloomberg Consensus Estimates, Company Data, October 2025 amazon

"AWS is growing at a pace we haven't seen since 2022... we continue to see strong demand in AI and core infrastructure, and we've been focused on accelerating capacity." – Andy Jassey, Amazon CEO

Alphabet

*"We now expect CapEx to be in the range of $91 billion to $93 billion in 2025, up from our previous estimate of $85 billion, keeping in mind that the timing of cash payments can cause variability in the reported CapEx number. Looking out to **2026, we expect a significant increase in CapEx**"* – Anat Ashkenazi, CFO

Microsoft

April (reiterated in June): *"on FY '26 capital expenditures remain unchanged. We expect CapEx to grow. It will grow at a lower rate than FY '25."*

October: *"we now expect **the FY '26 growth rate to be higher than FY '25**."* – Amy Hood, CFO

Meta

"We are still working through our capacity plans for next year, but we expect to invest aggressively to meet these needs, both by building our own infrastructure and contracting with third-party cloud providers....our current expectation is that CapEx dollar growth will be notably larger in 2026 than 2025." – Susan J.S. Li, CFO

ORACLE

June: "I expect that FY '26 CapEx will be higher at over $25 billion as we work to meet demand from our backlog."

September: "Given our RPO growth, I now expect fiscal year '26 CapEx will be around $35 billion." – Safra Ada Catz, CEO

Adoption of AI-driven products and workflows

Outside of the hyperscalers and the other obvious beneficiaries from AI investments (such as semiconductor equipment manufacturers), AI adoption across industries is continuing to accelerate as companies shift AI pilot programmes towards real use-cases. We saw the vast majority of our portfolio holdings refer to AI in some form during their most recent earnings release. Companies are embedding AI into existing processes to drive efficiency, personalising services to enhance customer engagement, improving and differentiating products, and creating entirely new revenue streams through AI-driven offerings and data monetisation.

INTUIT

"*We launched a transformative virtual team of **AI agents** that complete jobs on behalf of our customers, dramatically improving how businesses run..."* – Sasan K. Goodarzi, CEO

LSEG

"As you may have seen, we've launched a number of AI-related partnerships involving our data, which is valued and relied on by partners old and new as industry standard…all Workspace users will benefit from the significant AI and collaboration enhancements coming over the next few months." – David Schwimmer, CEO

"The group is steadily embedding AI technology applications into our systems. This includes establishing an AI technology platform, integrating mature AI models and providing intelligent tools to support all departments. These efforts enhance management decision-making, production efficiency and end consumer experiences… We have initiated an AI strategic layout and will increase investment in AI technology to promote its application across all levels of the group in the coming five years." – Shixian Lai, Co-CEO

Tariffs are having an impact on industries with complex, multi-national supply chains, but mitigation strategies are taking effect.

Tariff-exposed companies are being explicit about the impact of tariff actions on their margins but are highlighting several tools to mitigate the impact, through pricing, supply chain shifts and cost containment.

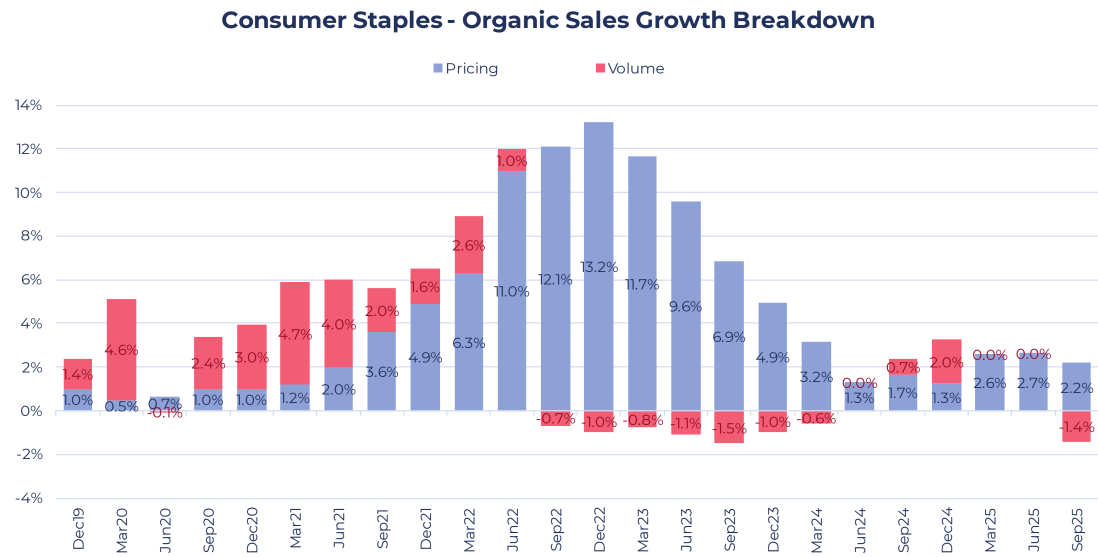
"In terms of tariffs, we are seeing our actions and pricing take some effect in Q3, and this will continue in Q4. However, we wouldn't expect to fully offset tariff and inflation with pricing within this calendar year." – Hilary Maxson, CFO

"We expect fiscal year 2026 to be the year that will be most affected by tariffs… We expect tariffs to be fully mitigated over the medium term… The 3 main mitigation levers are: market adaptive pricing, tight cost control and if this is not sufficient, shifting value add with our global manufacturing setup and our strong footprint in the United States and other places in the world, we have all the means to shift value add if necessary." – Bernd Montag, CEO

"With a local-for-local manufacturing setup, tariff-related cost inflation has so far been limited, and mitigating pricing activities have been implemented….Tariff-related cost increases are not material and offset with productivity measures and price impacts." – ABB interim report

Divergence in consumer spending patterns

Although the Fund holds no Consumer Staples companies, the sector provides context to the state of the consumer. Consumer Staples was one of just three sectors that has (so far) posted negative aggregate earnings growth in the S&P 500 this earnings season. In a basket of 14 US and European Consumer Staples companies that report organic sales growth (and that we perceive to be bellwethers in the industry), we found that volumes, on average, are coming under pressure, even with pricing decelerating. The median company posted -1.4% negative volume growth, just 0.1 percentage point higher than the bottom of the volume trough post-pandemic (September 2023). Companies pointed towards particular weakness in lower-income households, while premium segments retain momentum.



Source: Bloomberg, company data, October 2025

"When we look from a consumer point of view, we continue to see divergency in spending between the income groups. The pressure on middle and low-end income consumers is still there."- James Quincey, CEO of Coca-Cola

"When you look at low-income households or middle-income households, they're very stretched, fixed costs of living are going up around the world, and that will create the need for affordability and value." – Ramon Laguarta, CEO of PepsiCo

These sentiments were not fully echoed by the payment providers, however. Both Visa and Mastercard highlighted strength in more affluent consumer groups but also pointed to resilient spending growth among lower-income groups too.

"Both discretionary and nondiscretionary spend were up from Q3 and growth across consumer spend bands remained relatively consistent with Q3 with the highest spend band continuing to grow the fastest." – Christopher Suh, CFO, Visa

"The macroeconomic environment is supportive with balanced unemployment rates, wage growth continuing to outpace the rate of inflation for the most part and the wealth effect remaining intact." – Sachin Mehra, CFO, Mastercard

STOCK PERFORMANCE

It was a strong month for semiconductor equipment manufacturers, which are key beneficiaries of rising capex expectations from the hyperscalers. We hold three, each exposed to different areas of the semiconductor manufacturing value chain and each an industry leader in its space. Lam Research is a specialist in 'etch & deposition' (adding, patterning, and removing materials on a silicon wafer). KLA is focused on process control (monitoring and identifying areas to increase yield and ensure quality) and Applied Materials is a larger but broader player which competes not only in etch & deposition and process control but also front-end (transistor and interconnect formation, CMP etc.) and back-end processes (advanced packaging). The AI infrastructure build-out is a significant tailwind for these firms, as hyperscalers require not only more but more complex chips, driving chipmakers to invest heavily in capacity and cutting-edge technologies. With further upgrades from hyperscalers to the AI capex outlook, alongside positive noises with respect to a US-Chinese trade deal, there was positive sentiment towards these firms at the beginning of earnings season. Lam and KLA, which reported during the month, both beat expectations for the current quarter and subsequently raised guidance on the basis of strong global growth despite an expected tapering of spend in China. Management teams made it clear that this AI demand seemed neither transitory nor limited to one chip category, indicating a long-term investment cycle into the end of the decade. Applied Materials' shares were carried higher by extension, and the firm will report results in mid-November.

Meta ended the month as one of the Fund's bottom-performing stocks, falling 11.3% on the day of earnings, and 15.7% over the month overall. The stock had been performing strongly this year, outperforming the S&P 500 by around 10 percentage points up until the 29th October, driven by positive sentiment surrounding AI investments and demonstrable success at monetising the technology. In its July earnings print, Meta highlighted a +9% improvement in advertisement pricing and an 11% improvement in the number of ads served – driven by improved, AI-enhanced targeting. This success was backed up by a very strong earnings print on 29th October that showed 26.2% top-line growth (410 basis points ahead of expectations), adjusted EPS growth of 20.2% (vs 11.8% expected), and both average ad impressions and pricing per ad accelerating to 14.0% and 10.0% respectively. Yet despite a very positive earnings print, markets reacted negatively to further increases to capex guidance. Capex is expected to almost double over 2024, with an additional spend of c.$33bn in 2025 and an expected $38bn on top of that for 2026. This will take capex as a percentage of cash from operations to c.63% in 2026, from 38% in 2024. Over a period where concerns over an AI bubble are emerging and the prospects of an acceptable return on such large investments being scrutinised more closely, markets felt these large 'bets' were being taken too far – particularly as Meta suggested limited revenue generation from the spend in 2025 or 2026. Meta's announced plans for a $25bn bond sale further spooked markets by marking a departure from funding investments through cash flow.

However, this reaction seems overdone. This feels very different from Meta's big bets on the Metaverse in 2021–2022. AI has real, tangible use cases with proven benefits to efficiency across business models, and current supply-demand dynamics suggest global capacity is heavily constrained – and is likely to be for the foreseeable future. This technological bet, in our view, has a far stronger likelihood of success. Meta has the balance sheet strength to support these investments while maintaining shareholder distributions: Net Debt to EBITDA remains below zero, giving the company significant flexibility to raise further debt at low cost if needed. Despite the step-up in capital expenditure, Meta remains highly cash generative, with free cash flow in 2026 expected to exceed $40 billion, only a $2bn decline from 2024 levels despite an expected near tripling of capex. These are long-term strategic investments aimed at consolidating Meta's leadership in AI infrastructure and applications. Given the clear underlying strength of Meta's core business, and the transformational potential of AI, we view the sell-off as an overreaction.

Portfolio Managers
Matthew Page
Ian Mortimer

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

GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	$1494.9m
Fund launch	31.10.2014
OCF	0.81%
Benchmark	MSCI World TR

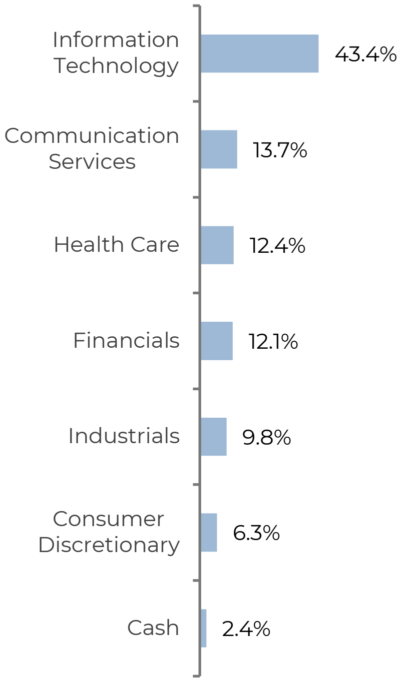
GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

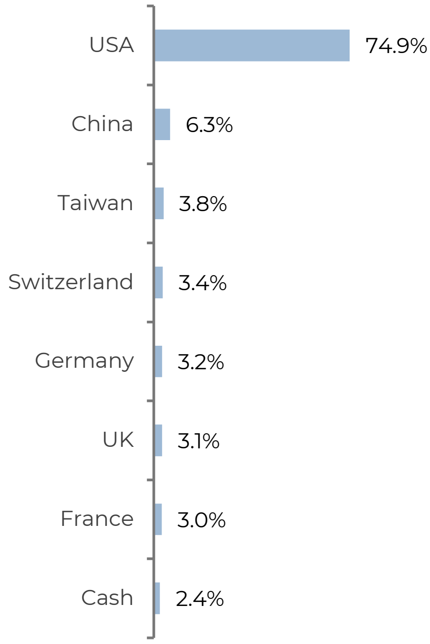
Nvidia Corp	4.6%
Alphabet	4.3%
Lam Research Corp	4.1%
Amphenol Corp	3.9%
KLA-Tencor	3.9%
Taiwan Semiconductor	3.8%
Broadcom	3.6%
ABB	3.4%
Amazon.com	3.4%
AMETEK	3.3%

Top 10 holdings	38.2%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

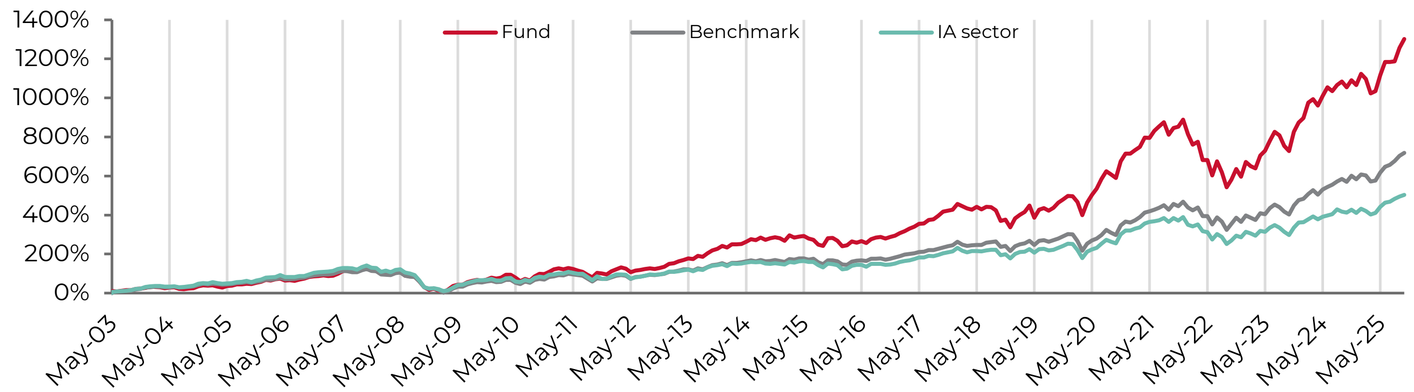
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+5.9%	+14.6%	+18.9%	+81.3%	+99.9%	+332.2%
MSCI World TR	+4.5%	+14.2%	+19.4%	+57.9%	+103.0%	+258.4%
IA Global TR	+4.0%	+12.6%	+15.2%	+43.1%	+67.1%	+182.2%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+3.4%	+20.2%	+21.5%	+105.5%	+103.2%	+268.2%
MSCI World TR	+2.0%	+19.8%	+22.0%	+80.2%	+106.3%	+204.9%
IA Global TR	+1.5%	+18.1%	+17.7%	+63.3%	+69.8%	+140.1%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+5.3%	+7.8%	+14.3%	+77.2%	+105.0%	+251.8%
MSCI World TR	+3.8%	+7.5%	+14.8%	+54.3%	+108.2%	+191.8%
IA Global TR	+3.3%	+6.0%	+10.8%	+39.8%	+71.3%	+129.8%

GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+21.9%	+32.1%	-20.7%	+22.6%	+32.1%	+31.3%	-11.9%	+22.0%	+27.7%	+2.0%
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%
IA Global TR	+12.6%	+12.7%	-11.1%	+17.7%	+15.3%	+21.9%	-5.7%	+14.0%	+23.3%	+2.8%
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+19.7%	+40.0%	-29.6%	+21.5%	+36.3%	+36.6%	-17.0%	+33.6%	+7.2%	-3.5%
MSCI World TR	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%
IA Global TR	+10.6%	+19.4%	-21.0%	+16.6%	+18.9%	+26.8%	-11.2%	+24.8%	+3.4%	-2.9%
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+27.7%	+35.2%	-25.0%	+30.7%	+25.0%	+39.1%	-12.8%	+17.3%	+10.2%	+7.3%
MSCI World TR	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%
IA Global TR	+18.0%	+15.4%	-15.8%	+25.5%	+9.1%	+29.2%	-6.8%	+9.6%	+6.5%	+8.2%

GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (USD)



Simulated past performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflecting a US mutual fund which has the same investment process since the strategy's launch on 01.05.03.
Source: FE fundinfo net of fees to 31.10.25. 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 OCF used for the Fund performance returns is 0.81%. which was the OCF over the calendar year 2024. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return. Graph data is in USD from 01.05.03.

WS GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	£20.2m
Fund launch	30.12.2022
OCF	0.79%
Benchmark	MSCI World TR

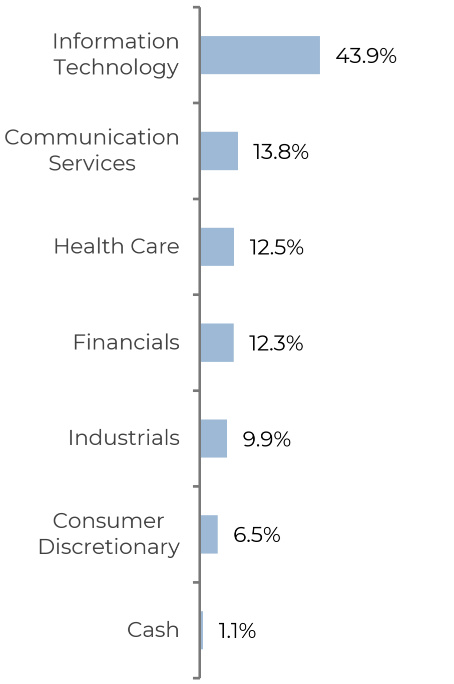
WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

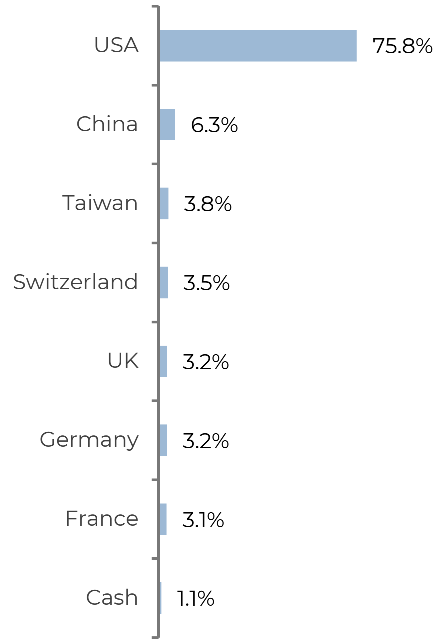
Nvidia Corp	4.8%
Alphabet	4.3%
Lam Research Corp	4.2%
Amphenol Corp	3.9%
KLA-Tencor	3.9%
Taiwan Semiconductor	3.8%
Broadcom	3.7%
ABB	3.5%
Amazon.com	3.5%
Tencent Holdings	3.3%

Top 10 holdings	38.9%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

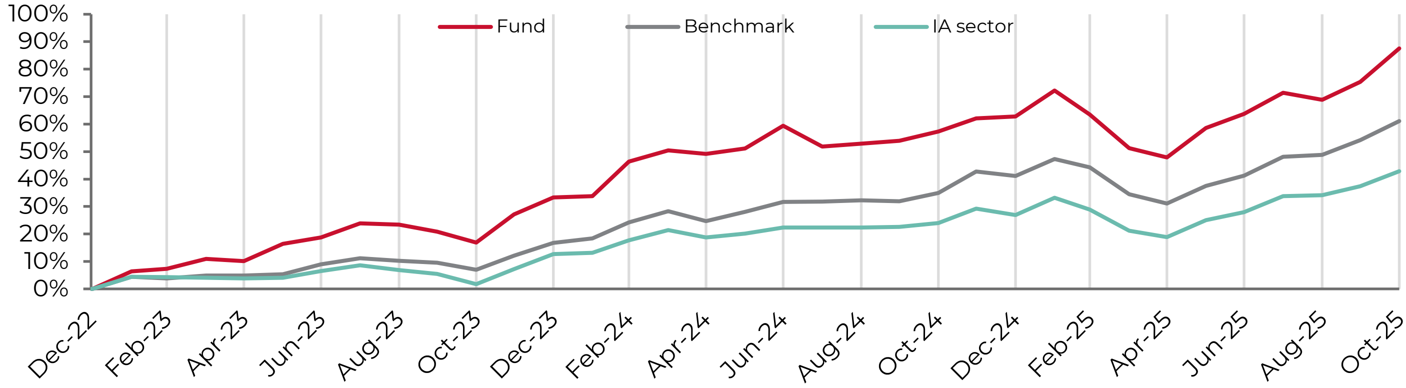
WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+6.9%	+15.2%	+19.2%	-	-	-
MSCI World TR	+4.5%	+14.2%	+19.4%	-	-	-
IA Global TR	+4.0%	+12.6%	+15.2%	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+22.2%	+33.3%	-	-	-	-	-	-	-	-
MSCI World TR	+20.8%	+16.8%	-	-	-	-	-	-	-	-
IA Global TR	+12.6%	+12.7%	-	-	-	-	-	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (GBP)



Source: FE fundinfo net of fees to 31.10.25. 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 OCF for the calendar year 2024 for the share class used for the fund performance returns was 0.79%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

IMPORTANT INFORMATION

Issued by Guinness Global Investors which is a trading name of Guinness Asset Management Limited which is authorised and regulated by the Financial Conduct Authority.

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

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

GUINNESS GLOBAL INNOVATORS FUND

Documentation

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

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

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

Investor Rights

A summary of investor rights in English, including collective redress mechanisms, is available here: https://www.waystone.com/waystone-policies/

Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients**. NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

Structure & regulation

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, REYL & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Ile, 1204 Geneva, Switzerland.

Singapore

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

WS GUINNESS GLOBAL INNOVATORS FUND

Documentation

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

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

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

Residency

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

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Structure & regulation

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

Telephone calls will be recorded and monitored.