

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and 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 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

<b>Launch</b>	19.12.2013
<b>Index</b>	MSCI Europe ex UK
<b>Sector</b>	IA Europe Excluding UK
<b>Manager</b>	Will James
<b>EU Domiciled</b>	Guinness European Equity Income Fund
<b>UK Domiciled</b>	WS Guinness European Equity Income Fund

## OBJECTIVE

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

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## COMMENTARY

European equities delivered positive returns in May, with the MSCI Europe ex-UK index returning +4.3% in GBP. The Guinness European Equity Income Fund returned +3.0%, underperforming the benchmark by 1.3% 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.

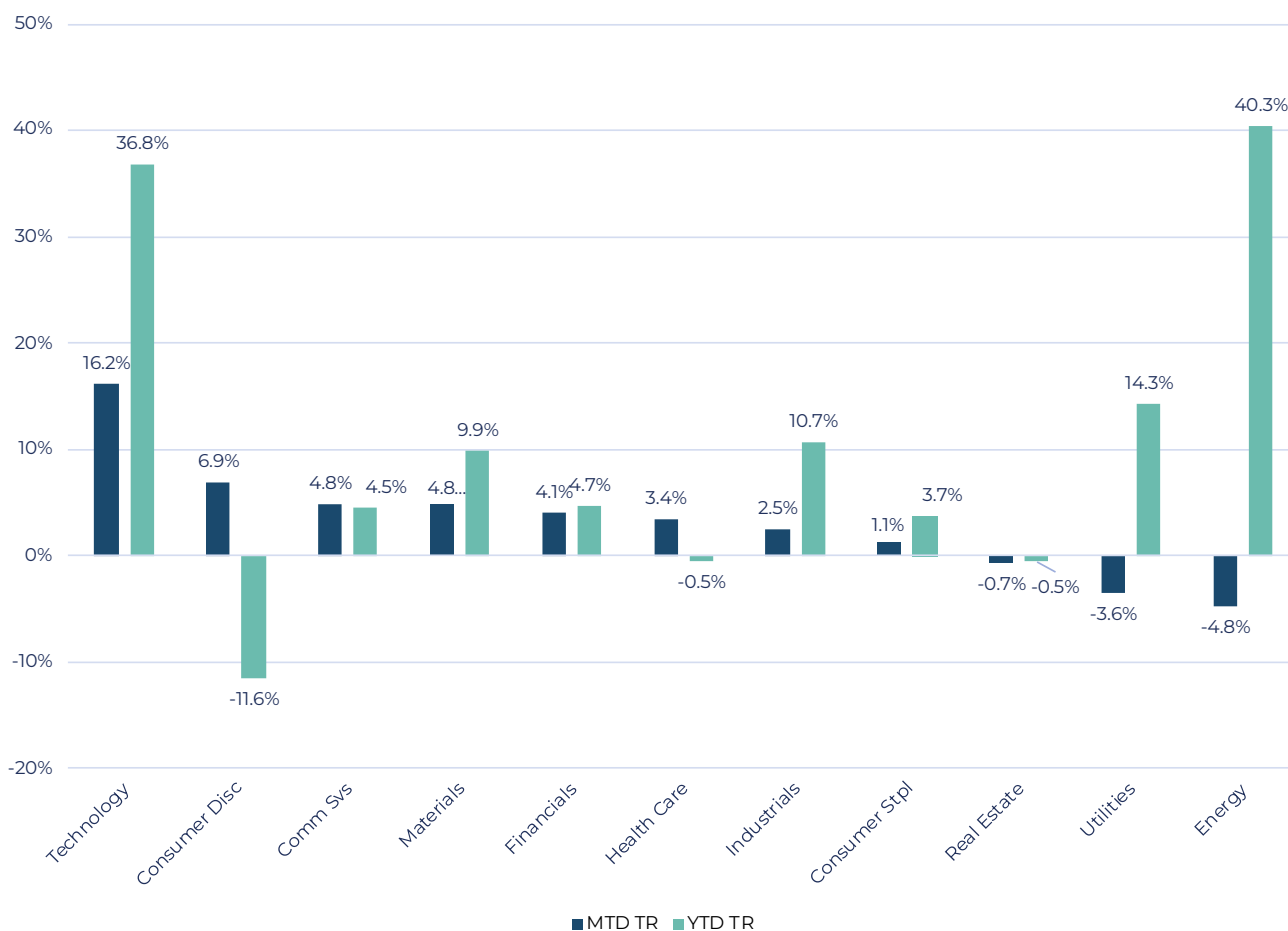
MARKET REVIEW

**Sector performance** in May extended April's risk-on tone. Technology (which was up +16.2% in EUR), Consumer Discretionary (+6.9%), Communication Services (+4.8%) and Materials (+4.8%) were the best performing sectors in the month, with the discretionary names rebounding after a weak start to the year. The only negative performers were Real Estate (-0.7%), Utilities (-3.6%) and Energy (-4.8%), 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), Energy (+40.3%) remains the runaway leader, narrowly beating Technology (+36.8%). Consumer Discretionary (-11.6%) is still the worst performer YTD, with autos, luxury and retail continuing to bear the brunt of tariff anxiety and softened Chinese demand. Health Care (-0.5%) and Real Estate (-0.5%) are modestly negative.

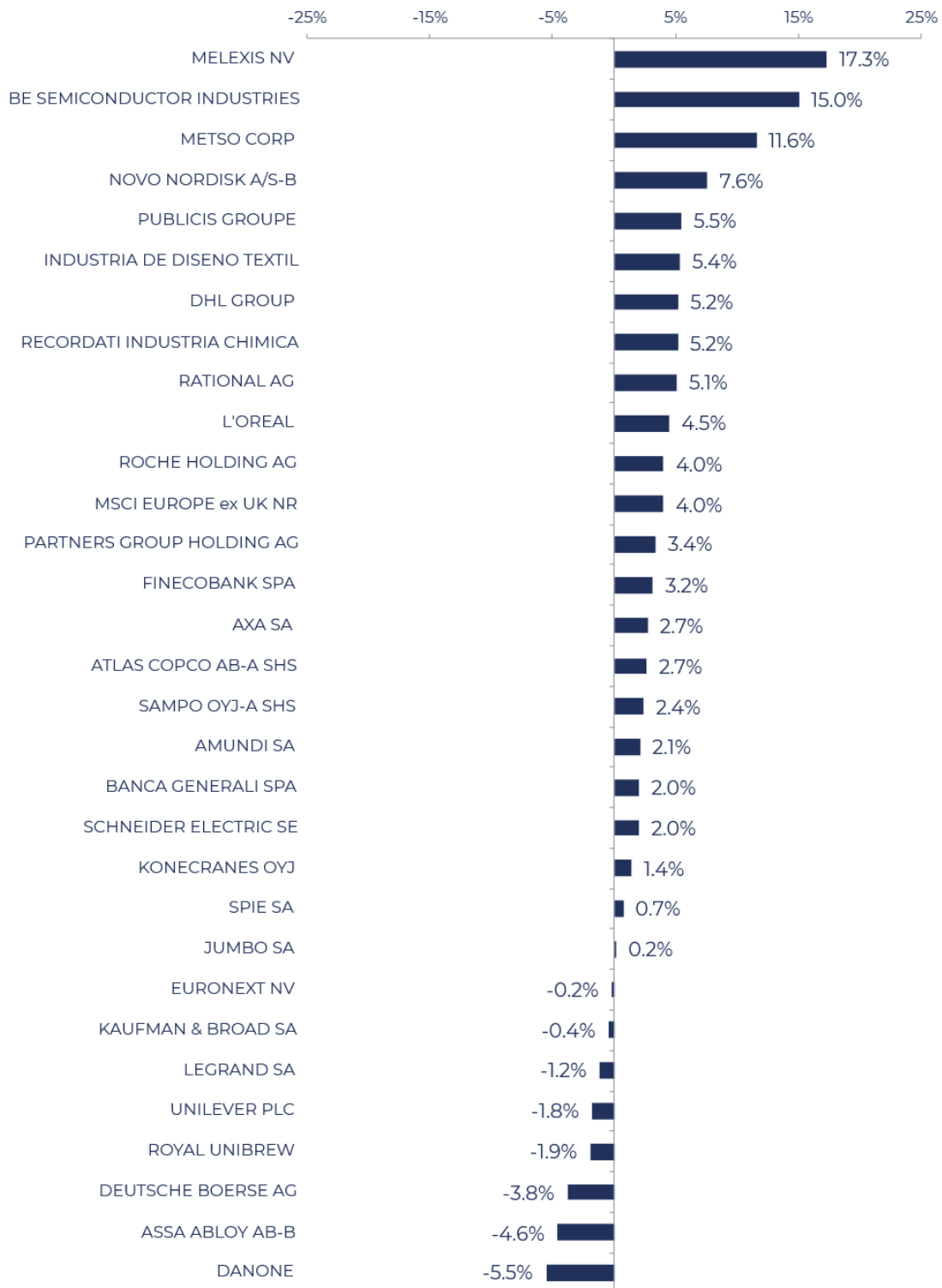
MSCI Europe ex-UK Sector Performance - MTD versus YTD



Source: Bloomberg; EUR, 31.05.2026

STOCK PERFORMANCE

Individual Stock Performance



Source: Bloomberg, EUR, 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 by 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.

**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 iCombi 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 (+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.



**Metso (+11.6%)**, a minerals-processing equipment supplier geared to copper and gold, posted strong gains driven by a surge in copper, mine-supply disruptions, recovering Chinese demand, and the structural pull from electrification and AI data-centre buildout. This is alongside a positive operational backdrop: a strong Q1 earnings report in late April (double-digit organic order growth and a healthy book-to-bill), continued service-network investment, such as the newly opened service centre and training centre in Mesa, Arizona, in the copper-rich US Southwest.

### Detractors



**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.

## ASSA ABLOY

**Assa Abloy (-4.6%)** saw a subdued May performance as a result of its Q1 earnings report, which showed strong margins but weaker growth. The EBIT margin of 15.3% was up 40bps and around 100bps ahead of expectations due to pricing and the selling of more higher-margin products. However, organic growth slowed to +2% (from +4%) and was entirely price-led as the number of units sold slipped back. The US residential market, roughly 45% of the Americas division, remains the primary drag, with any expectations for meaningful improvement pushed toward the back end of 2026 due to higher-for-longer interest rates, while non-residential North America (+5%) held up and Greater China fell by double digits. Essentially, the market sees little room for improved profitability until sales volume growth returns.



**Deutsche Börse (-3.8%)** gave back some of its recent gains in May while the wider market recovered and market volatility fell. Q1 was strong, and the shares had been the best-performing global exchange into late April, but the volatility that had driven record volumes at Eurex (its derivatives exchange) and EEX (the European Energy Exchange) receded through the month, and exchanges, which benefit from higher trading activity, tend to see profit-taking when markets calm.

### Portfolio Activity

In May, we made no changes to the portfolio.

### 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 onto 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**

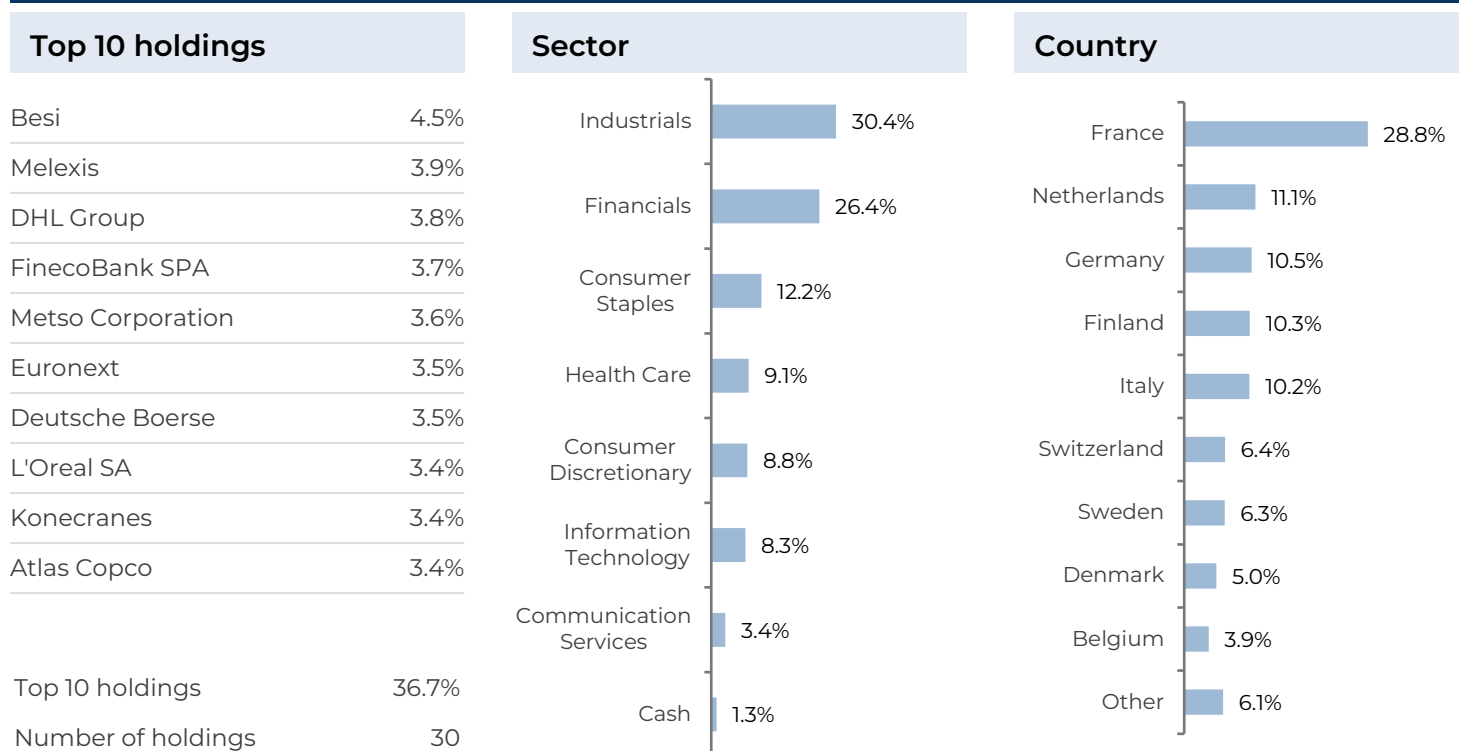
Will James, CFA

**GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS**

Fund size	\$135.3m
Fund launch	19.12.2013
OCF	0.77%
Benchmark	MSCI Europe ex UK 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 EUROPEAN EQUITY INCOME FUND - PORTFOLIO**



## Guinness European Equity Income Fund

Past performance does not predict future returns.

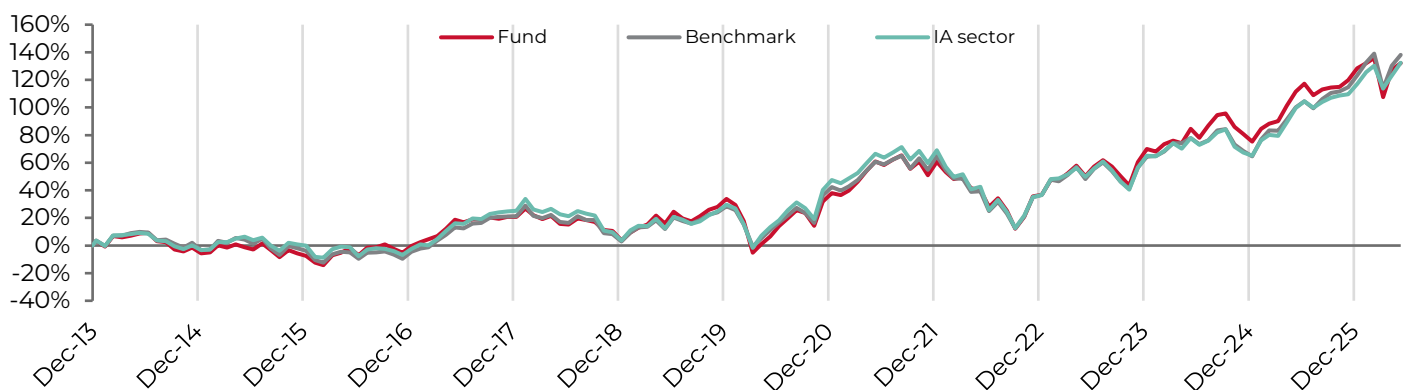
### GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.0%	+1.4%	+9.9%	+42.0%	+51.6%	+155.3%
MSCI Europe ex UK TR	+4.3%	+6.5%	+19.1%	+47.9%	+56.4%	+171.0%
IA Europe Excluding UK TR	+5.1%	+6.8%	+16.4%	+42.7%	+47.3%	+154.1%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.2%	+1.6%	+9.8%	+54.5%	+44.2%	+136.8%
MSCI Europe ex UK TR	+3.5%	+6.7%	+19.1%	+60.8%	+48.3%	+151.0%
IA Europe Excluding UK TR	+4.2%	+7.0%	+16.4%	+55.2%	+39.7%	+135.3%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.7%	+2.3%	+6.8%	+41.1%	+50.5%	+125.6%
MSCI Europe ex UK TR	+4.0%	+7.4%	+15.9%	+46.9%	+55.4%	+139.4%
IA Europe Excluding UK TR	+4.8%	+7.7%	+13.2%	+41.8%	+46.4%	+124.5%

### GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+21.4%	+5.0%	+17.2%	-4.2%	+17.5%	+0.1%	+23.7%	-8.8%	+10.7%	+28.5%
MSCI Europe ex UK TR	+26.2%	+1.9%	+14.8%	-7.6%	+16.7%	+7.5%	+20.0%	-9.9%	+15.8%	+18.6%
IA Europe Excluding UK TR	+22.5%	+1.7%	+14.0%	-9.0%	+15.8%	+10.3%	+20.3%	-12.2%	+17.3%	+16.4%
(USD)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+30.4%	+3.1%	+24.2%	-14.9%	+16.4%	+3.3%	+28.6%	-14.0%	+21.2%	+7.8%
MSCI Europe ex UK TR	+35.5%	+0.1%	+21.7%	-18.0%	+15.7%	+10.9%	+24.8%	-15.1%	+26.8%	-0.6%
IA Europe Excluding UK TR	+31.6%	-0.1%	+20.8%	-19.2%	+14.7%	+13.8%	+25.2%	-17.3%	+28.4%	-2.4%
(EUR)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+15.0%	+10.0%	+20.0%	-9.3%	+25.2%	-5.2%	+31.1%	-9.8%	+6.4%	+10.9%
MSCI Europe ex UK TR	+19.5%	+6.8%	+17.6%	-12.6%	+24.4%	+1.7%	+27.1%	-10.9%	+11.4%	+2.4%
IA Europe Excluding UK TR	+16.0%	+6.6%	+16.7%	-13.9%	+23.4%	+4.4%	+27.5%	-13.1%	+12.8%	+0.5%

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



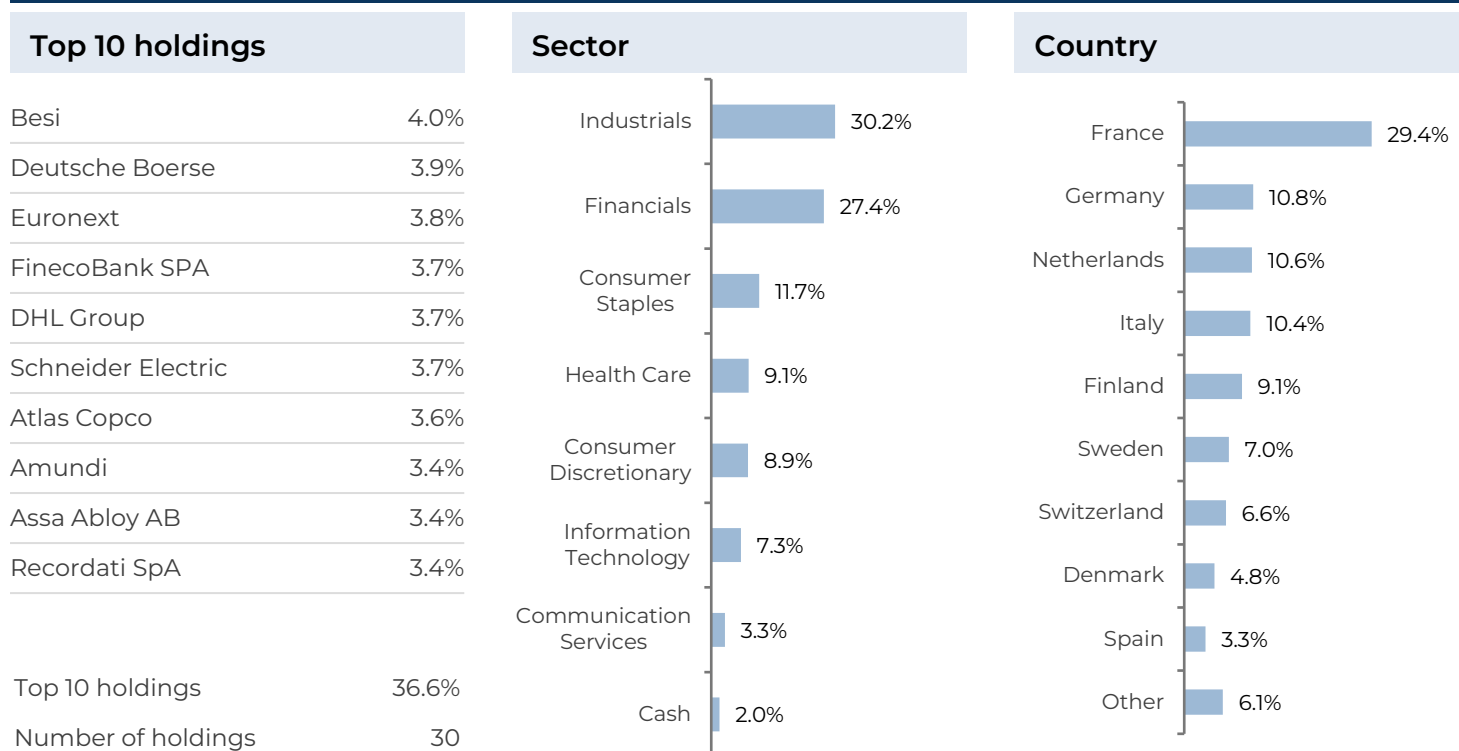
Source: FE fundinfo net of fees to 31.05.26. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The current OCF is 0.77%. Returns for share classes with a different 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.

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

Fund size	£1.4m
Fund launch	30.12.2022
OCF	0.77%
Benchmark	MSCI Europe ex UK TR
Historic yield	2.8% (Y Inc)

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.

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



## WS Guinness European Equity Income Fund

Past performance does not predict future returns.

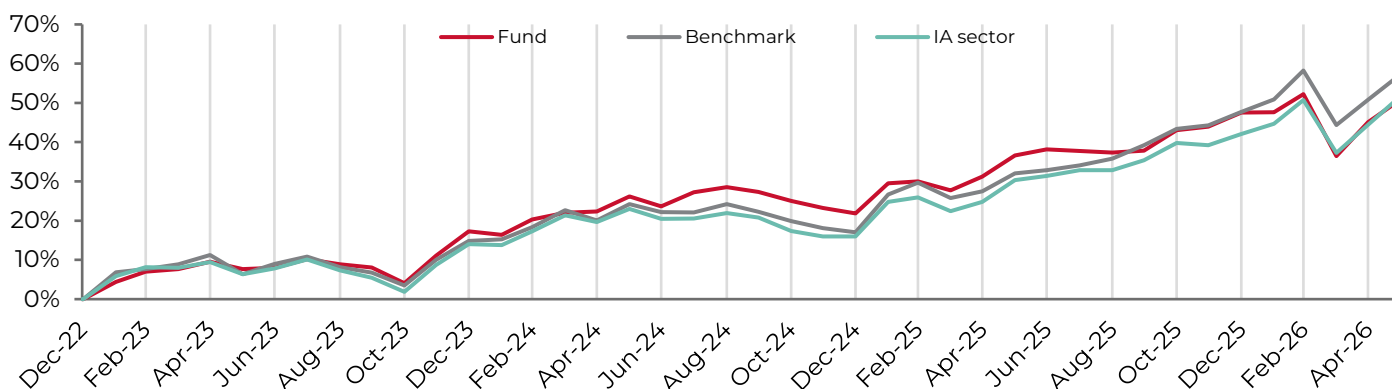
### WS GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.0%	+2.3%	+10.5%	+40.2%	-	-
MSCI Europe ex UK TR	+4.3%	+6.5%	+19.1%	+47.9%	-	-
IA Europe Excluding UK TR	+5.1%	+6.8%	+16.4%	+42.7%	-	-

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

(GBP)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+21.1%	+3.9%	+17.3%	-	-	-	-	-	-	-
MSCI Europe ex UK TR	+26.2%	+1.9%	+14.8%	-	-	-	-	-	-	-
IA Europe Excluding UK TR	+22.5%	+1.7%	+14.0%	-	-	-	-	-	-	-

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



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.

## 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 European Equity Income Fund and the WS Guinness 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](http://www.guinnessgi.com).

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

### GUINNESS 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](http://www.guinnessgi.com) or free of charge from:-

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

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

#### Investor Rights

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

#### Residency

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

#### Structure & regulation

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

#### Switzerland

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

#### Singapore

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

### WS GUINNESS EUROPEAN 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:-

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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.