

Guinness Emerging Markets Equity Income

Responsible Investment Factsheet

31.12.2024

This is a marketing communication. Please refer to the prospectus and KID/KIID for the Fund, which contain detailed information on the Fund's characteristics and objectives, before making any final investment decisions. All data as at above date, unless otherwise stated. Past performance is not a reliable indicator of future results.



Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 23.01.25.

SFDR Classification

Please see the fund's [Sustainability-related disclosures](#) and [SFDR Pre-contractual Disclosures](#), available on our website, for more information. [Periodic Reports](#) are also available.



Fund Profile

Benchmark

MSCI Emerging Markets

Investment Objective

An equity fund investing primarily in dividend paying companies that derive at least 50% of their revenues from business activities primarily in emerging markets countries.

Investment Case

Provides exposure to dividend paying companies in Emerging Markets world-wide. Developing countries often offer faster growth due to factors including demographics, industrialisation, productivity gains and consumer spending. Value can be found in companies that have turned these themes into returns on capital above the cost of capital on a sustained basis.

Domicile

Ireland

Risks

Guinness Emerging Markets Equity Income Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The Fund invests only in stocks of companies that are traded on Emerging Markets stock exchanges or that do at least half of their business in Emerging Markets, it is therefore susceptible to the performance of that region and can be volatile. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. For full information on the risks, please refer to the Prospectus, Supplement, and KID/KIID for the Fund, which are available on our website.

Fund Approach to Responsible Investment

ESG Integration



Exclusions¹



Controversial weapons²



Thermal coal³



Voting



Engagement



¹Further details can be found in our corporate [Exclusion Policy](#), available on our website.

²Cluster munitions, landmines, and biological and chemical weapons.

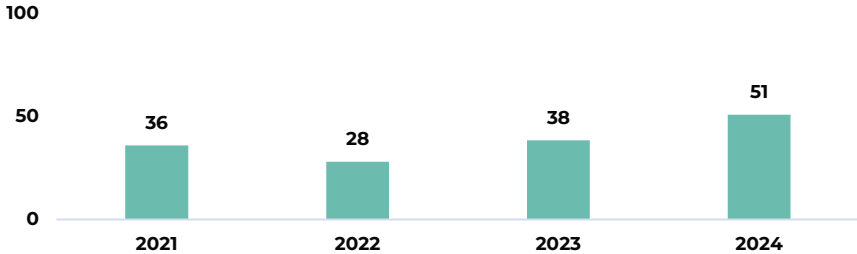
³Companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

ESG Integration Summary

ESG analysis is incorporated into investment decision-making on an ongoing basis, accompanied by a detailed review of each company. The review considers the Environmental, Social and Governance risks facing the company, the ways in which management mitigates them and their progress in doing so. The company's business is first assessed for the material risks posed by the industry and by the company's operations. The review consists of company-specific analysis of these material and relevant Environmental and Social risks. Regardless of industry, each company is assessed on carbon risk and employee relations, as well as Governance. Further information is available in the team's Approach to Responsible Investment and ESG paper, available [here](#).

Fund Weighted Average Carbon Intensity (WACI)* in tCO₂e/\$M revenue

The fund's carbon intensity is measured and reported over time.



Source: Guinness Global Investors, CDP; Coverage: 100% (2021, 2024), 97% (2023), 95% (2022).

*The Weighted Average Carbon Intensity (WACI) metric is calculated by multiplying the carbon intensity (emissions relative to revenue in millions USD) of each fund holding by its portfolio weight (the value of the holding relative to the total value of the portfolio, excluding cash). Carbon intensity is based on Scope 1 and 2 emissions. Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the company. Scope 2 emissions are indirect greenhouse gas emissions from the generation of energy purchased by the company (Reference: GHG Protocol). Coverage refers to the percentage of the carbon intensity data available at the date of publication for underlying fund holdings (as a percentage of total assets excluding cash).

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

For more information please visit www.guinnessgi.com +44 (0) 20 7222 5703 info@guinnessgi.com

Stewardship

Stewardship activities form part of the investment process applied by the team. We believe that resourcing our stewardship activities within the investment team itself, with dedicated assistance as required, is the best way to ensure effective stewardship. The investment team's ESG incorporation approach often informs their proxy voting and engagement activity. In a spirit of transparency, we disclose fund-level voting and engagement statistics and case studies for calendar year 2024 below.

Voting

The investment team make their own voting decisions based on their own research, supported by proxy voting research from Glass Lewis. All voting is undertaken by the investment team, with oversight provided by our Responsible Investment Committee. In order to vote, some markets require shares to be temporarily immobilised from trading until after the shareholder meeting has taken place (referred to as 'share blocking'). Some other markets require a local representative to be hired, under a Power-of-Attorney (POA), to attend the meeting and vote on our behalf. In such instances, it may sometimes be in clients' best interests to refrain from voting. But in all other circumstances we endeavour to exercise our voting responsibilities on clients' behalf. For more information, please see our Voting Policy, available on our website.

Voting Overview *	
Number of companies available to vote	36
Number of available proposals	522
% voted	99%
% did not vote** (1 company)	1%
% votes in line with management	89%
% votes against management	11%



Votes against management by topic (%)***		
	Audit/Financials	15%
	Board Related	40%
	Capital allocation	22%
	Compensation	13%
	Other	11%

***May not sum to 100% due to rounding.

*1st January 2024 to 31st December 2024

Source: Glass Lewis; Guinness Global Investors 31.12.24

**This includes where we do not vote in jurisdictions where share blocking is in effect or power of attorney requirements apply

Voting Case Studies



China Medical System ("CMS") is a Chinese healthcare company which deals primarily in the marketing and sales of domestic pharmaceutical products. In May 2024, we voted against the renomination of Simon Fung Ching as Chair of the Audit Committee. The committee was composed solely of independent directors, in line with Hong Kong listing requirements, however it convened less than four times during the fiscal year. This raised concerns about whether the committee were providing adequate oversight over CMS's accounting and financial reporting activities, for which the Committee Chair, Mr. Fung, holds responsibility to shareholders. Our concerns were likely shared by other investors, as 8% of shareholders voting against the director's re-election.

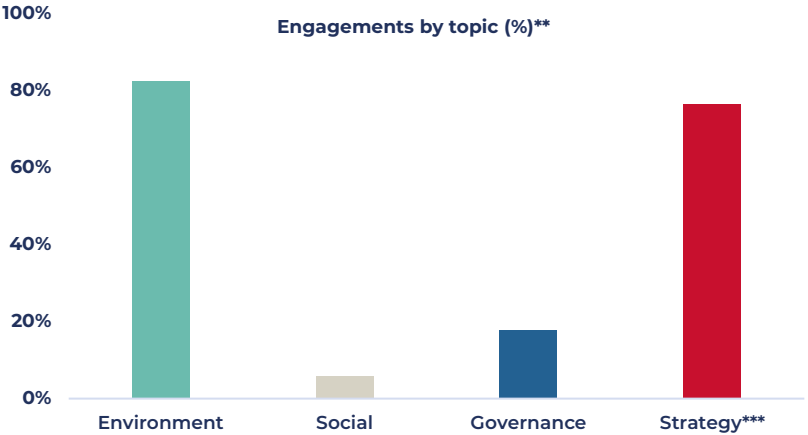


Broadcom is a leading global technology company that designs, develops, and supplies semiconductor and infrastructure software solutions. At the 2024 AGM, we did not support the re-election of Harry L. You, Chair of the Remuneration Committee, due to ongoing concerns regarding Broadcom's executive remuneration practices, which we also voted against. Our concerns centred around the excessive quantum of CEO pay, the fact that the Long-Term Incentive Plan (LTIP) is solely based on Total Shareholder Return (TSR)—a metric we believe is overemphasised and does not adequately reflect long-term operational performance—and the absence of a clawback policy, which limits accountability in cases of misconduct or financial restatements. Additionally, we did not support Mr. You's re-election due to concerns about overboarding, as he holds three additional board commitments, including two other chair roles, raising questions about his capacity to effectively oversee Broadcom's remuneration practices. These concerns were reflected in shareholder dissent, with 20% voting against Mr. You's re-election and 38% opposing the executive remuneration plan. Following the vote, we engaged with the company to reiterate our concerns and the rationale behind our voting decisions. We will continue to monitor Broadcom's governance and remuneration practices, advocating for a more balanced and accountable approach to executive pay.

Engagement

The investment team focused their engagements in 2024 around seeking improved disclosures from portfolio companies.

Engagement Overview*	
Number of company interactions	19
Number of engagements	17
Engagements by topic	
Environment	82%
Social	6%
Governance	18%
Strategy***	76%



*1st January 2024 to 31st December 2024
Source: Glass Lewis; Guinness Global Investors (31.12.24)

**In some cases, multiple topics are covered in a single meeting and the totals do not add up to 100%.
***Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

Engagement Case Studies



Haier Smart Home ("Haier") is one of the world's largest household appliances companies. During our first in-person meeting with the company in May 2024 at its headquarters in China, we shared some of our ESG-related expectations and discussed wider business strategy. We encouraged Haier to ensure its Remuneration and Audit Committees were comprised solely of independent directors and to explore ways to increase female representation at the Vice President level. We were pleased to see recent enhancements to its remuneration structure, including the introduction of compensation clawback mechanisms and nascent initiatives to link executive pay to ESG metrics.

While we welcomed the expansion of long-term equity incentives via employee stock ownership plans (ESOPs) in principle, we had concerns around the specific structure proposed and voted against an associated proposal at the 2024 AGM. Our concerns centred on a lack of disclosure regarding the maximum discount to fair market value for shares purchased under the plans, and questions about the independence of the plan's administrative committee. We look forward to sharing our perspectives with Haier in 2025 to support further progress.



Grape King Bio ("Grape King") designs and manufactures health and functional beverages and bio-tech products. The company operates its own branded product line, distributing through on- and offline channels, and leverages its R&D capabilities to act as an original design manufacturer (ODM) for pharmaceutical and health food clients.

We engaged with the CEO on a variety of ESG-related topics. The ODM business has been a key growth driver, accounting for ~9% of total revenues in FY2023. Our discussion emphasised the materiality of product quality and safety standards, given the need to align with stringent requirements of major European and North American clients. We covered the external auditing of production facilities and relevant ISO standards including ISO 37001 (Anti-bribery Management System), which was a pre-requisite for British Standards Institution (BSI) approval in the UK. We were pleased to see Grape King become the first company in Taiwan's biotechnology industry to receive the ISO 37001 certification, which contributed to MSCI upgrading the company's ESG rating to 'A' in August 2024, from 'BBB' when MSCI initiated its coverage.

Collaborative engagement



We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the **CDP Non-Disclosure Campaign (NDC)**. The NDC aims to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure requests.

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Initiatives

We participate in relevant industry initiatives to promote the proper functioning of markets, responsible investing, and the management of market-wide and systemic risk. Where appropriate, members of the investment team will use initiatives to engage collaboratively with portfolio companies.

External company ratings

Signatory of:



We became signatories to the United Nations Principles for Responsible Investment (UN PRI) in 2019, which provides external assurance on our stewardship approach broken down by activity.

In our latest Assessment Report, published in 2024, we received the following scores:



**Policy Governance and
Strategy**



**Direct - Listed Equity -
Active Fundamental**



**Confidence Building
Measures**

Industry Initiatives



CFA UK's mission is to build a better investment profession by serving the public interest by educating investment professionals, by promoting and enforcing ethical and professional standards and by explaining what is happening in the profession to regulators, policymakers, and the media. A member of the investment team at Guinness is part of the Sustainability Community Champions group.



As the trade body for the UK investment management industry, the **Investment Association (IA)** seeks to represent the industry interests, improve the investment landscape through thematic initiatives, which highlight topics such as diversity and inclusion, and by improving standards and best practice.



The **Independent Investment Management Initiative (IIMI)** aims to contribute effective financial regulation and promote client-centred models of investment management. Our CEO, Edward Guinness sits on the board of IIMI.



The **UK Stewardship Code 2020** sets high stewardship standards for those investing money on behalf of UK savers and pensioners. It comprises a set of 12 'apply and explain' Principles for asset managers and asset owners to demonstrate their stewardship role and performance.



The **UK Sustainable Investment and Finance Association (UKSIF)** aims to support its members to grow sustainable and responsible finance in the UK. It also seeks to influence policymaking that promotes the growth of sustainable finance. Our Responsible Investment Lead is a member of the Industry Development Committee, and another member of investment team serves on the Membership Committee.

Other Documents

Corporate Documents

- Responsible Investment Policy
- Stewardship Code Report
- Good Governance Policy
- [Responsible Investment Glossary](#)

Strategy Documents

- Approach to Responsible Investment and ESG

Guinness Global Equity Income

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when buy or sell them. The Information is provided 'as is' and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The information contained herein: (1) is proprietary to MSCI ESG and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither MSCI ESG nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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Documentation The documentation needed to make an investment, including the Prospectus, the Key Information Documents (KIDs), Key Investor Information Document (KIIDs) and the Application Form, is available in English from www.guinnessgi.com or free of charge from: - the Manager: Waystone Management Company (IE) 4th Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 A4E, Ireland; or the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ. Waystone Management Company (IE) as UCITS Man Co, 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/waystonepolicies/>

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 KIID 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.

Telephone calls will be recorded and monitored.