



WS GUINNESS INVESTMENT FUNDS (formerly TB GUINNESS INVESTMENT FUNDS)

ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023

CONTENTS

Changes to the Company and the Fund, The Authorised Corporate Director and Investment Manager, Your Investments, Other Information.....	1
Authorised Status, Structure of the Company, Cross Holdings between Sub-Funds.....	2
Remuneration Policy of the Authorised Corporate Director.....	3
Statement of the Authorised Corporate Director's Responsibilities, Directors' Statement.....	5
Statement of Depository's Responsibilities, Depository's Report to the Shareholders of WS Guinness Investment Funds.....	6
Independent Auditor's Report to the Shareholders of WS Guinness Investment Funds.....	7
WS Guinness UK Equity Income Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	11
Synthetic Risk and Reward Indicator, Fund Benchmarks, Ongoing Charges Figure, Securities Financing Transactions, Fund Changes.....	12
Investment Review.....	13
Portfolio Statement.....	20
Comparative Tables.....	22
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	28
Balance Sheet.....	29
Notes to the Financial Statements.....	30
Distribution Table.....	42
WS Guinness Global Equity Income Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	44
Synthetic Risk and Reward Indicator, Fund Benchmarks, Ongoing Charges Figure, Securities Financing Transactions, Fund Changes.....	45
Investment Review.....	46
Portfolio Statement.....	54
Comparative Tables.....	56
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	58
Balance Sheet.....	59
Notes to the Financial Statements.....	60
Distribution Table.....	72
WS Guinness Asian Equity Income Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	74
Synthetic Risk and Reward Indicator, Fund Benchmark, Ongoing Charges Figure, Securities Financing Transactions, Fund Changes.....	75
Investment Review.....	76
Portfolio Statement.....	80
Comparative Tables.....	82
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	84
Balance Sheet.....	85
Notes to the Financial Statements.....	86
Distribution Table.....	98
WS Guinness European Equity Income Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	100
Synthetic Risk and Reward Indicator, Fund Benchmark, Ongoing Charges Figure, Securities Financing Transactions, Fund Changes.....	101
Investment Review.....	102
Portfolio Statement.....	106
Comparative Tables.....	108
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	112
Balance Sheet.....	113
Notes to the Financial Statements.....	114
Distribution Table.....	126

CONTENTS (CONTINUED)

WS Guinness Global Innovators Fund

Authorised Status, Investment Objective and Policy, Risk Profile	128
Risk Profile, Synthetic Risk and Reward Indicator, Fund Benchmarks, Ongoing Charges Figure, Securities Financing Transactions.....	129
Investment Review.....	130
Portfolio Statement.....	136
Comparative Tables.....	137
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	138
Balance Sheet.....	139
Notes to the Financial Statements.....	140
Distribution Table.....	152

WS Guinness Sustainable Energy Fund

Authorised Status, Investment Objective and Policy, Securities Financing Transactions.....	153
Risk Profile, Synthetic Risk and Reward Indicator, Fund Benchmarks, Ongoing Charges Figure.....	154
Investment Review.....	155
Portfolio Statement.....	159
Comparative Tables.....	161
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	163
Balance Sheet.....	164
Notes to the Financial Statements.....	165
Distribution Table.....	177

WS Guinness Sustainable Global Equity Fund

Authorised Status, Investment Objective and Policy, Securities Financing Transactions.....	178
Risk Profile, Synthetic Risk and Reward Indicator, Fund Benchmarks, Ongoing Charges Figure.....	179
Investment Review.....	180
Portfolio Statement.....	184
Comparative Tables.....	185
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	187
Balance Sheet.....	188
Notes to the Financial Statements.....	189
Distribution Table.....	201
Directory.....	202

Note: The Authorised Corporate Director's Report consists of 'Authorised Status' and 'Structure of the Company' on page 2, 'Authorised Status' and 'Investment Objective and Policy' on pages 11, 44, 74, 100, 128, 153 and 178, 'Investment Review' as provided by the Investment Manager, on pages 13 to 19, 46 to 53, 76 to 79, 102 to 105, 130 to 135, 155 to 158 and 180 to 183 and 'Directory' on page 202.

CHANGES TO THE COMPANY AND THE FUND

On 1 October 2023 the Company changed its name from TB Guinness Investment Funds to WS Guinness Investment Funds.

On 5 February 2024 the Administrators of the Company changed from Waystone Fund Services (UK) Limited ('WFSL') to The Bank of New York Mellon (International) Limited. WFSL was previously called T. Bailey Fund Services Limited ('TBFS') and changed its name on 1 October 2023.

On 11 March 2024 the following changes were made:

- The Authorised Corporate Director (the 'ACD') of the Company changed from WFSL to Waystone Management (UK) Limited ('WMUK').
- The Custodian of the Company changed from The Northern Trust Company to The Bank of New York Mellon (International) Limited.
- The Registrar of the Company changed from WFSL to Link Fund Administrators Limited.
- The Depository of the Company changed from NatWest Trustee and Depository Services Limited to The Bank of New York Mellon (International) Limited.

Since the previous year end, the ACD has also undergone a review of the engagement of the Company's Auditors. Following this review, the ACD has taken the decision to end the audit engagement with Deloitte LLP and to appoint Cooper Parry Group Limited as the Auditors of the Company. The ACD has taken this decision as it believes that this is in best interests of the Company's shareholders.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

The ACD of WS Guinness Investment Funds (the 'Company') is WMUK. Guinness Asset Management Limited is the Investment Manager (the 'Investment Manager') of the Company.

Guinness Asset Management Limited and Waystone Management (UK) Limited are authorised and regulated by the Financial Conduct Authority.

Further information about Guinness Asset Management Limited and the funds which it manages can be found at www.guinnessgi.com.

YOUR INVESTMENTS

You can buy or sell shares in the Company through your Financial Advisor. Application forms can be requested in writing from the ACD or by calling the Registrar on the dealing line. They can also be downloaded from www.waystone.com.

The Company is eligible for ISA investments/transfers and the shares are available as part of a regular savers scheme.

The most recent price of shares in issue can be found at www.waystone.com, or by phone using the contact details set out in the prospectus.

OTHER INFORMATION

Full details of WS Guinness Investment Funds are set out in the Prospectus. This document provides investors with extensive information about the Company including risks and expenses. A copy of the Prospectus is available on request from the ACD or can be downloaded from www.waystone.com.

The Key Investor Information document, Supplementary Information document and Value Assessments are also available from www.waystone.com.

AUTHORISED STATUS

WS Guinness Investment Funds is an investment company with variable capital incorporated in Great Britain, and having its head office in England, under registered number IC001078 and authorised and regulated by the Financial Conduct Authority ("FCA") with effect from 1 December 2016.

STRUCTURE OF THE COMPANY

The Company is a UK UCITS and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new sub-fund, or share class, a revised prospectus will be prepared and issued.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

As at the balance sheet date, there were seven sub-funds in existence; WS Guinness UK Equity Income Fund, WS Guinness Global Equity Income Fund, WS Guinness Asian Equity Income Fund, WS Guinness European Equity Income Fund, WS Guinness Global Innovators Fund, WS Guinness Sustainable Energy Fund and WS Guinness Sustainable Global Equity Fund.

The base currency of the Company is Pound Sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The ACD is the sole director of the Company.

CROSS HOLDINGS BETWEEN SUB-FUNDS

As at the year-end there were no cross holdings between the seven sub-funds.

REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR

Introduction and Scope

WMUK has policies and practices for those staff whose professional activities have a material impact on the risk profile of the combined activities. WMUK is a UCITS firm and is therefore subject to the UCITS Remuneration Code.

The Remuneration Policy of the Authorised Corporate Director:

- Is consistent with and promotes sound and effective risk management;
- Does not encourage risk taking that exceeds the level of tolerated risk of the firm;
- Encourages behaviour that delivers results which are aligned to the interests of WMUK's clients and the UCITS funds it manages;
- Aligns the interests of Code Staff with the long-term interests of WMUK's clients and the UCITS funds it manages;
- Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, Remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay; and
- Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works.

In accordance with BIPRU 11.5.18R the following disclosures are made:

Decision making process for determining remuneration policy, link between pay and performance

There is no remuneration committee. Remuneration is set within the context of a 5-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus and commission arrangements including the staff bonus pool are set annually as part of the annual operating plan and any changes to the pool require approval by the WMUK Board.

To assist with the above process, a benchmarking exercise was conducted in 2019 which incorporated information from external consultants in connection with remuneration.

Policy on link between pay and performance

The staff bonus scheme is operated so as to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition but within the context of an annual operating plan. The Board bears in mind the projected performance of the company when making any adjustments to the scheme. This is agreed within the setting of the annual operating plan and reviewed once full year results are available.

The final bonus total is signed off by the WMUK board. The bonus payments are non-contractual and can be amended or withdrawn at any time.

Payment of scheme bonus to individuals is linked to their performance against agreed objectives from staff appraisals. All bonuses are monetary and paid through the payroll.

REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

Staff are eligible to be a part of the scheme once they have completed a full years' service prior to the start of the relevant appraisal year. The same process applies to all grades of staff including executive directors.

There are no commission based payments made to staff.

No other pay reward schemes exist within the business.

Total remuneration paid by the Authorised Corporate Director

	For the year ended 30 September 2022	For the year ended 30 September 2021
Total Number of Staff	65	51
	£'000	£'000
Fixed	2,118	1,797
Variable	143	111
Total Remuneration Paid	2,261	1,908

Total remuneration paid by the Authorised Corporate Director to Remuneration Code Staff

	For the year ended 30 September 2022		For the year ended 30 September 2021	
	Senior Management	Staff with Material Impact	Senior Management	Staff with Material Impact
Total Number of Staff	9	-	10	-
	£'000	£'000	£'000	£'000
Fixed	798	-	800	-
Variable	49	-	9	-
Total Remuneration Paid	847	-	809	-

Please note that there were no remuneration payments made directly from WS Guinness Investment Funds or any of its sub-funds.

On 11 March 2024 the Authorised Corporate Director of the Company changed from Waystone Fund Services (UK) Limited ('WFSL') to Waystone Management (UK) Limited ('WMUK'). As WFSL was the ACD at the period end, the figures in the above tables relate to WFSL.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Authorised Corporate Director ("ACD") of WS Guinness Investment Funds ("Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014 and amended in June 2017; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT

In accordance with COLL 4.5.8BR, the Report and the Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 25 April 2024.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

Waystone Management (UK) Limited
ACD of WS Guinness Investment Funds
London, United Kingdom
25 April 2024

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF WS GUINNESS INVESTMENT FUNDS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee & Depositary Services Limited
London, United Kingdom
25 April 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GUINNESS INVESTMENT FUNDS

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of WS Guinness Investment Funds (the 'Company'):

- give a true and fair view of the financial position of the sub-funds as at 31 December 2023 and of the net revenue and expense and the net capital gains and losses on the property of the sub-funds for the year ended 31 December 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related individual notes 1 to 15; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GUINNESS INVESTMENT FUNDS (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the Statement of Depositary's responsibilities and Statement of ACD's responsibilities, the Depositary is responsible for safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Collective Investment Schemes sourcebook of the Financial Conduct Authority ("COLL"), the relevant instruments of incorporation, the statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in May 2014 ("the SORP") and United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GUINNESS INVESTMENT FUNDS (CONTINUED)

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company to assess compliance with provisions of relevant laws and regulations. This included ensuring compliance with the Collective Investment Schemes Sourcebook.
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions and process walkthroughs.
- obtaining an understanding of the company's risk assessment process, including the risk of fraud, designing our audit procedures to respond to our risk assessment. This included performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- enquiring of management concerning actual and potential litigation and claims and understanding whether there have been instances of non-compliance with laws and regulations; and
- reviewing minutes of those charged with governance and reviewing correspondence with the FCA.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Report on other legal and regulatory requirements**Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the Company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 December 2023 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GUINNESS INVESTMENT FUNDS (CONTINUED)

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
25 April 2024**

WS GUINNESS UK EQUITY INCOME FUND, AUTHORISED STATUS

WS Guinness UK Equity Income Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness UK Equity Income Fund (the 'Fund') is to provide investors with a combination of both income and capital appreciation over the long term (7 to 10 years).

Under normal market conditions, at least 80% of the Fund will invest directly or indirectly in listed equity securities of companies of any market capitalisation which are domiciled in, incorporated in or have significant trading activities in the UK. Direct or indirect investment in equity securities shall include investment in any proportion in: shares (including those issued by investment trust companies and REITs), securities convertible into shares, depository receipts, collective investment schemes investing in equities (up to 10%) and (up to 5%) warrants.

The Investment Manager aims to invest in a portfolio of companies which, in the Investment Manager's opinion, are likely to achieve returns on capital higher than the cost of capital, allowing those companies both to reinvest in the business for growth and to pay a dividend.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus).

To the extent not fully invested in such companies, the Fund may invest in the equity securities of other companies anywhere in the world, short-dated government bonds anywhere in the world (including emerging markets) of at least investment grade rating (being bonds which have achieved or exceeded a minimum credit rating awarded by a credit rating agency). For temporary defensive management, the Fund may also hold cash, near cash, money market instruments, units in money market funds or short-dated government bonds to protect the Fund from adverse market conditions and/or to manage large cash flows; accordingly at these times, the Investment Manager may hold a larger proportion of the Fund in these asset classes and in such circumstances, less than 80% of the Fund may be invested directly or indirectly in listed equity securities.

The Fund will have a concentrated portfolio and will typically hold at least 20 stocks.

Where the Fund invests in collective investment schemes, this may include those managed by the ACD and its associates.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

RISK PROFILE

As the Fund will invest predominantly in UK listed shares, the Fund will have a greater exposure to UK market, political and economic risks than a fund which diversifies across a number of countries.

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

WS GUINNESS UK EQUITY INCOME FUND, SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in shares, an asset class which has seen large rises and falls in recent years.

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI UK All Cap Index (the "Index"). The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI UK All Cap Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) UK Equity Income sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in UK equities. As the sector aligns with the Fund's asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

The IA UK Equity Income sector is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 22-27. **FUND CHANGES**

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

FUND CHANGES

The investment objective and policy were updated on the 2 January 2024. The updated investment objective and policy is included on page 11.

WS GUINNESS UK EQUITY INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 December 2023 (%)		
	1 year	3 years	5 years
O Overseas Accumulation Shares	8.64	0.79	7.92
Y Clean Accumulation Shares	9.76	3.93	13.58
Z Early Investor Accumulation Shares	9.99	4.52	14.66
IA UK Equity Income Sector**	7.02	24.56	33.51
MSCI UK All Cap Index**	7.82	29.52	35.94
MSCI UK High Yield Div Index*	0.95	30.58	31.35
MSCI UK Select Quality Yield Index*	7.35	22.97	43.20
MSCI Small Cap Index*	9.76	(2.44)	20.68

*** Principal Comparator Benchmark. * Additional Comparator Benchmarks*

Source: Financial Express. Total return. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

Overview

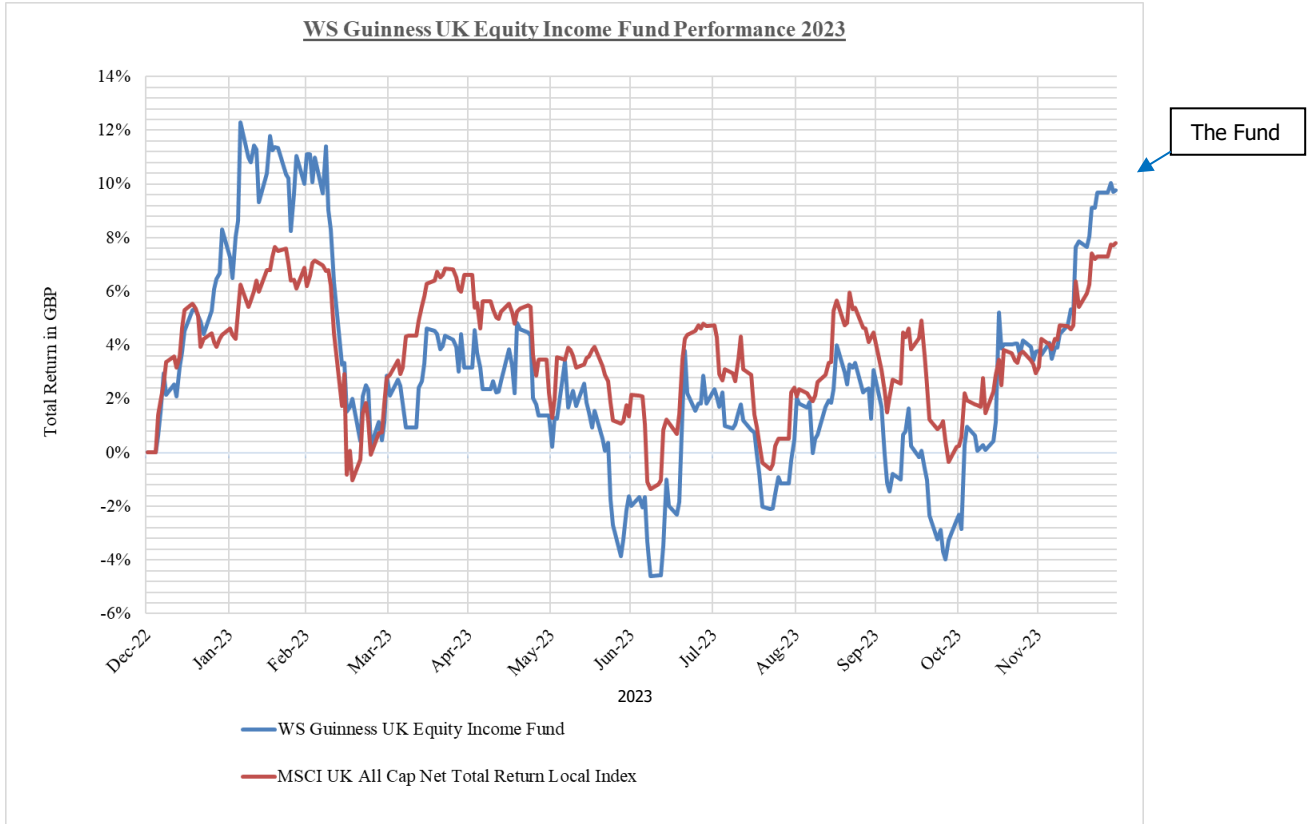
The WS Guinness UK Equity Income Fund in 2023 produced a total return of 9.76% (in GBP Y Class). This was pleasingly ahead of the Fund's principal comparator benchmarks. The return of the MSCI All Cap Index was 7.82% (in GBP); and that of the IA Equity Income Sector Average was 7.02%. The Fund in 2023 also outperformed or matched the other comparator indices.

The much better performance this year is a relief after the weak performance in the first 9 months of 2022 and discussed at some length in last year's report. That, as explained there, was principally due to the re-positioning of the Fund in December 2021 away from large caps; and towards companies with better growth, valuation and cash flow return on capital metrics which was very undermined by the war in Ukraine and resulting inflationary spike; interest rate jump; and significant dampening of the expected post Covid recovery.

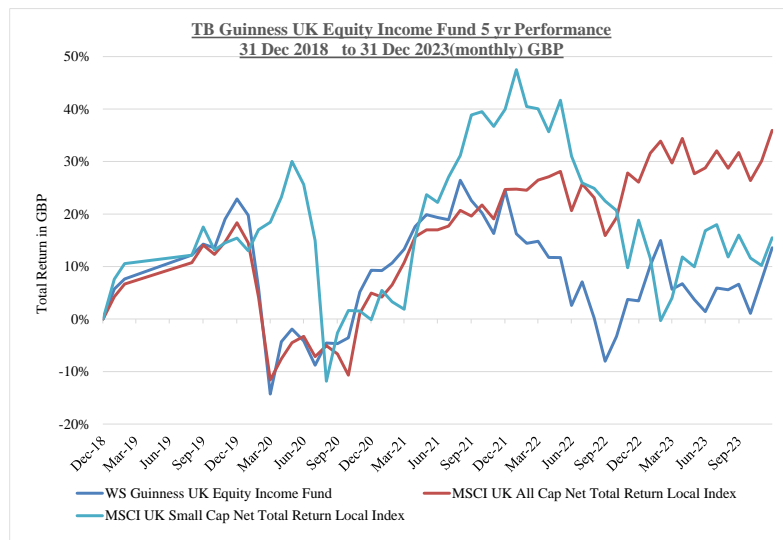
This year's one year performance is shown in the following graph of the Fund's Z class shares vs the MSCI UK All Cap Index where it can be seen that the year saw three main phases – a 2 month period of strong performance from the start of the year till early March; then a 4 month weak period and thereafter from early July to the end of October a performance that matched the index and then in November and December another period of strong outperformance.

WS GUINNESS UK EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

Graph of the Fund versus the MSCI UK All cap Index the principal comparator index.



The longer term (5 year) performance story is told in the chart across. This for extra context shows the Fund against the MSCI Small cap index as well as the MSCI All Cap index and this highlights that it was likely a combination of an asset allocation move to smaller cap stocks in Dec 2021 and the underperformance of small caps since then (principally because of the Ukraine invasion/ inflation spike) that has been a major cause of the fund underperformance versus the MSCI All Cap which it also shows mainly occurred just in the period September 2021 to September 2022.



2023 activity

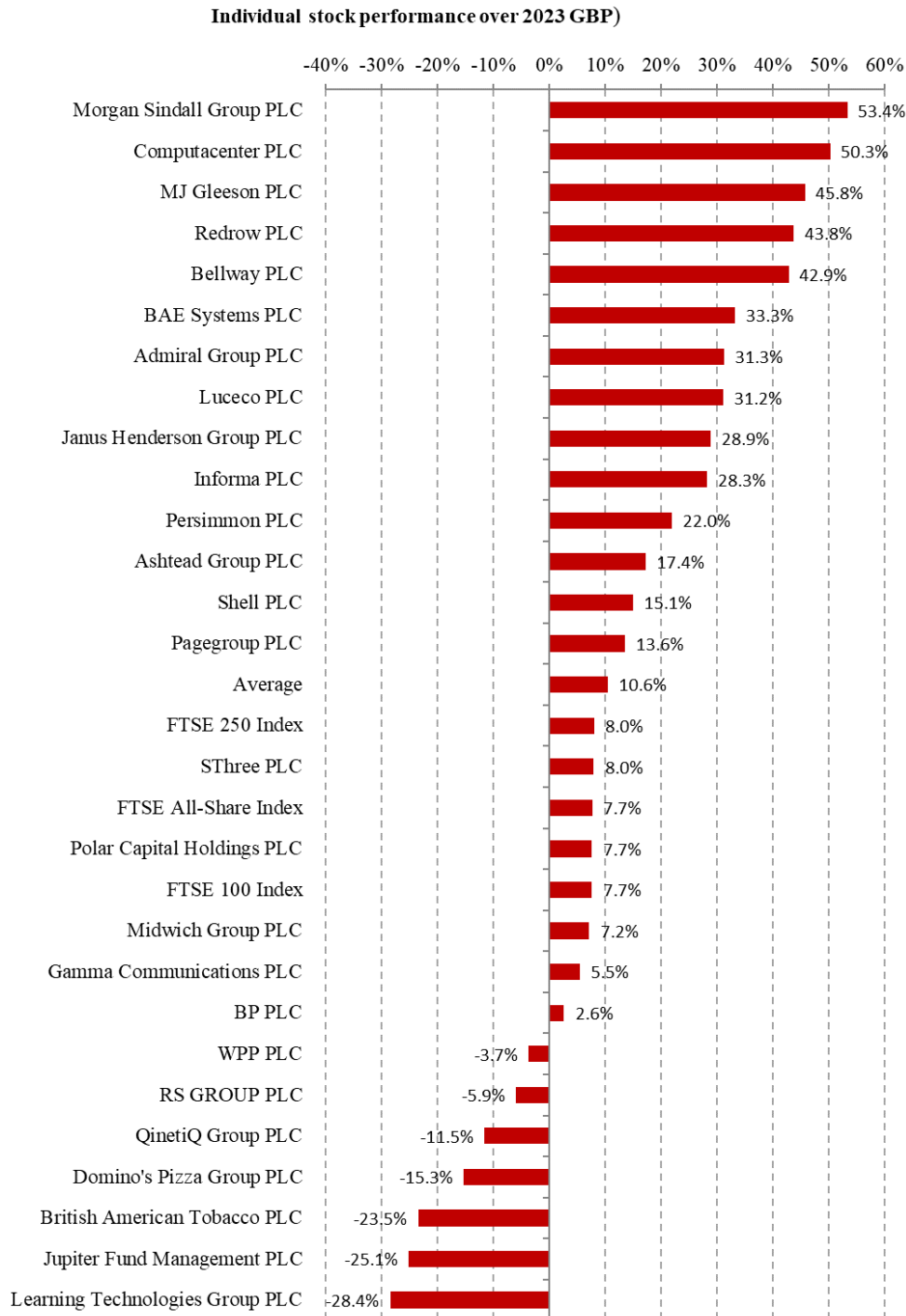
In 2023 a deliberate decision was taken to run the positions held at the end of 2022 and make no significant changes. After a weak first half this approach began to pay off and in the second half the Fund performed relatively very strongly and was in fact top performing fund in the IA UK Equity Income sector. Over the year its performance was first quartile.

The sector weightings therefore at the end of the year saw as it began:

1. A significant weighting in housebuilding – which after a torrid 18 months offers great valuations. Our companies have all come through the year with strong balance sheets and end it on valuations that offer plenty of potential for them to bounce back;
2. A significant exposure to investment managers; these were hammered when the post covid recovery failed to materialise and because volatile stock markets unnerved investors and led to outflows from active equity funds. Again we see great upside potential if and when confidence recovers;
3. A significant exposure to growth at a reasonable value - in selected communications services; information technology and industrial stocks such as Lucent and Electrocomponents. Again hammered by the failure of post covid growth to occur but again there are signs that underperformance has ended;
4. Lastly the balance of the portfolio is made of more tactical bottom-up stock selections several of which are in areas which should benefit cyclically if and when the economy starts to properly recover (e.g. employment agencies).

As at 31 Dec the prospective 2024 PER of the Fund was 13.2X vs the MSCI UK All Cap Index forecast 2024 PER of 11.6X

Performance of holdings in 2023



The best performing 12 holdings included 4 housebuilders and 1 asset manager (Janus Henderson). The worst included Learning Technologies Group; Jupiter Fund Management; BAT and Domino's Pizza.

WS GUINNESS UK EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

Portfolio Breakdown

The composition of the Fund and relevant Mkt Cap size, PER, NAV weighting and dividend yield metrics are shown in the following table.

As can be seen the Fund at a PER of 12.4X is on a PER valuation premium to the MSCI UK All Cap Index and a discount to the MSCI UK Small Cap Index. It currently has 28 holdings as a result of the takeovers of Brewin Dolphin and Clinigen over the last 12 months. We will be taking the number of holdings back to our preferred 30 holdings over the next few months.

Fund Portfolio Breakdown at 31 December 2023	GICS SECTOR Subsector	Mkt. Cap £'000	% of NAV	PE Ratio 2023	Div Yield Based on XD	
CONSUMER DISCRETIONARY						
Persimmon PLC	Homebuilding	4,437	2.7%	17.7	5.76%	
Redrow PLC	Homebuilding	2,036	4.0%	7.6	4.87%	
Bellway PLC	Homebuilding	3,067	4.0%	8.2	5.45%	
MJ Gleeson PLC	Homebuilding	283	3.2%	12.5	2.89%	
Domino's Pizza Group PLC	Restaurants	1,494	5.0%	20.6	2.68%	
CONSUMER STAPLES						
British American Tobacco PLC	Tobacco	51,337	2.1%	6.2	9.92%	
ENERGY						
Shell PLC	Integrated Oil & Gas	167,709	3.5%	8.1	2.96%	
BP PLC	Integrated Oil & Gas	80,059	3.2%	7.1	4.67%	
FINANCIALS						
Liontrust Asset Management PLC	Asset Management & Custody Ban	409	2.2%	7.0	11.43%	
Jupiter Fund Management PLC	Asset Management & Custody Ban	509	2.8%	7.8	7.39%	
Janus Henderson Group PLC	Asset Management & Custody Ban	3,913	3.8%	12.9	5.19%	
Polar Capital Holdings PLC	Asset Management & Custody Ban	472	3.4%	12.1	9.87%	
Admiral Group PLC	Property & Casualty Insurance	8,221	4.2%	22.8	3.84%	
INDUSTRIALS						
BAE Systems PLC	Aerospace & Defence	33,701	4.4%	17.9	2.53%	
QinetiQ Group PLC	Aerospace & Defence	1,788	3.0%	12.4	2.49%	
Morgan Sindall Group PLC	Construction & Engineering	1049	4.4%	10.0	4.70%	
Luceco PLC	Electrical Components and Equipm	199	4.2%	12.0	3.71%	
RS Group PLC	Trading Companies and Distributors	3,884	2.6%	13.8	2.55%	
Ashtead Group PLC	Trading Companies and Distributors	23,905	4.4%	18.2	1.13%	
Pagegroup PLC	Human Resource & Employment Se	1,600	4.0%	18.5	6.52%	
SThree PLC	Human Resource & Employment Se	564	3.7%	11.3	3.83%	
Learning Technologies Group PLC	Human Resource & Employment Se	641	2.0%	11.0	1.98%	
INFORMATION TECHNOLOGY						
Computacentre PLC	IT Consulting & Other Services	3,187	4.0%	16.2	2.45%	
NCC Group PLC	IT Consulting & Other Services	404	1.9%	25.7	3.61%	
Midwich Group PLC	Technology Distributors	451	2.9%	12.0	3.66%	
COMMUNICATION SERVICES						
Informa PLC	Advertising	10,689	4.8%	18.3	1.61%	
WPP PLC	Advertising	8,094	3.1%	8.4	5.23%	
Gamma Communications PLC	Alternative Carriers	1,097	3.3%	15.2	1.39%	
Cash			3.2%	Median	12.3	3.84%
			100.0%	Fund	12.4	Wtd Avg
Median Mkt Cap / % NAV		1,912	3.4%			
				MSCI UK All Cap Index	11.0	
				MSCI UK Small Cap	14.4	
				MSCI UK High Yield	11.5	

WS GUINNESS UK EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

Change in sector weightings over the year relatively minor

GICS Sector	GICS Sub Industry	31 December 2023		31 December 2022	
Consumer Discretionary	Housebuilders	13.9%		11.5%	
Consumer Discretionary	Restaurants	5.0%		4.2%	
Consumer Staples	Tobacco	2.1%	21.0%	3.3%	19.0%
Energy	Oil & Gas	6.7%	6.7%	7.0%	7.0%
Financials	Investment Management	12.2%		15.7%	
Financials	Insurance	4.2%	16.4%	3.6%	19.3%
Industrials	Capital Goods	23.0%		21.5%	
Industrials	Recruitment Services	9.7%	32.7%	8.0%	29.5%
Information Technology	Software & Services	5.9%		9.2%	
Information Technology	Technology Hardware Equipment	2.9%		3.1%	
Communication Services	Advertising, Events	7.9%		7.8%	
Communication Services	Telecommunication Services	3.3%	20.0%	3.5%	23.6%
Cash and Other			3.2%		1.6%
Total			100.0%		100.0%

Dividends

XD	price	Y Clean Income		price	Z Early Investor Income		FTSE Allshare Yield
		Shares dividend	yield		Shares dividend	yield	
2024 Jan	77.54	1.8310947	4.30%	78.45	1.8519369	4.30%	3.87%
2023 July		1.5030758			1.5188051		
2023 Jan	75.74	1.7579541	4.51%	76.46	1.7732677	4.50%	3.73%
2022 July		1.6556032			1.6681383		
2022 Jan	95.26	2.0670366	3.61%	95.93	2.0809387	3.61%	3.58%
2021 July		1.3755569			1.3830000		
2021 Jan	86.14	1.2367526	2.90%	86.55	1.2410000	2.90%	3.00%
2020 July		1.2280157			1.2330000		
2020 Jan	100.08	1.6869140	4.12%	100.37	1.6890000	4.12%	4.52%
2019 July		2.3667805			2.3790000		
2019 Jan	84.73	1.6106702	4.59%	85.2	1.6170000	4.58%	4.72%
2018 July		2.2028942			2.2100000		
2018 Jan	106.88	1.6078416	3.43%	107.17	1.6120000	3.43%	3.82%
2017 July		2.0066698			2.0060000		

The dividend of the Fund at the end of 2023 put the Fund on a 4.30% yield compared to the FTSE All share index yield of 3.87%. Given the Investment Association's approach for the IA Equity Income Sector (basically to yield more on average than the FTSE All-share over 3 years with some adjustment to the rule during Covid) the Fund we believe continues to qualify to sit in the sector. We also note however that due to cuts in dividends the Fund's portfolio yield fell to a reduced 3.84% at the year end on an XD basis. The picture behind these cuts was as follows. Two were by two asset managers – Jupiter (affected by decline in AUM) and Janus Henderson (mainly a GBP strengthening effect reducing an unchanged USD dividend); three by housebuilders –Persimmon; Redrow and M J Gleeson (all hit by the knock on effect on housebuilding demand of higher

WS GUINNESS UK EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

interest rates); and then three by Admiral (insurance); Luceco (electrical equipment particularly lighting) and Page (employment agency) all hurt by weak UK economic growth. In the medium term we expect a good recovery by all these companies so we are not unduly concerned but we will be monitoring the situation closely and potentially adjusting the portfolio appropriately to seek to prevent our dividend yield falling below that of the market while trying to avoid giving up on obvious cyclical recovery upside.

Outlook

We believe 2023 was a turning point for our portfolio and we continue to be cautiously optimistic that the better returns we looked for when we restructured the portfolio in 2021 are on the way. We continue to believe our best strategy is to wait till the cycle we are in evolves further in our favour and that that will give our fund significant upside. It goes without saying of course that we must also repeat what we said last year- if the worst geopolitical scenarios on the international stage happens we will potentially have a longer wait.

Tim Guinness
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Nick Edwards
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS UK EQUITY INCOME FUND, PORTFOLIO STATEMENT

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Consumer Discretionary (18.9%; 31.12.22 - 15.7%)		
1,561 Bellway	39,962	4.0
13,240 Domino's Pizza	49,888	5.0
6,537 MJ Gleeson	31,704	3.2
1,979 Persimmon	27,459	2.7
6,465 Redrow	39,727	4.0
	188,740	18.9
Consumer Staples (2.1%; 31.12.22 - 3.3%)		
912 British American Tobacco	20,926	2.1
	20,926	2.1
Energy (6.7%; 31.12.22 - 7.0%)		
6,856 BP	31,963	3.2
1,349 Shell	34,662	3.5
	66,625	6.7
Financials (16.4%; 31.12.22 - 19.3%)		
1,558 Admiral	41,817	4.2
1,621 Janus Henderson	38,389	3.8
30,200 Jupiter Fund Management	28,207	2.8
3,422 Liontrust Asset Management	21,559	2.2
7,221 Polar Capital	33,650	3.4
	163,622	16.4
Industrials (32.7%; 31.12.22 - 32.6%)		
798 Ashtead	43,587	4.4
3,942 BAE Systems	43,776	4.4
24,526 Learning Technologies	19,866	2.0
34,191 Luceco	42,328	4.2
1,985 Morgan Sindall	43,868	4.4
8,263 Pagegroup	40,241	4.0
9,576 QinetiQ	29,571	3.0
3,162 RS Group	25,916	2.6
8,728 SThree	36,483	3.7
	325,636	32.7

WS GUINNESS UK EQUITY INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)

 As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Information Technology		
(8.8%; 31.12.22 - 9.2%)		
1,423 Computacenter	39,616	4.0
6,707 Midwich	28,639	2.9
14,904 NCC	19,196	1.9
	87,451	8.8
Communication Services		
(11.2%; 31.12.22 - 11.3%)		
2,946 Gamma Communications	33,113	3.3
6,217 Informa	48,331	4.8
4,054 WPP	30,494	3.1
	111,938	11.2
Portfolio of investments	964,938	96.8
Net other assets	32,027	3.2
Total net assets	996,965	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

*Please note that the methodology for the sector allocation in the portfolio has changed to better reflect the Investment Manager's investment strategy so differs to previous reports. We have applied this methodology to the prior year portfolio also to provide comparative figures.

The sectors at 31.12.22 were Aerospace & Defence 3.7%, Consumer Discretionary 19.3%, Energy 7.0%, Financials 19.3%, Food Producers 4.2%, Industrial Transportation 4.1%, Industrials 21.7%, Information Technology 12.3%, Telecommunication Services, 3.5%, Tobacco 3.3%.

WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE

	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
O Overseas Income			
Change in net assets per share			
Opening net asset value per share	68.40	87.50	80.50
Return before operating charges*	8.06	(14.61)	11.72
Operating charges	(1.49)	(1.25)	(1.46)
Return after operating charges*	6.57	(15.86)	10.26
Distributions on income shares	(3.17)	(3.24)	3.26
Closing net asset value per share	71.80	68.40	87.50
* after direct transaction costs of:	0.00	0.21	1.05
Performance			
Return after charges	9.61%	(18.13)%	12.75%
Other information			
Closing net asset value	£718	£684	£875
Closing number of shares	1,000	1,000	1,000
Operating charges (p.a.) ¹	1.70%	1.70%	1.70%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	77.52	89.14	92.44
Lowest published share price	64.23	62.60	80.59

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¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Y Clean Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	73.22	92.81	84.50
Return before operating charges*	7.71	(15.62)	12.39
Operating charges	(0.06)	(0.56)	(0.64)
Return after operating charges*	7.65	(16.18)	11.75
Distributions on income shares	(3.33)	(3.41)	(3.44)
Closing net asset value per share	77.54	73.22	92.81
* after direct transaction costs of:	0.00	0.22	1.11
Performance			
Return after charges	10.45%	(17.43)%	13.91%
Other information			
Closing net asset value	£20,913	£17,601	£36,002
Closing number of shares	26,970	24,038	38,791
Operating charges (p.a.) ¹	0.70%	0.70%	0.70%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	83.07	94.59	97.76
Lowest published share price	69.11	66.86	84.73

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WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	73.93	93.46	84.90
Return before operating charges*	8.12	(15.69)	12.47
Operating charges	(0.23)	(0.40)	(0.45)
Return after operating charges*	7.89	(16.09)	12.02
Distributions on income shares	(3.37)	(3.44)	(3.46)
Closing net asset value per share	78.45	73.93	93.46
* after direct transaction costs of:	0.00	0.22	1.14
Performance			
Return after charges	10.67%	(17.22)%	14.16%
Other information			
Closing net asset value	£442,339	£428,662	£500,901
Closing number of shares	563,821	579,837	535,948
Operating charges (p.a.) ¹	0.50%	0.50%	0.50%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	83.88	95.26	98.38
Lowest published share price	69.85	67.48	85.14

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WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

O Overseas Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	86.30	105.50	93.60
Return before operating charges*	18.72	(17.66)	13.64
Operating charges	(10.42)	(1.54)	(1.74)
Return after operating charges*	8.30	(19.20)	11.90
Distributions	(3.91)	(3.89)	(3.83)
Retained distributions on accumulation shares	3.91	3.89	3.83
Closing net asset value per share	94.60	86.30	105.50
* after direct transaction costs of:	0.00	0.25	1.23
Performance			
Return after charges	9.62%	(18.20)%	12.71%
Other information			
Closing net asset value	£946	£863	£1,055
Closing number of shares	1,000	1,000	1,000
Operating charges (p.a.) ¹	1.70%	1.70%	1.70%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	97.82	107.55	109.11
Lowest published share price	82.76	77.15	93.71

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WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Y Clean Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	91.80	111.10	97.49
Return before operating charges*	10.66	(18.66)	14.35
Operating charges	(0.83)	(0.64)	(0.74)
Return after operating charges*	9.83	(19.30)	13.61
Distributions	(4.23)	(4.13)	(4.01)
Retained distributions on accumulation shares	4.23	4.13	4.01
Closing net asset value per share	101.63	91.80	111.10
* after direct transaction costs of:	0.00	0.26	1.29
Performance			
Return after charges	10.71%	(17.37)%	13.96%
Other information			
Closing net asset value	£106,833	£221,110	£47,978
Closing number of shares	105,122	240,849	43,185
Operating charges (p.a.) ¹	0.70%	0.70%	0.70%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	104.14	113.22	114.47
Lowest published share price	88.48	81.87	97.74

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WS GUINNESS UK EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	92.86	112.17	98.24
Return before operating charges*	10.80	(18.83)	14.47
Operating charges	(0.66)	(0.48)	(0.54)
Return after operating charges*	10.14	(19.31)	13.93
Distributions	(4.28)	(4.18)	(4.04)
Retained distributions on accumulation shares	4.28	4.18	4.04
Closing net asset value per share	103.00	92.86	112.17
* after direct transaction costs of:	0.00	0.26	1.29
Performance			
Return after charges	10.92%	(17.21)%	14.18%
Other information			
Closing net asset value	£425,216	£248,910	£138,546
Closing number of shares	412,843	268,051	123,517
Operating charges (p.a.) ¹	0.50%	0.50%	0.50%
Direct transaction costs (p.a.)	0.00%	0.28%	1.21%
Prices			
Highest published share price	105.35	114.31	115.50
Lowest published share price	89.59	82.77	98.51

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WS GUINNESS UK EQUITY INCOME FUND, STATEMENT OF TOTAL RETURN
For the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Income				
Net capital gains/(losses)	2		61,632	(205,009)
Revenue	3	42,311		38,414
Expenses	4	(5,177)		(4,642)
Interest payable and similar charges	6	-		(59)
Net revenue before taxation		37,134		33,713
Taxation	5	-		-
Net revenue after taxation			37,134	33,713
Total return/(loss) before distributions			98,766	(171,296)
Distributions	6		(42,098)	(38,335)
Change in net assets attributable to shareholders from investment activities			56,668	(209,631)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Opening net assets attributable to shareholders			917,830	725,357
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		289,835		875,753
Amounts payable on cancellation of shares		(289,838)		(494,852)
			(3)	380,901
Dilution levy			4	3,774
Change in net assets attributable to shareholders from investment activities			56,668	(209,631)
Retained distributions on accumulation shares	6		22,466	17,429
Closing net assets attributable to shareholders			996,965	917,830

WS GUINNESS UK EQUITY INCOME FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		964,938	903,306
Current Assets:			
Debtors	7	4,215	4,247
Cash and bank balances	8	39,245	21,654
Total assets		1,008,398	929,207
Liabilities:			
Creditors:			
Distribution payable on income shares	6	10,953	10,721
Other creditors	9	480	656
Total liabilities		11,433	11,377
Net assets attributable to shareholders		996,965	917,830

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

1. Accounting policies (continued)

(h) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued bi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital gains/(losses)

	31.12.23	31.12.22
	£	£
Non-derivative securities	64,122	(209,236)
Currency (losses)/gains	(2,490)	4,227
Net capital gains/(losses)	61,632	(205,009)

3. Revenue

	31.12.23	31.12.22
	£	£
UK franked dividends	37,624	36,736
Overseas dividends	3,632	1,521
Bank interest	1,061	167
Franked income currency losses	(6)	(2)
Unfranked income currency losses	-	(8)
Total revenue	42,311	38,414

4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	5,177	4,642
	5,177	4,642
Total expenses	5,177	4,642

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £6,700 plus VAT).

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation

(a) Analysis of the tax charge in the year

	31.12.23	31.12.22
	£	£
Analysis of charge in the year		
Corporation tax	-	-
Total current tax for the year (see note 5(b))	<u>-</u>	<u>-</u>
Deferred tax (see note 5(c))	-	-
Total taxation for the year	<u>-</u>	<u>-</u>

(b) Factors affecting the current taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	31.12.23	31.12.22
	£	£
Net revenue before taxation	<u>37,134</u>	<u>33,713</u>
Corporation tax at 20%	7,427	6,743
Effects of:		
Revenue not subject to taxation	(8,250)	(7,651)
Excess expenses for which no relief taken	823	908
Current tax charge for the year (see note 5(a))	<u>-</u>	<u>-</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £14,236 (31 December 2022: £10,121). The deferred tax in respect of this would be £2,847 (31 December 2022: £2,024). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at period end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.23	31.12.22
	£	£
Interim - Income (30 Jun)	8,679	10,980
Final - Income (31 Dec)	10,953	10,721
	<u>19,632</u>	<u>21,701</u>
Interim - Accumulation (30 Jun)	10,173	6,395
Final - Accumulation (31 Dec)	12,293	11,034
	<u>22,466</u>	<u>17,429</u>
Add: Revenue deducted on cancellation of shares	2,994	5,546
Deduct: Revenue received on issue of shares	(2,994)	(6,341)
Net distribution for the year	<u>42,098</u>	<u>38,335</u>
Interest	-	59
Total finance costs	<u>42,098</u>	<u>38,394</u>
Reconciliation to net distribution for the year		
Net revenue after taxation for the year	37,134	33,713
Expenses allocated to capital, net of tax relief	4,964	4,622
Net distribution for the year	<u>42,098</u>	<u>38,335</u>

Details of the distributions per share are set out on pages 42 and 43.

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

7. Debtors

	31.12.23	31.12.22
	£	£
Amounts receivable for issue of shares	40	233
Accrued revenue	4,175	4,014
Total debtors	4,215	4,247

8. Cash and bank balances

	31.12.23	31.12.22
	£	£
Cash and bank balances	39,245	21,654
Total cash and bank balances	39,245	21,654

9. Other creditors

	31.12.23	31.12.22
	£	£
Amounts payable for cancellation of shares	40	233
Accrued annual management charge	440	423
Total creditors	480	656

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, one nominee company and one shareholder (Minster Nominees Limited and Guinness Asset Management Limited) held shares equal to 43.5% and 25.8% respectively of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had six share classes. The following table shows a breakdown of the change in shares in issue in the year:

	O Overseas Income
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	-
Total cancellation of shares in the year	-
Closing shares at the end of the year	1,000.000
	Y Clean Income
Opening shares at the start of the year	24,038.170
Total creation of shares in the year	10,425.569
Total cancellation of shares in the year	(7,494.080)
Closing shares at the end of the year	26,969.659
	Z Early Investor Income
Opening shares at the start of the year	579,837.432
Total creation of shares in the year	29,988.437
Total cancellation of shares in the year	(46,004.827)
Closing shares at the end of the year	563,821.042
	O Overseas Accumulation
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	-
Total cancellation of shares in the year	-
Closing shares at the end of the year	1,000.000
	Y Clean Accumulation
Opening shares at the start of the year	240,848.817
Total creation of shares in the year	34,731.272
Total cancellation of shares in the year	(170,457.880)
Closing shares at the end of the year	105,122.209
	Z Early Investor Accumulation
Opening shares at the start of the year	268,050.577
Total creation of shares in the year	236,381.450
Total cancellation of shares in the year	(91,588.969)
Closing shares at the end of the year	412,843.058

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**For the year ended 31 December 2023

11. Share classes (continued)

The annual management charge of each share class is as follows:

O Overseas Income	1.70%
Y Clean Income	0.70%
Z Early Investor Income	0.50%
O Overseas Accumulation	1.70%
Y Clean Income Accumulation	0.70%
Z Early Investor Accumulation	0.50%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 22 to 27. The distributions per share are given in the distribution tables on pages 42 and 43. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the period, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in Pound Sterling. The Fund may also invest in collective investment schemes, equities and other securities whose prices are quoted in other currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
US Dollar	-	38	38	-	32	32

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £3,490 (31 December 2022: £2,868). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio value of the Fund would have increased by £4,265 (31 December 2022: £3,506). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Sterling	39	-	931	-	(11)	959
US Dollar	-	-	38	-	-	38
31.12.22						
Sterling	22	-	876	-	(11)	887
US Dollar	-	-	32	-	-	32

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into, exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £96,494 (31 December 2022: £90,331). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	964,938	903,306
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	<u>964,938</u>	<u>903,306</u>

As at the year-end, there were no investment liabilities (31 December 2022: £Nil). There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil).

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	31.12.23		31.12.22	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	-		634,162	
Net purchases before direct transaction costs	-		634,162	
		% of total		% of total
		purchases		purchases
DIRECT TRANSACTION COSTS				
Equities	-	0.00%	2,356	0.37%
Total direct transaction costs	-	0.00%	2,356	0.37%
Gross purchases total	-		636,518	
Analysis of total sale costs				
SALES				
Equities	-		262,884	
Gross sales before direct transaction costs	-		262,884	
		% of total		% of total
		sales		sales
DIRECT TRANSACTION COSTS				
Equities	-	0.00%	(38)	0.01%
Total direct transaction costs	-	0.00%	(38)	0.01%
Net sales total	-		262,846	
	31.12.23	% of	31.12.22	% of
	£	ave NAV	£	ave NAV
Analysis of total direct transaction costs				
Equities	-	0.00%	2,394	0.28%
Total direct transaction costs	-	0.00%	2,394	0.28%

**WS GUINNESS UK EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.28% (31 December 2022: 0.35%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2022: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

O Overseas Income Shares – Increased from 71.80 pence per share to 74.71 pence per share (10 April 2024).

Y Clean Income Shares – Increased from 77.54 pence per share to 80.94 pence per share (10 April 2024).

Z Early Investor Income Shares – Increased from 78.45 pence per share to 81.94 pence per share (10 April 2024).

O Overseas Accumulation Shares – Increased from 94.60 pence per share to 98.47 pence per share (10 April 2024).

Y Clean Accumulation Shares – Increased from 101.63 pence per share to 106.09 pence per share (10 April 2024).

Z Early Investor Accumulation Shares – Increased from 103.00 pence per share to 107.58 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS UK EQUITY INCOME FUND, DISTRIBUTION TABLESFor the year ended 31 December 2023

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/ Accumulated	Paid/ Accumulated
	(pence)	(pence)	31.08.23	31.08.22
			(pence)	(pence)
O Overseas Income				
Group 1	1.4190	-	1.4190	1.5660
Group 2	1.4190	-	1.4190	1.5660
Y Clean Income				
Group 1	1.5030	-	1.5030	1.6556
Group 2	0.9732	0.5298	1.5030	1.6556
Z Early Investor Income				
Group 1	1.5188	-	1.5188	1.6681
Group 2	1.1767	0.3421	1.5188	1.6681
O Overseas Accumulation				
Group 1	1.7500	-	1.7500	1.8730
Group 2	1.7500	-	1.7500	1.8730
Y Clean Accumulation				
Group 1	1.8848	-	1.8848	1.9813
Group 2	1.6130	0.2718	1.8848	1.9813
Z Early Investor Accumulation				
Group 1	1.9075	-	1.9075	2.0017
Group 2	1.0016	0.9059	1.9075	2.0017

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS UK EQUITY INCOME FUND, DISTRIBUTION TABLES (CONTINUED)For the year ended 31 December 2023

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/ Accumulated	Paid/ Accumulated
	(pence)	(pence)	29.02.24	28.02.23
			(pence)	(pence)
O Overseas Income				
Group 1	1.7460	-	1.7460	1.6700
Group 2	1.7460	-	1.7460	1.6700
Y Clean Income				
Group 1	1.8310	-	1.8310	1.7579
Group 2	0.5276	1.3034	1.8310	1.7579
Z Early Investor Income				
Group 1	1.8519	-	1.8519	1.7732
Group 2	1.0390	0.8129	1.8519	1.7732
O Overseas Accumulation				
Group 1	2.1580	-	2.1580	2.0160
Group 2	2.1580	-	2.1580	2.0160
Y Clean Accumulation				
Group 1	2.3448	-	2.3448	2.1511
Group 2	1.7098	0.6350	2.3448	2.1511
Z Early Investor Accumulation				
Group 1	2.3752	-	2.3752	2.1760
Group 2	1.6413	0.7339	2.3752	2.1760

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS GLOBAL EQUITY INCOME FUND, AUTHORISED STATUS

WS Guinness Global Equity Income is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

WS Guinness Global Equity Income Fund (the 'Fund') aims to provide investors with a combination of both income and capital appreciation over the long term (7 to 10 years).

Under normal market conditions, at least 80% of the Fund will invest directly or indirectly in listed equity securities of companies of any market capitalisation anywhere in the world (including emerging markets). Direct or indirect investment in equity securities shall include investment in any proportion in: shares (including those issued by investment trust companies and REITs), securities convertible into shares, depository receipts, collective investment schemes investing in equities (up to 10%) and (up to 5%) warrants.

The Investment Manager aims to invest in a portfolio of companies which, in the Investment Manager's opinion, are likely to achieve returns on capital higher than the cost of capital, allowing those companies both to reinvest in the business for growth and to pay a dividend.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus).

To the extent not fully invested in such companies, the Fund may invest in short-dated government bonds anywhere in the world (including emerging markets) of at least investment grade rating (being bonds which have achieved or exceeded a minimum credit rating awarded by a credit rating agency). For temporary defensive management, the Fund may also hold cash, near cash, money market instruments, units in money market funds or short-dated government bonds to protect the Fund from adverse market conditions and/or to manage large cash flows; accordingly at these times the Investment Manager may hold a larger proportion of the Fund in these asset classes and in such circumstances, less than 80% of the Fund may be invested directly or indirectly in listed equity securities.

The Fund will have a concentrated portfolio and will typically hold at least 20 stocks.

Where the Fund invests in collective investment schemes, this may include those managed by the ACD and its associates.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The Fund invests in emerging markets which carry more risk than more developed jurisdictions.

The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

WS GUINNESS GLOBAL EQUITY INCOME, SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category five because it invests in global shares.

As the Fund launched on 9 November 2020, the indicator has been calculated based in part on the volatility of the Investment Association Global Equity Income Sector (GBP) average over the last five years (in total return and GBP terms).

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI World Index (the "Index"). The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI World Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) Global Equity Income sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in global equities. As the sector aligns with the Fund's asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

The IA Global Equity Income sector is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 56-57.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

FUND CHANGES

The investment objective and policy were updated on the 2 January 2024. The updated investment objective and policy is included on page 44.

WS GUINNESS GLOBAL EQUITY INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 December 2023 (%)		
	1 year	3 years	From launch ¹
Y Accumulation Shares	9.46	39.29	44.99
IA Global Equity Income Sector*	9.22	28.09	33.67
MSCI World Index*	16.81	32.36	37.13

¹ From 9 November 2020.

* Comparator Benchmark.

Source: Financial Express. Total Return. Sterling Terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

The WS Guinness Global Equity Income Fund launched on 9th November 2020. At year end, the Fund's AUM was £142.5mn.

The Fund is part of the Guinness Global Equity Income strategy, which launched on 31st December 2010, and manages £4.8bn in assets.

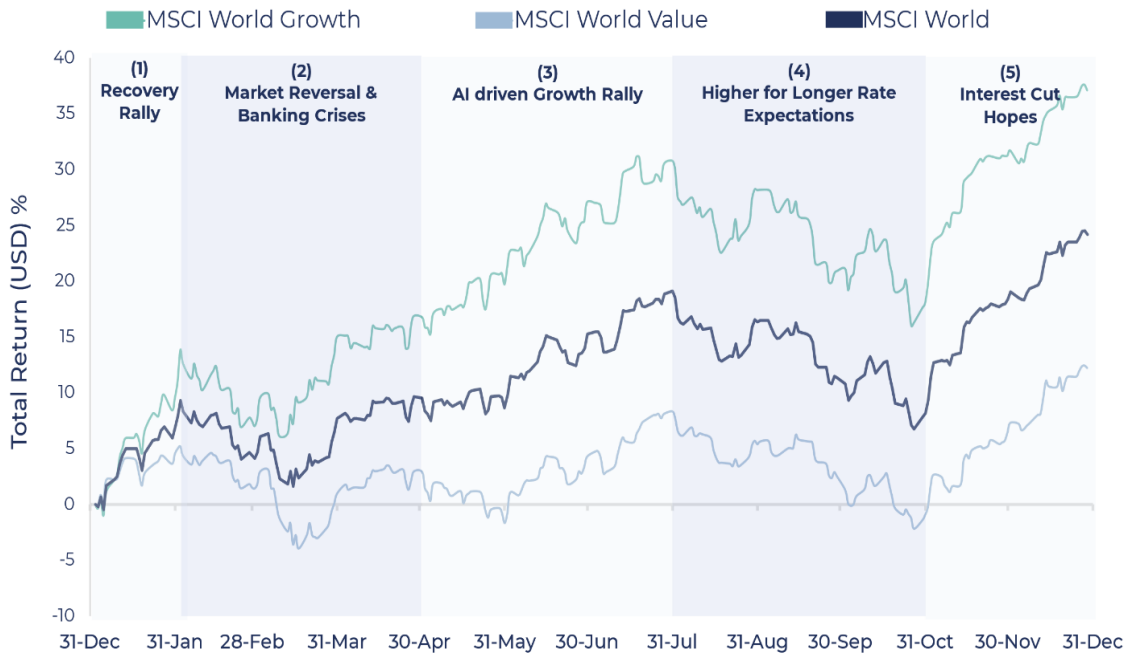
Review

It was a volatile year for global equities given a difficult macroeconomic backdrop and a number of notable geopolitical shocks but, despite the wider uncertainties, equities saw their largest gain since 2019. For much of the year, investors were concerned with high inflation reads, the fastest rate hiking cycle on record, ongoing volatility in energy & commodity markets which was driven largely by the conflict in Ukraine and, more recently, developments in the Middle East. Whilst the combination of such headwinds may make the strong equity performance seem surprising, it was the emerging promise of Artificial Intelligence which drove the markets higher. Namely, a handful of large cap technology stocks, attributed the moniker 'Magnificent 7', all saw stellar gains over the year and played a dominant role in leading the index. Then in November a perceived dovish outlook for interest rates from the Federal Reserve released a broad-based rally across almost all risk assets which accelerated in the final weeks of the year as recession risks diminished.

Over 2023 as a whole, equities performed well (MSCI World Index +24.4% in USD) and markets ended the year with improved sentiment and a positive outlook for 2024.

Part 1: Year in Review

MSCI World Indices Total Return 2023



Source: MSCI, data as of 31st December 2023

(1) Recovery Rally:

- *What Happened:* Over the start of 2023 equities rallied hard, with the growthiest parts of the market performing particularly well. The factors which fared worst over 2022, saw a pronounced reversal and led the market higher over the first month of 2023.
- *Fund Performance:* Given that the lowest quality areas of the market rallied the most (including unprofitable tech, high beta names, and more speculative areas of the market) the Fund underperformed given its strong quality focus.

(2) Market Reversal:

- *What Happened:* The positive sentiment that had driven markets, quickly unwound. The rally had been led by a small number of seemingly fragile data points and, as new data emerged, investors reassessed their inflation expectations and the outlook became markedly more hawkish. With the prospect of higher rates for an extended period of time, longer duration assets were impacted the hardest, and markets retreated. This was coupled with the **Banking Crisis**, where three large bank failures in the US and the Credit Suisse rescue in Europe pointed to growing stress in the banking sector. The impacts of an historically stringent monetary tightening cycle were evident but, after a short sell-off in early March, a catastrophic fallout was averted as swift liquidity support by central banks (and several takeovers) prevented widespread escalation. Over this period, the Financials and Energy sectors performed particularly poorly, but other parts of the market (notably Healthcare & IT) fared better.
- *Fund Performance:* The Fund outperformed over this period, as we would have hoped. During the market reversal, the high-quality nature of the portfolio avoided the worst of the sell-off and our Consumer Staples holdings showed their strong defensive qualities. Furthermore, as the

banking crisis developed, the zero allocation towards Banks was a source of outperformance as were the Fund's Diversified Financial holdings in Exchange groups such as CME (which benefited from the increased volatility). In sum, this helped to drive better relative performance vs the index.

(3) AI Driven Growth Rally:

- *What Happened:* Since the middle of Q2, a focus on Artificial Intelligence and, more specifically, its potential use cases for a range of business has been a positive tailwind for markets. The largest beneficiaries have been; a handful of large cap tech stocks, companies with exposure to the semiconductor value chain, as well as a range of technology-focussed names with tangential AI exposure. This has in turn pushed investors, organisations, and CEOs alike to consider the significant role that AI will play at all stages of the value chain, and has been a significant positive in equity performance over 2023.
- *Fund Performance:* Much of this rally was led by the growthier and more speculative parts of the market (as well as the Magnificent 7 / companies with strong AI exposure). This meant that the Fund's semiconductor names performed well but, as a whole, the Fund underperformed over this period given its underweight exposure to IT.

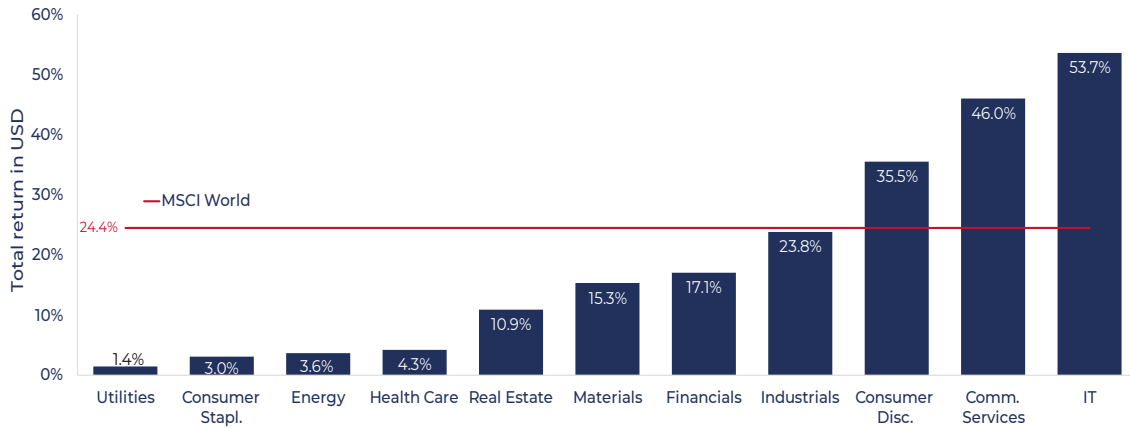
(4) Higher for Longer Rate Expectations:

- *What Happened:* As Q3 rolled in, a range of policy speeches from global central banks compounded the view that interest rates would need to stay higher for longer, until inflation became firmly under control. The Federal Reserve and indeed many of the top central bank policy makers (Bank of England, Bank of Canada, ECB) all maintained a determinedly steadfast mantra and, as the market priced in tighter monetary policy, markets saw steady declines over the third quarter. Any positive economic news that did arrive, only served to strengthen the view that monetary policy would stay restrictive, adding to the negative equity performance.
- *Fund Performance:* It was pleasing to see that the Fund behaved as we would have hoped. Given that interest rate expectations were driving markets, longer duration names were punished. The defensive parts of the portfolio helped the Fund outperform by 1.5% (USD) in a significant (10+% drawdown).

(5) Hopes of Interest Rate Cuts:

- *What Happened:* The final two months of the year saw very solid performance from equities, on growing excitement that central banks would cut interest rates in 2024, sooner than previously expected. This rally came amidst a backdrop of easing inflation and resulted in an 'almost everything rally' with all styles, factors and regions showing solid gains, although the tech stocks which dominated most over 2023 performed particularly well.
- *Fund Performance:* Over this period, it was also encouraging that the Fund kept up pretty well in a rising market, and whilst it marginally underperformed, it did show good upside capture as growth and technology led the market higher.

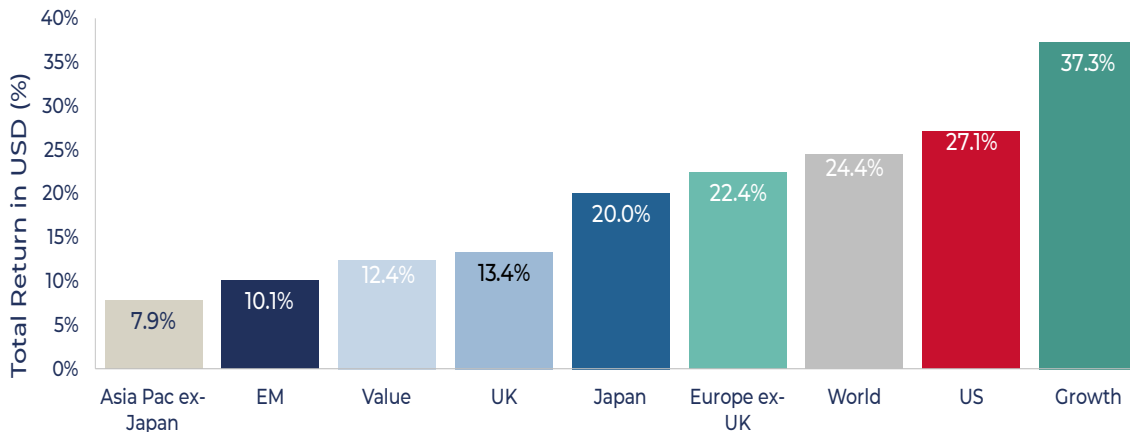
MSCI World Sector Indices Performance 2023



Source: MSCI, data as of 31st December 2023

It was a blow-out year for technology, with the IT sector (+54% USD) leading the market higher and contributing almost 50% towards the total gain of the MSCI World. Communication Services (+46% USD) and Consumer Discretionary (+36% USD) saw strong gains as well, but this was in large part due to the MSCI classification, which includes Meta & Google and Amazon & Tesla in these two sectors, respectively. Therefore, the sector performance chart (above) can clearly be viewed as a function of the strong gains from companies with material exposure to technology trends, namely artificial intelligence. This focus on AI over the year has not only supported areas with structural exposure (Semiconductors, Software, IT more broadly) but it has also driven performance across many other sectors which will likely benefit from a range of tangential AI uses cases.

MSCI World Indices Performance (USD): 2023



Source: Bloomberg, data as of 31st December 2023

The US was the strongest region given its large overweight to both IT and Growth as a factor. In Europe, Value stocks started the year well but then faltered towards the back half of 2023, particularly as rate expectations disproportionately helped growthier parts of the market. As such, the value-oriented UK market underperformed and this was not helped by weakness in both the Energy and Healthcare sectors, two core areas of the UK index. Japanese equities gained (+20% in USD and +28% in Yen) given a range of positive

tailwinds. Foreign interest in Japanese companies has gathered steam, following well-known investor Warren Buffet's bullish outlook on the market. Additionally, as firms continue to diversify supply chains away from China, some of the high-end offshoring is relocating to Japan, especially for some of the advanced semiconductor manufacturing. This has seen improving investor sentiment in the market and has also been supported by a weaker yen, which improves relative valuation of assets. Conversely, Chinese equities struggled in 2023 and underperformance has been the case for much of the APAC region. China has been battling with its heavily indebted property sector which continues to weigh heavy on the domestic economy. GDP growth figures have been revised downwards and the country continues to fight with staggeringly high youth unemployment (which now exceeds 20%). Whilst the world's second largest economy still has many attractive growth drivers, there is no doubt that 2023 was a challenging period and helps to explain the relative equity underperformance over the year.

Over the course of the year, the Fund's overweight to Consumer Staples and Healthcare acted as a headwind as both these sectors underperformed the index. Additionally, the underweight allocation to IT was a further drag, given that it was the best performing sector over 2023. However, a zero allocation to Utilities and Energy was a positive, as these were 2 of the 3 worst performing sectors. Furthermore, strong stock selection within Industrials, Healthcare, and Financials was a tailwind for the Fund.

When we look at how individual companies within the portfolio performed in 2023, we see that out of the top ten, we have five Industrials, two IT, one Consumer Staples, one Health Care, and one Financials stock. This highlights the benefit of our moderate dividend yield and sector-agnostic approach, which can identify opportunities outside of the traditional high-yield or 'defensive' areas typically associated with income funds.

Dividend Update

Based on year-end prices, the Fund had a 12-month trailing dividend yield of 2.1% (net of withholding taxes) vs the benchmark MSCI World Index dividend yield of 2.0% (gross of withholding taxes). In the Fund, the average dividend growth across all 35 companies was 6.3%.

In 2023, out of our 35 holdings:

- 32 companies grew their dividend. The average dividend growth of these companies was 8.2%.
- 2 companies kept their dividend flat
- 1 company cut their dividend
- 0 companies cancelled their dividend

Activity

In 2023, we sold one position (VF Corp) and replaced it with Assa Abloy, leaving the portfolio with 35 positions at the end of the year. This change was made in the fourth quarter.

In terms of sector allocation, this meant we sold one Consumer Discretionary stock and replaced it with an Industrial stock. However, the overall positioning of the Fund remained largely unchanged.

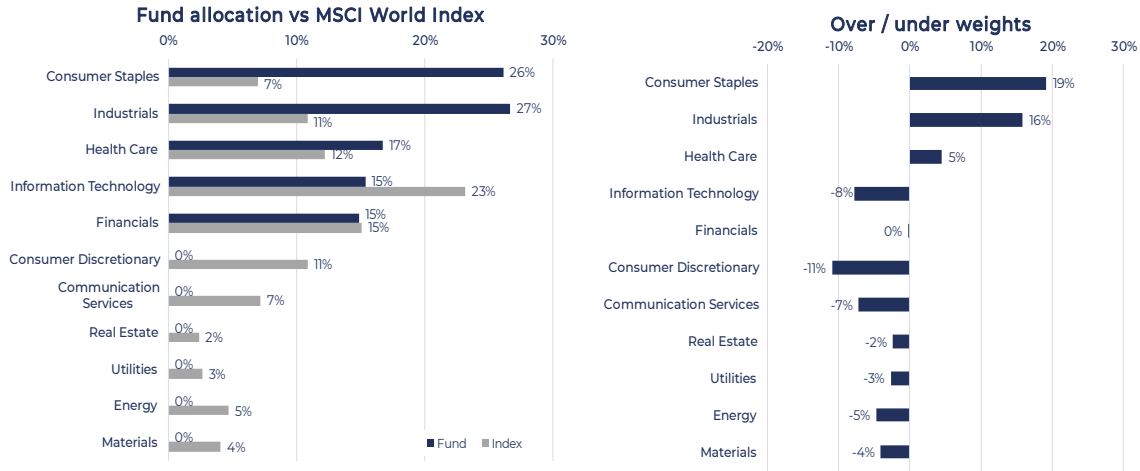
Regionally, this change increased our European ex-UK exposure, and reduced our US exposure slightly.

Portfolio Positioning

We continue to maintain a fairly even balance between quality defensive and quality cyclical/growth companies. We have approximately 45% in quality defensive companies (e.g. Consumer Staples and Healthcare companies) and around 55% in quality cyclical or growth-oriented companies (e.g. Industrials, Financials, Consumer Discretionary, Information Technology).

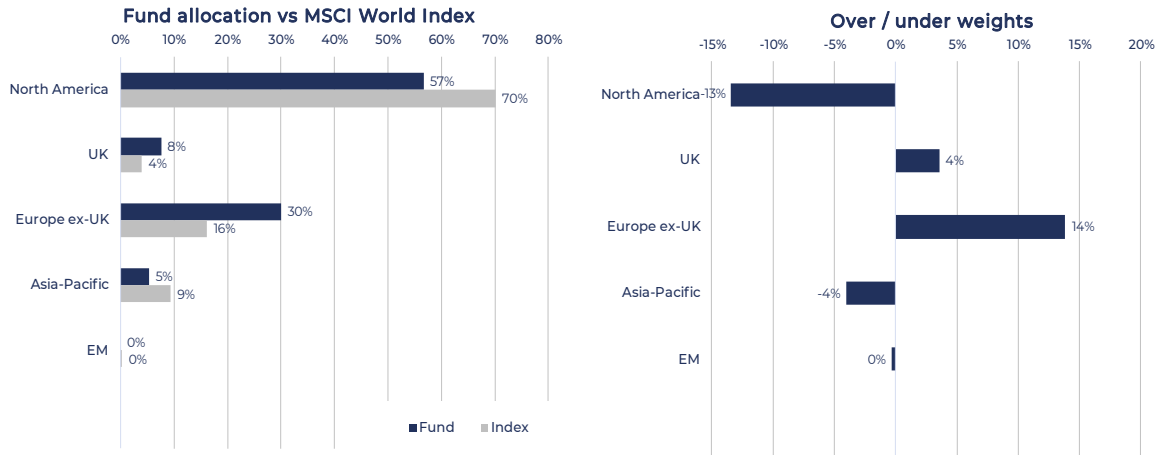
The Fund also has zero weighting to Energy, Utilities, Materials, Real Estate, Communication Services, and Consumer Discretionary. The largest overweight is to Consumer Staples.

WS GUINNESS GLOBAL EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)



*Sector breakdown of the fund versus MSCI World Index.
Source: Guinness Global Investors, Bloomberg. Data as of 31st December 2023*

In terms of geographic exposure (chart below), the largest overweight remains Europe ex-UK, though we are diversified around the world with 57% in the US, 38% in Europe & UK and 5% in Asia-Pacific. Within the Asia-Pacific region we have one company listed in Taiwan (Taiwan Semiconductor) and one company listed in Australia (Sonic Healthcare).



*Regional breakdown of the fund versus MSCI World Index.
Source: Guinness Global Investors, Bloomberg. Data as of 31st December 2023*

WS GUINNESS GLOBAL EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

The asset allocation at the balance sheet date is shown below:

Sector	Asset allocation as at 31 December 2023 (%)	Asset allocation as at 31 December 2022 (%)
Consumer Discretionary	-	2.5
Consumer Staples	25.8	28.0
Financials	14.6	14.5
Healthcare	16.3	17.5
Industrials	24.0	20.1
Information Technology	18.1	17.0
Cash and Other	1.2	0.4
Total	100.0	100.0

The full list of holdings at the balance sheet date is shown in the Portfolio Statement on pages 54 to 55.

Outlook

Whilst the Fund has historically traded at a discount to the broader market, at the end of the year the Fund was trading on 19.5x 2024 expected earnings; a c.9% premium to the MSCI World. This is primarily a result of two aspects: (1) the very low multiple of the Energy sector within the benchmark relative to history has pulled the overall index multiple lower and (2) the changes we have made to the portfolio as outlined above (and the stocks we have held on to) which can be viewed as a move 'up in quality', somewhat at the expense of valuation and dividend yield. However, we still believe the desirable characteristics that the Fund exhibits (persistently high returns on capital, strong balance sheets, sustainable growth) the premium the fund currently trades on is reasonable, and may be considered good value in context.

As we look ahead to 2024, we are confident that the companies we own in the Fund will continue to navigate the changing macroeconomic environment, as has been the case over 2023. The current consensus is for a soft landing - low (but positive) economic growth, falling inflation and continued strength in employment. Whilst few would have foreseen this just one year prior, the current consensus view is that we avoid a global recession and, at time of writing, the market is pricing in 6 rate cuts by the Fed over the coming year. With inflation moderating and central banks showing willingness to tone down their hawkish rhetoric, it is reasonable to expect a number of rate cuts over 2024. However, there is of course the risk that the market is overly optimistic with regards to both timing and magnitude.

It is therefore prudent to note alongside this optimistic scenario the downside risks, in our view, that remain present:

- Central bank policy is more hawkish than is being priced in.
- The disinflationary trend starts to stall, or worse, picks up once more.
- The expected positive growth outlook turns negative.

It is worth noting, as ever, that consensus thinking when taken on wholesale rarely reflects the reality of what actually happens and today's consensus carries high expectations, considering the still difficult path that central banks need navigate. We do not try to predict what will happen from a macro perspective for just these reasons and instead try to create a portfolio that can weather different economic environments and provide the return outcomes we seek to provide on a consistent basis.

As such, we believe that focusing on the high-quality businesses that have shown the ability to perform over numerous economic cycles provides the Fund with a good balance and helps to mitigate against some of these downside risks. We also note that the defensive nature of the portfolio – which has outperformed in all market corrections since launch in 2010 – gives us confidence heading into 2024. Additionally, we believe the holdings we have selected in the Fund remain robust and our perpetual approach of focusing on quality compounders

WS GUINNESS GLOBAL EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

and dividend-growers should continue to stand us in good stead in our search for rising income streams and long-term capital growth.

As ever, we would like to thank you for your continued support, and we wish you all a prosperous 2024.

Dr Ian Mortimer
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Matthew Page
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS GLOBAL EQUITY INCOME FUND, PORTFOLIO STATEMENT

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Consumer Staples		
(25.8%; 31.12.22 - 28.0%)		
70,396 Coca-Cola	3,257,978	2.3
72,667 Danone	3,694,772	2.6
115,806 Diageo	3,307,419	2.3
52,761 Henkel	3,326,207	2.3
70,742 Mondelez International	4,024,698	2.8
43,623 Nestle	3,969,058	2.8
27,421 PepsiCo	3,658,144	2.6
33,832 Procter & Gamble	3,894,759	2.7
72,458 Reckitt Benckiser	3,927,224	2.8
96,850 Unilever	3,679,816	2.6
	36,740,075	25.8
Financials		
(14.6%; 31.12.22 - 14.5%)		
62,955 Aflac	4,079,638	2.9
22,746 Arthur J Gallagher	4,016,775	2.8
6,156 BlackRock	3,928,748	2.8
25,736 CME	4,257,528	3.0
27,618 Deutsche Börse	4,458,146	3.1
	20,740,835	14.6
Healthcare		
(16.3%; 31.12.22 - 17.5%)		
36,811 AbbVie	4,481,452	3.1
29,543 Johnson & Johnson	3,637,240	2.6
51,598 Medtronic	3,340,029	2.3
63,966 Novo-Nordisk	5,182,472	3.7
14,910 Roche Holdings	3,401,222	2.4
185,526 Sonic Healthcare	3,167,396	2.2
	23,209,811	16.3
Industrials		
(24.0%; 31.12.22 - 20.1%)		
127,404 ABB	4,433,459	3.1
210,126 Assa Abloy	4,738,418	3.3
366,034 Atlas Copco	4,936,279	3.5
22,965 Eaton Corp	4,345,329	3.1
51,951 Emerson Electric	3,971,715	2.8
17,466 Illinois Tool Works	3,593,488	2.5
53,493 Otis Worldwide	3,761,023	2.6
28,252 Schneider Electric	4,451,741	3.1
	34,231,452	24.0

WS GUINNESS GLOBAL EQUITY INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Information Technology		
(18.1%; 31.12.22 - 17.0%)		
4,932 Broadcom	4,324,865	3.0
104,055 Cisco Systems	4,129,180	2.9
15,785 Microsoft	4,660,859	3.3
40,744 Paychex	3,811,329	2.7
56,184 Taiwan Semiconductor Manufacturing	4,587,485	3.2
32,421 Texas Instruments	4,340,457	3.0
	25,854,175	18.1
Portfolio of investments	140,776,348	98.8
Net other assets	1,760,952	1.2
Total net assets	142,537,300	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

'Consumer Discretionary' sector disinvested since the beginning of the period (31 December 2022: 2.5%)

WS GUINNESS GLOBAL EQUITY INCOME FUND, COMPARATIVE TABLE

Y Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	1 Jan 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	125.80	126.63	105.09
Return before operating charges*	13.81	3.22	25.40
Operating charges	(1.03)	(0.98)	(0.95)
Return after operating charges*	12.78	2.24	24.45
Distributions on income shares	(2.91)	(3.07)	(2.91)
Closing net asset value per share	135.67	125.80	126.63
* after direct transaction costs of:	0.11	0.28	0.18
Performance			
Return after charges	10.16%	1.77%	23.27%
Other information			
Closing net asset value	£62,013,361	£14,855,659	£3,743,286
Closing number of shares	45,710,046	11,808,876	2,956,126
Operating charges (p.a.) ¹	0.79%	0.79%	0.79%
Direct transaction costs (p.a.)	0.08%	0.22%	0.15%
Prices			
Highest published share price	136.57	132.94	128.21
Lowest published share price	124.54	117.65	102.24

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS GLOBAL EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Y Accumulation	1 Jan 2023 to 31 Dec 2023 <small>(pence per share)</small>	1 Jan 2022 to 31 Dec 2022 <small>(pence per share)</small>	1 Jan 2021 to 31 Dec 2021 <small>(pence per share)</small>
Change in net assets per share			
Opening net asset value per share	132.71	130.32	105.50
Return before operating charges*	14.70	3.41	25.79
Operating charges	(1.09)	(1.02)	(0.97)
Return after operating charges*	13.61	2.39	24.82
Distributions	(3.10)	(3.19)	(2.95)
Retained distributions on accumulation shares	3.10	3.19	2.95
Closing net asset value per share	146.32	132.71	130.32
* after direct transaction costs of:	0.12	0.29	0.18
Performance			
Return after charges	10.26%	1.83%	23.53%
Other information			
Closing net asset value	£80,523,939	£30,241,674	£1,616,766
Closing number of shares	55,032,818	22,787,078	1,240,642
Operating charges (p.a.) ¹	0.79%	0.79%	0.79%
Direct transaction costs (p.a.)	0.08%	0.22%	0.15%
Prices			
Highest published share price	146.66	138.74	131.25
Lowest published share price	131.38	121.08	102.64

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS GLOBAL EQUITY INCOME FUND, STATEMENT OF TOTAL RETURNFor the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Income				
Net capital gains	2		8,047,042	302,436
Revenue	3	2,304,044		473,975
Expenses	4	(724,652)		(141,469)
Interest payable and similar charges	6	(4,502)		(2,494)
Net revenue before taxation		1,574,890		330,012
Taxation	5	(278,917)		(49,519)
Net revenue after taxation			1,295,973	280,493
Total return before distributions			9,343,015	582,929
Distributions	6		(2,009,959)	(421,962)
Change in net assets attributable to shareholders from investment activities			7,333,056	160,967

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Opening net assets attributable to shareholders			45,097,333	5,360,052
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		108,878,647		42,323,336
Amounts payable on cancellation of shares		(20,236,488)		(3,111,793)
			88,642,159	39,211,543
Dilution levy			105,600	55,136
Change in net assets attributable to shareholders from investment activities			7,333,056	160,967
Retained distributions on accumulation shares	6		1,359,152	309,635
Closing net assets attributable to shareholders			142,537,300	45,097,333

WS GUINNESS GLOBAL EQUITY INCOME FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		140,776,348	44,898,649
Current Assets:			
Debtors	7	1,572,191	1,963,867
Cash and bank balances	8	<u>4,903,508</u>	<u>936,459</u>
Total assets		<u>147,252,047</u>	<u>47,798,975</u>
Liabilities:			
Creditors:			
Distribution payable on income shares	6	265,659	72,597
Other creditors	9	<u>4,449,088</u>	<u>2,629,045</u>
Total liabilities		<u>4,714,747</u>	<u>2,701,642</u>
Net assets attributable to shareholders		<u>142,537,300</u>	<u>45,097,333</u>

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

1. Accounting policies (continued)

(h) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued quarterly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital gains

	31.12.23	31.12.22
	£	£
Non-derivative securities	9,816,786	(248,094)
Currency (losses)/gains	(1,769,848)	550,502
CSDR penalties	118	28
Market associated costs	(14)	-
Net capital gains	<u>8,047,042</u>	<u>302,436</u>

3. Revenue

	31.12.23	31.12.22
	£	£
UK franked dividends	226,461	71,341
Overseas dividends	2,020,107	401,200
Bank interest	60,804	1,707
Franked income currency (losses)/gains	(353)	51
Unfranked income currency losses	(2,975)	(324)
Total revenue	<u>2,304,044</u>	<u>473,975</u>

4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	<u>724,652</u>	<u>141,469</u>
	724,652	141,469
Total expenses	<u>724,652</u>	<u>141,469</u>

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £6,700 plus VAT).

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation

(a) Analysis of the tax charge in the year

	31.12.23 £	31.12.22 £
Analysis of charge in the year		
Overseas tax	278,917	49,519
Total current tax for the year (see note 5(b))	<u>278,917</u>	<u>49,519</u>
Deferred tax (see note 5(c))	-	-
Total taxation for the year	<u>278,917</u>	<u>49,519</u>

(b) Factors affecting the current taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	31.12.23 £	31.12.22 £
Net revenue before taxation	1,574,890	330,012
Corporation tax at 20%	314,978	66,002
Effects of:		
Revenue not subject to taxation	(449,243)	(94,518)
Excess expenses for which no relief taken	134,265	28,516
Overseas taxation	278,917	49,519
Current tax charge for the year (see note 5(a))	<u>278,917</u>	<u>49,519</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £847,527 (31 December 2022: £176,201). The deferred tax in respect of this would be £169,505 (31 December 2022: £35,240). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at period end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.23	31.12.22
	£	£
Interim - Income (31 May)	92,531	29,093
Interim - Income (30 Jun)	274,138	62,062
Interim - Income (30 Nov)	266,789	61,739
Final - Income (31 Dec)	<u>265,659</u>	<u>72,597</u>
	899,117	225,491
Interim - Accumulation (31 May)	230,404	15,062
Interim - Accumulation (30 Jun)	436,118	60,948
Interim - Accumulation (30 Nov)	349,057	86,534
Final - Accumulation (31 Dec)	<u>343,573</u>	<u>147,091</u>
	1,359,152	309,635
Add: Revenue deducted on cancellation of shares	46,738	9,065
Deduct: Revenue received on issue of shares	<u>(295,048)</u>	<u>(122,229)</u>
Net distribution for the year	<u>2,009,959</u>	<u>421,962</u>
Interest	4,502	2,494
Total finance costs	<u>2,014,461</u>	<u>424,456</u>
Reconciliation to net distribution for the year		
Net revenue after taxation for the year	1,295,973	280,493
Expenses allocated to capital, net of tax relief	<u>713,986</u>	<u>141,469</u>
Net distribution for the year	<u>2,009,959</u>	<u>421,962</u>

Details of the distributions per share are set out on pages 72-73.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

7. Debtors

	31.12.23 £	31.12.22 £
Amounts receivable for issue of shares	1,356,551	1,894,258
Accrued revenue	194,127	61,865
Overseas withholding tax recoverable	21,513	7,744
Total debtors	1,572,191	1,963,867

8. Cash and bank balances

	31.12.23 £	31.12.22 £
Cash and bank balances	4,903,508	936,459
Total cash and bank balances	4,903,508	936,459

9. Other creditors

	31.12.23 £	31.12.22 £
Amounts payable for cancellation of shares	176,339	73,349
Purchases awaiting settlement	4,182,680	2,529,181
Accrued annual management charge	90,069	25,933
Debit interest payable	-	582
Total creditors	4,449,088	2,629,045

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, one nominee company (FNZ (UK) Nominees Limited) held shares equal to approximately 21.1% of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the year:

	Y Income
Opening shares at the start of the year	11,808,875.957
Total creation of shares in the year	38,661,442.267
Total cancellation of shares in the year	<u>(4,760,272.457)</u>
Closing shares at the end of the year	<u>45,710,045.767</u>

	Y Accumulation
Opening shares at the start of the year	22,787,078.163
Total creation of shares in the year	42,386,711.094
Total cancellation of shares in the year	<u>(10,140,970.962)</u>
Closing shares at the end of the year	<u>55,032,818.295</u>

The annual management charge of each share class is as follows:

Y Income	0.79%
Y Accumulation	0.79%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 56 to 57. The distributions per share are given in the distribution table on pages 72 and 73. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	-	3,073	3,073	-	1,047	1,047
Danish Krone	-	5,032	5,032	-	1,587	1,587
Euro	-	15,473	15,473	281	4,677	4,958
Swedish Krona	-	9,386	9,386	79	1,307	1,386
Swiss Franc	-	11,454	11,454	-	3,138	3,138
US Dollar	-	81,795	81,795	-	27,124	27,124

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £11,805,626 (31 December 2022: £3,738,997). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio value of the Fund would have increased by £14,429,099 (31 December 2022: £4,569,885). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
31.12.23						
Australian Dollar	-	-	3,167	-	(94)	3,073
Danish Krone	-	-	5,187	-	(155)	5,032
Euro	-	-	15,946	-	(473)	15,473
Sterling	4,904	-	12,279	-	(858)	16,325
Swedish Krona	-	-	9,675	-	(289)	9,386
Swiss Franc	-	-	11,804	-	(350)	11,454
US Dollar	-	-	84,291	-	(2,496)	81,795
31.12.22						
Australian Dollar	-	-	1,109	-	(62)	1,047
Danish Krone	-	-	1,681	-	(94)	1,587
Euro	281	-	4,958	-	(281)	4,958
Sterling	576	-	5,666	-	(385)	5,857
Swedish Krona	79	-	1,386	-	(79)	1,386
Swiss Franc	-	-	3,326	-	(188)	3,138
US Dollar	-	-	28,737	-	(1,613)	27,124

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £14,077,635 (31 December 2022: £4,489,865). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	140,776,348	44,898,649
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	<u>140,776,348</u>	<u>44,898,649</u>

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil).

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	31.12.23		31.12.22	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	97,548,666		43,142,106	
Net purchases before direct transaction costs	97,548,666		43,142,106	
		% of total		% of total
DIRECT TRANSACTION COSTS		purchases		purchases
Equities	75,644	0.08%	39,106	0.09%
Total direct transaction costs	75,644	0.08%	39,106	0.09%
	97,624,310		43,181,212	
Gross purchases total				
Analysis of total sale costs				
SALES				
Equities	9,872,791		3,860,759	
Gross sales before direct transaction costs	9,872,791		3,860,759	
		% of total		% of total
DIRECT TRANSACTION COSTS		sales		sales
Equities	(1,409)	0.01%	(840)	0.02%
Total direct transaction costs	(1,409)	0.01%	(840)	0.02%
	9,871,382		3,859,919	
Net sales total				
	31.12.23	% of	31.12.22	% of
	£	ave NAV	£	ave NAV
Analysis of total direct transaction costs				
Equities	77,053	0.08%	39,946	0.15%
Total direct transaction costs	77,053	0.08%	39,946	0.15%

**WS GUINNESS GLOBAL EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (31 December 2022: 0.00%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities.

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2023: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Income Shares – Increased from 135.67 pence per share to 141.97 pence per share (10 April 2024).

Y Accumulation Shares – Increased from 146.32 pence per share to 153.91 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS GLOBAL EQUITY INCOME FUND, DISTRIBUTION TABLEFor the year ended 31 December 2023

Interim Distribution (31 March 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/ Accumulated 31.05.23	Paid/ Accumulated 31.05.22
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	0.6934	-	0.6934	0.7585
Group 2	0.4859	0.2075	0.6934	0.7585
Y Accumulation				
Group 1	0.7315	-	0.7315	0.7809
Group 2	0.5859	0.1456	0.7315	0.7809

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 March 2023

Group 2 - Shares purchased after 31 March 2023

Shares	Revenue	Equalisation¹	Paid/ Accumulated 31.08.23	Paid/ Accumulated 31.08.22
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	0.9567	-	0.9567	0.9713
Group 2	0.2822	0.6745	0.9567	0.9713
Y Accumulation				
Group 1	1.0143	-	1.0143	1.0058
Group 2	0.4876	0.5267	1.0143	1.0058

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS GLOBAL EQUITY INCOME FUND, DISTRIBUTION TABLE (CONTINUED)

For the year ended 31 December 2023

Interim Distribution (30 September 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	30.11.23	30.11.22
			(pence)	(pence)
Y Income				
Group 1	0.6801	-	0.6801	0.7299
Group 2	0.4888	0.1913	0.6801	0.7299
Y Accumulation				
Group 1	0.7265	-	0.7265	0.7617
Group 2	0.4803	0.2462	0.7265	0.7617

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 September 2023

Group 2 - Shares purchased after 30 September 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	29.02.24	28.02.23
			(pence)	(pence)
Y Income				
Group 1	0.5811	-	0.5811	0.6147
Group 2	0.3063	0.2748	0.5811	0.6147
Y Accumulation				
Group 1	0.6243	-	0.6243	0.6455
Group 2	0.2992	0.3251	0.6243	0.6455

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS ASIAN EQUITY INCOME FUND, AUTHORISED STATUS

WS Guinness Asian Equity Income Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness Asian Equity Income Fund (the 'Fund') is to provide investors with a combination of both income and capital appreciation over the long term (7 to 10 years).

Under normal market conditions, at least 80% of the Fund will invest directly or indirectly in listed equity securities of companies of any market capitalisation which are incorporated, domiciled or listed in the Asia Pacific region or have the majority of their business in the Asia Pacific region (including emerging markets). Direct or indirect investment in equity securities shall include investment in any proportion in: shares (including those issued by investment trust companies and REITs), securities convertible into shares, depository receipts, collective investment schemes investing in equities (up to 10%) and (up to 5%) warrants.

The Investment Manager aims to invest in a portfolio of companies which, in the Investment Manager's opinion, are likely to achieve returns on capital higher than the cost of capital, allowing those companies both to reinvest in the business for growth and to pay a dividend.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus).

To the extent not fully invested in such companies, the Fund may invest in short-dated government bonds in the Asia Pacific region of at least investment grade rating (being bonds which have achieved or exceeded a minimum credit rating awarded by a credit rating agency). For temporary defensive management, the Fund may also hold cash, near cash, money market instruments, units in money market funds or short-dated government bonds to protect the Fund from adverse market conditions and/or to manage large cash flows; accordingly at these times the Investment Manager may hold a larger proportion of the Fund in these asset classes and in such circumstances, less than 80% of the Fund may be invested directly or indirectly in listed equity securities.

The Fund will have a concentrated portfolio and will typically hold at least 20 stocks.

Where the Fund invests in collective investment schemes, this may include those managed by the ACD and its associates.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The Fund invests in emerging markets which carry more risk than more developed jurisdictions.

The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

WS GUINNESS ASIAN EQUITY INCOME FUND, SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category five because it invests in shares.

As the Fund launched on 4 February 2021, the indicator has been calculated based in part on the volatility of the Investment Association Asia Pacific excluding Japan Sector (GBP) average over the last five years (in total return and GBP terms).

FUND BENCHMARK

Shareholders may wish to compare the performance of the Fund against the MSCI AC Asia Pacific ex Japan Net Total Return index (the "Index"). The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI AC Asia Pacific ex Japan Net Total Return index is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 82 to 83.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

FUND CHANGES

The investment objective and policy were updated on the 2 January 2024. The updated investment objective and policy is included on page 74.

WS GUINNESS ASIAN EQUITY INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 December 2023 (%)		
	1 year	2 years	From launch ¹
Y Accumulation Shares	6.69	(0.55)	3.08
MSCI AC Asia Pacific ex Japan Net Total Return*	1.31	(5.87)	(14.48)

¹ From 4 February 2021

* Comparator Benchmark.

Source: Financial Express. Total return, Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

The Fund rose 6.69% in 2023 compared to the MSCI AC Asia Pacific ex Japan Net Total Return Index which rose 1.31%. All thirty-six companies in the portfolio are dividend payers. Overall, twenty-one companies grew the dividend, three were unchanged, and twelve fell.

Review

2023 has continued to be dominated by interest rate worries and China's economic uncertainty.

The first half of the year was characterised by high interest rates and persistent inflation, fuelling fears of a looming recession. The US raised interest rates four times in the first seven months, peaking at 5.5%, the highest it has been in 22 years, and where it has remained. This put some US regional banks under pressure but ultimately, a systemic crisis was averted. By November, US inflation had fallen from its June 2022 peak of 9.1% to 3.2% and economic growth had proven to be surprisingly robust. Sentiment rose further as the market increasingly expected the Fed to pivot to a more dovish outlook with the possibility of a greater number of anticipated rate cuts in 2024 than had been expected.

Asian market returns in 2023 were held back by the performances of markets in China, Hong Kong and Thailand. China has faced a number of challenges this year, leading to low investor confidence and making it and Hong Kong some of the weakest markets in 2023. Despite a strong start to the year, led by a post-COVID valuation rerating, persistently weaker-than-expected macro data and global banking scares have led to a weak performance in China this year. Domestic demand has remained below forecasts and domestic policies are being focussed on sectors and industries that the government consider long-term competitive growth drivers, such as technology, specialty materials and healthcare, rather than sectors that absorb high quantities of resources with diminishing returns, notably the property sector.

The result has been akin to a perfect storm, but one we believe China can withstand. Slower external demand has hurt exports; declining property prices have undermined consumer confidence, already weakened by three long years of harsh Covid restrictions; the e-commerce companies are cutting costs and scaling back rather than absorbing large numbers of new graduates; and youth unemployment overall, is well above the national average. However, while investors are focusing on the here and now it is worth remembering that China is far from broken. The country is well capitalised, its banking system is liquid and stable, and the country is still generating net positive trade flows (i.e. a trade surplus). The country dominates in several of the key industries it has focused on (Solar, Wind, EVs, batteries, 5G telephony). To judge by the share of citations in leading academic journals from Chinese researchers (in subjects ranging from AI technology, Advanced communications, Advanced materials and manufacturing, Transportation, Sensing, Energy & Environment) there is the intellectual capital to back it up.

WS GUINNESS ASIAN EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

Taiwan and Korea were the strongest markets in the region despite them offering the biggest year on year earnings contraction for 2023. Investors were looking through these numbers, which has been reflected in 2022's market returns, into 2024. Both markets are seen as being heavily influenced by the global outlook, especially in technology. The headlines have focused on AI, especially since NVIDIA shocked the market by the strength of demand for its chipsets and certainly, some of our stocks have benefitted from this. But there have also been other bright spots. Demand for Personal Computers is returning to growth after two years of contraction post the 2020 COVID spike and demand for flash memory is also staging a cyclical recovery to benefit of Korea's major producers, and market heavyweights, Samsung Electronics and SK Hynix. The other area of strength has come from China and from consumer electronics customers ranging from smartphones to tablets and TVs.

As ever, a comparison between our asset allocation and this analysis would suggest we were in all the wrong places and out of all the right ones, but the Fund still outperformed by over 7% in 2023 and the answer as to how lies in the stock selection. The Information Technology and Communication Services sectors both contributed via allocation and selection, whilst Consumer Discretionary and Health Care stock selection more than offset the small negative effects associated with allocation. Financials, which was a contributor to relative performance in 2022, was the Fund's largest detractor in 2023. Not holding Energy or Materials companies further detracted from relative performance. As a reminder, we do not hold stocks within these two sectors as we believe the cyclical nature of stocks does not align with our investment process.

On a country basis, China, despite being a weak market, was a contributor to the Fund's relative performance. Here, stock selection was key again; our positions in NetEase and China Medical Systems contributed to relative performance, as did avoiding holding the big e-commerce names such as JD.com and Alibaba.

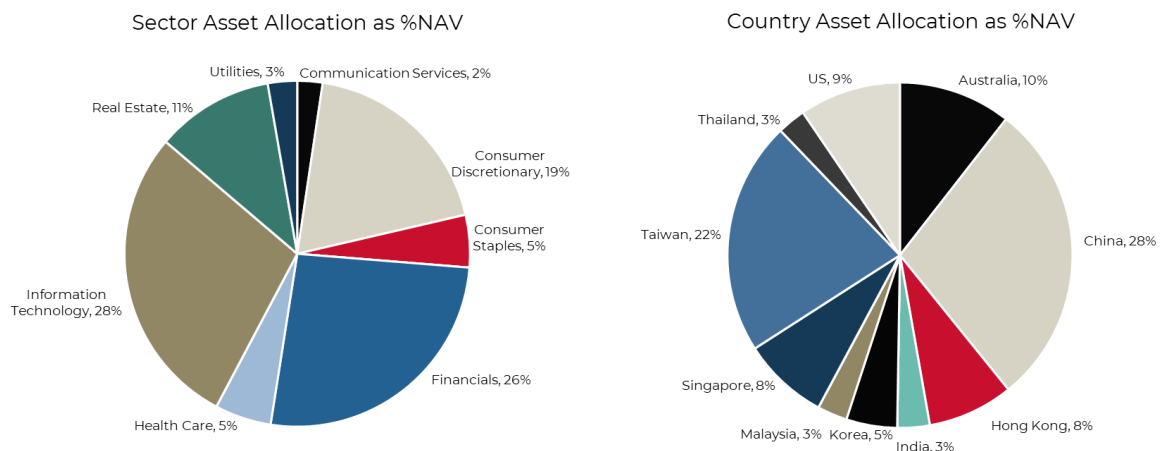
Of our top five performing stocks, four were from the Information Technology sector: Elite Material, Broadcom, Novatek Microelectronics and Largan Precision. These stocks have benefitted from the rising interest in AI, what we believe is the start of the PC replacement cycle and the trend for smartphone camera upgrades. The remaining stock, JB Hi-Fi, comes from the Consumer Discretionary sector. The laggards were all affected by the macro sentiment related to China. These were China Merchants Bank, Ping An Insurance, China Overseas Land & Investment, Link REIT, and BOC Hong Kong.

Activity

We made no changes to the portfolio in 2023.

Portfolio Position

The portfolio maintains a diversified exposure across sectors and geographies.



WS GUINNESS ASIAN EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

The largest country exposures in the Fund are to China at 28% followed by Taiwan at 22% and Australia at 10%. The Fund also has 9% invested in the US, in companies that generate at least 50% of revenues from the region. We are underweight versus the benchmark in Australia, in-line for China and slightly overweight in Taiwan.

From a sector perspective, the Fund is most exposed to Financials, split between banks and insurers, and Information Technology. We are 7% overweight in Information Technology versus the benchmark and 3% overweight in Financials. As mentioned earlier, we do not hold Energy or Materials companies as we believe the cyclical nature of their returns on capital does not align with our investment process.

The asset allocation at the balance sheet date is shown below:

Sector	Asset allocation as at 31 December 2023 (%)	Asset allocation as at 31 December 2022 (%)
Communication Services	2.3	3.0
Consumer Discretionary	18.8	19.7
Consumer Staples	4.8	5.5
Financials	25.9	28.5
Healthcare	5.2	5.4
Information Technology	28.1	23.4
Real Estate	10.9	11.1
Utilities	2.7	3.0
Cash and Other	1.3	0.4
Total	100.0	100.0

The full list of holdings at the balance sheet date is shown in the Portfolio Statement on pages 80 to 81.

Outlook

2024 will be a busy year from an electoral perspective. In January, we will see Taiwan's presidential elections, where investors will be interested in the winning candidate's approach towards China. March brings the Russian presidential elections, where Vladimir Putin is expected to run again, a move that could ensure his continued leadership until 2030. In April, Narendra Modi will be aiming to win a third term in India, now the world's most populous country and 5th largest economy by GDP. In the same month, South Korea will be holding elections for the National Assembly, their legislative body. This may well be a pivotal moment for President Yoon Suk Yeol as his party, the People Power Party, currently holds the minority in the National Assembly. The European Parliament elections will be held in June and of course, the US presidential election is due in November. Both the UK and South Africa have announced general elections in 2024 but at the time of writing this, neither government have confirmed dates.

We also expect 2024 to continue to be an interesting period to navigate through with respect to interest rates and China related anxiety. It is increasingly clear that we are entering a new interest rate cycle. In a world where "higher-for-longer" seems to be persisting, one would expect the market to favour value sectors more than their growthier counterparts. Dividend generating strategies also tend to be looked upon more favourably. This brings us much delight as it aligns well with our own investment process. Our focus remains on companies with strong balance sheets which continue to generate returns above their cost of capital, and which have a history of providing a dividend. This strategy has allowed us to navigate through the COVID period and will help see us through the coming year.

When it comes to China, the deep level of scepticism the market has shown through 2023 is evident. For the first time in 25 years, foreign direct investment into China turned negative with outflows of more than \$140 billion of long-term investments in the first nine months of 2023. In the same vein, over 75% of foreign money invested into the Chinese stock markets from January to July had pulled out by the end of November. We believe that for China to become more attractive to investors, earnings estimates need to stabilise. Earnings

WS GUINNESS ASIAN EQUITY INCOME FUND, INVESTMENT REVIEW (CONTINUED)

forecasts for China are still stronger than those for developed markets. However, they have been scaled back, so while companies are still expected to generate good growth, the expected rate has been persistently lowered. Once earnings estimates stabilise, we think both domestic and foreign investors are likely to find China more attractive, which could begin a valuation rerating in addition to earnings growth.

Average annual earnings growth for the Fund over the next two years is forecast to be 8.0%. This is in-line with the performance of these companies seen over the last decade. The 2024 valuation multiple of 9.9x is at a 23% discount to the benchmark's 13.0x.

Edmund Harris
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Mark Hammonds
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS ASIAN EQUITY INCOME FUND, PORTFOLIO STATEMENT

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Communication Services		
(2.3%; 31.12.22 - 3.0%)		
206 NetEase	15,073	2.3
	15,073	2.3
Consumer Discretionary		
(18.8%; 31.12.22 - 19.7%)		
1,534 Corporate Travel Management	16,025	2.5
3,589 Hanon Systems	15,896	2.5
686 JB Hi-Fi	19,422	3.0
2,100 Nien Made Enterprise	18,942	2.9
2,200 Shenzhou International	17,775	2.8
8,600 Suofeiya Home Collection	15,155	2.4
3,003 Zhejiang Supor	17,588	2.7
	120,803	18.8
Consumer Staples		
(4.8%; 31.12.22 - 5.5%)		
5,154 Inner Mongolia Yili Industrial	15,232	2.3
8,554 Metcash	15,977	2.5
	31,209	4.8
Financials		
(25.9%; 31.12.22 - 28.5%)		
296 Aflac	19,182	3.0
7,000 BOC Hong Kong	14,852	2.3
34,000 China Construction Bank	15,863	2.5
6,500 China Merchants Bank	17,745	2.8
804 DBS Group Holdings	15,965	2.5
42,000 Industrial and Commercial Bank of China	16,091	2.5
3,313 Korean Reinsurance	14,412	2.2
5,000 Ping An Insurance	17,748	2.7
24,400 Public Bank Berhad	17,892	2.8
7,400 TISCO Financial Group	16,816	2.6
	166,566	25.9
Healthcare		
(5.2%; 31.12.22 - 5.4%)		
13,000 China Medical System	18,013	2.8
904 Sonic Healthcare	15,434	2.4
	33,447	5.2

WS GUINNESS ASIAN EQUITY INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Information Technology		
(28.1%; 31.12.22 - 23.4%)		
24 Broadcom	21,046	3.3
3,600 Catcher Technology	17,825	2.8
2,550 Elite Material	24,893	3.9
6,300 Hon Hai Precision Industry	16,766	2.6
270 Largan Precision	19,794	3.0
1,700 Novatek Microelectronics	22,447	3.5
180 Qualcomm	20,449	3.2
1,200 Taiwan Semiconductor Manufacturing	18,178	2.8
1,611 Tech Mahindra	19,391	3.0
	180,789	28.1
Real Estate		
(10.9%; 31.12.22 - 11.1%)		
10,100 Ascendas REIT	18,156	2.8
14,100 CapitaLand Integrated Commercial Trust	17,205	2.7
12,000 China Overseas Land & Investment	16,579	2.6
4,134 Link REIT	18,186	2.8
	70,126	10.9
Utilities		
(2.7%; 31.12.22 - 3.0%)		
6,800 China Resources Gas	17,470	2.7
	17,470	2.7
Portfolio of investments	635,483	98.7
Net other assets	8,524	1.3
Total net assets	644,007	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

WS GUINNESS ASIAN EQUITY INCOME FUND, COMPARATIVE TABLE

Y Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	4 Feb 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	88.38	99.01	100.00
Return before operating charges*	6.78	(5.42)	3.09
Operating charges	(0.79)	(0.82)	(0.77)
Return after operating charges*	5.99	(6.24)	2.32
Distributions on income shares	(3.60)	(4.39)	(3.31)
Closing net asset value per share	90.77	88.38	99.01
* after direct transaction costs of:	0.04	0.13	0.10
Performance			
Return after charges	6.78%	(6.30)%	2.32%
Other information			
Closing net asset value	£212,073	£112,764	£44,127
Closing number of shares	233,646	127,597	44,569
Operating charges (p.a.) ¹	0.89%	0.89%	0.91%
Direct transaction costs (p.a.)	0.05%	0.15%	0.11%
Prices			
Highest published share price	96.52	100.72	102.08
Lowest published share price	84.38	77.84	90.56

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS ASIAN EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Y Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	1 Jan 2022 to 31 Dec 2022 (pence per share)	4 Feb 2021 to 31 Dec 2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	95.94	102.40	100.00
Return before operating charges*	7.55	(5.59)	3.20
Operating charges	(0.88)	(0.87)	(0.80)
Return after operating charges*	6.67	(6.46)	2.40
Distributions	(3.95)	(4.60)	(3.35)
Retained distributions on accumulation shares	3.95	4.60	3.35
Closing net asset value per share	102.61	95.94	102.40
* after direct transaction costs of:	0.05	0.14	0.10
Performance			
Return after charges	6.95%	(6.31)%	2.40%
Other information			
Closing net asset value	£431,934	£300,687	£412,001
Closing number of shares	420,943	313,402	402,351
Operating charges (p.a.) ¹	0.89%	0.89%	0.91%
Direct transaction costs (p.a.)	0.05%	0.15%	0.11%
Prices			
Highest published share price	104.86	104.15	104.29
Lowest published share price	93.19	84.07	93.44

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS ASIAN EQUITY INCOME FUND, STATEMENT OF TOTAL RETURN
For the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Income				
Net capital gains/(losses)	2		13,417	(55,184)
Revenue	3	25,701		23,938
Expenses	4	(4,968)		(4,136)
Interest payable and similar charges	6	(76)		(67)
Net revenue before taxation		20,657		19,735
Taxation	5	(2,420)		(2,461)
Net revenue after taxation			18,237	17,274
Total return/(loss) before distributions			31,654	(37,910)
Distributions	6		(22,602)	(20,965)
Change in net assets attributable to shareholders from investment activities			9,052	(58,875)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Opening net assets attributable to shareholders			413,451	456,128
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		409,637		408,052
Amounts payable on cancellation of shares		(205,253)		(407,892)
			204,384	160
Dilution levy			1,022	1,677
Change in net assets attributable to shareholders from investment activities			9,052	(58,875)
Retained distributions on accumulation shares	6		16,098	14,361
Closing net assets attributable to shareholders			644,007	413,451

WS GUINNESS ASIAN EQUITY INCOME FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		635,483	411,983
Current Assets:			
Debtors	7	1,093	1,212
Cash and bank balances	8	<u>8,734</u>	<u>1,135</u>
Total assets		<u>645,310</u>	<u>414,330</u>
Liabilities:			
Creditors:			
Distribution payable on income shares	6	776	580
Other creditors	9	<u>527</u>	<u>299</u>
Total liabilities		<u>1,303</u>	<u>879</u>
Net assets attributable to shareholders		<u>644,007</u>	<u>413,451</u>

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

1. Accounting policies (continued)

(h) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued quarterly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital gains/(losses)

	31.12.23	31.12.22
	£	£
Non-derivative securities	48,260	(97,078)
Currency (losses)/gains	(34,740)	42,240
Market associated costs	(103)	(346)
Net capital gains/(losses)	13,417	(55,184)

3. Revenue

	31.12.23	31.12.22
	£	£
Unfranked REIT dividends	2,926	2,085
Overseas dividends	22,566	21,614
Bank interest	237	46
Franked income currency gains	44	21
Unfranked income currency (losses)/gains	(72)	172
Total revenue	25,701	23,938

4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	4,968	4,135
	4,968	4,135
Other expenses:		
Other expenses	-	1
	-	1
Total expenses	4,968	4,136

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £6,700 plus VAT).

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation

(a) Analysis of the tax charge in the year

	31.12.23 £	31.12.22 £
Analysis of charge in the year		
Overseas tax	2,420	2,461
Total current tax for the year (see note 5(b))	<u>2,420</u>	<u>2,461</u>
Deferred tax (see note 5(c))	-	-
Total taxation for the year	<u>2,420</u>	<u>2,461</u>

(b) Factors affecting the current taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	31.12.23 £	31.12.22 £
Net revenue before taxation	20,657	19,735
Corporation tax at 20%	4,131	3,947
Effects of:		
Revenue not subject to taxation	(4,522)	(4,327)
Excess expenses for which no relief taken	391	380
Overseas taxation	2,420	2,461
Current tax charge for the year (see note 5(a))	<u>2,420</u>	<u>2,461</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £5,062 (31 December 2022: £3,393). The deferred tax in respect of this would be £1,012 (31 December 2022: £679). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at period end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.23	31.12.22
	£	£
Interim - Income (31 Mar)	494	639
Interim - Income (30 Jun)	2,037	1,525
Interim - Income (30 Sept)	4,145	2,819
Final - Income (31 Dec)	776	580
	<u>7,452</u>	<u>5,563</u>
Interim - Accumulation (31 Mar)	1,585	2,533
Interim - Accumulation (30 Jun)	5,173	3,634
Interim - Accumulation (30 Sept)	7,771	6,655
Final - Accumulation (31 Dec)	1,569	1,539
	<u>16,098</u>	<u>14,361</u>
Add: Revenue deducted on cancellation of shares	1,397	1,637
Deduct: Revenue received on issue of shares	<u>(2,345)</u>	<u>(596)</u>
Net distribution for the year	<u>22,602</u>	<u>20,965</u>
Interest	76	67
Total finance costs	<u>22,678</u>	<u>21,032</u>
Reconciliation to net distribution for the year		
Net revenue after taxation for the year	18,237	17,274
Expenses allocated to capital, net of tax relief	<u>4,365</u>	<u>3,691</u>
Net distribution for the year	<u>22,602</u>	<u>20,965</u>

Details of the distributions per share are set out on pages 98 and 99.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

7. Debtors

	31.12.23 £	31.12.22 £
Accrued revenue	1,093	1,212
Total debtors	1,093	1,212

8. Cash and bank balances

	31.12.23 £	31.12.22 £
Cash and bank balances	8,734	1,135
Total cash and bank balances	8,734	1,135

9. Other creditors

	31.12.23 £	31.12.22 £
Amounts payable for cancellation of shares	47	-
Accrued annual management charge	463	299
Debit interest payable	17	-
Total creditors	527	299

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, one single shareholder (Guinness Asset Management Limited) held shares equal to approximately 51.8% of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the period end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the year:

	Y Income
Opening shares at the start of the year	127,596.812
Total creation of shares in the year	106,098.549
Total cancellation of shares in the year	(49.387)
Closing shares at the end of the year	233,645.974

	Y Accumulation
Opening shares at the start of the year	313,401.960
Total creation of shares in the year	314,500.579
Total cancellation of shares in the year	(206,959.357)
Closing shares at the end of the year	420,943.182

The annual management charge of each share class is as follows:

Y Income	0.89%
Y Accumulation	0.89%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 82 to 83. The distributions per share are given in the distribution table on pages 98 and 99. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the period, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	-	68	68	-	40	40
Chinese Yuan	-	48	48	-	37	37
Hong Kong Dollar	1	170	171	-	125	125
Indian Rupee	-	19	19	-	10	10
Malaysian Ringgit	-	18	18	-	11	11
South Korean Won	-	31	31	-	24	24
Singapore Dollar	-	51	51	-	33	33
Taiwan Dollar	-	139	139	-	77	77
Thai Baht	-	17	17	-	11	11
US Dollar	-	76	76	-	45	45

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £57,771 (31 December 2022: £37,453). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £70,609 (31 December 2022: £45,776). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities (continued)

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Australian Dollar	-	-	68	-	-	68
Chinese Yuan	-	-	48	-	-	48
Hong Kong Dollar	1	-	170	-	-	171
Indian Rupee	-	-	19	-	-	19
Malaysian Ringgit	-	-	18	-	-	18
South Korean Won	-	-	31	-	-	31
Singapore Dollar	-	-	51	-	-	51
Sterling	8	-	-	-	(1)	7
Taiwan Dollar	-	-	139	-	-	139
Thai Baht	-	-	17	-	-	17
US Dollar	-	-	76	-	-	76
31.12.22						
Australian Dollar	-	-	40	-	-	40
Chinese Yuan	-	-	37	-	-	37
Hong Kong Dollar	-	-	125	-	-	125
Indian Rupee	-	-	10	-	-	10
Malaysian Ringgit	-	-	11	-	-	11
South Korean Won	-	-	24	-	-	24
Singapore Dollar	-	-	33	-	-	33
Sterling	1	-	-	-	(1)	-
Taiwan Dollar	-	-	77	-	-	77
Thai Baht	-	-	11	-	-	11
US Dollar	-	-	45	-	-	45

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £63,548 (31 December 2022: £41,198). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	635,483	411,983
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	635,483	411,983

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil)

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the period are shown in the table below:

	31.12.23		31.12.22	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	210,117		274,043	
REIT's	38,600		18,735	
Net purchases before direct transaction costs	248,717		292,778	
		% of total		% of total
		purchases		purchases
DIRECT TRANSACTION COSTS				
Equities	163	0.07%	220	0.08%
REIT's	42	0.02%	21	0.01%
Total direct transaction costs	205	0.09%	241	0.09%
Gross purchases total	248,922		293,019	
Analysis of total sale costs				
SALES				
Equities	34,319		237,945	
Exchange Traded Funds	-		12,203	
REIT's	4,941		27,515	
Gross sales before direct transaction costs	39,260		277,663	
		% of total		% of total
		sales		sales
DIRECT TRANSACTION COSTS				
Equities	(62)	0.16%	(402)	0.16%
Exchange Traded Funds	-	0.00%	(2)	0.00%
REIT's	(4)	0.01%	(30)	0.01%
Total direct transaction costs	(66)	0.17%	(434)	0.16%
Net sales total	39,194		277,229	

**WS GUINNESS ASIAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(a) Direct transaction costs (continued)

	31.12.23	% of	31.12.22	% of
	£	ave NAV	£	ave NAV
Analysis of total direct transaction costs				
Equities	225	0.04%	622	0.13%
Exchange Traded Funds	-	0.00%	2	0.00%
REIT's	46	0.01%	51	0.01%
Total direct transaction costs	<u>271</u>	<u>0.05%</u>	<u>675</u>	<u>0.14%</u>

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.25% (31 December 2022: 0.27%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2023: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Income Shares – Increased from 90.77 pence per share to 91.82 pence per share (10 April 2024).

Y Accumulation Shares – Increased from 102.61 pence per share to 104.23 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS ASIAN EQUITY INCOME FUND, DISTRIBUTION TABLE

For the year ended 31 December 2023

Interim Distribution (31 March 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation ¹	Paid/ Accumulated 31.05.23	Paid/ Accumulated 31.05.22
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	0.3848	-	0.3848	0.5203
Group 2	0.2961	0.0887	0.3848	0.5203
Y Accumulation				
Group 1	0.3984	-	0.3984	0.5301
Group 2	0.2303	0.1681	0.3984	0.5301

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 March 2023

Group 2 - Shares purchased after 31 March 2023

Shares	Revenue	Equalisation ¹	Paid/ Accumulated 31.08.23	Paid/ Accumulated 31.08.22
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	1.1090	-	1.1090	1.2002
Group 2	0.0341	1.0749	1.1090	1.2002
Y Accumulation				
Group 1	1.2095	-	1.2095	1.2455
Group 2	0.4267	0.7828	1.2095	1.2455

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS ASIAN EQUITY INCOME FUND, DISTRIBUTION TABLE

For the year ended 31 December 2023

Interim Distribution (30 September 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/ Accumulated 30.11.23	Paid/ Accumulated 30.11.22
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	1.7759	-	1.7759	2.2196
Group 2	0.3944	1.3815	1.7759	2.2196
Y Accumulation				
Group 1	1.9645	-	1.9645	2.3364
Group 2	0.4329	1.5316	1.9645	2.3364

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 September 2023

Group 2 - Shares purchased after 30 September 2023

Shares	Net Revenue	Equalisation¹	Paid/ Accumulated 29.02.24	Paid/ Accumulated 28.02.23
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	0.3321	-	0.3321	0.4542
Group 2	0.3310	0.0011	0.3321	0.4542
Y Accumulation				
Group 1	0.3726	-	0.3726	0.4910
Group 2	0.1011	0.2715	0.3726	0.4910

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, AUTHORISED STATUS

WS Guinness European Equity Income Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

WS Guinness European Equity Income Fund launched on 30 December 2022.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness European Equity Income Fund (the 'Fund') is to provide investors with a combination of both income and capital appreciation over the long term (7 to 10 years).

Under normal market conditions, at least 80% of the Fund will invest directly or indirectly in listed equity securities of companies of any market capitalisation which are incorporated, domiciled or listed in the Europe ex-UK region or have the majority of their business in the Europe ex-UK region. Direct or indirect investment in equity securities shall include investment in any proportion in: shares (including those issued by investment trust companies and REITs), securities convertible into shares, depository receipts, collective investment schemes investing in equities (up to 10%) and (up to 5%) warrants.

The Investment Manager aims to invest in a portfolio of companies which, in the Investment Manager's opinion, are likely to achieve returns on capital higher than the cost of capital, allowing those companies both to reinvest in the business for growth and to pay a dividend.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus).

To the extent not fully invested in such companies, the Fund may invest in short-dated government bonds in Europe (including emerging markets) of at least investment grade rating (being bonds which have achieved or exceeded a minimum credit rating awarded by a credit rating agency). For temporary defensive management, the Fund may also hold cash, near cash, money market instruments, units in money market funds or short-dated government bonds to protect the Fund from adverse market conditions and/or to manage large cash flows; accordingly at these times the Investment Manager may hold a larger proportion of the Fund in these asset classes and in such circumstances, less than 80% of the Fund may be invested directly or indirectly in listed equity securities.

The Fund will have a concentrated portfolio and will typically hold at least 20 stocks.

Where the Fund invests in collective investment schemes, this may include those managed by the ACD and its associates.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The Fund invests in emerging markets which carry more risk than more developed jurisdictions.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. As the Fund launched on 30 December 2022, the indicator has been calculated based in part on the volatility of the Investment Association's Europe ex-UK sector average over the last five years (in total return and GBP terms).

The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in shares.

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI Europe ex UK Index (the "Index"). The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI Europe ex UK Index is a Comparator Benchmark of the Fund

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) Europe ex-UK sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in European equities. As the sector aligns with the Fund's asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

The IA Europe ex-UK sector is a Comparator Benchmark of the Fund

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 108 to 111.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

FUND CHANGES

The investment objective and policy were updated on the 2 January 2024. The updated investment objective and policy is included on page 100.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the year ended 31 December 2023 (%)
	From launch ¹
Y Accumulation Shares	17.27
MSCI Europe ex UK index*	14.83
IA Europe ex UK sector*	14.00

¹ From 30 December 2022.

* Comparator Benchmark.

Source: Financial Express. Total return, Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

The Guinness European Equity Income Fund in the year to December 2023 produced a total return of 17.27% (in GBP), versus the MSCI Europe ex UK Index return of 14.83% (in USD). The Fund therefore outperformed by 2.44%.

Dividend Update

The Fund dividend went ex its full year dividend (the fourth of four quarterly dividends) on 2nd January 2024 (payable 29th February). As the Fund was only launched just over 12 months ago, we cannot report on dividend growth. However, for information, the offshore version of the European Income strategy saw its dividend grow by 10.5% in 2023 (July 2023 and January 2024 payments). Despite the concerns in the latter half of 2022 and 2023 about the economic slowdown in Europe, the portfolio holdings demonstrated their ability to continue to grow their dividends and reflects their strong cash generation, effective capital allocation and strong balance sheets.

Performance Review

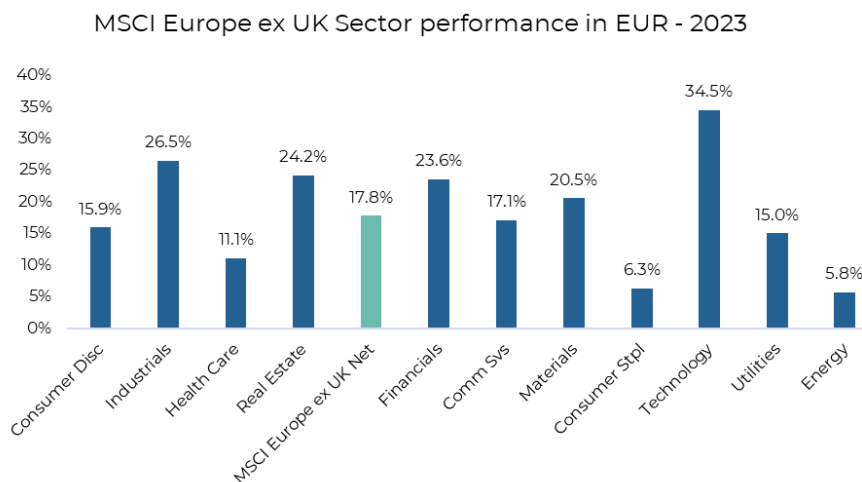
After a challenging year for European markets in 2022 that was dominated by Russia's invasion of Ukraine, the associated energy crisis and wider concerns about inflation and growth, 2023 could perhaps be seen as a bit of relief for European investors. The speed and effectiveness of the response to both Silicon Valley Bank in the US and the Credit Suisse crisis in Switzerland was impressive and demonstrated how far regulatory oversight and with it, the ability to respond swiftly and decisively has come since the Global Financial Crisis and European sovereign debt crisis. With the risk of wider contagion to the financial system averted the focus shifted back to inflation and the associated trajectory of interest rates.

As the year progressed it became clear that the COVID-related supply chain disruption, and energy price induced inflation of 2022 was subsiding with European headline inflation falling from the high of 10.6% in October 2022 to 2.9% by the end of 2023. It appears that the action taken by Europe to source natural gas from other regions of the world to counter the Russia's 'weaponisation' of energy has worked and was behind a large part of the decline in inflation. Alongside this, the sign of ongoing economic slowdown across Europe and in particular Germany, its largest economy, is all too clear; Manufacturing and Service PMIs as well as business and consumer confidence are at a low ebb. However, this was widely expected by the market given

WS GUINNESS EUROPEAN EQUITY INCOME FUND, INVESTMENT REVIEW CONTINUED

the unprecedented monetary tightening over the last couple of years. As a result, the last interest rate hike for 2023 happened in September and a subsequent and increasingly dovish stance from Christine Lagarde and other members of the ECB Governing Council has led the market to start to price in a potential interest rate cut in the early part of 2024. In the face of this, equity markets across Europe staged a strong rally through the fourth quarter. The German 10-year Bund yield fell from 2.8% to close to 2% and European Corporate Bond yields (as measured by the Bloomberg Aggregate Corporate Bond index) fell from above 4.5% to 3.5%. A welcome relief to overleveraged companies and governments.

As highlighted above, 2023 was, in many respects, a year of reversals and this was also reflected in market and sector performance. However, most of this strong performance was confined to the fourth quarter post signs that growth was not slowing further coupled with more dovish comments from the ECB and the US Federal Reserve. As a result, sector and stock performance for Q4 was a mirror of performance for the full year: interest rate sensitive (and cyclical) sectors such as Technology and Industrials performed strongly while Energy, Healthcare and Consumer Staples lagged. (For comparison, the MSCI Europe ex UK index rose 17.8 % in EUR.)



As a result, post the rate and growth induced weakness of 2022, **Technology** rebounded and was the strongest sector closing 2023 up +34.5% (in EUR) boosted by the thematic excitement around Artificial Intelligence, growth coming in better than expected and interest rate expectations falling on improved inflation data. The Fund's holdings in **Cap Gemini** (IT services) and **Melexis** (automotive analog semiconductors) benefited on this improving sentiment. Similarly, **Real Estate** advanced +24.2% post a challenging 2022. While the Fund has no exposure to the sector due to the sector's leverage and poor track record in creating value, this was more than compensated for by the Fund's overweight exposure to Industrials (+26.5%). Notable amongst them was **Konecranes** (port equipment) which rose +47.5% on better profit margins and growing confidence in the new company strategy post the failed merger with Cargotec. Amongst others, there was also strong performance from **ABB** (industrial automation) and **Schneider** (electrical power). The **Financials** sector continued its strong showing from 2022 rising +23.6%. The Fund's zero exposure to banks – which recovered strongly post the SVB/Credit Suisse crisis - was balanced by strong performance from the likes of **Amundi** (asset manager) which was boosted by positive capital markets and finished the year +24.4%. Effective stock selection within the **Healthcare** sector, which lagged the index, was helpful to performance with both **Novo Nordisk** (diabetes and weight loss drugs) (+50.4%) and **Recordati** (specialty pharma and rare diseases) (+29.4%) positively contributing to performance. Finally, **Salmar** staged a strong recovery after a torrid end to 2022 that was driven by the announcement of a resource rent tax. As 2023 progressed it became clear that the tax as announced (40%) was not workable and subject to widespread opposition as well as mitigation. In addition, strong execution post a couple of small acquisitions helped the share price finish 2023 up +45% after falling 38% in 2022.

In terms of sectors, the **Energy** sector was a notable laggard in 2023 (+5.8%) post a strong 2022. This was beneficial to the Fund as it has no exposure to the sector. In addition, **Consumer Staples** lagged the wider market rally rising only +6.3%. Despite falling inflation and moderating interest rate expectations (which normally would be seen as positive for the sector), the market preferred to reflect this environment through more cyclical sectors given the initial view that central banks are perhaps managing to engineer a softer than expected landing with regards to the economy. At the same time, the scope for further price rises within the sector to protect margins appears limited as consumers feel the squeeze from the interest rate hikes of the last couple of years. The Fund is overweight towards the sector so there was a drag on performance from holdings such as **Unilever** and **Royal Unibrew** (Nordic beverages). Finally, **TietoEvry** (Nordic IT services) had a negative impact on performance (-13.8%) due to news that an ongoing strategic review was taking longer than the market expected.

Activity

There were three switches made in the portfolio during the year and were focused in the first quarter. At the end of the month of January we bought **Legrand SA**, against the sale of **Epiroc AB**, where valuation and margin had begun to look up with events. Legrand is well placed for the energy and digital transitions that are occurring, being the world's only global specialist in electrical and digital buildings infrastructure. Post concerns around supply chains and Chinese growth the shares were trading at a discount to the 10-year average and peers despite Legrand's peer-leading margins. With its strong market position and long-runway for growth, this is a company with the potential to grow earnings and the dividend for the long term. In February, **Kering**, the luxury goods company, was sold and the proceeds were reinvested in **Essilor Luxottica**, the global market leader in optical lenses and eyeglass frames. Its long term growth potential, cash generation and effective capital allocation are an ideal fit for the Fund's strategy. In addition, the valuation for such an attractive franchise was compelling with the synergies from the merger and improving corporate governance an added positive. Finally, **Banca Generali** replaced **Fresenius SE**, the German healthcare business. Banca Generali is a high-quality Italian wealth gatherer with a long history of generating high returns on capital supported by a strong capital position. A combination of a low valuation vs history, a high and sustainable dividend yield and a beneficiary of the ongoing consolidation in the Italian financial sector through market share gains merited its inclusion in the portfolio. For more in depth write ups on these purchases please see the Q1 Fund Managers Report.

Portfolio Positioning

With the sale of Kering, the Fund moved underweight towards the **Consumer Discretionary** sector while the exposure to **Healthcare** (where the Fund remains underweight) remained broadly consistent as Essilor replaced Fresenius SE from a sector perspective. The switch between Epiroc and Legrand ensured an ongoing large overweight position to quality capital goods companies within the **Industrials** sector. Finally, Banca Generali lifted the **Financials** sector further overweight.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, INVESTMENT REVIEW CONTINUED

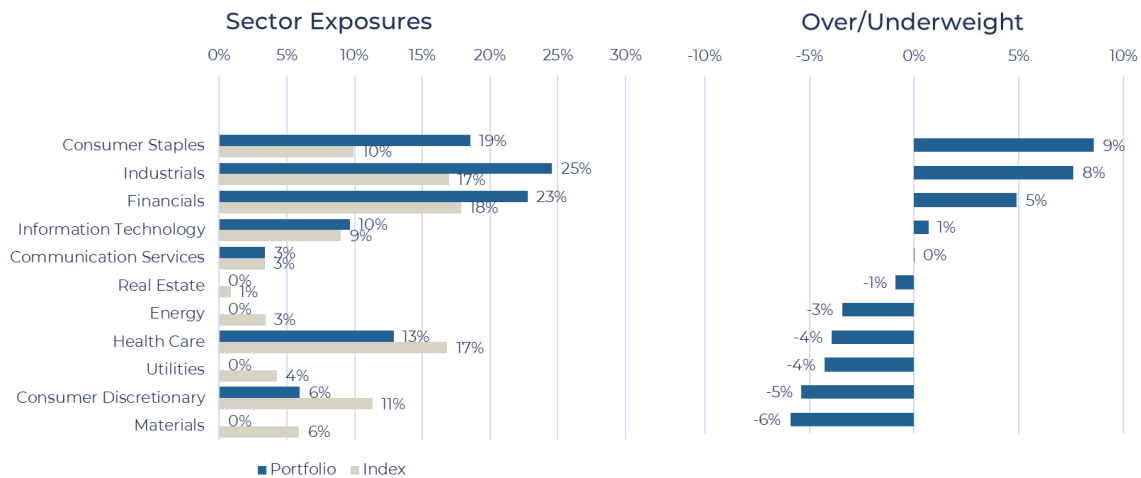


Figure 4: Sector over/underweight % breakdown of the fund versus MSCI Europe ex UK Index. Guinness Asset Management, Bloomberg (data as at 31.12.2023)

Outlook

2024 is looking set to be another interesting year for equity markets in Europe. The prospect of potential interest cuts, and hopes, at a market level at least, that Central Banks have managed to engineer a relatively soft landing have given the market cause to be more optimistic. However, if one thing is clear in the period post COVID-19, it is that nothing is certain. While the fall in inflation should be seen as a positive, it is still above the ECB's 2% target and could prove stickier than the market expects leading to ongoing bouts of volatility. In addition, the speed of the tightening cycle coupled with the post COVID supply disruptions and excess consumer savings because of COVID has likely distorted the monetary transmission mechanism; it is likely taking longer to bite. How far demand and consumption could fall or recover is hard to judge at this point. Finally, 2024 is a year of unprecedented political elections across the globe and so geopolitics will continue to dominate the headlines. What is clearer though is that the volatility around inflation and interest rate expectations is likely to subside and investors will not be able to just back Value or Growth styles of investment to deliver a return. It will become ever more important to be stock specific and apply fundamental analysis to identify the winners in this opaque economic and demand environment. As a result, our focus on quality companies that generate persistent high cash returns supported by strong balance sheets will serve investors well for the long-term. We remain positive that the portfolio is positioned to continue to deliver for you over the medium to long term. We will continue to work hard to deliver long-term capital growth and a steady, growing income stream. Your fund is equipped for all weathers, being well balanced across quality and value, with a focus on globally leading European companies supported by strong structural growth drivers and a solid and growing dividend yield.

We thank you for your continued support.

Nick Edwards
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Will James
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS EUROPEAN EQUITY INCOME FUND, PORTFOLIO STATEMENTAs at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Automotive (2.9%; 31.12.22 - 3.3%)		
316 Mercedes Benz	17,133	2.9
	17,133	2.9
Construction & Materials (3.4%; 31.12.22 - 3.3%)		
782 Kaufman & Broad	20,406	3.4
	20,406	3.4
Consumer Discretionary (3.2%; 31.12.22 - 3.3%)		
119 Essilor International	18,729	3.2
	18,729	3.2
Consumer Staples (18.7%; 31.12.22 - 19.9%)		
372 Danone	18,914	3.2
347 Henkel	19,517	3.3
190 Nestle	17,287	2.9
340 Royal Unibrew	17,836	3.0
480 SalMar	21,064	3.5
434 Unilever	16,498	2.8
	111,116	18.7
Financials (22.9%; 31.12.22 - 19.7%)		
394 Amundi	21,024	3.5
724 Axa	18,510	3.1
617 Banca Generali	17,994	3.0
127 Deutsche Boerse	20,501	3.5
322 Euronext	21,941	3.7
152 Helvetia	16,440	2.8
11,720 Mapfre	19,731	3.3
	136,141	22.9
Healthcare (9.8%; 31.12.22 - 13.2%)		
250 Novo-Nordisk	20,255	3.4
479 Recordati	20,256	3.4
77 Roche	17,565	3.0
	58,076	9.8

WS GUINNESS EUROPEAN EQUITY INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Industrials (22.0%; 31.12.22 - 16.4%)		
589 ABB	20,496	3.4
996 Assa Abloy	22,460	3.8
1,747 Atlas Copco	23,560	4.0
673 Konecranes	23,787	4.0
242 Legrand	19,742	3.3
130 Schneider Electric	20,484	3.5
	130,529	22.0
Information Technology (9.5%; 31.12.22 - 9.9%)		
119 Capgemini	19,472	3.3
240 Melexis	18,986	3.2
944 Tietoenvy	17,628	3.0
	56,086	9.5
Music (3.5%; 31.12.22 - 3.3%)		
932 Universal Music Group	20,854	3.5
	20,854	3.5
Postal Services (3.5%; 31.12.22 - 3.3%)		
539 Deutsche Post Ag-Reg	20,976	3.5
	20,976	3.5
	590,046	99.4
Portfolio of investments		
Net other assets	3,309	0.6
Total net assets	593,355	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

'Mining' sector disinvested since the beginning of the period (31 December 2022: 3.3%)

WS GUINNESS EUROPEAN EQUITY INCOME FUND, COMPARATIVE TABLE

Y Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.90	100.00
Return before operating charges*	18.45	(1.10)
Operating charges	(0.95)	0.00
Return after operating charges*	17.50	(1.10)
Distributions on income shares	(3.49)	0.00
Closing net asset value per share	112.91	98.90
* after direct transaction costs of:	0.05	0.09
Performance		
Return after charges	17.69%	(1.10)%
Other information		
Closing net asset value	£1,548	£989
Closing number of shares	1,371	1,000
Operating charges (p.a.) ¹	0.89%	0.89%
Direct transaction costs (p.a.)	0.05%	0.09%
Prices		
Highest published share price	113.89	100.00
Lowest published share price	99.93	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]*The Fund launched on 30 December 2022*

¹*fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.*

WS GUINNESS EUROPEAN EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Income	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.90	100.00
Return before operating charges*	18.38	(1.10)
Operating charges	(0.36)	0.00
Return after operating charges*	18.02	(1.10)
Distributions on income shares	(3.32)	0.00
Closing net asset value per share	113.60	98.90
* after direct transaction costs of:	0.05	0.09
Performance		
Return after charges	18.22%	(1.10)%
Other information		
Closing net asset value	£1,136	£989
Closing number of shares	1,000	1,000
Operating charges (p.a.) ¹	0.35%	0.35%
Direct transaction costs (p.a.)	0.05%	0.09%
Prices		
Highest published share price	117.91	100.00
Lowest published share price	101.15	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Y Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.87	100.00
Return before operating charges*	18.71	(1.13)
Operating charges	(0.96)	0.00
Return after operating charges*	17.75	(1.13)
Distributions	(3.37)	0.00
Retained distributions on accumulation shares	3.37	0.00
Closing net asset value per share	116.62	98.87
* after direct transaction costs of:	0.05	0.09
Performance		
Return after charges	17.95%	(1.13)%
Other information		
Closing net asset value	£451,215	£495,350
Closing number of shares	386,900	501,000
Operating charges (p.a.) ¹	0.89%	0.89%
Direct transaction costs (p.a.)	0.05%	0.09%
Prices		
Highest published share price	117.27	100.00
Lowest published share price	101.15	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.90	100.00
Return before operating charges*	18.75	(1.10)
Operating charges	(0.38)	0.00
Return after operating charges*	18.37	(1.10)
Distributions	(3.35)	0.00
Retained distributions on accumulation shares	3.35	0.00
Closing net asset value per share	117.27	98.90
* after direct transaction costs of:	0.06	0.09
Performance		
Return after charges	18.57%	(1.10)%
Other information		
Closing net asset value	£139,456	£989
Closing number of shares	118,922	1,000
Operating charges (p.a.) ¹	0.35%	0.35%
Direct transaction costs (p.a.)	0.05%	0.09%
Prices		
Highest published share price	114.57	100.00
Lowest published share price	100.44	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]*The Fund launched on 30 December 2022*

¹*fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.*

WS GUINNESS EUROPEAN EQUITY INCOME FUND, STATEMENT OF TOTAL RETURN
For the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Income				
Net capital gains/(losses)	2		77,791	(5,683)
Revenue	3	20,999		-
Expenses	4	(4,482)		-
Interest payable and similar charges	6	(71)		-
Net revenue before taxation		16,446		-
Taxation	5	(3,904)		-
Net revenue after taxation			12,542	-
Total return/(loss) before distributions			90,333	(5,683)
Distributions	6		(16,994)	-
Change in net assets attributable to shareholders from investment activities			73,339	(5,683)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Opening net assets attributable to shareholders			498,317	-
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		222,584		504,000
Amounts payable on cancellation of shares		(217,705)		-
			4,879	504,000
Dilution levy			5	-
Change in net assets attributable to shareholders from investment activities			73,339	(5,683)
Retained distributions on accumulation shares	6		16,815	-
Closing net assets attributable to shareholders			593,355	498,317

WS GUINNESS EUROPEAN EQUITY INCOME FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		590,046	492,883
Current Assets:			
Debtors	7	3,849	504,000
Cash and bank balances	8	2,343	-
Total assets		596,238	996,883
Liabilities:			
Creditors:			
Distribution payable on income shares	6	7	-
Other creditors	9	2,876	498,566
Total liabilities		2,883	498,566
Net assets attributable to shareholders		593,355	498,317

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

1. Accounting policies (continued)**(h) Taxation/deferred taxation**

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued quarterly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital Gains/(losses)

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Non-derivative securities	82,046	(5,683)
Currency losses	(4,175)	-
CSDR Penalties	2	-
Market associated costs	(82)	-
Net capital gains/(losses)	77,791	(5,683)

3. Revenue

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
UK franked dividends	638	-
Overseas dividends	20,165	-
Bank interest	233	-
Franked income currency losses	(26)	-
Unfranked income currency losses	(11)	-
Total revenue	20,999	-

4. Expenses

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	4,482	-
	4,482	-
Total expenses	4,482	-

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £4,000 plus VAT).

5. Taxation

(a) Analysis of the tax charge in the year

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Analysis of charge in the year/period		
Overseas tax	3,904	-
Total current tax for the year/period (see note 5(b))	3,904	-
Total taxation for the year/period	3,904	-

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation (continued)**(b) Factors affecting the current taxation charge for the year**

The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Net revenue before taxation	<u>16,446</u>	<u>-</u>
Corporation tax at 20%	3,289	-
Effects of:		
Revenue not subject to taxation	(4,155)	-
Excess expenses for which no relief taken	866	-
Overseas taxation	<u>3,904</u>	<u>-</u>
Current tax charge for the year/period (see note 5(a))	<u>3,904</u>	<u>-</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £4,331 (31 December 2022: £Nil). The deferred tax in respect of this would be £866 (31 December 2022: £Nil). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at period end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Interim - Income (31 May)	11	-
Interim - Income (30 Jun)	271	-
Interim - Income (30 Nov)	6	-
Final - Income (31 Dec)	7	-
	<u>295</u>	<u>-</u>
Interim - Accumulation (31 May)	2,522	-
Interim - Accumulation (30 Jun)	11,879	-
Interim - Accumulation (30 Nov)	866	-
Final - Accumulation (31 Dec)	1,548	-
	<u>16,815</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	1,086	-
Deduct: Revenue received on issue of shares	<u>(1,202)</u>	<u>-</u>
Net distribution for the year/period	<u>16,994</u>	<u>-</u>
Interest	71	-
Total finance costs	<u>17,065</u>	<u>-</u>
Reconciliation to net distribution for the year/period		
Net revenue after taxation for the year/period	12,542	-
Expenses allocated to capital, net of tax relief	<u>4,452</u>	<u>-</u>
Net distribution for the year/period	<u>16,994</u>	<u>-</u>

Details of the distributions per share are set out on pages 126 to 127.

7. Debtors

	31.12.23	31.12.22
	£	£
Amounts receivable for issue of shares	2,499	504,000
Accrued revenue	18	-
Overseas withholding tax recoverable	<u>1,332</u>	<u>-</u>
Total debtors	<u>3,849</u>	<u>504,000</u>

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**For the year ended 31 December 2023

8. Cash and bank balances

	31.12.23	31.12.22
	£	£
Cash and bank balances	<u>2,343</u>	-
Total cash and bank balances	<u>2,343</u>	<u>-</u>

9. Creditors

	31.12.23	31.12.22
	£	£
Amounts payable for cancellation of shares	2,499	-
Purchases awaiting settlement	-	498,566
Accrued annual management charge	<u>377</u>	-
Total creditors	<u>2,876</u>	<u>498,566</u>

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, two shareholders (Guinness Asset Management Limited and Clearstream Banking S.A.) held shares equal to 74.4% and 23.3% respectively of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the year:

	Y Income
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	10,024.843
Total cancellation of shares in the year	(9,654.051)
Closing shares at the end of the year	1,370.792
	Z Early Investor Income
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	
Total cancellation of shares in the year	
Closing shares at the end of the year	1,000.000
	Y Accumulation
Opening shares at the start of the year	501,000.000
Total creation of shares in the year	44,818.181
Total cancellation of shares in the year	(158,918.175)
Closing shares at the end of the year	386,900.006
	Z Early Investor Accumulation
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	149,746.939
Total cancellation of shares in the year	(31,825.332)
Closing shares at the end of the year	118,921.607

The annual management charge of each share class is as follows:

Y Income	0.89%
Z Early Investor Income	0.35%
Y Accumulation	0.89%
Z Early Investor Accumulation	0.35%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 108 to 111. The distributions per share are given in the distribution table on pages 126 to 127. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Danish Krone	-	38	38	-	-	-
Euro	-	414	414	-	(4)	(4)
Norwegian Krone	-	21	21	-	-	-
Swedish Krona	-	46	46	-	(1)	(1)
Swiss Frank	-	72	72	-	(1)	(1)

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £53,641 (31 December 2022: £44,808). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio value of the Fund would have increased by £65,561 (31 December 2022: £54,765). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Danish Krone	-	-	38	-	-	38
Euro	-	-	414	-	-	414
Norwegian Krone	-	-	21	-	-	21
Sterling	2	-	3	-	(3)	2
Swedish Krona	-	-	46	-	-	46
Swiss Frank	-	-	72	-	-	72
31.12.22						
Danish Krone	-	-	33	-	(33)	-
Euro	-	-	328	-	(332)	(4)
Norwegian Krone	-	-	17	-	(17)	-
Sterling	-	-	504	-	-	504
Swedish Krona	-	-	49	-	(50)	(1)
Swiss Frank	-	-	66	-	(67)	(1)

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £59,005 (31 December 2022: £49,288). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	590,046	492,883
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	590,046	492,883

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil).

WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	01.01.23 to 31.12.23 £		30.12.22 to 31.12.22 £	
Analysis of total purchase costs				
PURCHASES				
Equities	128,587		498,118	
Net purchases before direct transaction costs	128,587		498,118	
		% of total purchases		% of total purchases
DIRECT TRANSACTION COSTS				
Equities	177	0.14%	447	0.09%
Total direct transaction costs	177	0.14%	447	0.09%
Gross purchases total	128,764		498,565	
Analysis of total sale costs				
SALES				
Equities	106,499		-	
Gross sales before direct transaction costs	106,499		-	
		% of total sales		% of total sales
DIRECT TRANSACTION COSTS				
Equities	(19)	0.02%	-	0.00%
Total direct transaction costs	(19)	0.02%	-	0.00%
Net sales total	106,480		-	
	01.01.23 to 31.12.23 £	% of ave NAV	30.12.22 to 31.12.22 £	% of ave NAV
Analysis of total direct transaction costs				
Equities	196	0.04%	447	0.09%
Total direct transaction costs	196	0.04%	447	0.09%

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.05% (31 December 2022: 0.00%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

**WS GUINNESS EUROPEAN EQUITY INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2022: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Income Shares – Increased from 112.91 pence per share to 116.75 pence per share (10 April 2024).

Y Accumulation Shares – Increased from 116.62 pence per share to 121.05 pence per share (10 April 2024).

Z Early Investor Income – Increased from 113.60 pence per share to 117.66 pence per share (10 April 2024).

Z Early Investor Accumulation – Increased from 117.27 pence per share to 121.90 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, DISTRIBUTION TABLESFor the year ended 31 December 2023

Interim Distribution (31 March 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/Accumulated
	(pence)	(pence)	31.05.23
			(pence)
Y Income			
Group 1	0.5055	-	0.5055
Group 2	0.3858	0.1197	0.5055
Z Early Investor Income			
Group 1	0.4970	-	0.4970
Group 2	0.4970	-	0.4970
Y Accumulation			
Group 1	0.5026	-	0.5026
Group 2	0.1242	0.3784	0.5026
Z Early Investor Accumulation			
Group 1	0.4970	-	0.4970
Group 2	0.4970	-	0.4970

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 March 2023

Group 2 - Shares purchased after 31 March 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated
	(pence)	(pence)	31.08.23
			(pence)
Y Income			
Group 1	2.3636	-	2.3636
Group 2	2.0622	0.3014	2.3636
Z Early Investor Income			
Group 1	2.3750	-	2.3750
Group 2	2.3750	-	2.3750
Y Accumulation			
Group 1	2.3914	-	2.3914
Group 2	0.6167	1.7747	2.3914
Z Early Investor Accumulation			
Group 1	2.3748	-	2.3748
Group 2	1.7759	0.5989	2.3748

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The Fund was launched on 30 December 2022 therefore no comparatives have been included prior to this date.

WS GUINNESS EUROPEAN EQUITY INCOME FUND, DISTRIBUTION TABLES (CONTINUED)

For the year ended 31 December 2023

Interim Distribution (30 September 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Net Revenue	Equalisation ¹	Paid/ Accumulated 30.11.23
	(pence)	(pence)	(pence)
Y Income			
Group 1	0.3129	-	0.3129
Group 2	0.3129	-	0.3129
Z Early Investor Income			
Group 1	0.1550	-	0.1550
Group 2	0.1550	-	0.1550
Y Accumulation			
Group 1	0.1724	-	0.1724
Group 2	0.1460	0.0264	0.1724
Z Early Investor Accumulation			
Group 1	0.1668	-	0.1668
Group 2	0.1374	0.0294	0.1668

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 September 2023

Group 2 - Shares purchased after 30 September 2023

Shares	Revenue	Equalisation ¹	Paid/Accumulated 29.02.24	Paid/Accumulated 28.02.23
	(pence)	(pence)	(pence)	(pence)
Y Income				
Group 1	0.3034	-	0.3034	-
Group 2	0.3034	-	0.3034	-
Z Early Investor Income				
Group 1	0.2920	-	0.2920	-
Group 2	0.2920	-	0.2920	-
Y Accumulation				
Group 1	0.3058	-	0.3058	-
Group 2	0.3058	-	0.3058	-
Z Early Investor Accumulation				
Group 1	0.3071	-	0.3071	-
Group 2	0.1563	0.1508	0.3071	-

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The Fund was launched on 30 December 2022 therefore no comparatives have been included prior to this date.

WS GUINNESS GLOBAL INNOVATORS FUND, AUTHORISED STATUS

WS Guinness Global Innovators Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

WS Guinness Global Innovators Fund launched on 30 December 2022.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness Global Innovators Fund (the 'Fund') is to provide investors with capital growth over the long term (7 to 10 years).

At least 80% of the Fund will be invested in equity securities of innovative companies anywhere in the world (including emerging markets) with a market capitalisation in excess of US\$1 billion. Innovative companies are those in any sector which the Investment Manager identifies as creating or embracing new technology, ideas and processes, and which are driving growth, disrupting incumbent business models or technology, or significantly improving current products or services. Such equity securities include shares, securities convertible into shares, and (up to 5%) warrants.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus).

To the extent not fully invested in such companies, the Fund may invest in government and corporate bonds anywhere in the world (including emerging markets) of at least investment grade rating (being bonds which have achieved or exceeded a minimum credit rating awarded by a credit rating agency) and up to 10% in collective investment schemes (which may include those managed by the ACD and its associates).

The Fund may also hold cash, near cash and money market instruments and during adverse market conditions and/or to manage large cash flows, the Investment Manager may hold a larger proportion of the Fund in these asset classes.

The Fund will have a concentrated portfolio and will typically hold between 20 and 40 stocks.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The Fund invests in global markets, with some regions being regarded as more risky.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The Fund invests in emerging markets which may carry more risks than more developed jurisdictions.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

WS GUINNESS GLOBAL INNOVATORS FUND, SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. As the Fund launched on 30 December 2022, the indicator has been calculated based in part on the volatility of the Investment Association's Global sector average over the last five years (in total return and GBP terms).

The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in global shares, which have experienced high rises and falls in value in the past five years.

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI World Index (the "Index"). The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI World Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) Global sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in global equities. As the sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator.

The IA Global sector is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on page 137.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

WS GUINNESS GLOBAL INNOVATORS FUND, INVESTMENT REVIEW

Performance

Cumulative returns for the period ended 31 December 2023 (%)	
	From launch ¹
Y Accumulation Shares	33.26
MSCI World Index*	16.81
IA Global sector*	12.68

¹ From 30 December 2022.

* Comparator Benchmark.

Source: Financial Express. Total Return. Sterling Terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

Overview

The WS Guinness Global Innovators Fund produced a total return of 33.26% over the year 2023, versus the MSCI World Index return of 16.81%. The Fund therefore outperformed by 16.45%.

The WS Guinness Global Innovators Fund launched on 30th December 2022. At the end of 2023, the Fund's AUM was £5.74mn.

The Fund is a mirror of the long-running Guinness Global Innovators strategy, which has been managed by Guinness since May 2004. Total assets in the strategy are £826mn (as of 30.12.2023).

Performance Review

2023 can be split into a number of distinct performance periods, each with different drivers and leaders from both a style and sector perspective.

MSCI World Indices Total Return 2023



(1) Recovery Rally

Many of the key market concerns from 2022 abated (inflation, China's Covid policy, recessionary risks and an energy crisis) during the period, with renewed hope of a soft-landing. As risk-on sentiment returned, the more cyclically orientated sectors that underperformed in 2022, outperformed. Paired with a market view of an earlier pivot towards looser monetary policy, this drove the outperformance of 'growth' during the period. *This rotation towards growth and cyclicals was a positive for Fund performance, relative to the benchmark.*

(2) Market Reversal And Banking Crises

The market reversed course in early February. Employment and inflation data came in surprisingly 'hot' in the US and Europe, and Fed Chair Jay Powell followed with hawkish rhetoric over the future path of interest rates. The collapse of Silicon Valley Bank in early March initially spurred a sharp sell-off, as fears of financial contagion grew. A strong policy response from regulators restored a level of calm back into equity markets, which rebounded over the subsequent weeks. The crises led to a tightening of credit conditions, typically a headwind for economic growth, driving a rotation towards higher quality companies with strong balance sheets and margins. However, tighter credit conditions were also expected to play a part in reducing inflation, supporting growth stocks as expectations of an earlier 'pivot' surfaced once again. *Despite the outperformance of growth over the period, the Fund only performed in-line with the MSCI World, with weakness in the Fund's largest overweight industry (semiconductors) in the latter half of the period a key detractor to performance, as well as off-benchmark name Anta Sports also falling significantly.*

(3) AI Driven Growth Rally

Despite rising interest rate expectations, growth outperformed as a narrow selection stocks exposed to Artificial Intelligence (the Magnificent Seven), led the index higher. Renewed enthusiasm over AI was driven by the launch of Chat GPT earlier in the year, which had captured the imagination of consumers, media and businesses alike, and catalysed management teams to investigate the best way to incorporate the technology into their revenue streams, business models and operations. Investment into Artificial Intelligence was not just evident in company earnings calls, but in company fundamentals too. Nvidia added \$184bn to their market cap on the day following their Q1 earnings, as the firm guided for revenues over 50% higher than the \$7bn estimated by analysts. Soaring demand for chips required for generative AI purposes was clearly much greater

than the market expected, creating a tailwind for AI-exposed stocks in particular. Whilst the market rally broadened to other areas of the market in the first month of Q3, momentum in equity markets continued on the improved prospects of a 'soft landing'. *Exposure to six of the 'Magnificent Seven', alongside significant overweight positions to industries, which were likely to benefit most from renewed Artificial Intelligence enthusiasm such as Semiconductors and Software, drove strong relative Fund performance. Having higher exposure to 'cyclically' orientated sectors benefitted the Fund, whilst having limited exposure to 'defensives' such as staples, utilities and energy was also a tailwind.*

(4) Higher For Longer Rate Expectations

The strong equity performance seen in the prior periods faltered over the latter two months of Q3, with consecutive months of equity declines (in USD terms). Over the period, the 10 year US treasury yield rose to 5.0%, levels not seen since 2007. The core driver was expectations of higher-for-longer interest rates. This was supported by the Federal Reserve's September dot plot, which indicated just two rate cuts in 2024 from the four rate cuts estimated in the committee's June meeting. The increase in yields not only enticed investors away from equities, but created a headwind for 'high-duration' growth stocks in particular – both the high dividend yield sectors such as Utilities, and companies with valuation linked to higher future growth in the Information Technology sector. *With rising yields placing pressure on growth stocks in particular, the Fund slightly underperformed over the period. Defensives also outperformed, as markets began to price in higher for longer rates and an increasing view that the fed would need to implement rates hikes and bring the economy into recession – also a headwind to relative fund performance over the period.*

(5) Interest Rate Cut Hopes

Equity markets rapidly rebounded in November, as equities posted their strongest monthly returns in 3 years (in USD terms). This momentum continued into December, as the improving prospect of a 'goldilocks' scenario of falling inflation and a growing economy lifted both valuations and earnings expectations higher. The Federal Reserve held rates flat for a second and then a third consecutive meeting and minutes reflected dual concerns about higher-than expected inflation, and for the first time, the impact interest rates may have on economic growth. Markets focused on the latter, giving fuel to hopes of earlier-than-expected interest rate cuts. At the end of the year, markets were pricing in c. six rate cuts by the end of 2024, compared to the c. three priced in at the beginning of November. The resulting bond rally and the broad downward shift in treasury yields across US maturities served to lift equity valuations higher. Third quarter earnings season saw an acceleration in earnings growth for the S&P 500 for the first time in 2 years (and a return to positive growth of 4.1% for the first time in a year), surprising to the upside by +7.8% - the largest surprise in 2 years. A strong earnings season and improved macro-outlook drove broad earnings upgrades across sectors, with a risk-on appetite driving the outperformance of cyclically orientated stocks. *As interest rate expectations reversed and the prospect of a 'goldilocks' scenario increased, all equities were driven higher, with cyclicals and growth leading the way, a benefit for the Fund. Positive earnings revisions, particularly within the tech sector/ semiconductor industry, served as a tailwind for relative Fund outperformance.*

Over 2023, Fund performance relative to the MSCI World Net TR Index can be attributed to a number of factors:

- The Fund held six of the 'Magnificent Seven' stocks that contributed to the majority of positive developed market equity performance during the year. The Fund held Apple, Alphabet, Amazon, Meta, Microsoft and Nvidia but did not own Tesla. Collectively the Fund had a higher weight in these names than the benchmark providing a significant contribution to relative performance.
- Falling interest rate expectations, Artificial Intelligence enthusiasm and a more resilient economy than expected drove a strong rotation towards 'growth' and 'cyclicals' during the year, all benefitting performance over 2023. The Fund philosophy aims to identify 'growth' stocks that are subject to long-term secular trends and hence lower variability of revenue growth, yet these 'growth' stocks are often identified in perceivably more 'cyclical' sectors. Hence, these rotations impacted performance positively from an attribution perspective.

- From an allocation perspective, the Fund's two largest overweight positions were two of the three sectors that outperformed the MSCI World over 2023 – Information Technology and Communication Services. These positions were the biggest contributors to Fund performance over the year. However, having no exposure to the bottom three performing sectors, Consumer Staples, Energy and Utilities, as well as underperforming sectors Materials and Real Estate, also offered a material benefit to performance.
- Strong stock selection within the Fund provided a tailwind to relative Fund performance. Of the 29 stocks that were held throughout the duration of the year, 21 outperformed the MSCI World benchmark. From a sector perspective, stock selection was particularly strong within Communication Services (Meta +194.1% USD, Alphabet +58.3% USD) Information Technology (Nvidia +239.0%, Salesforce +98.5%) and Industrials (ABB +50.2% USD and Schneider +46.6% USD). Our Semiconductor equipment manufacturers were also significant contributors to relative performance last year, (Lam Research +88.6% USD, Applied Materials +68.0% USD and KLA 56.0% USD).
- Stock selection within the Consumer Apparel industry was the greatest detractor to relative Fund performance. Our only Chinese holding and off-benchmark holding, sportswear retailer Anta Sports (-24.8% USD), was the Fund's weakest performer over the year - in part due to regional headwinds. Nike (-6.0% USD) also struggled over the year, in part due to weakness in the Chinese end-market, a key exposure for the stock.

Activity

As part of our one-in-one-out process, we sold one position and initiated one new position over the course of 2023, leaving the portfolio with 30 positions at the end of the year. This switch occurred during Q3.

Buy - Novo Nordisk - Novo Nordisk is an innovative industry leader characterised by high R&D / sales and world class product innovation, driving sector beating cash returns. The firm have shown strong momentum in recent quarters, with weight loss drug Wegovy exhibiting positive early results and looks set to be a meaningful growth driver for the business going forward. Additionally, they are showing a broadening out of strength from the rest of the portfolio, particularly in Cardio Vascular which has a much wider addressable market. The firm has a very strong mix of both quality and growth characteristics, paired with a number of long term secular drivers – characteristics we look for within the Fund strategy.

Sell - Bristol Myers Squibb - Our sell decision was based on a view of a weakened outlook. In Q2 2023, management downgraded guidance for FY2023, previously seeing 2% topline growth and now seeing low single digit declines, primarily due to generic competition from biosimilars which hurt demand for its myeloma therapy, Revlimid. There are additional headwinds on the horizon, with BMS patents expiring on drugs such as Opdivo, a cancer drug, and Eliquis, a blood thinner. We therefore felt that Novo Nordisk presented a better opportunity, offering superior growth and quality characteristics that we seek.

Outlook

The Guinness Global Innovators Fund seeks to invest in high-quality, innovative growth companies trading at reasonable valuations. By doing so, we seek to invest in companies that are experiencing faster profit growth, larger margins and with less susceptibility to cyclical pressures.

During the year, the Fund benefitted from a number of tailwinds, including a rotation back towards 'growth' over 'value', greater 'risk-on' sentiment driving the outperformance of 'cyclicals' vs 'defensives', alongside developments in Artificial Intelligence – one of the nine key innovation themes in which the Fund has significant exposure to. Whilst we would expect the Fund to outperform in such an environment, we are pleased with the magnitude of outperformance over the year, with returns not just ahead of the MSCI World Index, but the MSCI World Growth index too. What is particularly pleasing, however, is the Fund's longer term performance. Our focus on quality growth-at-a-reasonable-price has helped the Fund in more difficult market environments, not only benefitting from businesses who are able to withstand more difficult demand periods with strong balance sheets and higher margins, but also avoiding the volatile non-profitable tech businesses that have swung between large rises and falls, and often underperforming over longer time frames.

WS GUINNESS GLOBAL INNOVATORS FUND, INVESTMENT REVIEW (CONTINUED)

In addition, the Fund has good exposure to the long term secular trend that is Artificial Intelligence, investing in a number of the leading enablers and integrators within the space, and this has been the key driver of performance over 2023. However, the Fund is diversified across a number of other long term secular themes, that we believe should benefit from continued growth prospects with less sensitivity to the broader economic cycle. In our view, a diversified approach helps protect the Fund against the boom/bust cycles that a single theme (such as AI) may experience, reducing volatility of returns whilst also capturing the long term growth trends that these companies are exposed to. Whilst we identify companies with exposure to a number of themes that are driving growth, disrupting incumbent business models or technology, or significantly improving current products or services, our focus is on high quality businesses with strong fundamental characteristics, rather than those at the more speculative end of the spectrum.

The table below illustrates how the portfolio at year-end reflects the four key tenets of our approach: growth, quality, value, and conviction. The Fund has superior growth characteristics to the broader market, with both a higher trailing revenue growth rate, alongside higher estimated growth over 2024 (vs 2023). Fund holdings, on average, offer higher quality attributes than the broader index, with a significantly greater Return on Capital and more robust balance sheets. The Fund currently trades at a 28.2% premium to the benchmark on a 1 year forward P/E basis which we believe is a small price to pay for this attractive set of characteristics.

Portfolio metrics versus MSCI World Index

		Fund	MSCI Index	World
Growth	Trailing 5-year sales growth (annualised)	14.2%	3.8%	
	Estimated earnings growth (2024 vs 2023)	17.4%	9.4%	
Quality	Return-on-Capital	24.3%	5.8%	
	Weighted average net debt / equity	14.8%	76.2%	
Valuation	PE (2024e)	22.8x	17.6x	
	PE (2024e) vs MSCI World Growth	22.8x	24.8x	
Conviction	Number of stocks	30	1480	
	Active share	80%	-	

Source: Guinness Asset Management, Bloomberg, as of 31st December 2023

Over the course of 2023, many of the key concerns held by the market at the start of the year had largely abated, and the outlook is certainly more positive than it may have looked a year ago. Economic growth in the US has proven far stronger than expected, propped up by resilient consumer spending and strong jobs numbers, and recessionary risks appear to have faded significantly. At the same time, inflation has continued to trend towards targeted levels, more than halving at the headline level over 2023 in the US (3.1% for November 2023), and the Fed's preferred measure, Core PCE, dropping to 3.2% in November (year-on-year seasonally adjusted figure) vs 4.9% at the beginning of the year. It appears that the Federal Reserve has greatly improved the chances of achieving a 'goldilocks' scenario - both taming inflation and avoiding a recession, and ultimately bringing the economy into a soft-landing, with positive (albeit low) economic growth now appearing to be the most likely outcome. Having held rates constant for three consecutive meetings and inflation continuing to return to target levels, interest rate cuts appear very likely during 2024, which should act as a tailwind for equities.

Whilst there is much to be positive about with respect to the outlook, we do not expect these positive trends to translate into a strong cyclical upswing in growth but a moderate demand environment, and we are certainly aware of a number of risks: the market had already priced in six interest rate cuts at the beginning of the year over the course of 2024, with the downside risk to equities being any number of rate-cuts less than this; equity market valuations remain ahead of long-run averages, and a correction may yet occur; even if inflation continues to fall and rates are cut as expected (neither of these are a given), if this is driven by substantially lower economic growth (i.e. a recession is not yet avoided), this has the potential to weigh on equity

WS GUINNESS GLOBAL INNOVATORS FUND, INVESTMENT REVIEW (CONTINUED)

performance. Whilst these situations would not necessarily be our 'base case' scenario, we are certainly cognisant of the risk they may pose.

We believe there is a good argument for high quality stocks with exposure to long term secular growth themes in this current market environment, as these companies should continue to be able to grow even in a lower growth environment, whilst being protected by better fundamental characteristics in terms of margins and balance sheets but also performing well during cyclical upswings. We are confident that the Fund's focus on high quality growth stocks, underpinned by structural changes stands us in good stead going forward. Our bottom up approach helps to identify these quality growth companies, whilst also maintaining a valuation discipline. In addition, our equally weighted positions limit over-reliance on any single company. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

Matthew Page
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Dr Ian Mortimer
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS GLOBAL INNOVATORS FUND, PORTFOLIO STATEMENT

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Equities		
(99.2%^a; 31.12.22 - 98.3%^a)		
6,690 ABB	232,802	4.1
383 Adobe	179,512	3.1
1,652 Alphabet	181,278	3.2
1,350 Amazon.com	161,118	2.8
2,968 Amphenol	231,173	4.0
20,000 ANTA	152,339	2.7
1,195 Apple	180,682	3.2
1,687 Applied Materials	214,761	3.7
4,112 Comcast	141,696	2.5
1,015 Danaher	184,503	3.2
737 Facebook	204,902	3.6
5,405 Infineon Technologies	176,746	3.1
1,927 Intercontinental Exchange	194,380	3.4
469 Intuit	230,330	4.0
506 KLA	231,041	4.0
377 Lam Research	231,918	4.0
633 Mastercard	212,071	3.7
1,779 Medtronic	115,158	2.0
789 Microsoft	232,969	4.1
1,547 Nike	131,867	2.3
2,106 Novo-Nordisk	170,626	3.0
650 NVIDIA	252,816	4.4
2,934 Paypal	141,503	2.5
485 Roper Technologies	207,688	3.6
1,082 Salesforce	223,667	3.9
1,331 Schneider Electric	209,729	3.7
2,004 Taiwan Semiconductor	163,629	2.8
383 Thermo Fisher Scientific	159,819	2.8
987 Visa	201,997	3.5
2,374 Zoom	134,093	2.3
	5,686,813	99.2
Portfolio of investments	5,686,813	99.2
Net other assets	48,467	0.8
Total net assets	5,735,280	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

WS GUINNESS GLOBAL INNOVATORS FUND, COMPARATIVE TABLE

Y Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022 [^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	99.19	100.00
Return before operating charges*	34.50	(0.81)
Operating charges	(0.99)	0.00
Return after operating charges*	33.51	(0.81)
Distributions	(0.98)	0.00
Retained distributions on accumulation shares	0.98	0.00
Closing net asset value per share	132.70	99.19
* after direct transaction costs of:	0.17	0.04
Performance		
Return after charges	33.78%	(0.81)%
Other information		
Closing net asset value	£5,735,280	£496,939
Closing number of shares	4,321,866	501,000
Operating charges (p.a.)*	0.79%	0.79%
Direct transaction costs (p.a.)	0.14%	0.04%
Prices		
Highest published share price	133.39	100.00
Lowest published share price	99.84	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund was launched 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS GLOBAL INNOVATORS FUND, STATEMENT OF TOTAL RETURNFor the year ended 31 December 2023

			01.01.23 to 31.12.23	30.12.22 to 31.12.22
	Note	£	£	£
Income				
Net capital gains/(losses)	2		521,264	(4,061)
Revenue	3	10,625		-
Expenses	4	(9,543)		-
Interest payable and similar charges	6	(8)		-
Net revenue before taxation		1,074		-
Taxation	5	(1,182)		-
Net expense after taxation			(108)	-
Total return/(loss) before distributions			521,156	(4,061)
Distributions	6		(9,264)	-
Change in net assets attributable to shareholders from investment activities			511,892	(4,061)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the year ended 31 December 2023

			01.01.23 to 31.12.23	30.12.22 to 31.12.22
	Note	£	£	£
Opening net assets attributable to shareholders			496,939	-
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		7,462,885		501,000
Amounts payable on cancellation of shares		(2,762,753)		-
			4,700,132	501,000
Dilution levy			5,666	-
Change in net assets attributable to shareholders from investment activities			511,892	(4,061)
Retained distributions on accumulation shares	6		20,651	-
Closing net assets attributable to shareholders			5,735,280	496,939

WS GUINNESS GLOBAL INNOVATORS FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		5,686,813	488,528
Current Assets:			
Debtors	7	271,928	501,000
Cash and bank balances	8	48,942	-
Total assets		6,007,683	989,528
Liabilities:			
Creditors:			
Other creditors	9	272,403	492,589
Total liabilities		272,403	492,589
Net assets attributable to shareholders		5,735,280	496,939

1. Accounting policies**(a) Basis of accounting**

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

1. Accounting policies (continued)

(h) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued bi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital gains/(losses)

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Non-derivative securities	658,692	(4,061)
Currency losses	(137,424)	-
Market associated costs	(4)	-
Net capital gains/(losses)	521,264	(4,061)

3. Revenue

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Overseas dividends	9,876	-
Bank interest	756	-
Franked income currency losses	(114)	-
Unfranked income currency losses	107	-
Total revenue	10,625	-

4. Expenses

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	9,543	-
	9,543	-
Total expenses	9,543	-

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £4,000 plus VAT).

5. Taxation

(a) Analysis of the tax charge in the year

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Analysis of charge in the year/period		
Overseas tax	1,182	-
Total current tax for the year/period (see note 5(b))	1,182	-
Deferred tax (see note 5(c))	-	-
Total taxation for the year/period	1,182	-

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation (continued)**(b) Factors affecting the current taxation charge for the year**

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Net revenue before taxation	1,074	-
Corporation tax at 20%	215	-
Effects of:		
Revenue not subject to taxation	(1,952)	-
Excess expenses for which no relief taken	1,737	-
Overseas taxation	1,182	-
Current tax charge for the year/period (see note 5(a))	1,182	-

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £8,689 (31 December 2022: £Nil). The deferred tax in respect of this would be £1,738 (31 December 2022: £Nil). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at year end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Interim - Accumulation (30 Jun)	2,836	-
Final - Accumulation (31 Dec)	17,815	-
	<u>20,651</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	6,892	-
Deduct: Revenue received on issue of shares	(18,279)	-
Net distribution for the year/period	<u>9,264</u>	<u>-</u>
Interest	8	-
Total finance costs	<u>9,272</u>	<u>-</u>
Reconciliation to net distribution for the year/period		
Net revenue after taxation for the year/period	(108)	-
Expenses allocated to capital, net of tax relief	9,372	-
Net distribution for the year/period	<u>9,264</u>	<u>-</u>

Details of the distributions per share are set out on page 152.

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

7. Debtors

	31.12.23	31.12.22
	£	£
Amounts receivable for issue of shares	268,930	501,000
Accrued revenue	2,998	-
Total debtors	271,928	501,000

8. Cash and bank balances

	31.12.23	31.12.22
	£	£
Cash and bank balances	48,942	-
Total cash and bank balances	48,942	-

9. Creditors

	31.12.23	31.12.22
	£	£
Amounts payable for cancellation of shares	268,930	-
Purchases awaiting settlement	-	492,589
Accrued annual management charge	3,473	-
Total creditors	272,403	492,589

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, one shareholder and one nominee company (Quilter Life & Pensions Ltd and Quilter Investment Platform Nominees Ltd) held shares equal to 50.1% and 39.9% respectively of the Fund's total net asset value.

Details of transactions occurring during the accounting Period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the period:

	Y Accumulation
Opening shares at the start of the year	501,000.000
Total creation of shares in the year	6,036,074.453
Total cancellation of shares in the year	<u>(2,215,208.408)</u>
Closing shares at the end of the year	<u>4,321,866.045</u>

The annual management charge of each share class is as follows:

Y Accumulation	0.79%
----------------	-------

The net asset value per share and the number of shares in the share class are given in the Comparative tables on page 137. The distributions per share are given in the distribution table on page 152. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Danish Krone	-	171	171	-	-	-
Euro	-	387	387	-	-	-
Hong Kong Dollar	-	152	152	-	-	-
Swiss Franc	-	233	233	-	-	-
US Dollar	-	4,747	4,747	-	(4)	(4)

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £516,983 (31 December 2022: £44,412). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio value of the Fund would have increased by £631,868 (31 December 2022: £54,281). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Danish Krone	-	-	171	-	-	-
Euro	-	-	387	-	-	387
Hong Kong Dollar	-	-	152	-	-	152
Sterling	49	-	269	-	(272)	46
Swiss Franc	-	-	233	-	-	233
US Dollar	-	-	4,747	-	-	4,747
31.12.22						
Euro	-	-	34	-	(34)	-
Hong Kong Dollar	-	-	15	-	(15)	-
Sterling	-	-	501	-	-	501
Swiss Franc	-	-	20	-	(20)	-
US Dollar	-	-	420	-	(424)	(4)

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £568,681 (31 December 2022: £48,853). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	5,686,813	488,528
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	5,686,813	488,528

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil).

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	01.01.23 to 31.12.23 £		30.12.22 to 31.12.22 £	
Analysis of total purchase costs				
PURCHASES				
Equities	4,708,073		492,731	
Net purchases before direct transaction costs	4,708,073		492,731	
		% of total purchases		% of total purchases
DIRECT TRANSACTION COSTS				
Equities	1,642	0.03%	175	0.04%
Total direct transaction costs	1,642	0.03%	175	0.04%
Gross purchases total	4,709,715		492,906	
Analysis of total sale costs				
SALES				
Equities	44,294		-	
Gross sales before direct transaction costs	44,294		-	
		% of total sales		% of total sales
DIRECT TRANSACTION COSTS				
Equities	(6)	0.00%	-	0.00%
Total direct transaction costs	(6)	0.00%	-	0.00%
Net sales total	44,288		-	
	01.01.23 to 31.12.23 £	% of ave NAV	30.12.22 to 31.12.22 £	% of ave NAV
Analysis of total direct transaction costs				
Equities	1,648	0.14%	175	0.03%
Total direct transaction costs	1,648	0.14%	175	0.03%

**WS GUINNESS GLOBAL INNOVATORS FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.02% (31 December 2022: 0.01%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2022: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Accumulation Shares – Increased from 132.70 pence per share to 149.83 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS GLOBAL INNOVATORS FUND, DISTRIBUTION TABLE

For the year ended 31 December 2023

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/Accumulated
	(pence)	(pence)	31.08.23
			(pence)

Y Accumulation

Group 1	0.5660	-	0.5660
Group 2	0.2264	0.3396	0.5660

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	29.02.24	28.02.23
			(pence)	(pence)

Y Accumulation

Group 1	0.4122	-	0.4122	-
Group 2	0.1150	0.2972	0.4122	-

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The Fund was launched on 30 December 2022 therefore no comparatives have been included prior to this date.

WS GUINNESS SUSTAINABLE ENERGY FUND, AUTHORISED STATUS

WS Guinness Sustainable Energy Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

WS Guinness Sustainable Energy Fund launched on 30 December 2022.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness Sustainable Energy Fund (the 'Fund') is to provide investors with capital growth over the long term (7 to 10 years).

At least 80% of the Fund will be invested in global (including emerging markets) equity securities of companies involved in the sustainable energy or energy technology sectors with a market capitalisation in excess of US\$500 million that: i) contribute towards global decarbonisation; ii) do not significantly harm other sustainable investment objectives; and iii) follow good corporate governance practices. Such equity securities include shares, securities convertible into shares, and (up to 5%) warrants.

Sustainable energy includes, but is not limited to, energy derived from sources such as solar or wind power, hydroelectricity, tidal flow, wave movements, geothermal heat, biomass or biofuels. Energy technology includes technologies that enable these sources to be trapped and also various manners of storage and transportation of energy, including hydrogen and other types of fuel cells, batteries and flywheels, as well as technologies that conserve or enable more efficient use of energy.

The decarbonising impact associated with the Fund's investee companies is measured by estimating the carbon dioxide emissions displaced through use of their products and services, which is set against the carbon cost of their manufacturing operations, to produce the net annual impact for carbon emissions displaced.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus) followed by the Fund specific Sustainability Criteria detailed below which is subject to change from time to time.

The Investment Manager implements this strategy on a continuous basis and prepares periodic reports to document the decarbonising impact of the companies held in the Fund.

The Investment Manager will monitor the investments held and will, using its discretion and acting in the best interests of investors, seek, at the timing of its choice, to dispose of those holdings where the company no longer meets the Investment Manager's criteria for the investment universe.

To the extent not fully invested, the Fund may invest in cash-like instruments, such as money market instruments, deposits, cash and near cash and up to 10% in collective investment schemes (which may include those managed by the ACD and its associates). Such investments are not intended to be more than 20% in aggregate of the value of the Fund.

The Fund will have a concentrated portfolio and will typically hold between 20 and 40 stocks.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

WS GUINNESS SUSTAINABLE ENERGY FUND, RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The Fund invests in global markets, with some regions being regarded as more risky.

The Fund invests in emerging markets which may carry more risk than more developed jurisdictions.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safekeeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. As the Fund launched on 30 December 2022, the indicator has been calculated based in part on the volatility of the Investment Association's Commodity/ Natural Resources sector average over the last five years (in total return and GBP terms).

The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in global shares, which have experienced high rises and falls in value in the past 5 years.

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI World Index (the "Index"). Although the Index is not a screened benchmark or indeed a sustainable reference benchmark for comparison of any of the sustainable characteristics promoted by the Fund, the stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI World Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) Commodity/ Natural Resources sector as that will give investors an indication of how the Fund is performing compared with other funds within the same sector. As the sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator.

The IA Commodity/ Natural Resources sector is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 161 to 162.

WS GUINNESS SUSTAINABLE ENERGY FUND, INVESTMENT REVIEW

Performance

Cumulative returns for the year ended 31 December 2023
(%)

From launch¹

Y Accumulation Shares	(5.83)
MSCI World Index*	16.81
IA Commodity/Natural Resources sector*	(3.65)

¹ From 30 December 2022.

* Comparator Benchmark.

Source: Financial Express. Total Return. Sterling Terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

Review

After a year of highly accommodative fiscal policy in 2022, the dominant driver for 2023 became tightening **monetary policy**. A rapid rise in interest rates together with pockets of sluggish inflation led the economics of renewable projects to suffer relative to competing fossil fuel alternatives but, post these factors, we find that **renewable energy generation continues to be relatively more economic than fossil fuels**. Better relative economics as well as security of supply considerations will help to sustain strong demand for sustainable energy activities during 2024 and will keep the long-term driver of renewables adoption intact.

Much of the key policy support for the energy transition in 2023 was enacted with a focus on improved energy efficiency, energy security and access to critical material supply chains, including the following:

- Further details were provided in **Europe** about how the EU will localise clean technology manufacturing and supply chains, in order to reduce its reliance on China, as part of its goal to achieve carbon neutrality by 2050. The EU plans include a 55% cut to emissions, 13% lower final energy consumption and 45% renewables in the energy mix by 2030.
- In the **United States** there was a meaningful surge in activity thanks to the Inflation Reduction Act (IRA), with \$369bn of tax breaks morphing into \$1.6 trillion of capital being mobilised towards achieving net zero aims. According to the World Economic Forum, this will create over 170,000 jobs and more than 9 million jobs over the next decade. Importantly, with 2024 being an election year, 80-90% of these new jobs are within Republican states.
- From a **global** perspective, around 130 countries have now signed up to the COP 28 Global Renewables and Energy Efficiency Pledge, committing to deep emissions reductions by 2030, requiring a tripling of global installed renewable energy capacity and a doubling of the rate of annual energy efficiency improvements.

Around 520GW of **new renewable generation capacity** was installed in 2023, 100GW higher than the record installations seen in 2022 and well over double the 194GW installed pre-COVID in 2019. Solar was dominant (at just over 400GW) with wind in second place (around 100GW) followed by hydropower, then bioenergy. Renewable **electricity generation** in 2023 increased by around 2.5%, reaching over 9,200TWh, and outpacing global electricity demand (estimated 1% growth in 2023).

WS GUINNESS SUSTAINABLE ENERGY FUND, INVESTMENT REVIEW (CONTINUED)

Electric vehicles saw continued adoption in 2023, albeit at a slower pace than seen in recent years. After growing at over 100% and over 50% in 2021 and 2022, sales of plug-in vehicles grew by around 35% in 2023 to around 14 million units, representing an 18% penetration rate. After increasing in 2022, **lithium-ion battery** pack costs fell by 14% in 2023 to \$139/kWh, driven by lithium and nickel prices that fell by 80% and 40% respectively.

The **solar** industry grew rapidly in 2023, with installations likely to have exceeded 400 GW for the full year (up tenfold over the last decade and 65% higher than 2022). This is materially ahead of our prior 2023 expectation of 310 GW and will represent the fastest annual growth rate since 2010 (following several years of 20%+ annual growth).

The **wind** industry returned to growth and is likely to have delivered record installations in excess of 100 GW, despite high-profile company profitability and growth concerns. The onshore wind sector is likely to have delivered 91GW, with China accounting for 60% of the total and nearly 90% of the year-on-year growth. Offshore wind installations are likely to have reached 12GW (also led heavily by China) with clear policy support for the struggling industry at the end of the year.

Against this backdrop, the WS Guinness Sustainable Energy Fund delivered a total return (GBP, class Z) of -5.65% in 2023 vs its benchmark the MSCI World Index (net return, GBP) of 16.81%. For comparison, the MSCI World Alternative Energy Index was down by 29.1% (GBP). The underperformance of the Fund resulted almost entirely from multiple compression rather than earnings downgrades, with the Fund trading at a one year forward price/earnings (P/E) discount of 6% to the MSCI World Index at the end of the year. Since repositioning five years ago, the Fund has delivered a return in excess of its investment universe, based on an equal weighted average calculation.

Portfolio Positioning

At 31 December 2023, the **WS Guinness Sustainable Energy Fund** traded on a one year forward (2024) P/E ratio of 16.6x, around 13% lower than the same one year forward metric published in our last annual outlook. Over the year, the Fund valuation fell from a one year forward P/E premium to the MSCI World of 35% to a discount of 13% in October (the largest discount since March 2020) before closing the year at a discount of 6%. Over the year, consensus 2024 earnings expectations for the portfolio fell by around 6%, implying that the weak performance of the Fund versus the MSCI World Index in 2023 resulted almost entirely from multiple compression (i.e. the re-rating of the MSCI World) rather than earnings downgrades.

We believe that the earnings growth outlook for the Fund continues to remain attractive. Updating for recent earnings and guidance announcements, we find that the portfolio consensus earnings per share growth outlook for the Fund remains strong at 19.1% pa forecast between 2023-2026, relative to the MSCI World at 8.4% pa – a premium of over 10% pa. This is broadly in line with the absolute and index relative growth outlook that we published in our last outlook. Looking by sub sector, we find that all sub sectors are forecast by consensus to see EPS growth between 2023 and 2026 that is in excess of the MSCI World.

Based on consensus expectations, the Fund offers more than double the earnings growth of the MSCI World, despite trading at a discounted one year forward P/E ratio. Current valuation multiples appear, therefore, to discount an earnings outcome that is far worse than that implied by current interest rates and inflationary conditions. Looking longer-term, we believe that the portfolio is likely to deliver normalised earnings growth of around 14%pa, well ahead of EPS growth in the MSCI World Index, that will bring the Fund P/E ratio down from the current 16.6x for 2024E to around 10.6x in 2027E.

Outlook

Looking ahead to 2024 and beyond, we expect further acceleration of the transition:

Renewable power generation is expected to grow at around 7-8%, displacing some coal and gas power, which would result in the electricity sector's CO₂ emissions declining. Grid investment will increase to support the growth, growing at twice its historic rate from \$300bn in 2022 to over \$800bn per annum (pa) in the 2040s.

Building efficiency and electrification will see sharply greater investment, increasing from \$340bn in 2022 to \$600bn pa from 2026-30 (10% pa growth versus a historic rate of 5%pa) driven by energy security, economics and tightening building standards.

EV sales should exceed 16 million in 2024, representing around 20% of total passenger vehicle sales and coming in one year earlier than our long-held target of 20% EV penetration by 2025. Improved economics (lower lithium-ion battery prices in 2024) as well as better range and quicker charging times are the key drivers of improved EV sales. We expect the EV/ICE economic parity benchmark for EVs versus internal combustion engine vehicles (ICEs) of \$100/kWh battery prices to come in 2027.

Solar remains the cheapest form of new electricity supply. We expect record low module prices at the end of 2023 to spur growth in all major geographies, with full-year global installations likely topping 500GW in 2024. China will still represent more than half of all installations with European and US solar demand set to rise to 70GW and 38GW respectively.

Global **wind** installations will grow in 2024 to a new record of 115GW, driven by policy support in China, Europe and the US. Beyond 2025 many of the current bottlenecks will dissipate, allowing installations to grow to around 170GW, a growth rate of 7% pa. Offshore installations are set to grow to 40GW by 2030, a 20% pa growth rate.

The outlook we summarise here is broadly consistent with current government activity and observable investment plans. To be clear, however, the growth described falls well short of the energy transition activity needed to achieve a **net zero / 1.5 degree scenario** in 2050, as targeted by the IPCC and reiterated at COP28. In a net zero scenario, the deployment of renewable generation capacity, penetration of EVs and battery storage, use of alternative fuels and implementation of energy efficiency measures will need to accelerate markedly.

At 31 December 2023, the **WS Guinness Sustainable Energy Fund** traded on a one year forward (2024) P/E ratio of 16.6x, around 13% lower than one year ago. Over the year, the fund's one-year forward P/E fell from a premium to the MSCI World of 35% to a discount of 13% in October (the largest discount since March 2020) before closing the year at a discount of 6%.

The consensus earnings per share growth outlook for the Fund remains strong at 19.1% pa, forecast between 2023-2026, relative to the MSCI World at 8.4% pa – a premium of over 10% pa. Each sub sector within the Fund is also forecast to see growth in excess of the MSCI World Index. Current valuation multiples appear, therefore, to discount an earnings outcome that is far worse than that implied by current interest rates and inflationary conditions. Looking longer-term, we believe that the portfolio is likely to deliver normalised earnings growth of around 14% pa, well ahead of earnings growth in the MSCI World Index, that will bring the Fund P/E ratio down from the current 16.6x for 2024E to around 10.6x in 2027E.

We expect further positive catalysts in the year ahead. The sector would be a beneficiary of looser monetary policy and lower inflation, while higher fossil fuel prices would further improve the relative economics of renewable technologies. In terms of policy, further clarity around IRA tax credits and actions related to the EU Net Zero Industrial Act will help to bring greater investment into the sector. We expect investor interest in sustainable energy equities to recover in 2024, reflecting these catalysts, and that the current attractive valuation level will act as a further catalyst. Beyond these, the continuing importance of energy security and the increased individual, social and government pressures for consumers to become more energy efficient and for producers to increase their share of sustainable energy generation will support further growth in the sector. We believe that the Guinness Sustainable Energy portfolio of 30 broadly equally weighted positions,

WS GUINNESS SUSTAINABLE ENERGY FUND, INVESTMENT REVIEW (CONTINUED)

chosen from our universe of around 250 companies, provides concentrated exposure to the theme at attractive valuation levels that are particularly attractive relative to consensus earnings growth expectations.

Will Riley
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Jonathan Waghorn
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS SUSTAINABLE ENERGY FUND, PORTFOLIO STATEMENT

 As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Equities		
(95.2%; 31.12.22 - 92.1%)		
17,576 Ameresco	437,502	1.8
12,581 Aptiv	886,629	3.7
32,928 Canadian Solar	678,424	2.8
737,000 China Longyuan Power Group	438,721	1.8
861,000 China Suntien Green Energy	245,879	1.0
5,469 Eaton	1,034,818	4.3
4,512 Enphase	468,318	1.9
6,326 First Solar	856,005	3.6
14,861 Gentherm	611,203	2.5
3,731 Hubbell	964,562	4.0
105,538 Iberdrola	1,086,030	4.5
32,288 Infineon Technologies	1,055,833	4.4
3,726 Installed Building Products	534,301	2.2
14,821 Itron	879,062	3.6
40,139 Johnson Matthey	681,360	2.8
12,581 Legrand	1,026,330	4.2
2,929 LG Chem	887,431	3.7
20,771 NextEra Energy	990,828	4.1
129,686 NIBE	713,703	2.9
15,476 ONSemiconductor	1,015,525	4.2
13,535 Ormat	805,445	3.3
14,067 Orsted	612,135	2.5
3,072 Samsung SDI	881,229	3.6
6,776 Schneider Electric	1,067,712	4.4
29,174 Sensata Technologies	860,944	3.6
3,322 Solaredge	244,238	1.0
41,264 Sunnova Energy	494,286	2.0
9,973 TPI	32,431	0.1
5,537 Trane Technologies	1,061,081	4.4
42,982 Vestas	1,070,152	4.4
1,020,000 Xinyi Solar	466,671	1.9
	23,088,788	95.2

WS GUINNESS SUSTAINABLE ENERGY FUND, PORTFOLIO STATEMENT (CONTINUED)As at 31 December 2023

	Bid market value £	Percentage of total net assets %
Portfolio of investments	23,088,788	95.2
Net other assets	1,164,826	4.8
Total net assets	24,253,614	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

WS GUINNESS SUSTAINABLE ENERGY FUND, COMPARATIVE TABLE

Y Accumulation	1 Jan 2023 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	99.07	100.00
Return before operating charges*	(4.97)	(0.93)
Operating charges	(0.62)	0.00
Return after operating charges*	(5.59)	(0.93)
Distributions	(1.04)	0.00
Retained distributions on accumulation shares	1.04	0.00
Closing net asset value per share	93.48	99.07
* after direct transaction costs of:	0.14	0.07
Performance		
Return after charges	(5.64)%	(0.93)%
Other information		
Closing net asset value	£8,633,736	£496,320
Closing number of shares	9,236,402	501,000
Operating charges (p.a.) ¹	0.67%	0.67%
Direct transaction costs (p.a.)	0.15%	0.07%
Prices		
Highest published share price	112.42	100.00
Lowest published share price	79.30	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund was launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS SUSTAINABLE ENERGY FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Accumulation	1 Jan 2023 31 Dec 2023	30 Dec 2022[^] to 31 Dec 2022
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	99.10	100.00
Return before operating charges*	(4.97)	(0.90)
Operating charges	(0.47)	0.00
Return after operating charges*	(5.44)	(0.90)
Distributions	(1.03)	0.00
Retained distributions on accumulation shares	1.03	0.00
Closing net asset value per share	93.66	99.10
* after direct transaction costs of:	0.14	0.07
Performance		
Return after charges	(5.49)%	(0.90)%
Other information		
Closing net asset value	£15,619,879	£991
Closing number of shares	16,678,091	1,000
Operating charges (p.a.) ¹	0.50%	0.50%
Direct transaction costs (p.a.)	0.15%	0.07%
Prices		
Highest published share price	112.45	100.00
Lowest published share price	79.43	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund was launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS SUSTAINABLE ENERGY FUND, STATEMENT OF TOTAL RETURNFor the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Income				
Net capital losses	2		(2,208,615)	(4,690)
Revenue	3	201,350		-
Expenses	4	(83,780)		-
Interest payable and similar charges	6	(7,359)		-
Net revenue before taxation		110,211		-
Taxation	5	(11,270)		-
Net revenue after taxation			98,941	-
Total loss before distributions			(2,109,674)	(4,690)
Distributions	6		(177,250)	-
Change in net assets attributable to shareholders from investment activities			(2,286,924)	(4,690)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Opening net assets attributable to shareholders			497,310	-
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		40,819,416		502,000
Amounts payable on cancellation of shares		(15,048,955)		-
			25,770,461	502,000
Dilution levy			29,776	-
Change in net assets attributable to shareholders from investment activities			(2,286,924)	(4,690)
Retained distributions on accumulation shares	6		242,991	-
Closing net assets attributable to shareholders			24,253,614	497,310

WS GUINNESS SUSTAINABLE ENERGY FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		23,088,788	458,129
Current Assets:			
Debtors	7	172,520	502,000
Cash and bank balances	8	<u>1,026,870</u>	<u>-</u>
Total assets		<u>24,288,178</u>	<u>960,129</u>
Liabilities:			
Creditors:			
Other creditors	9	<u>34,564</u>	<u>462,819</u>
Total liabilities		<u>34,564</u>	<u>462,819</u>
Net assets attributable to shareholders		<u>24,253,614</u>	<u>497,310</u>

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

1. Accounting policies (continued)

(h) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued bi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the period.

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital losses

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Non-derivative securities	(1,803,045)	(4,690)
Currency losses	(405,361)	-
CSDR Penalties	36	-
Market associated costs	(245)	-
Net capital losses	<u>(2,208,615)</u>	<u>(4,690)</u>

3. Revenue

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
UK franked dividends	34,807	-
Overseas dividends	131,846	-
Bank interest	34,885	-
Franked income currency losses	(18)	-
Unfranked income currency losses	(170)	-
Total revenue	<u>201,350</u>	<u>-</u>

4. Expenses

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	83,780	-
Total expenses	<u>83,780</u>	<u>-</u>

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £4,000 plus VAT).

5. Taxation

(a) Analysis of the tax charge in the year

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Analysis of charge in the year/period		
Overseas tax	11,270	-
Total current tax for the year/period (see note 5(b))	<u>11,270</u>	<u>-</u>
Deferred tax (see note 5(c))	-	-
Total taxation for the year/period	<u>11,270</u>	<u>-</u>

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation**(b) Factors affecting the current taxation charge for the year/period**

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Net revenue before taxation	<u>110,211</u>	<u>-</u>
Corporation tax at 20%	22,042	-
Effects of:		
Revenue not subject to taxation	(33,327)	-
Excess expenses for which no relief taken	11,285	-
Overseas taxation	<u>11,270</u>	<u>-</u>
Current tax charge for the year/period (see note 5(a))	<u>11,270</u>	<u>-</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £56,425 (31 December 2022: £Nil). The deferred tax in respect of this would be £11,285 (31 December 2022: £Nil). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at year end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Interim - Accumulation (30 Jun)	146,890	-
Final - Accumulation (31 Dec)	<u>96,101</u>	<u>-</u>
	242,991	-
Add: Revenue deducted on cancellation of shares	35,975	-
Deduct: Revenue received on issue of shares	<u>(101,716)</u>	<u>-</u>
Net distribution for the year/period	<u>177,250</u>	<u>-</u>
Interest	7,359	-
Total finance costs	<u>184,609</u>	<u>-</u>
Reconciliation to net distribution for the year/period		
Net revenue after taxation for the year/period	98,941	-
Expenses allocated to capital, net of tax relief	<u>78,309</u>	<u>-</u>
Net distribution for the year/period	<u>177,250</u>	<u>-</u>

Details of the distributions per share are set out on page 177.

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**For the year ended 31 December 2023

7. Debtors

	31.12.23	31.12.22
	£	£
Amounts receivable for issue of shares	139,385	502,000
Accrued revenue	28,865	-
Overseas withholding tax recoverable	4,270	-
Total debtors	172,520	502,000

8. Cash and bank balances

	31.12.23	31.12.22
	£	£
Cash and bank balances	1,026,870	-
Total cash and bank balances	1,026,870	-

9. Other creditors

	31.12.23	31.12.22
	£	£
Amounts payable for cancellation of shares	23,561	-
Purchases awaiting settlement	-	462,819
Accrued annual management charge	11,003	-
Total creditors	34,564	462,819

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, two nominee companies (Allfunds Nominee Limited and Transact Nominees Limited) held shares equal to 26.3% and 20.9% respectively of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the period:

	Y Accumulation
Opening shares at the start of the year	501,000.000
Total creation of shares in the year	18,720,610.135
Total cancellation of shares in the year	<u>(9,985,208.508)</u>
Closing shares at the end of the year	<u>9,236,401.627</u>
	Z Early Investor Accumulation
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	22,496,774.502
Total cancellation of shares in the year	<u>(5,819,683.046)</u>
Closing shares at the end of the year	<u>16,678,091.456</u>

The annual management charge of each share class is as follows:

Y Accumulation	0.67%
Z Early Investor Accumulation	0.50%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 161 to 162. The distributions per share are given in the distribution table on page 177. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Danish Krone	-	1,682	1,682	-	-	-
Euro	-	4,239	4,239	-	(1)	(1)
Hong Kong Dollar	-	1,151	1,151	-	-	-
South Korean Won	-	1,784	1,784	-	-	-
Swedish krona	-	714	714	-	(2)	(2)
US Dollar	4	12,858	12,862	-	(2)	(2)

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio value of the Fund would have decreased by £2,037,039 (31 December 2022: £40,074). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio value of the Fund would have increased by £2,489,714 (31 December 2022: £48,979). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Danish Krone	-	-	1,682	-	-	1,682
Euro	-	-	4,239	-	-	4,239
Hong Kong Dollar	-	-	1,151	-	-	1,151
South Korean Won	-	-	1,784	-	-	1,784
Sterling	1,023	-	833	-	(35)	1,821
Swedish krona	-	-	714	-	-	714
US Dollar	4	-	12,858	-	-	12,862
31.12.22						
Danish Krone	-	-	22	-	(22)	-
Euro	-	-	69	-	(70)	(1)
Hong Kong Dollar	-	-	33	-	(33)	-
Sterling	-	-	519	-	(17)	502
Swedish krona	-	-	21	-	(23)	(2)
US Dollar	-	-	296	-	(298)	(2)

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £2,308,879 (31 December 2022: £45,813). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	23,088,788	458,129
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	<u>23,088,788</u>	<u>458,129</u>

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2022: £Nil).

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	01.01.23 to 31.12.23 £		30.12.22 to 31.12.22 £	
Analysis of total purchase costs				
PURCHASES				
Equities	28,213,476		462,698	
Net purchases before direct transaction costs	<u>28,213,476</u>		<u>462,698</u>	
		% of total purchases		% of total purchases
DIRECT TRANSACTION COSTS				
Equities	21,449	0.08%	344	0.07%
Total direct transaction costs	<u>21,449</u>	<u>0.08%</u>	<u>344</u>	<u>0.07%</u>
Gross purchases total	<u>28,234,925</u>		<u>463,042</u>	
Analysis of total sale costs				
SALES				
Equities	3,422,098		-	
Gross sales before direct transaction costs	<u>3,422,098</u>		<u>-</u>	
		% of total sales		% of total sales
DIRECT TRANSACTION COSTS				
Equities	(999)	0.03%	-	0.00%
Total direct transaction costs	<u>(999)</u>	<u>0.03%</u>	<u>-</u>	<u>0.00%</u>
Net sales total	<u>3,421,099</u>		<u>-</u>	
	01.01.23 to 31.12.23 £	% of ave NAV	30.12.22 to 31.12.22 £	% of ave NAV
Analysis of total direct transaction costs				
Equities	22,448	0.14%	344	0.07%
Total direct transaction costs	<u>22,448</u>	<u>0.14%</u>	<u>344</u>	<u>0.07%</u>

**WS GUINNESS SUSTAINABLE ENERGY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.07% (31 December 2022: 0.06%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2023: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Accumulation Shares – Decreased from 93.48 pence per share to 93.14 pence per share (10 April 2024).

Z Early Investor Accumulation Shares – Decreased from 93.66 pence per share to 93.35 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS SUSTAINABLE ENERGY FUND, DISTRIBUTION TABLEFor the year ended 31 December 2023

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
			31.08.23	
	(pence)	(pence)	(pence)	
Y Accumulation				
Group 1	0.6646	-	0.6646	
Group 2	0.3869	0.2777	0.6646	
Z Early Investor Accumulation				
Group 1	0.6571	-	0.6571	
Group 2	0.3705	0.2866	0.6571	

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
			29.02.24	28.02.23
	(pence)	(pence)	(pence)	(pence)
Y Accumulation				
Group 1	0.3710	-	0.3710	-
Group 2	0.2245	0.1465	0.3710	-
Z Early Investor Accumulation				
Group 1	0.3706	-	0.3706	-
Group 2	0.3101	0.0605	0.3706	-

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The Fund was launched on 30 December 2022 therefore no comparatives have been included prior to this date.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, AUTHORISED STATUS

WS Guinness Sustainable Global Equity Fund is a sub-fund of WS Guinness Investment Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

WS Guinness Sustainable Global Equity Fund launched on 30 December 2022.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of WS Guinness Sustainable Global Equity Fund (the 'Fund') is to provide investors with capital growth over the long term (7-10 years).

At least 80% of the Fund will be invested in global (including emerging markets) equity securities of companies aligned with the transition to a more sustainable economy with a market capitalisation in excess of US\$500 million. Such equity securities include shares, securities convertible into shares, and (up to 5%) warrants.

The Fund focuses on profitable companies aligned to the Investment Manager's sustainability themes which include resource efficiency, and health and wellbeing.

The Fund is actively managed and in selecting investments for the Fund, the Investment Manager will take into account its Baseline Exclusion Criteria (as set out in section 12 of the Prospectus) followed by the Fund specific Sustainability Criteria detailed below which is subject to change from time to time.

The Investment Manager implements this strategy on a continuous basis.

The Investment Manager will monitor the investments held and will, using its discretion and acting in the best interests of investors, seek, at the timing of its choice, to dispose of those holdings where the company no longer meets the Investment Manager's criteria for the investment universe.

The Fund will have a concentrated portfolio and will typically hold between 20 and 40 stocks.

To the extent not fully invested, the Fund may invest in cash-like instruments, such as money market instruments, deposits, cash and near cash and up to 10% in collective investment schemes (which may include those managed by the ACD and its associates). Such investments are not intended to be more than 20% in aggregate of the value of the Fund.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

SECURITIES FINANCING TRANSACTIONS

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The Fund invests in global markets, with some regions being regarded as more risky.

The Fund invests in emerging markets which may carry more risks than more developed jurisdictions.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

A limited number of investments may be held which has the potential to increase volatility of performance.

There is a risk that any company providing services such as safekeeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. As the Fund launched on 30 December 2022, the indicator has been calculated based in part on the volatility of the Investment Association's Global sector average over the last five years (in total return and GBP terms).

The indicator uses a scale of one to seven. The higher the rank, the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in global shares, which have experienced high rises and falls in value in the past 5 years.

FUND BENCHMARKS

Shareholders may wish to compare the performance of the Fund against the MSCI World Index (the "Index"). Although the Index is not a screened benchmark or indeed a sustainable reference benchmark for comparison of any of the sustainable characteristics promoted by the Fund, the stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

The MSCI World Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association's (IA) Global sector as that will give investors an indication of how the Fund is performing compared with other funds that invest in global equities involved in the same sector. As the sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator.

The IA Global sector is a Comparator Benchmark of the Fund.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The Fund has a fixed periodic charge. The OCFs, as calculated in accordance with the European Securities and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Comparative tables on pages 185 to 186.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, INVESTMENT REVIEW

Performance

Cumulative returns for the year ended 31 December 2023	
(%)	
From launch ¹	
Z Accumulation Shares	11.11
IA Global Sector*	12.68
MSCI World Index*	16.81

¹ From 30 December 2022.

* Comparator Benchmark.

Source: Financial Express. Total Return. Sterling Terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

The WS Guinness Sustainable Global Equity Fund launched on 30th December 2022, and has £0.6mn in assets.

The Fund is part of the Guinness Sustainable Global Equity strategy, which launched on 15th December 2020, and manages £11.3mn in assets.

The WS Guinness Sustainable Global Equity Fund in 2023 produced a total return of 11.11% (in GBP), versus the MSCI World Index return of 16.81% (in GBP). The Fund therefore underperformed the MSCI World by 5.7%.

Review

It was a volatile year for global equities given a difficult macroeconomic backdrop and a number of notable geopolitical shocks but, despite the wider uncertainties, equities saw their largest gain since 2019. For much of the year, investors were concerned with high inflation reads, the fastest rate hiking cycle on record, ongoing volatility in energy & commodity markets which was driven largely by the conflict in Ukraine and, more recently, developments in the Middle East. Whilst the combination of such headwinds may make the strong equity performance seem surprising, it was the emerging promise of Artificial Intelligence which drove the markets higher. Namely, a handful of large cap technology stocks, attributed the moniker 'Magnificent 7', all saw stellar gains over the year and played a dominant role in leading the index. Then in November a perceived dovish outlook for interest rates from the Federal Reserve released a broad-based rally across almost all risk assets which accelerated in the final weeks of the year as recession risks diminished.

MSCI World Indices Total Return 2023



Source: MSCI, data as of 31st December 2023

(1) Recovery Rally:

- *What Happened:* Over the start of 2023 equities rallied hard, with the growthiest parts of the market performing particularly well. The factors which fared worst over 2022, saw a pronounced reversal and led the market higher over the first month of 2023.
- *Fund Performance:* The Fund outperformed during this period with midcaps (+11.4%) and growth (14.0%) outperforming. These were positive contributors to Fund performance. Although our lack of exposure to growth sectors, Consumer Discretionary and Communication services were drags, our exposure to IT and Industrials was positive. This was particularly driven by stock selection within Industrials with holdings, including Trex (+36.0%) and A.O.Smith (+25.6%), up strongly.

(2) Market Reversal:

- *What Happened:* The positive sentiment that had driven markets, quickly unwound. The rally had been led by a small number of seemingly fragile data points and, as new data emerged, investors reassessed their inflation expectations and the outlook became markedly more hawkish. With the prospect of higher rates for an extended period of time, longer duration assets were impacted the hardest, and markets retreated. This was coupled with the **Banking Crisis**, where three large bank failures in the US and the Credit Suisse rescue in Europe pointed to growing stress in the banking sector. The impacts of an historically stringent monetary tightening cycle were evident but, after a short sell-off in early March, a catastrophic fallout was averted as swift liquidity support by central banks (and several takeovers) prevented widespread escalation. Over this period, the Financials and Energy sectors performed particularly poorly, but other parts of the market (notably Healthcare & IT) fared better.
- *Fund Performance:* During this period of uncertainty, investors sought safety in large caps, and resulted in midcaps underperforming by 4.6%. It is pleasing, however, that the Fund, outperformed the MSCI World Midcap by 4.1%, but also kept up well with the large cap orientated MSCI World (only underperforming by 50bps). Growth outperformed Value over the full period but the mixed picture resulted in speculative growth down materially. Subsequently,

focusing on quality growth was positive during this period as the market rewarded businesses with strong balance sheets.

(3) AI Driven Growth Rally:

- *What Happened:* Since the middle of Q2, a focus on Artificial Intelligence and, more specifically, its potential use cases for a range of business was a positive tailwind for markets. The largest beneficiaries were a handful of large cap tech stocks, companies with exposure to the semiconductor value chain, as well as a range of technology-focussed names with tangential AI exposure. This has in turn pushed investors, organisations, and CEOs alike to consider the significant role that AI will play at all stages of the value chain, and has been a significant positive in equity performance over 2023.
- *Fund Performance:* Whilst period (2) began to favour the largest businesses (which are perceived to be the safest), period (3) continued this trend to a greater extent with the MSCI World outperforming the MSCI World Equally Weighted Index by 3.1%. This was driven by the positive sentiment around AI, which favours Big Tech businesses. This was a significant drag on the portfolio with Nvidia alone contributing to over 1% of the Fund's relative underperformance. Further, our overweight exposure to Health Care (a relatively weak performing sector as Growth outperformed Value by 6.6%) was a drag on performance.

(4) Higher for Longer Rate Expectations:

- *What Happened:* As Q3 rolled in, a range of policy speeches from global central banks compounded the view that interest rates would need to stay higher for longer, until inflation became firmly under control. The Federal Reserve and indeed many of the top central bank policy makers (Bank of England, Bank of Canada, ECB) all maintained a determinedly steadfast mantra and, as the market priced in tighter monetary policy, markets saw steady declines over the third quarter. Any positive economic news that did arrive, only served to strengthen the view that monetary policy would stay restrictive, adding to the negative equity performance.
- *Fund Performance:* Markets entered correction territory, with the Fund unexpectedly underperforming. The higher-for-longer rate expectations that ensued was to the detriment of longer-duration stocks (high growth). This weighed on Fund performance. However, again, focusing on quality growth meant we avoided much of the worst performing speculative growth stocks. The MSCI World Index again outperformed its equally weighted counterpart (by 2.4%) as well as midcaps stocks (by 3.3%). These were drags on the Fund's performance.

(5) Hopes of Interest Rate Cuts:

- *What Happened:* The final two months of the year saw very solid performance from equities, on growing excitement that central banks would cut interest rates in 2024, sooner than previously expected. This rally came amidst a backdrop of easing inflation and resulted in an 'almost everything rally' with all styles, factors and regions showing solid gains, although the tech stocks which dominated most over 2023 performed particularly well.
- *Fund Performance:* Markets made a sharp rally on renewed hope for rate cuts. The Fund was up 22.3% over the period, outperforming the MSCI World Index by 6.0% and the MSCI World Midcap Index by 3.1%. In contrast to the equity rally in period (3), this was much more broad-based, with the MSCI World Equally Weighted Index outperforming the market-cap weighted version. The MSCI World Midcap Index outperformed the MSCI World by 2.9% over this period which was a positive for the Fund. Stock selection within the IT sector was positive for the Fund, particularly semiconductor holdings including Monolithic Power Systems (+55.7%) and Entegris (+36.6%).

Activity

We made two changes to the portfolio in the year, buying Edwards Lifesciences and Monolithic Power Systems, and selling Trex Co., and Worldline.

Portfolio Positioning

Looking at the Fund's exposure based on GICS sectors, the Fund continues to have no exposure to the highly regulated and commoditised areas of Real Estate, Energy, Materials, and Utilities. We continue to hold the majority of Fund holdings within the IT (41%), Health Care (28%), Industrial (26%), and Financial (3%) sectors. This is not a conscience view of the select sectors' outlooks but rather a bottom-up consequence of 1) our focus on quality 2) our search for companies with sustainable products and services and 3) our emphasis on mid-cap growth businesses.

On a regional basis, North America continues to be the Fund's largest exposure (69%), followed by Europe (27%) and Asia Pacific (3%). The Fund has a modest underweight to North America and Asia-Pacific vs the MSCI World Index, which is offset by its overweight exposure to Europe.

Outlook

Looking forward, we believe that the outlook for mid-cap stocks – and, in particular, high-quality midcaps – seems favourable for a number of reasons. Principally, given that longer-term, mid-caps have outperformed their small and large-cap counterparts, and that too with better risk-adjusted returns, coupled with their recent underperformance relative to large caps and their valuation discount, this presents an exciting opportunity. What's more, the concentration of funds within large cap stocks has never been higher. When taken together with the likely broadening of market winners moving forward, given the direction of travel for interest rates, investors may find themselves over levered to yesterday's winners.

However, we are not blind to the fact that market overhangs exist in the market, and that this decade is likely to be one of slower growth versus the 2010s. That's why we believe whilst midcaps offer greater potential upside without the risks that small caps exhibit, and that companies with strong balance sheets and high profitability, as well as structural growth tailwinds, are best placed.

We look forward to keeping you informed on another year of the Fund and thank you for your support.

Joseph Stephens
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

Sagar Thanki
Fund Manager
Guinness Asset Management Limited
London, United Kingdom
25 April 2024

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, PORTFOLIO STATEMENT

As at 31 December 2023

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Equities		
(98.3%; 31.12.22 - 99.7%)		
230 Addus HomeCare	16,774	3.0
167 Agilent Technologies	18,235	3.3
113 Arista Networks	20,898	3.8
93 Cadence Design Systems	19,893	3.6
145 Check Point Software Technologies	17,390	3.1
2,000 Delta Electronics	16,019	2.9
198 Diasorin	15,998	2.9
279 Edwards Lifesciences	16,712	3.0
218 Entegris Inc	20,511	3.7
296 Fortive	17,122	3.1
840 Halma	19,186	3.5
100 IDEX	17,054	3.1
8 Interroll	19,895	3.6
120 Jack Henry & Associates	15,392	2.8
153 Jazz Pharmaceuticals	14,782	2.7
145 Keysight	18,121	3.3
48 KLA	21,917	4.0
222 Legrand	18,110	3.3
45 Monolithic Power Systems	22,298	4.0
414 Recordati Industria Chimica	17,508	3.2
162 Revvity	13,912	2.5
226 Skyworks Solutions	19,951	3.6
318 A. O. Smith	20,592	3.7
83 Sonova	21,222	3.8
176 Spirax-Sarco Engineering	18,489	3.3
105 Steris	18,130	3.3
226 Teradyne	19,270	3.5
127 Tetra Tech	16,652	3.0
148 WSP Global	16,222	2.9
71 Zebra Technologies	15,244	2.8
	543,499	98.3
Portfolio of investments	543,499	98.3
Net other assets	9,409	1.7
Total net assets	552,908	100.0

The investments have been valued in accordance with note 1(k) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, COMPARATIVE TABLE

Y Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022 [^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.96	100.00
Return before operating charges*	12.10	(1.04)
Operating charges	(0.92)	0.00
Return after operating charges*	11.18	(1.04)
Distributions	(0.80)	0.00
Retained distributions on accumulation shares	0.80	0.00
Closing net asset value per share	110.14	98.96
* after direct transaction costs of:	0.01	0.08
Performance		
Return after charges	11.30%	(1.04)%
Other information		
Closing net asset value	£551,801	£495,807
Closing number of shares	501,003	501,000
Operating charges (p.a.) ¹	0.89%	0.89%
Direct transaction costs (p.a.)	0.01%	0.08%
Prices		
Highest published share price	110.63	100.00
Lowest published share price	94.50	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund was launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, COMPARATIVE TABLE (CONTINUED)

Z Early Investor Accumulation	1 Jan 2023 to 31 Dec 2023 (pence per share)	30 Dec 2022[^] to 31 Dec 2022 (pence per share)
Change in net assets per share		
Opening net asset value per share	98.00	100.00
Return before operating charges*	13.06	(2.00)
Operating charges	(0.36)	0.00
Return after operating charges*	12.70	(2.00)
Distributions	(0.79)	(0.01)
Retained distributions on accumulation shares	0.79	0.01
Closing net asset value per share	110.70	98.00
* after direct transaction costs of:	0.01	0.08
Performance		
Return after charges	12.96%	(2.00)%
Other information		
Closing net asset value	£1,107	£980
Closing number of shares	1,000	1,000
Operating charges (p.a.) ¹	0.35%	0.35%
Direct transaction costs (p.a.)	0.01%	0.08%
Prices		
Highest published share price	111.14	100.00
Lowest published share price	94.88	100.00

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

[^]The Fund was launched on 30 December 2022

¹ fees which contribute towards the ongoing charges figure (as calculated in accordance with the FCA Rules and displayed in the Key Investor Information Document) are borne by the ACD from the periodic charge; meaning that the ongoing charges figure should always equal the periodic charge. Should this policy change, then the ACD will first give affected Shareholders 60 days' notice of that change.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, STATEMENT OF TOTAL RETURN
For the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Income				
Net capital gains/(losses)	2		54,450	(5,237)
Revenue	3	4,968		24
Expenses	4	(4,609)		-
Interest payable and similar charges	6	(12)		-
Net revenue before taxation		347		24
Taxation	5	(880)		-
Net (expense)/revenue after taxation			(533)	24
Total return/(loss) before distributions			53,917	(5,213)
Distributions	6		(4,026)	(24)
Change in net assets attributable to shareholders from investment activities			49,891	(5,237)

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2023

	Note	£	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Opening net assets attributable to shareholders			496,787	-
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		26,936		502,000
Amounts payable on cancellation of shares		(26,936)		-
			-	502,000
Dilution levy			2,204	-
Change in net assets attributable to shareholders from investment activities			49,891	(5,237)
Retained distributions on accumulation shares	6		4,026	24
Closing net assets attributable to shareholders			552,908	496,787

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, BALANCE SHEETAs at 31 December 2023

	Note	31.12.23 £	31.12.22 £
Assets:			
Fixed Assets:			
Investments		543,499	495,244
Current Assets:			
Debtors	7	186	502,024
Cash and bank balances	8	9,626	-
Total assets		<u>553,311</u>	<u>997,268</u>
Liabilities:			
Creditors:			
Other creditors	9	403	500,481
Total liabilities		<u>403</u>	<u>500,481</u>
Net assets attributable to shareholders		<u>552,908</u>	<u>496,787</u>

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest is treated as revenue and accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Equalisation on distributions

Equalisation on revenue distributions from underlying collective investment scheme investments is treated as a return of capital.

(f) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

(g) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

1. Accounting policies (continued)**(h) Taxation/deferred taxation**

Corporation tax is provided for on taxable revenue, less deductible expenses, using tax rates and laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(i) Distribution policy

Revenue produced by the Fund's investments is accrued bi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed at the discretion of the Investment Manager as per the prospectus.

(j) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the period are recorded at the rate of exchange on the date of the transaction.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

(l) Management fee rebates

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

(m) Significant judgments

There have been no significant judgments or sources of estimated uncertainty in the year.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

2. Net capital gains/(losses)

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Non-derivative securities	76,877	(5,237)
Currency losses	(22,427)	-
Net capital gains/(losses)	54,450	(5,237)

3. Revenue

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
UK franked dividends	415	-
Overseas dividends	4,287	24
Bank interest	272	-
Franked income currency losses	(1)	-
Unfranked income currency losses	(5)	-
Total revenue	4,968	24

4. Expenses

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	4,609	-
	4,609	-
Total expenses	4,609	-

The audit fees of the Fund are paid by the Investment Manager. The audit fees for the current year are £6,250 plus VAT (31.12.2022: £4,000 plus VAT).

5. Taxation

(a) Analysis of the tax charge in the year

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Analysis of charge in the year/period		
Overseas tax	880	-
Total current tax for the year/period (see note 5(b))	880	-
Total taxation for the year/period	880	-

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

5. Taxation**(b) Factors affecting the current taxation charge for the year/period**

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	01.01.23 to 31.12.23 £	30.12.22 to 31.12.22 £
Net revenue before taxation	<u>347</u>	<u>24</u>
Corporation tax at 20%	69	5
Effects of:		
Revenue not subject to taxation	(940)	(5)
Excess expenses for which no relief taken	871	-
Overseas taxation	880	-
Current tax charge for the year/period (see note 5(a))	<u>880</u>	<u>-</u>

(c) Provision for deferred tax

As at 31 December 2023, the Fund had surplus management expenses of £4,353 (31 December 2022: £Nil). The deferred tax in respect of this would be £871 (31 December 2022: £Nil). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at year end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.23 to 31.12.23	30.12.22 to 31.12.22
	£	£
Interim - Accumulation (30 Jun)	2,504	-
Final - Accumulation (31 Dec)	<u>1,522</u>	<u>24</u>
	4,026	24
Add: Revenue deducted on cancellation of shares	12	-
Deduct: Revenue received on issue of shares	<u>(12)</u>	<u>-</u>
Net distribution for the year/period	<u>4,026</u>	<u>24</u>
Interest	12	-
Total finance costs	<u>4,038</u>	<u>24</u>
Reconciliation to net distribution for the year/period		
Net revenue after taxation for the year/ period	(533)	24
Expenses allocated to capital, net of tax relief	<u>4,559</u>	<u>-</u>
Net distribution for the year/period	<u>4,026</u>	<u>24</u>

Details of the distributions per share are set out on page 201.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

7. Debtors

	31.12.23	31.12.22
	£	£
Amounts receivable for issue of shares	-	502,000
Accrued revenue	186	24
Total debtors	186	502,024

8. Cash and bank balances

	31.12.23	31.12.22
	£	£
Cash and bank balances	9,626	-
Total cash and bank balances	9,626	-

9. Creditors

	31.12.23	31.12.22
	£	£
Purchases awaiting settlement	-	500,481
Accrued annual management charge	403	-
Total creditors	403	500,481

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary. As at 31 December 2023, one single shareholder (Guinness Asset Management Limited) held shares equal to 99.8% of the Fund's total net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue in the period:

	Y Accumulation
Opening shares at the start of the year	501,000.000
Total creation of shares in the year	13,280.918
Total cancellation of shares in the year	(13,278.110)
Closing shares at the end of the year	501,002.808

	Z Accumulation
Opening shares at the start of the year	1,000.000
Total creation of shares in the year	12,244.321
Total cancellation of shares in the year	(12,244.321)
Closing shares at the end of the year	1,000.000

The annual management charge of each share class is as follows:

Y Accumulation	0.89%
Z Early Investor Accumulation	0.35%

The net asset value per share and the number of shares in the share class are given in the Comparative tables on pages 185 to 186. The distributions per share are given in the distribution table on page 202. Income, and the associated tax, which is not attributable to a particular share class is allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the share classes. All share classes have the same rights on winding up.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are generally quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 December 2023			Net foreign currency assets at 31 December 2022		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Canadian Dollar	-	16	16	-	1	1
Euro	-	52	52	-	-	-
Swiss Franc	-	41	41	-	(1)	(1)
Taiwan Dollar	-	16	16	-	-	-
US Dollar	-	381	381	-	(4)	(4)

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £45,984 (31 December 2022: £42,067). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £56,203 (31 December 2022: £51,415). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.23						
Canadian Dollar	-	-	16	-	-	16
Euro	-	-	52	-	-	52
Sterling	10	-	38	-	-	48
Swiss Franc	-	-	41	-	-	41
Taiwan Dollars	-	-	16	-	-	16
US Dollar	-	-	381	-	-	381
31.12.22						
Canadian Dollar	-	-	18	-	(17)	1
Euro	-	-	69	-	(69)	-
Sterling	-	-	534	-	(33)	501
Swiss Franc	-	-	34	-	(35)	(1)
US Dollar	-	-	342	-	(346)	(4)

Short-term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

12. Risk management policies (continued)**(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £54,349 (31 December 2022: £49,524). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

Basis of Valuation	Investment Assets	
	31.12.23	31.12.22
	£	£
Level 1: Quoted Prices	543,499	495,244
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	543,499	495,244

As at the year-end, there were no investment liabilities. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 December 2023: £Nil).

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction costs below, indirect costs are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	01.01.23 to 31.12.23		30.12.22 to 31.12.22	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	77,084		500,270	
Net purchases before direct transaction costs	<u>77,084</u>		<u>500,270</u>	
		% of total purchases		% of total purchases
DIRECT TRANSACTION COSTS				
Equities	43	0.06%	400	0.08%
Total direct transaction costs	<u>43</u>	<u>0.06%</u>	<u>400</u>	<u>0.08%</u>
Gross purchases total	<u>77,127</u>		<u>500,670</u>	
Analysis of total sale costs				
SALES				
Equities	83,365		-	
Gross sales before direct transaction costs	<u>83,365</u>		<u>-</u>	
		% of total sales		% of total sales
DIRECT TRANSACTION COSTS				
Equities	(18)	0.02%	-	0.00%
Total direct transaction costs	<u>(18)</u>	<u>0.02%</u>	<u>-</u>	<u>0.00%</u>
Net sales total	<u>83,347</u>		<u>-</u>	
	01.01.23 to 31.12.23	% of	30.12.22 to 31.12.22	% of
	£	ave NAV	£	ave NAV
Analysis of total direct transaction costs				
Equities	61	0.01%	400	0.08%
Total direct transaction costs	<u>61</u>	<u>0.01%</u>	<u>400</u>	<u>0.08%</u>

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

For the year ended 31 December 2023

13. Transaction costs (continued)

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.07% (31 December 2022: 0.10%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2022: £Nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

Y Accumulation Shares – Increased from 110.14 pence per share to 116.47 pence per share (10 April 2024).

Z Early Investor Accumulation Shares – Increased from 110.70 pence per share to 117.22 pence per share (10 April 2024).

There are no post balance sheet events which require adjustments at the year-end.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND, DISTRIBUTION TABLE

For the year ended 31 December 2023

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 December 2022

Group 2 - Shares purchased after 31 December 2022

Shares	Revenue	Equalisation¹	Paid/Accumulated
	(pence)	(pence)	31.08.23
			(pence)
Y Accumulation			
Group 1	0.4987	-	0.4987
Group 2	0.4987	-	0.4987
Z Accumulation			
Group 1	0.4940	-	0.4940
Group 2	0.4940	-	0.4940

Final Distribution (31 December 2023)

Group 1 - Shares purchased on or prior to 30 June 2023

Group 2 - Shares purchased after 30 June 2023

Shares	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	29.02.24	28.02.23
			(pence)	(pence)
Y Accumulation				
Group 1	0.3032	-	0.3032	0.0047
Group 2	0.3032	-	0.3032	0.0047
Z Accumulation				
Group 1	0.2910	-	0.2910	0.0050
Group 2	0.2910	-	0.2910	0.0050

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The Fund was launched on 30 December 2022 therefore no comparatives have been included prior to this date.

DIRECTORY

The Company

WS Guinness Investment Funds
2nd floor
20-22 Bedford Row
Holborn
London WC1R 4EB

Authorised Corporate Director (ACD)

Waystone Management (UK) Limited
Head Office:
2nd floor
20-22 Bedford Row
Holborn
London WC1R 4EB

Tel: 0345 922 0044
Email: Investorservices@linkgroup.co.uk
Website: www.waystone.com

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

A.M. Berry
S. P. White (Non-Executive)
T. K. Madigan (Non-Executive)
R. Wheeler
V. Karalekas (Non-Executive Appointed 14 July 2023)
K. Midl (Appointed 9 October 2023)
E. Tracey (Appointed 9 October 2023)

Investment Manager

Guinness Asset Management Limited
18 Smith Square
London
SW1P 3HZ

Tel: 0207 222 5703
Email: info@guinnessgi.com
Website: www.guinnessgi.com

Authorised and regulated by the Financial Conduct Authority.

Depositary (up to 11 March 2024)

NatWest Trustee & Depositary Services Limited
135 Bishopsgate
London
EC2M 3UR

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Depositary (from to 11 March 2024)

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Registrar

Link Fund Administrators Limited
Customer Service Centre:
Central Square
29 Wellington Street
Leeds LS1 4DL

Telephone 0345 601 9610
Fax: 0113 224 6001

Authorised and regulated by the Financial Conduct Authority.

Auditor

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.