

# WS Guinness Global Quality Mid Cap

The Fund changed name from Guinness Sustainable Global Equity on 17 April 2025

## Responsible Investment Factsheet

31.12.2024



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

## Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 23.01.25.

## Fund Profile

### Benchmark

MSCI World Mid Cap  
Until 17 April 2025 the MSCI World Index was the benchmark for the Fund.

### Investment Objective

An equity fund seeking capital appreciation by investing in global mid cap companies with exposure to sustainability growth themes. The Fund is actively managed and uses the MSCI World Mid Cap Index as a comparator benchmark only.

### Investment Case

The fund invests in quality mid cap companies with exposure to sustainability growth themes such as improved health and wellbeing, resource management, and innovative technologies.

### Domicile

United Kingdom

## Risk

WS Guinness Global Quality Mid Cap Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on the website [www.waystone.com](http://www.waystone.com). If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

## Fund Approach to Responsible Investment

### ESG Integration



### Exclusions<sup>1</sup>



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



Norges Bank Exclusion List<sup>4</sup>



Ethical product screening<sup>5</sup>



### Voting



### Engagement



<sup>1</sup>Further details can be found in the fund's [Exclusion Policy](#), available on our website.

<sup>2</sup>Cluster munitions, landmines, and biological and chemical weapons.

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

<sup>4</sup>The Fund adheres to the exclusion list of companies prepared by Norges Bank.

<sup>5</sup>An internally generated exclusion list of companies which derive more than 10% of revenue from adult entertainment, alcohol, fossil fuels, gambling, nuclear energy, palm oil, tobacco, and weapons.

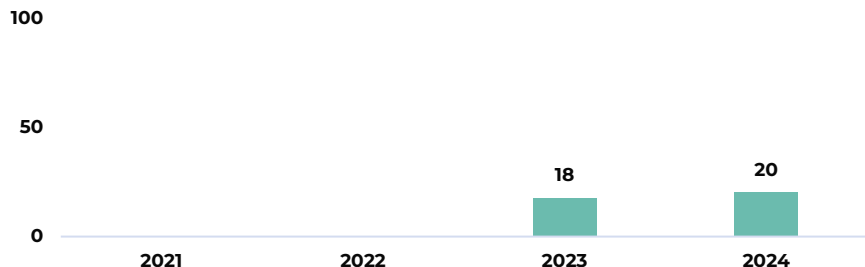
## ESG Integration Summary

The team uses a bottom-up ESG framework, developed in-house, to assess quantitatively the sustainability risk associated with current and potential underlying investments. Using the SASB materiality framework, the team have developed a scorecard that is used to evaluate a company based on various industry-specific ESG criteria.

The team also conduct rigorous qualitative reviews of fund holdings, which assess material risks and opportunities, and the alignment of business's product and services to the fund's broad themes (Health, Wellbeing, Safety & Security, Cleaner Energy, Resource Management, Innovative Technologies). Reviews consist of a good governance assessment, and analysis of topics such as executive remuneration, carbon transition, and exposure to negative externalities. Material risks identified by the review inform the team's engagement priorities. Further information is available in the fund's Approach to Responsible Investment and ESG paper, available [here](#).

## Fund Weighted Average Carbon Intensity (WACI)\* in tCO<sub>2</sub>e/\$M revenue

The Fund's carbon intensity is measured and reported from 2023 onwards.



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

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

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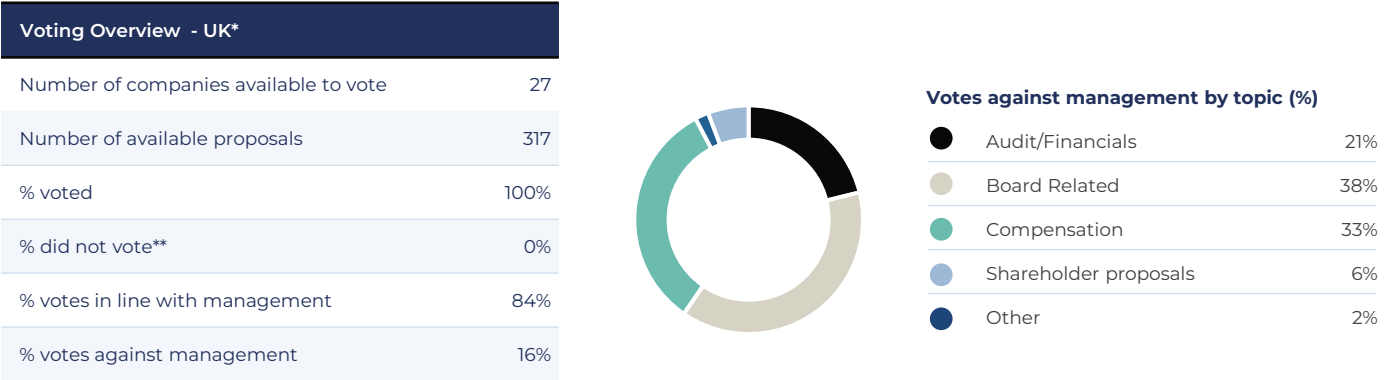
For more information please visit [www.guinnessgi.com](http://www.guinnessgi.com) +44 (0) 20 7222 5703 [info@guinnessgi.com](mailto:info@guinnessgi.com)

## Stewardship

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


## Voting

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




\*1st January 2024 to 31st December 2024  
Source: Glass Lewis; Guinness Global Investors 31.12.24  
  
\*\*This includes where we do not vote in jurisdictions where share blocking is in effect or power of attorney requirements apply

## Voting Case Studies



**Idex Corporation** is a global industrial company that designs, manufactures, and sells a broad range of highly engineered products, including fluid and metering technologies, health and science solutions, and industrial products. At the 2024 AGM, we did not support the Remuneration Plan, along with 9% of shareholders. Our primary concern was the reliance on Total Shareholder Return (TSR) as the sole metric within the Long-Term Incentive Plan (LTIP). We believe overemphasising TSR is not optimal, as share price appreciation is often an outcome of operational success, rather than a target in itself. Share price performance can be influenced by external factors, such as shifts in investor sentiment based on the economic cycle, which are beyond management's control. Senior management is already adequately aligned through stock ownership or potential stock awards. However, we welcomed the 10% sustainability link in the Short-Term Incentive (STI), which includes DEI initiatives and environmental goals.



**Steris** is a global provider of infection prevention and sterilisation products for healthcare and life sciences industries. To safeguard auditor independence, we believe companies should periodically rotate their designated auditor. Steris has retained its auditor for 35 years, raising concerns about the long-term independence and objectivity of the audit process. We have consistently voted against the ratification of the auditor at Steris' AGMs, advocating for a fresh perspective through auditor rotation. At the most recent AGM, this proposal received 10% shareholder dissent. We will continue to monitor this issue.

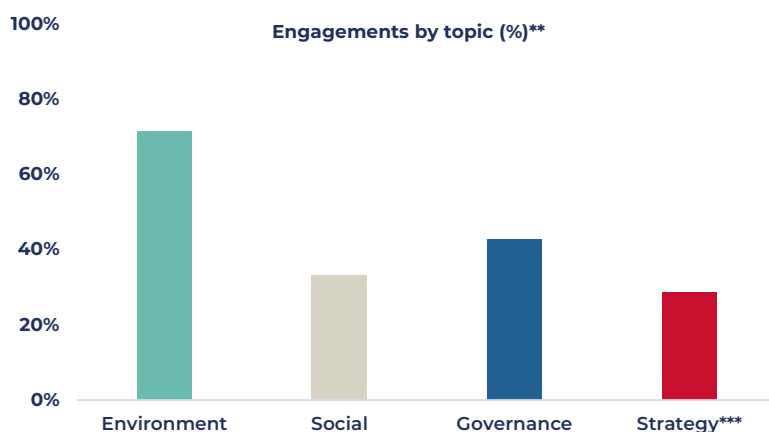
## Engagement

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

| Engagement Overview*           |     |
|--------------------------------|-----|
| Number of company interactions | 21  |
| Number of engagements          | 21  |
| Engagements by topic           |     |
| Environment                    | 71% |
| Social                         | 33% |
| Governance                     | 43% |
| Strategy***                    | 29% |

\*1st January 2024 to 31st December 2024

Source: Glass Lewis; Guinness Global Investors (31.01.25)



\*\*In some cases, multiple topics are covered in a single meeting and the totals do not add up to 100%.

\*\*\*Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

### Engagement Case Studies



**Entegris** specialises in products and materials for semiconductor and high-tech manufacturing. In 2023, we voted against the re-election of Dr. Saleki-Gerhardt, Chair of the Governance and Nominating Committee, due to concerns over gender diversity. Ahead of the 2024 AGM, we engaged with the company to better understand their approach to diversity. The company shared its diversity goals, which included a minimum board gender diversity target of 30% and a 40% gender diversity goal for directors and above. We were pleased to see progress following the 2024 AGM, with board gender diversity increasing to 38% in September 2024, following the appointment of Mary Puma to the board.



**KLA** is a leading provider of equipment and services for the semiconductor industry. The company first announced its commitment to reducing Scope 1 and 2 GHG emissions by 50% by 2030 from a 2021 baseline, alongside a goal to source 100% renewable electricity across its global operations by 2030. Additionally, KLA began modelling efficiency metrics and product roadmaps to establish a Scope 3 emissions reduction target. Subsequently, the company committed to reducing Scope 3 emissions from the use of sold products by 52% per billion transistors inspected, measured, or processed by customers operating KLA equipment at their manufacturing sites, using a 2021 baseline.

We first engaged with KLA in 2023, encouraging the company to submit their emissions targets to the Science Based Targets initiative (SBTi). We also co-signed a letter sent to the company by CDP encouraging a SBTi submission and followed up by directly emailing Investor Relations to reinforce the merits of this commitment.

We were therefore pleased to see that, in August 2024, KLA received SBTi verification for its near-term science-based GHG emissions targets.

### Collaborative engagement



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

## Initiatives

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

### External company ratings

Signatory of:



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

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



**Policy Governance and Strategy**



**Direct - Listed Equity - Active Fundamental**



**Confidence Building Measures**

## Industry Initiatives



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



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



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



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



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

## Other Documents

### Corporate Documents

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

### Strategy Documents

- Approach to Responsible Investment and ESG
- Approach to Remuneration Paper

# Guinness Global Equity Income

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

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If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

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

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

**Residency:** In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients.

**NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

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