Guinness Global Equity Income Fund

Investment Commentary - September 2022

This is a marketing communication. Please refer to the prospectus and KIID for the Fund before making any final investment decisions. Past performance does not predict future returns.

ABOUT THE FUND

Fund size	£2,836m
Launch date	31.12.10
Historic Yield† (Class Y GBP)	2.3%
Index	MSCI World
Sector	IA Global Equity Income
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
Analysts	Sagar Thanki, Joseph Stephens, Will van der Weyden, Jack Drew

The Guinness Global Equity Income Fund is designed to provide investors with global exposure to dividend-paying companies. The Fund is managed for income and capital growth and invests in profitable companies that have generated persistently high return on capital over the last decade, and that are well placed to pay a sustainable dividend into the future. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

RISK

Lower Risk						Higher Risk
1	2	3	4	5	**6**	7
Typically lower rewards						Typically higher rewards

The risk and reward indicator shows where the Fund ranks in terms of its potential risk and return. The Fund has been classed as 6 because its volatility has been measured as above average to high. Historic data may not be a reliable indicator for the future. 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.

PERFORMANCE

Past performance does not predict future returns.

31.08.22	1 Yr	3 Yrs	5 Yrs	Launch*
Fund	7.6	37.5	69.3	252.9
Index	0.5	34.7	61.6	245.4
Sector	2.4	23.1	37.2	155.7

Discrete 12m performance is shown at the end of this commentary
Source: FE, bid to bid, total return. *Simulated past performance. Performance prior to the launch date of Class Y (11.03.15) is a composite simulation based on the actual performance of Class E (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP.
Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The fund performance shown has been reduced by the current OCF of 0.79% per annum. Returns for share classes with different OCFs will vary accordingly. Performance returns do not reflect any initial charge; any such charge will also reduce the return.
† Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

SUMMARY: PERFORMANCE

In August, the Fund returned -0.26% (in GBP), the MSCI World Index returned +0.21%, and the IA Global Equity Income sector returned +0.38% (average). The Fund therefore underperformed the Index by +0.47% and its peer group by +0.64%.

Year-to-date, the Fund has returned +1.24%, the MSCI World Index has returned -4.30%, and the IA Global Equity Income sector has returned -2.02% (average). The Fund has therefore outperformed the Index by +5.54% and has outperformed its peer group by +3.26%.

So far, in 2022, we have had dividend updates from 28 of our 35 holdings, and the average dividend growth in the portfolio companies has been 7.6%.

- 24 companies announced increases for their 2022 dividend vs 2021. The average dividend growth of these companies has been 8.8%.
- 4 companies announced a flat dividend vs 2021.
- 0 companies announced dividend cuts.
- 0 companies announced dividend cancellations.

This follows the Fund seeing 0 cancellations in 2021 and 2020.

The Fund's dividend yield† at the end of the month was 2.3% (net of withholding tax) vs the MSCI World Index's 2.2% (gross of withholding tax).

Guinness Global Equity Income Fund

Over the longer term, we are pleased that the Fund has outperformed the IA Global Equity Income Sector average over 1 year, 3 years, 5 years and 10 years and since launch. The Fund also continues to rank as the top performer versus its peers since launch.

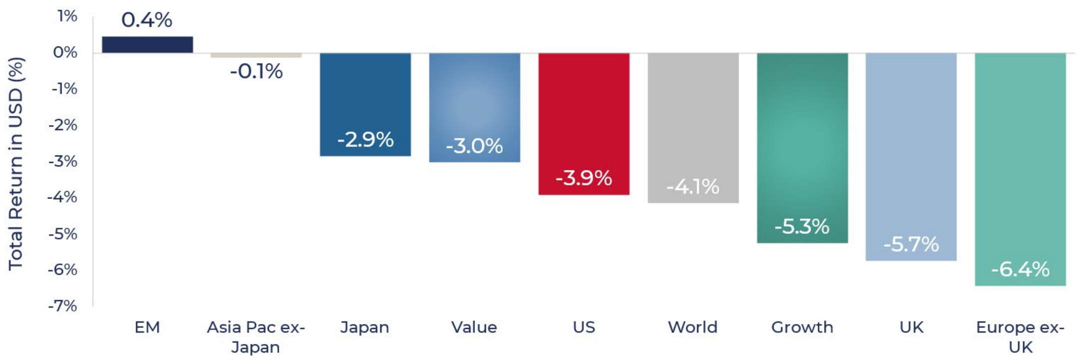
Cumulative % total return in GBP to 31/08/2022	YTD	1 year	3 years	5 years	10 Years*	Launch*
Guinness Global Equity Income	1.2	7.6	37.5	69.4	224.7	253.0
MSCI World Index	-4.3	0.5	34.7	61.6	237.2	245.4
IA Global Equity Income sector average	-2.0	2.4	23.1	37.2	143.7	155.7
IA Global Equity Income sector ranking	n/a^	10/56	3/52	3/47	2/27	1/13
IA Global Equity Income sector quartile	n/a^	1	1	1	1	1

**Simulated past performance. Performance prior to the launch date of the Y class of the Fund (11.03.15) is a composite simulation for Class Y performance being based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP.*

Source: FE fundinfo. All funds in the sector have a similar investment policy and risk profile to the Guinness Global Equity Income Fund. ^Ranking not shown in order to comply with European Securities and Markets Authority rules.

AUGUST IN REVIEW

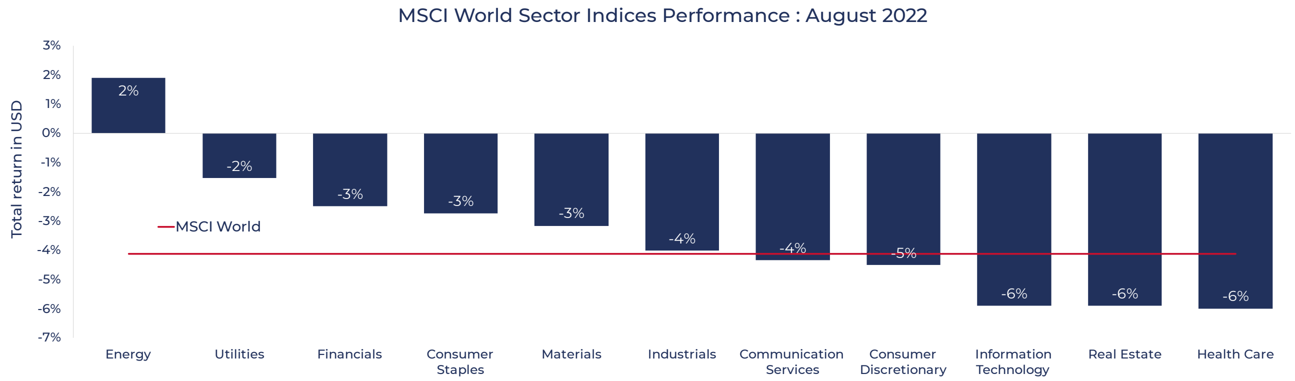
Equity markets were turbulent over the month of August as new economic data continued to demonstrate a slowdown in global growth. For example, the global composite Purchasing Managers' Index, which shows business strength across both the manufacturing and services sector, came in at 50.8, a 22-month low. However, the market was undeterred, instead reacting positively to new US CPI data which showed signs of easing inflationary pressures. Global markets also received much needed, albeit temporary, respite off the back of lower commodity prices. The initial market rally, however, was quickly curtailed as investors recalibrated their rate-hike expectations as central banks across the globe vowed to step up their fights against inflation. This led to sharp declines across both Growth and Value stocks over the back half of the month.



Source: Bloomberg, as of 31/08/2022

On a geographic basis, Emerging Markets and APAC ex Japan both held up well over the month of August, growing 0.4% and declining -0.1% respectively. This outperformance relative to the MSCI can be attributed to lower inflationary reads (Chinese CPI for the month of July came in at 2.7%) as well as supportive policy at the domestic level. Investors shrugged off weak Chinese economic data (retail sales contracting 0.3% month on month) as well as mounting friction between Beijing and Taipei following Nancy Pelosi's controversial visit. The market was instead buoyed by news that the Chinese government are embarking on several growth-supporting measures to the tune of 1 trillion yuan ($145bn) including direct credit support to local policy banks. This "will expand effective investment, boost consumption and help keep economic activities on a steady course" according to Chinese premier Li Keqiang. China will also lower their policy rates by 10bps which should be supportive of growth in the short to mid-term. Other domestic markets in the APAC region reacted positively to this news and maintained some of the positive momentum from the month prior.

Conversely, Europe ex-UK and the UK were the two worst performing markets over the month, falling -6.4% (USD) and -5.7% (USD) respectively. Even though Value performed better than Growth over this period, the value-tilt of both markets was not enough to stave off poor performance, as fears of rising inflation and the ongoing energy crisis continued to mount. While the resumption of Ukraine's grain exports through the port of Odessa have helped to ease global food price pressures, this has been offset by the continued restriction of Russian gas exports to Europe. Notably, the maintenance and subsequent indefinite closure of the crucial Nord Stream 1 pipeline has exacerbated this issue and pushed average gas prices over the month to new all-time highs. This contributed to record Eurozone inflation of 9.1% as well as UK inflation of 10.1%, a 40-year high. Investor concerns that the region may experience a prolonged period of tight monetary policy to curb inflation has led to relative underperformance over the month (the UK lagging the MSCI world by 1.6% and Europe falling behind by 2.3%).



Source: Bloomberg, as of 31/08/2022

Over the month of August, fund performance can be attributed to the following:

- Value outperforming on a relative basis. Therefore, having a zero exposure to the value orientated Energy, Materials and Utilities sectors (which all beat the MSCI World) was a source of relative underperformance.

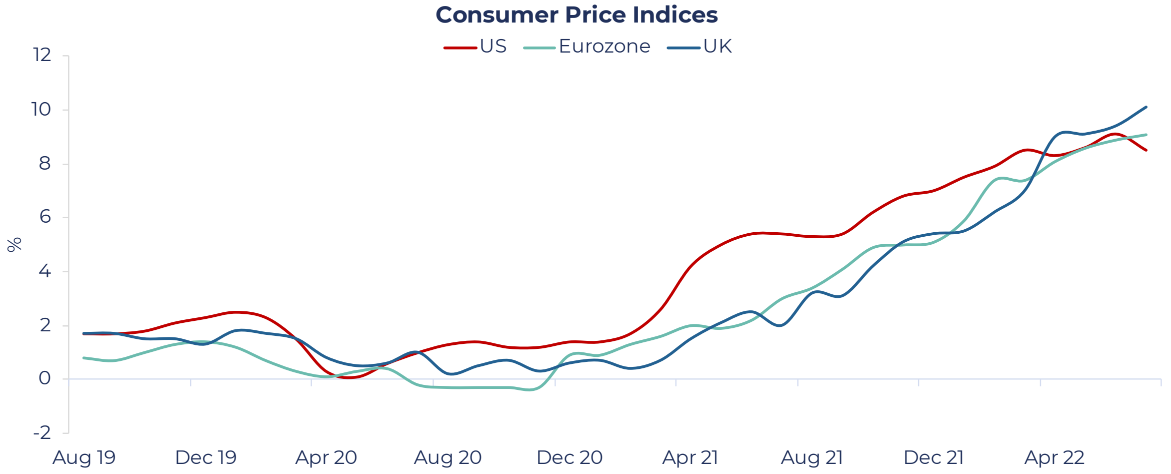
- Additionally, the Fund's high exposure to the Healthcare segment was a headwind from an allocation perspective, the sector closing down 5.98% and trailing the index.

- Weak stock selection amongst the Industrial segment was also a drag as the Fund's four worst performers for the period (Schneider Electric, Atlas Copco, Emerson and ABB) all delivered returns below the benchmark.

- However, the Fund benefited from an overweight Financials allocation (15.33% vs 13.22%) which was the MSCI World's 3rd best performing index over the month. The Fund also benefited from strong stock selection within this segment, evidenced by both Aflac (+4.37% USD) and Arthur Gallagher (+1.44% USD) performing well.

- Finally, Real Estate and IT were two of the three worst performing sectors (down c. 6% USD) therefore the fund benefited from an underweight allocation.

The month of August was a tale of two halves for global equity markets. Initially, off the back of strong momentum in July, markets continued to rise over the first half of the month, with the MSCI World Index up 3.65% (USD) as of August 16th. The early positive sentiment was, in part, attributed to a broader view that the US Fed would start cutting rates sooner and from a lower peak in order to avoid a recession. This was also backed up by positive US Consumer Price Index (CPI) data which recorded a headline rate of 8.5%, lower than the 8.7% forecasted. Whilst this figure still remains at decade highs, the market believed it shows signs of cooling off and would therefore lead to a more moderate central bank tightening cycle. Even with the ongoing European energy crisis which pushed inflation higher in the UK and Eurozone, the start of the month was broadly positive for equity markets, given the key US data points and improving outlook.

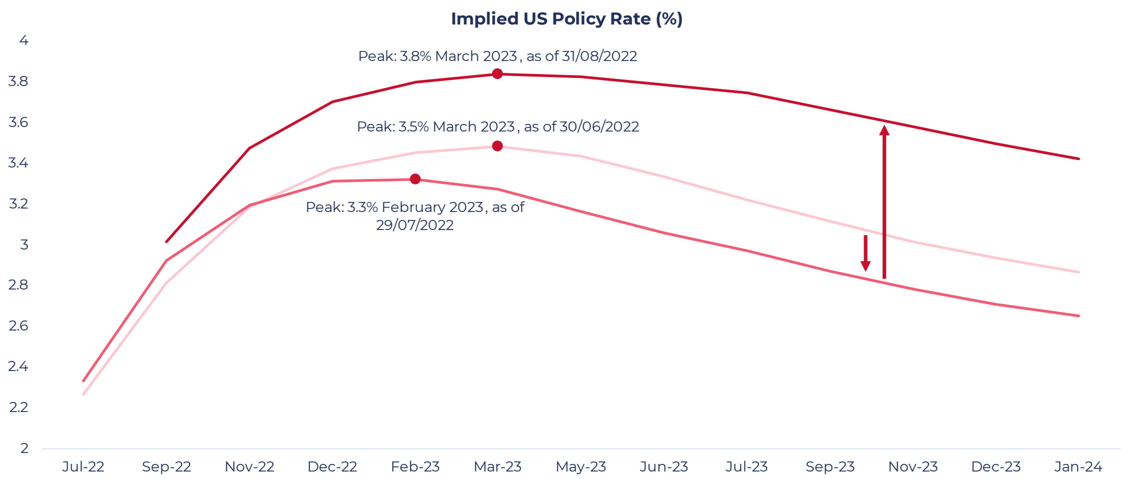


Source: Bloomberg, as of 31/08/2022

However, following the release of US Fed Chair Jerome Powell's comments from the July FOMC meeting (where rates were raised by 75bps), the market reacted poorly to the prospect of an increasingly hawkish macroeconomic environment. The meeting minutes showed officials discussing the need to keep interest rates at levels that will restrict the economy "for some time", a clear signal of the Fed's serious intentions of curtailing inflation, perhaps even at the expense of a so called 'soft landing'. Further negative sentiment was compounded by Powell's Jackson Hole speech, a three-day annual conference for central bankers and policy makers, which received particularly close scrutiny this year given the current challenging inflationary environment. In his speech, Powell reiterated the Fed's hawkish stance, noting the "forceful and rapid steps (they will take) to moderate demand". He also stated that the Fed is planning to maintain higher rates for as long as necessary since "the historical record cautions strongly against premature loosening policy". Other Fed committee members shared their market views, with Loretta Mester striking a particularly aggressive tone in arguing that the Fed fund rate may well need to rise above 4%. This commentary sent markets down sharply, with the MSCI World Index falling 2.67% (USD) after the speech and contributing to the Index's 9.10% (USD) decline between 16th August and the month end.

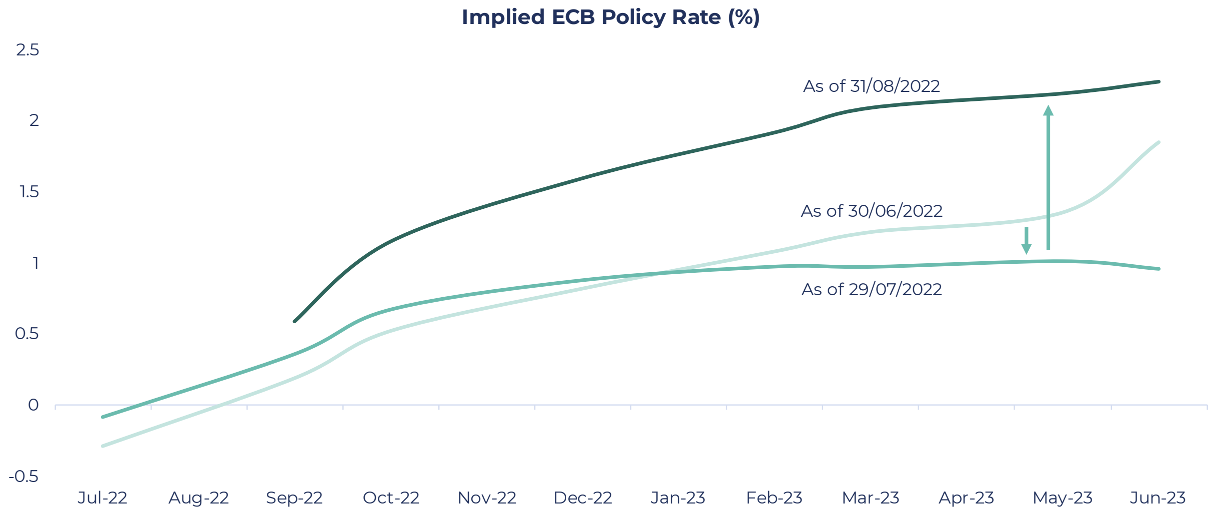
Forward Expectations

As a result of the Federal Reserve's market commentary, market expectations of where the policy rate may peak shifted from 3.3% to 3.8%.



Source: Bloomberg, as of 31/08/2022

Similarly, the market shifted its expectations for the European Central Bank (ECB) policy rates, now forecasting a 2.3% rate in June 2023, up from last month's consensus of 1.0%. This sizeable increase in expectations came off the back of all-time high inflation readings for the Euro-area which strengthens the case for further rate hikes. Money markets have now priced in 125 basis points of further tightening by October, which implies a half-point hike and a three-quarter point increase spread over its next two policy decisions.



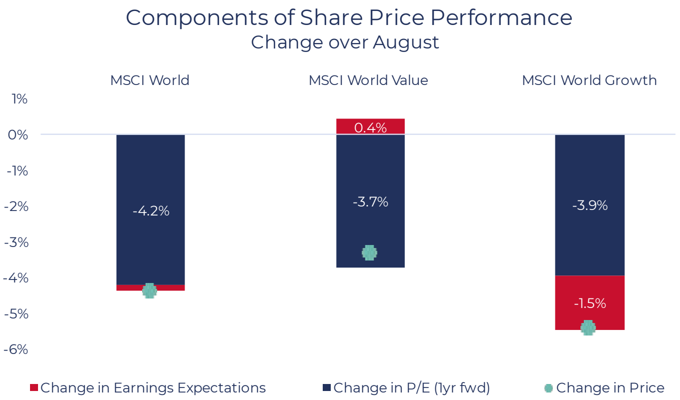
Source: Bloomberg, as of 31/08/2022

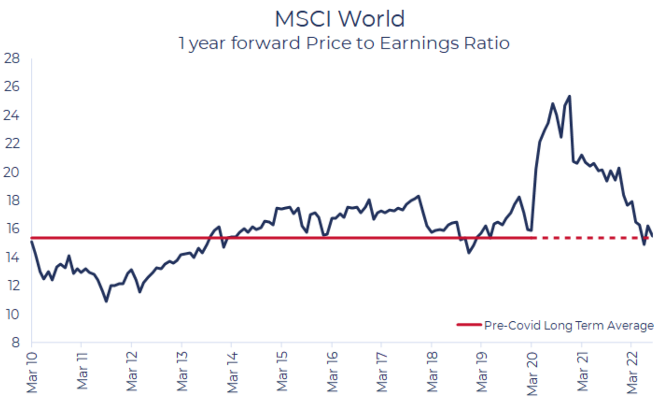
The material increases in implied policy rates have also fed through to forward-looking consumer inflation predictions. On August 26th, the University of Michigan released their Survey of Consumers which notably showed that individual inflation expectations are declining over both the short and long term. One-year ahead inflation is now expected to be 4.8% for August (versus 5.4% in June) and five-year ahead inflation of 2.9% in August (versus 3.3% in June). Inflation expectations can often become self-fulfilling; if consumers forecast higher prices this can push up demand in the short term and cause prices to rise even further. Therefore, declining consumer inflation expectations can be seen as a positive forward-looking indicator. Encouragingly, the 2-year breakeven expectations for the US fell sharply over the latter half of August and shows that the broader market is predicting lower inflation than previously feared.

Source: Bloomberg, as of 31/08/2022

Value vs Growth

Over the month of August, the MSCI World Index fell 4.18% (USD). When aggregating by style, Value outperformed Growth on a relative basis with the former down 3.3% (USD) compared with its Growth counterpart which fell 5.4% (USD), a larger relative decline. Interestingly, when attributing the cause of share price performance, it is clear that a multiple derating (as opposed to earnings) was the main driver of negative returns for both Growth and Value stocks. This was particularly pronounced for the MSCI World Value Index, where earnings expectations actually improved 0.4% (USD) over the period. The average 1 year forward PE ratio is now in line with the long term precovid average of 15.3X, however forward-looking earnings estimates remain robust, which bodes well for the quality value companies that the Fund owns.





Source: Bloomberg, as of 31/08/2022

Portfolio Holdings

Aflac was the Fund's best performer over the month of August (+4.37% USD).

Aflac is an insurance specialist and the largest provider of supplemental insurance in the United States. The market reacted positively to a strong set of Q2 results, with net earnings of $1.4bn for the quarter up 27.3% YoY. Despite revenues coming in $200m lower than the previous year, the market had been expecting a number of significant headwinds (including COVID-related losses and private equity write-downs), both of which failed to significantly materialise. In fact, Aflac posted a lower than expecteced benefit ratio of 45.4% coming well under the 48.6% consensus, highlighting their strong performance over Q2 (the benefit ratio describes the cost of providing underwriting insurance versus the revenues it receives from those policies). They also reiterated their firm commitment to returning capital to shareholders by announcing $650mn of share repurchases, which exceeded the $520mn forecast by analysts, and was taken positively by the market.

Henkel was the second best performer, closing August up +1.77% USD.

The German-based consumer goods company also had a strong month and reported a solid set of H1 results, which included organic sales growth of 8.9% YoY, ahead of market expectations. Additionally, investors were encouraged by their clear pricing power, with 11.2% pricing increases across the portfolio, whilst sales volumes remained flat. This demonstrates their ability to pass on prices to the consumer with little impact on demand, which should help the firm navigate the challenging inflationary environment ahead and still allow them to maintain decent operating margins (guidance of 9%-11% for FY2022). Management also noted a better-than-expected outlook, guiding for 4.5%-6.5% organic growth for FY2022, driven by particularly strong performance in the consumer segment. We feel that Henkel are well placed to continue this growth, despite an uncertain economic backdrop, and are therefore encouraged by the relative outperformance over the month.

Schneider Electric (-12.89% USD), **Atlas Copco** (-11.59% USD), **Emerson** (-8.71% USD) and **ABB** (-8.52% USD) were the Fund's four worst performing names over August. All four companies followed a similar trend during the month, initially continuing their strong momentum from July (off the back of good quarterly results for Schneider and ABB specifically). However, the aforementioned change in market consensus, led by the Fed's firm hawkish stance, caused a relatively sharp selloff across these names. Such declines were particularly pronounced given their exposure to the highly cyclical Industrial and Manufacturing sectors, which are particularly sensitive to higher interest rates. This is because higher rates drive up the cost of borrowing and decreases the incentive for customers to make forward looking investments, consequently reducing demand for the machinery and capital equipment products they sell. Given that the broader market now expects the US Federal reserve to raise interest rates faster and more severely than before, it is likely that the macroeconomic environment will become more challenging, with Powell himself noting that "reducing inflation is likely to require a sustained period of below-trend growth." However, despite these headwinds, we remain optimistic about the outlook for these businesses;

Schneider Electric sells energy management & industrial automation products. It is therefore well exposed to a range of long-term structural growth themes including clean manufacturing, decarbonisation and energy efficiency, which should mitigate against any short-term weaknesses in demand. Atlas Copco is growing its recurring revenue base, now at 35% of total group sales and double the industry average. This gives the firm a stable and predictable top line that can act as a counterbalance during cyclical downturns. Finally, both ABB and Emerson have well diversified product portfolios, selling a range of industrial automation products and services into multiple end markets which can offset weak growth in any one area. All four businesses are high quality companies, with strong margin profiles, good balance sheets and dominant positions in their core markets. Therefore, we believe that they all remain well placed going forward, despite a difficult month off the back of a changing macroeconomic picture.

CHANGES TO THE PORTFOLIO

We made no changes to the portfolio holdings in the month.

We thank you for your continued support.

Portfolio Managers	Investment Analysts
Matthew Page	Sagar Thanki
Ian Mortimer	Joseph Stephens
	William van der Weyden
	Jack Drew

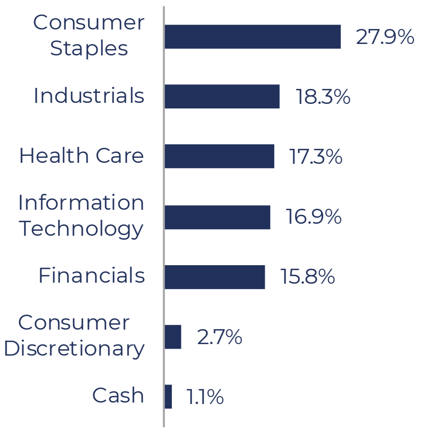
TB Guinness Global Equity Income Fund - UK investors should be aware that the Guinness Global Equity Income Fund is available as a UK domiciled fund denominated in GBP. The TB Guinness Global Equity Income Fund is available from 0.79% OCF. The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available at www.guinnessgi.com/funds/tb-guinness-global-equity-income-fund

PORTFOLIO

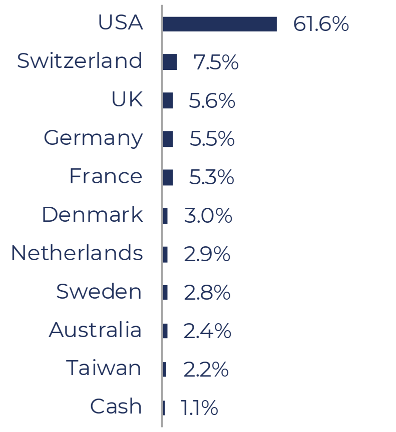
Fund top 10 holdings

Abbvie	3.8%
Gallagher, Arthur J	3.4%
Paychex Inc	3.4%
Aflac	3.3%
Blackrock	3.3%
Deutsche Boerse	3.2%
Pepsico	3.2%
Johnson & Johnson	3.2%
Cisco Systems	3.1%
Novo Nordisk	3.0%
% of Fund in top 10	32.9%
Total number of stocks held	35

Sector analysis



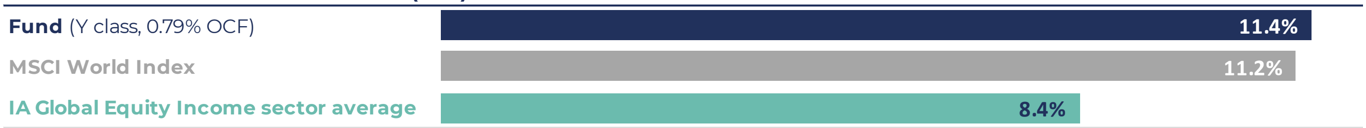
Geographic allocation



PERFORMANCE*

Past performance does not predict future returns.

Annualised % total return from launch (GBP) **31/08/2022**



Discrete 12m % total return (GBP)	**Aug '22**	**Aug '21**	**Aug '20**	**Aug '19**	**Aug '18**	**Aug '17**	**Aug '16**	**Aug '15**	**Aug '14**	**Aug '13**	**Aug '12**
Fund (Y class, 0.79% OCF)	7.6	26.4	1.1	10.4	11.6	10.1	29.7	0.5	10.5	20.8	12.1
MSCI World Index	0.5	26.3	6.2	7.0	12.1	18.1	25.3	3.5	12.8	20.8	10.8
IA Global Equity Income Sector average	2.4	23.5	-2.6	5.4	5.8	14.1	20.6	-0.6	10.6	17.3	11.3
IA Global Equity Income Sector ranking	10/56	18/53	15/52	15/48	5/47	40/43	6/40	22/37	12/33	8/27	8/18
IA Global Equity Income sector quartile	1	2	2	2	1	4	1	3	2	2	2

Cumulative % total return (GBP)	**1m**	**YTD**	**1 Yr**	**3 Yrs**	**5 Yrs**	**10 Yrs**	**Launch**
Fund (Y class, 0.79% OCF)	-0.3	1.2	7.6	37.5	69.3	224.6	252.9
MSCI World Index	0.2	-4.3	0.5	34.7	61.6	237.2	245.4
IA Global Equity Income Sector average	0.4	-2.0	2.4	23.1	37.2	143.7	155.7

RISK ANALYSIS **31/08/2022**

Annualised, weekly, from launch on 31.12.10, in GBP	**Index**	**Sector**	**Fund**
Alpha	0.00	0.16	1.81
Beta	1.00	0.75	0.84
Information ratio	0.00	-0.36	0.03
Maximum drawdown	-24.58	-22.41	-21.78
R squared	1.00	0.78	0.88
Sharpe ratio	0.54	0.41	0.61
Tracking error	0.00	6.75	4.98
Volatility	14.45	12.23	12.99

*Simulated past performance. Performance prior to the launch date of the Y class of the fund (11.03.15) is a composite simulation for Y class performance being based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP. Source: Financial Express, bid to bid, total return. Fund Y class (0.79% OCF): Fund returns are for share classes with a current Ongoing Charges Figure (OCF) stated above; returns for share classes with a different OCF will vary accordingly.

.

IMPORTANT INFORMATION

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

This report is primarily designed to inform you about Guinness Global Equity Income Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report.

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

Risk
Details on the risk factors are included in the Fund's documentation, available on our website. Shareholders should note that all or part of the fees and expenses will be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment.

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

- the Manager: Link Fund Manager Solutions (Ireland) Ltd (LFMSI), 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or, the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

LFMSI, as UCITS Man Co, has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

Investor Rights
A summary of investor rights in English is available here: https://www.linkgroup.eu/policy-statements/irish-management-company/

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

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

Switzerland
This is an advertising document. The prospectus and KIID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Ile, 1204 Geneva, Switzerland.

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

Telephone calls will be recorded and monitored