Guinness Global Innovators Fund

Investment Commentary - October 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.

Innovation. Quality. Growth. Conviction.

ABOUT THE FUND

Fund/strategy size	£430m/£547m
Fund/strategy launch	31.10.2014/01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
Analysts	Sagar Thanki, CFA Joseph Stephens, CFA Will van der Weyden Jack Drew

Aim

The Fund is a global growth fund designed to provide exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. The Fund holds a concentrated portfolio of large and medium-sized companies in any industry and in any region. 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 Guinness Global Innovators 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, and you may not get back the amount originally invested.

PERFORMANCE

Past performance does not predict future returns

30/09/2022	1 Yr	3 Yrs	5 Yrs	10 Yrs*
Strategy*	-14.9	31.9	55.6	307.8
Index	-2.9	26.2	55.6	215.5
Sector	-8.9	20.3	42.3	160.8

Discrete 12m performance is shown at the end of this commentary. Source: FE fundinfo, bid to bid, total return in GBP. *Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same team using the same investment process. 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 0.89% 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.

SUMMARY

In the third quarter of 2022, the Fund returned -0.5% (in GBP), the MSCI World Index returned 2.1%, and the IA Global sector returned 1.8%. The Fund therefore underperformed the Index by 2.6% and its peer group by 2.3%.

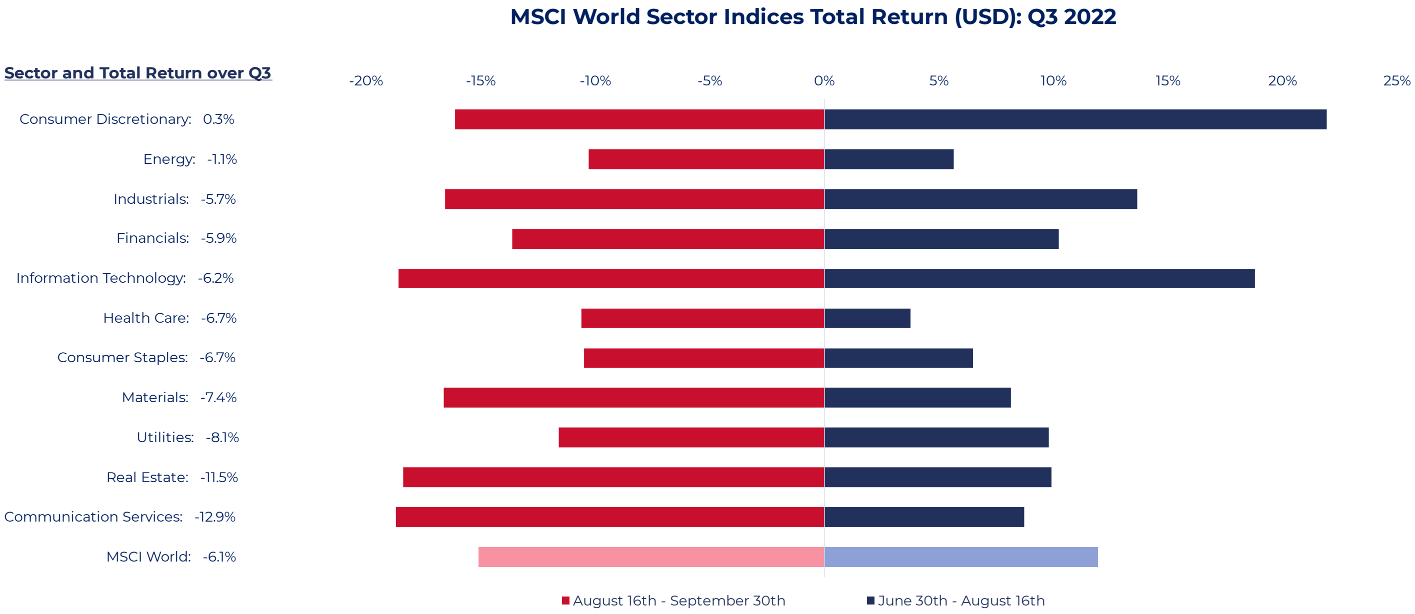
Over the year to date, the Fund returned -21.2% (in GBP), the MSCI World Index returned -9.5%, and the IA Global sector returned -13.0%. The Fund therefore underperformed the Index by 11.7% over the period and its peer group by 8.2%.

Global equity markets ended Q3 in negative territory despite a strong rally in the first six weeks of the period. In July, developed equity markets delivered their best monthly returns since November 2020, despite indications of a recessionary environment. A US GDP print of -0.9% for Q2 (annualised, quarter-on-quarter) meant two consecutive falling quarters, the 10–2 year yield curve for US treasuries inverted to their largest spread since 2000, and the US composite flash PMI fell to 47.5 – a number below 50 indicating contraction. However, markets were focused on the commentary of Fed Chair Jay Powell, who stated that interest rates could be near a “neutral level”, following a second consecutive 75bps rate hike. Many investors interpreted these comments as the central bank ‘tapping the brakes’, and scaled back expectations of how far it will tighten. With markets anticipating a lower peak policy rate and earlier rate cuts, equity markets, and growth stocks in particular, rallied.

Equity market sentiment pivoted in mid-August, confirming suspicions on the part of some that earlier gains had just been a ‘bear-market rally’. Minutes from the Fed’s meeting in July suggested a prolonged period of restrictive rates, which Powell reaffirmed a couple of weeks later at Jackson Hole when he stated that a successful reduction in inflation would probably lead to lower economic growth for a “sustained period”, sparking concerns of a deeper recession than first feared. August’s inflation numbers delivered an additional surprise, with a core inflation print (all items less food and energy) that reaccelerated to +0.6% month-on-month (up from +0.2% the previous month).

The Fed revised its 'dot-plot' forecast, highlighting the committee's expectations of a higher and longer rate hiking cycle. Data points showing the economy remaining in reasonable shape, such as strong jobs data, an improvement in consumer confidence, resilient consumer spending, were now taken as evidence that the Fed would be emboldened to continue on its tightening path.

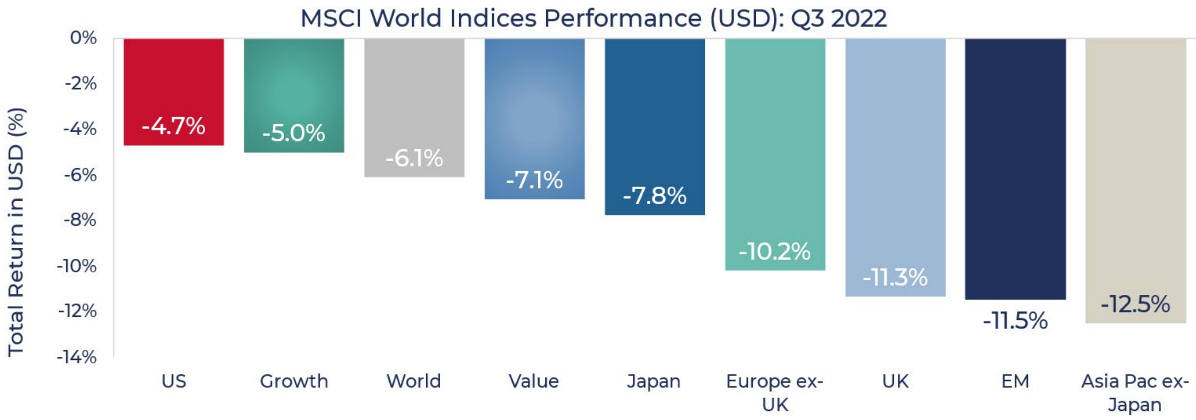
Whilst all equity sectors gained in the first half of the quarter, all sectors declined in the second half. In the first half of the quarter, scaled back expectations of tight monetary policy acted as a tailwind for equities (and growth stocks in particular), with Information Technology and Consumer Discretionary outperforming. Increased optimism for a 'soft landing' was beneficial to more cyclical stocks. Yet these gains all but reversed over the remainder of the quarter, as expectations shifted to a protracted tightening cycle once more. Defensive stocks returned to favour as investors weighed up a potentially deeper recessionary environment, with sectors such as Consumer Staples, Health Care and Utilities outperforming the broader market, as well as the value-orientated Financials and Energy sectors.



Source: Guinness Global Investors, Bloomberg

Currency movements had a significant impact on regional equity markets over the quarter. Whilst the UK was the worst-performing major market in USD terms, in local currency terms it outperformed the US (-3.0% GBP vs -4.7% USD). Demand for a safe haven over the period has led the dollar index to a two-decade high, aided by faster rate hikes that have made the dollar the highest-yielding reserve currency. Weakness outside of the US has also been a significant driver. In September, new UK Prime Minimizer Liz Truss and Chancellor Kwasi Kwarteng launched a fiscal stimulus that spurred a sharp sell-off in government bonds and equities and sent the pound to near 40-year lows. In Europe, the euro fell below dollar parity as recession fears mounted.

Guinness Global Innovators Fund



Source: Guinness Global Investors, Bloomberg

During the third quarter, relative portfolio performance can be attributed to the following:

- The outperformance of value in the latter half of the quarter was a headwind for the Fund, offsetting strong performance in the first six weeks of the period. Additionally, the rotation towards defensive sectors, which are underweight in the Fund, led to underperformance.
- The Fund's software names struggled, and Zoom (-31.8% USD) and Adobe (-24.8%) finished the period as the Fund's bottom performers. A strong rebound from the Fund's top performer, Paypal (+23.2%), offered a partial offset. Stock selection was strong within Technology and Hardware, in which we hold a neutral position relative to the benchmark, with Apple (+1.2% USD) and Amphenol (+4.3%) offering returns significantly ahead of the benchmark.
- The Fund has a slight underweight position to the Consumer Discretionary sector, with a zero allocation to two of the top four performing industries (Autos and Consumer Services) – a negative for Fund performance. However, very strong performance from the Fund's sole Retailing holding, Amazon (+6.4%), helped offset this.
- Having a zero exposure to the Materials and Real Estate sectors, which underperformed the MSCI World in both halves of the quarter, acted as a positive for relative Fund performance. However, a zero exposure to the defensively positioned Consumer Staples sector, the best-performing sector in the second half of the quarter, offset much of this.

With the rotation towards value over much of 2022, the fund ended the period in the fourth quartile vs peers in the IA Global sector in terms of performance over the year to date and one year. However, it is pleasing to see that the Fund's performance remains resilient over longer time frames, featuring in the top two performance quartiles over three, five and 10-year periods, and since launch vs peers.

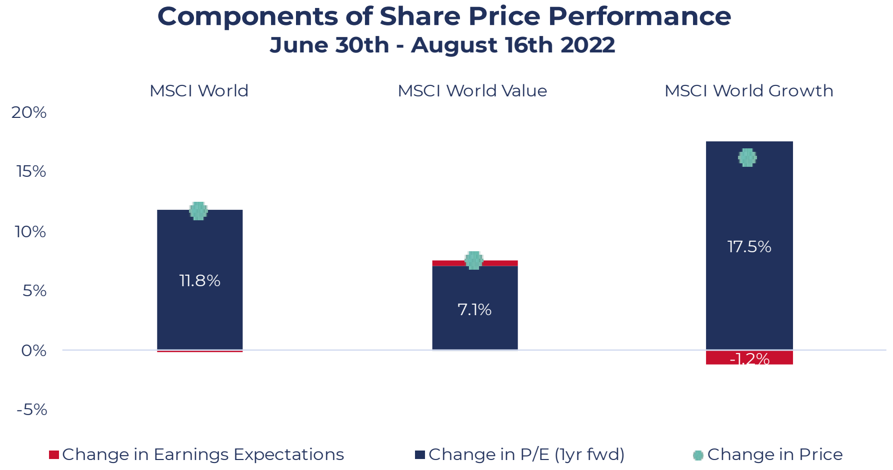
Cumulative % total return, in GBP, to 30.09.2022	YTD	1 year	3 years	5 years	10 years*	Launch*
Guinness Global Innovators	-21.22	-14.88	31.93	55.58	307.84	824.15
MSCI World Index	-9.51	-2.93	26.18	55.61	215.48	511.54
MSCI AC World Index	-9.76	-4.17	23.27	49.36	192.13	496.62
IA Global sector average	-12.97	-8.88	20.33	42.36	160.83	406.70
IA Global sector ranking	na^	381/494	43/406	91/336	7/217	8/97
IA Global sector quartile	na^	4	1	2	1	1

Source: FE fundinfo

** Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01.05.2003. ^Ranking not shown in order to comply with European Securities and Markets Authority rules.*

QUARTER IN REVIEW

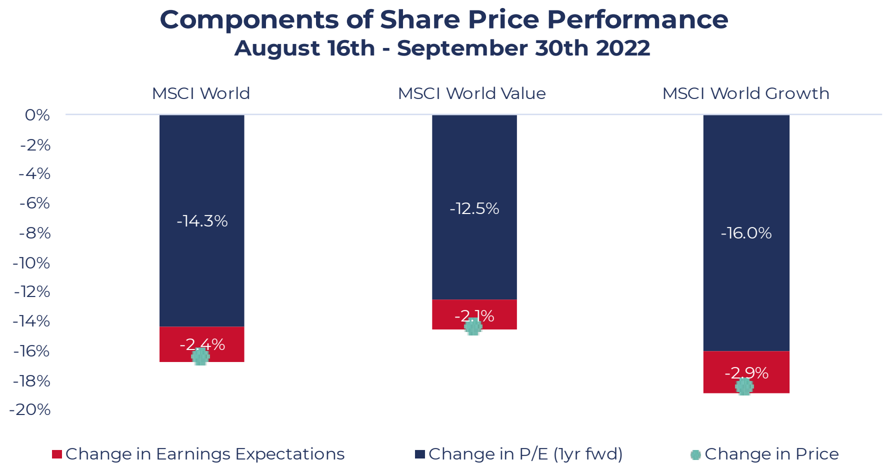
The broad rally across equity markets at the end of Q2 continued into much of Q3, as all regions posted gains in the first six weeks of the quarter, led by the US. Signs of a slowdown in economic growth were taken on the whole as a positive by markets, and they were buoyed by the assumption that the Fed would start cutting rates sooner to stimulate the economy. The rally gained momentum as news of lower commodity and gas prices gave further cause for optimism.



Source: Bloomberg, Guinness Global Investors

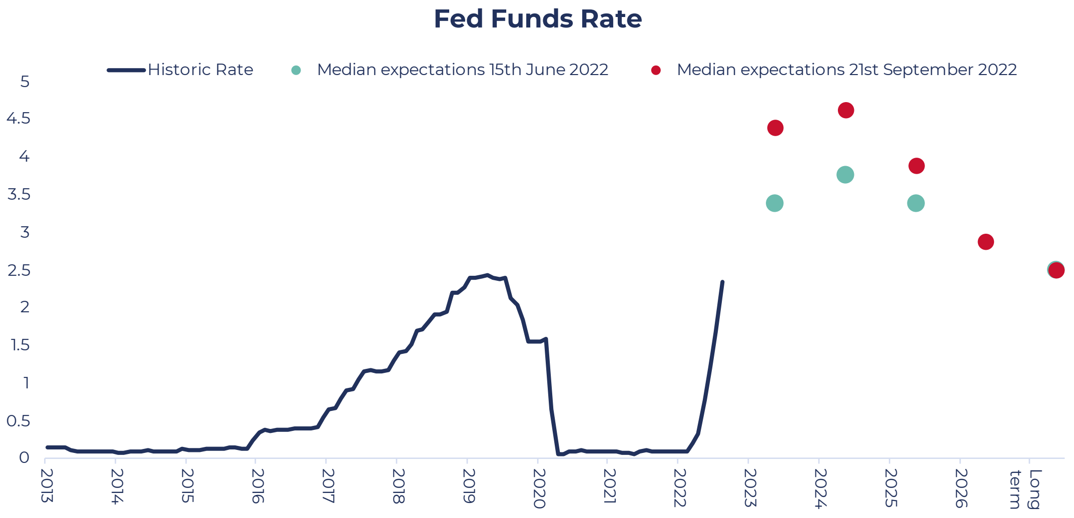
With expectations of easier money, multiples expanded to drive equity performance upwards, with growth stocks leading the pack. Despite a stronger than expected earnings season with multiple companies offering reasonably strong guidance, there was almost no change to analyst expectations of company earnings. In fact, growth stocks even experienced a small downgrade, on average.

This dislocation between share price performance and fundamental outlook led many to muse of a 'bear market rally'. These fears were all but realised in the subsequent half of the quarter by a broad sell-off across all major equity markets, again with growth stocks leading the way. This time, however, multiples were not the only driver of equity market performance, with analyst downgrades materially contributing to the equity market correction.



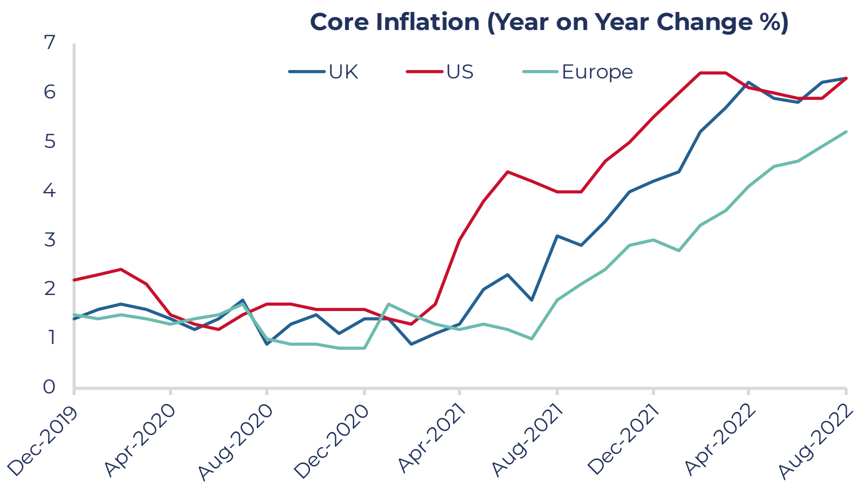
Source: Bloomberg, Guinness Global Investors

Minutes released on the 17th of August from the Fed's July meeting proved to be a catalyst for the equity market sell-off, with officials discussing the need to keep interest rates at levels that will restrict the economy "for some time". Jay Powell later stated "We are taking forceful and rapid steps to moderate demand so that it comes into better alignment with supply, and to keep inflation expectations anchored. We will keep at it until we are confident the job is done." This was a clear signal that optimism of rate cuts in early 2023 was misplaced. By the end of Q3, central bank officials had implemented an unprecedented three consecutive rate hikes of 75 bps and were forecasting rates reaching 4.375% by year-end and peaking at 4.625% in 2023 – significantly ahead of their previous forecast.



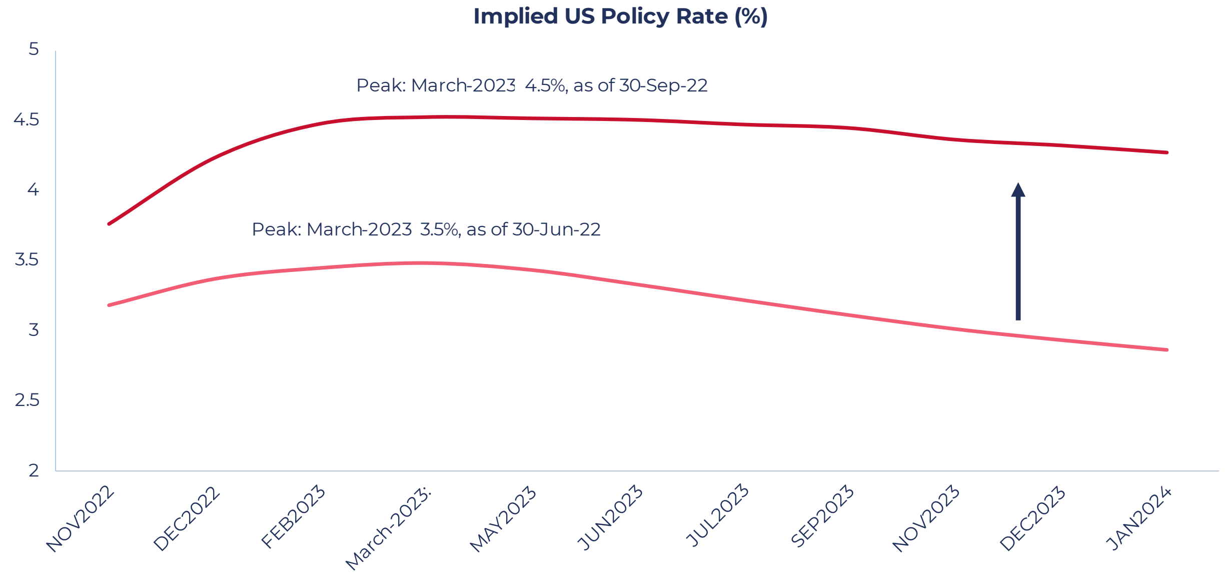
Source: Bloomberg, Guinness Global Investors

The release of August's inflation numbers did little to appease investor concerns. US Headline CPI dropped to 9.9% year-on-year from 10.1% a month prior, yet investor focus was on the core reading, a 0.1% increase month-on-month (expected 0.1% decrease) and a reacceleration of year-on-year data to +0.6% (+0.2% a month prior), dashing investor hopes that peak inflation had already passed.



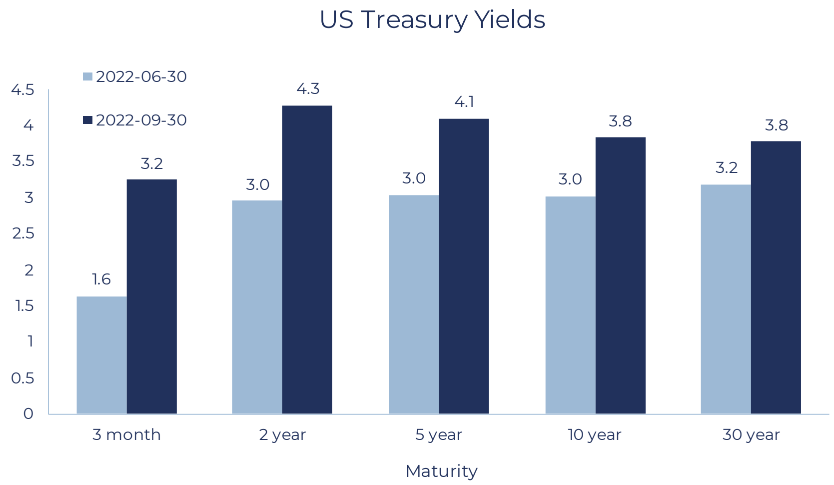
Source: Bloomberg, Guinness Global Investors

There was a dramatic shift in the implied US policy rate as investors who had forecast a lower and earlier peak than Fed officials at the beginning of the quarter quickly reversed to bring their own expectations in line, with the market now pricing in rates to reach a peak of 4.5% versus 3.5% at the beginning of the quarter. The curve also became materially flatter into 2024.



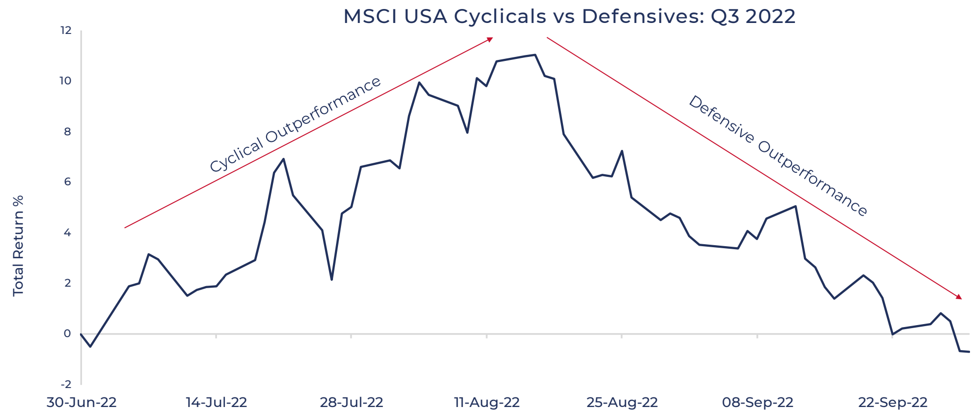
Source: Bloomberg, Guinness Global Investors

The prospect of higher borrowing costs for longer drove yields higher across the maturity spectrum, particularly at the short end, leading to an inversion of the yield curve – a common leading indicator of recession. The spread between the 10 and 2-year, the most commonly used indicator, inverted by its largest amount since 2000.



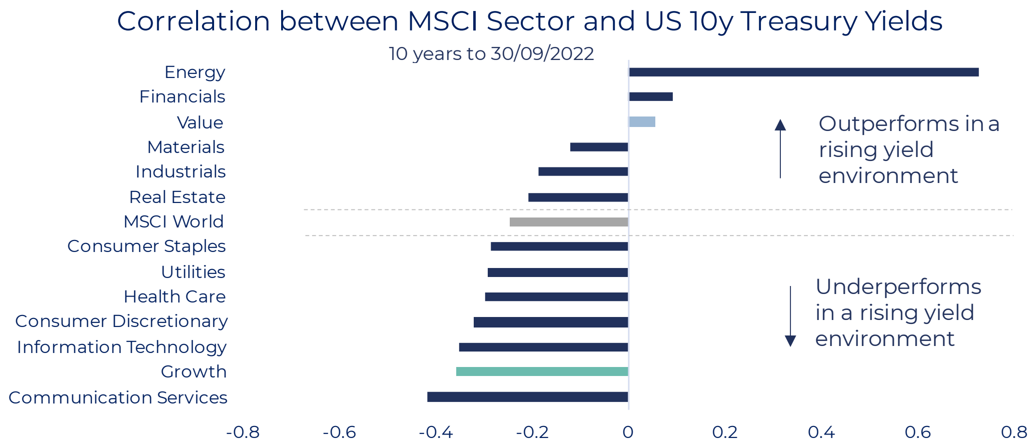
Source: Bloomberg, Guinness Global Investors

Fears of a recession grew over Q3, particularly following the news of two consecutive quarters of GDP decline – the definition of a technical recession for many. Composite PMIs fell below 50 across the US and Europe, consumer confidence dropped to 21st century lows and the Federal Reserve consistently stated its intention to bring inflation down regardless of the economic consequences. Markets are now asking not whether recession can be avoided, but how deep it will be. A rotation into more defensive sectors ensued, reflecting risk-off sentiment. This proved to be a headwind for the Fund, which has a zero weighting to the defensive sectors of Consumer Staples and Utilities, as well as high exposure to the highly cyclical Information Technology sector.



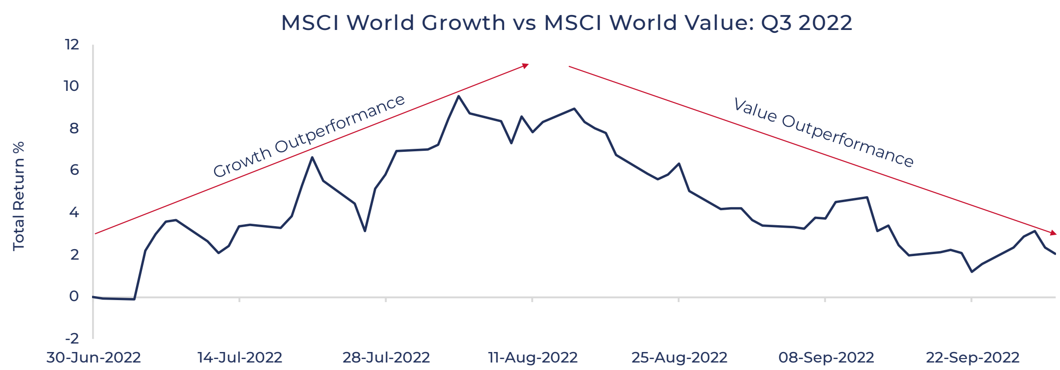
Source: Bloomberg, Guinness Global Investors

The prospect of higher rates also triggered a rotation towards value stocks. Yields are an important element when determining the discount rate used to value a given stock's future cash flows. Growth stocks are typically 'higher duration' in nature (compared to value stocks), meaning cash flows are weighted further out into the future. Since distant cash flows are more sensitive to changes in discount rates, so too are high-duration growth companies, relatively speaking. In the past 10 years, there has been a positive correlation between yields and value-orientated stocks. When yields increase, value tends to outperform the index – as has been seen over the first half of 2022, and again in the latter half of Q3.



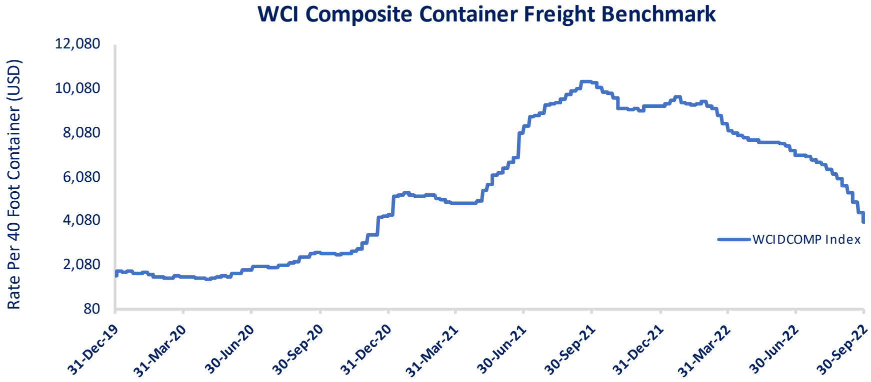
Source: Bloomberg, Guinness Global Investors

Consequently, the rotation towards value wiped out nearly all the gains that growth had made in the initial weeks of Q3, again providing a headwind for the Fund.



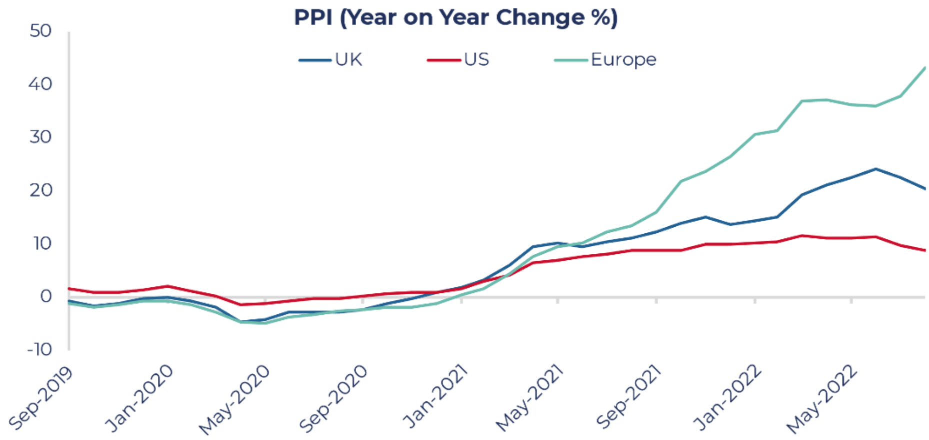
Source: Bloomberg, Guinness Global Investors

Whilst inflation is likely to remain elevated over the short term, there are some initial signs that pressures are easing. Shipping costs have fallen significantly since peaks seen in September last year, with the WCI Composite Container Freight Benchmark falling c. 36% in Q3 2022 alone.



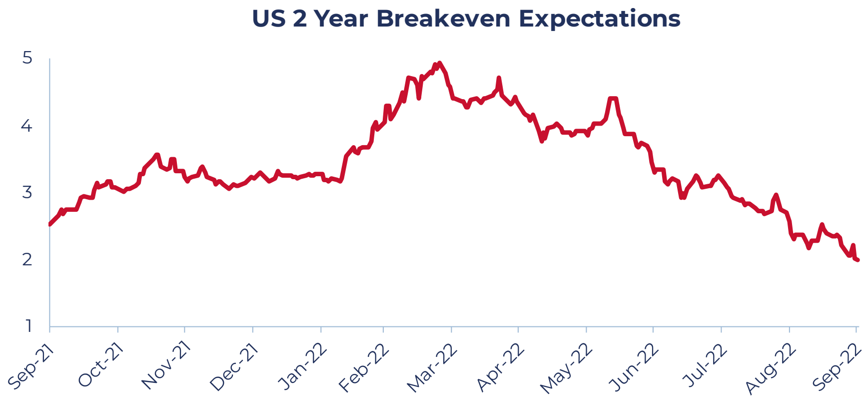
Source: Bloomberg, Guinness Global Investors

The Producers Price Index, often viewed as a leading indicator for the Consumer Price Index, has been falling since June in the US, driven by easing energy prices (Final Demand Energy -6.0% year-on-year).



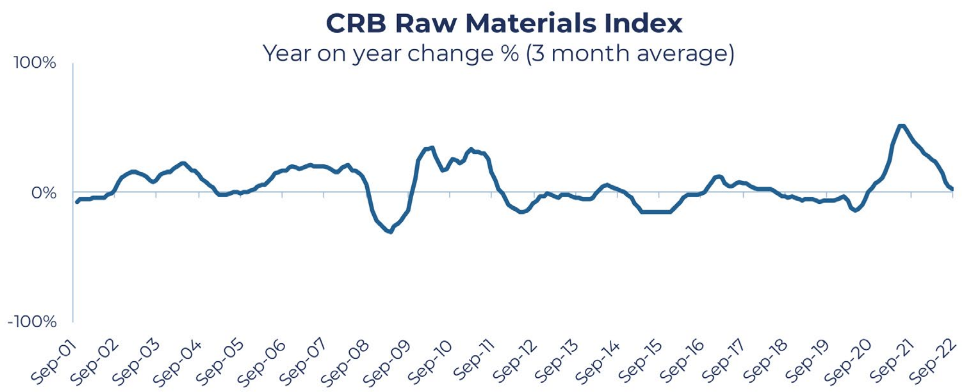
Data as of 30/09/2022. Source: Bloomberg, Guinness Global Investors

The 2-year US Government Breakeven, which gives an indication of market expectations of average inflation over a 2-year time horizon, continued to fall.



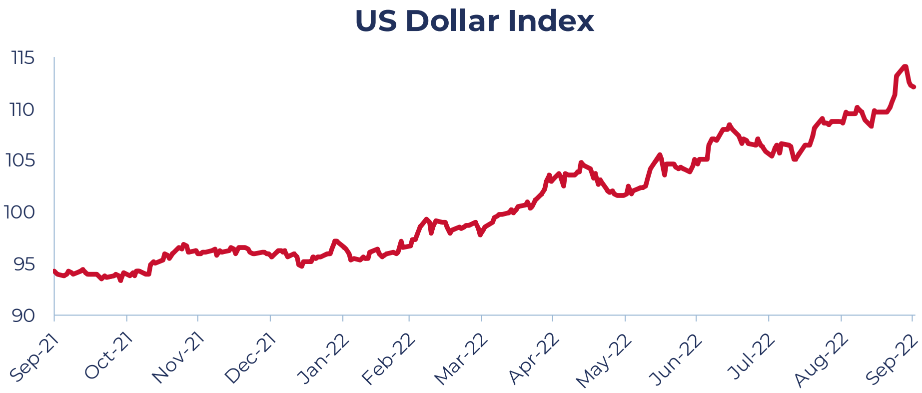
Source: Bloomberg, Guinness Global Investors

The CRB Raw Materials Index is a measure of the price movements of 22 basic commodities selected for their sensitivity to economic conditions. Here, we can see a dramatic decline over the past year, showing that these commodities, on average, are no longer inflationary.



Source: Bloomberg, Guinness Global Investors

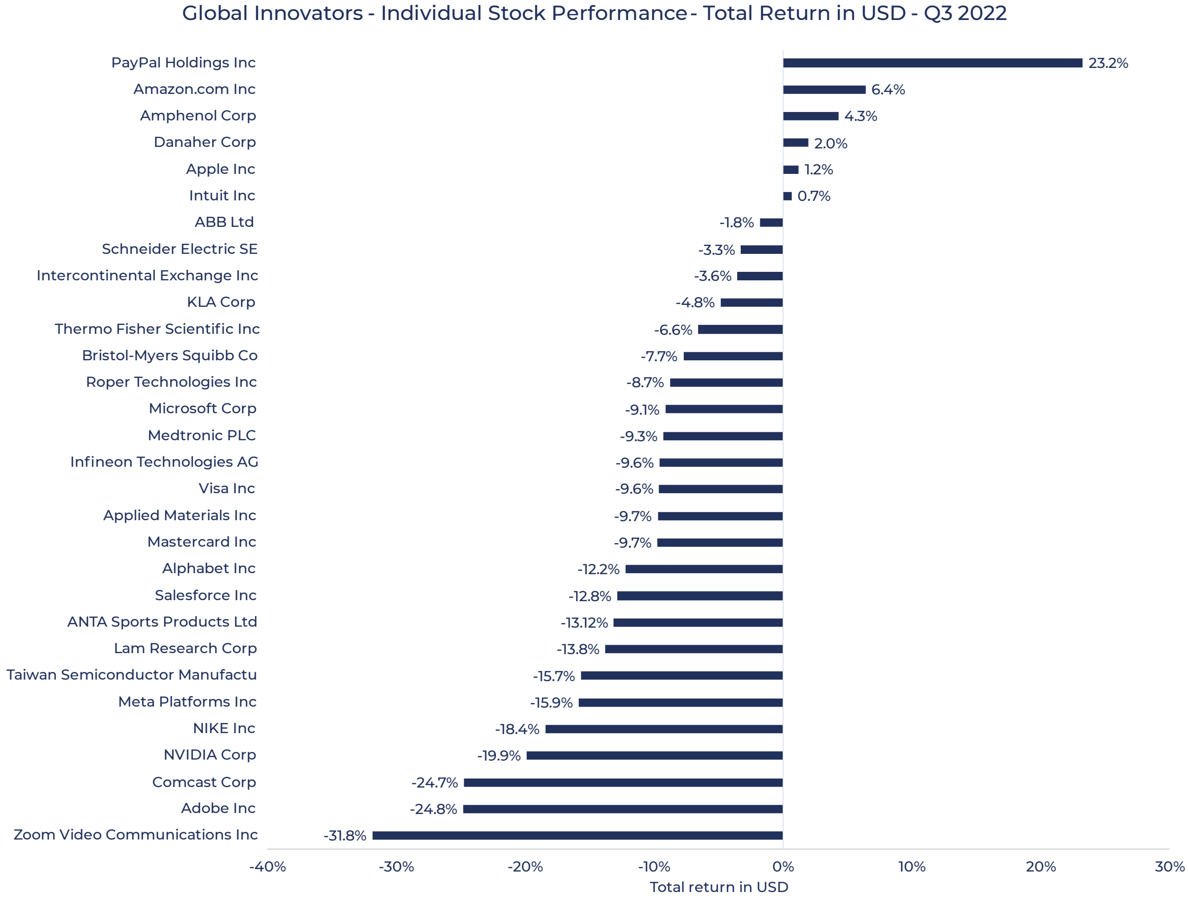
It is also important to note the strength seen in the dollar over the quarter. This can act as a deflationary force within the US, as US exports become more expensive for importing countries, decreasing demand for US goods, whilst also making US imports cheaper.



Source: Bloomberg, Guinness Global Investors

We believe the secular growth trends and innovation themes that our companies are exposed to give them a strong fundamental outlook. Indeed, we believe there is a good argument for high quality secular growth stocks in the current market environment, especially in a recessionary or slower-growth environment, as these companies should continue to be able to grow despite the market headwinds and have better fundamental characteristics in terms of margins and balance sheets. The recent and significant de-rating of many of these companies provides a better opportunity in terms of valuation today, but we note this does not preclude the potential for further market de-rating in the near term as the future path for the global economy and broader geopolitical situation remains uncertain.

STOCK PERFORMANCE IN Q3



Source: Guinness Global Investors, Bloomberg

PayPal (+23.2% USD)

After ending Q2 as the Fund's bottom performer, Paypal recovered to end Q3 as the top performer. Paypal struggled over the first half of 2022, with a mix of negative momentum from 2021, a weak earnings release in the first quarter, and the outperformance of 'value' stocks in general. In Q3, positive price momentum returned to the stock. In July, there were reports that activist investor Elliott was building a stake in the company, causing a one-day jump in the stock price of 12%. The company announced 2Q22 earnings in early August somewhat ahead of estimates and guidance, leading to a strong positive market reaction. Net revenue increased 10% year-over-year, and 14% excluding eBay headwinds. The firm's recent shift in strategy towards higher-quality users (rather than focusing on new user numbers) is helping to improve the quality of its cash flows, and it was reassuring to see that 'transactions per active account', a key indicator, was up +12% year-on-year. The firm also saw Total Payments Volume up 9% year-on-year. The headwind from the eBay disposal (c. 2% of revenues) is diminishing, and growth avenues such as Buy Now Pay Later and Venmo are carrying strong momentum. Expansion into new product areas such as credit cards and cryptocurrency presents potential future growth catalysts. With this strong outlook paired with solid fundamentals, we continue to view PayPal as an attractive opportunity.

Apple Inc (+0.7% USD)

Apple had a broadly positive quarter, outperforming during the growth rally and trending broadly in line in with the market over much of the value rotation. Q3 results in July offered the firm's stock price an additional dose of momentum to complement the growth rally. Despite a challenging macro environment, with inflation causing a moderation in consumer spending, significant FX headwinds and a disrupted supply chain, the firm posted solid earnings. Revenues grew 2% to $83bn alongside gross margin expansion of 45bps to 43.3%. Particularly promising was the growth in the services segment (+12% year-on-year) and a record number of service subscribers (860m) offering a recurring revenue stream with significant 'stickiness'. This was facilitated by all-time highs for the "installed base of devices", with Tim Cook noting that Services continued to be a "strategic growth priority for the firm" going forward. The firm guided to an acceleration in year-on-year growth in Q4, stating that "the situation on supply is improving". The firm's launch event in September was well received, with incremental improvements to iPhone, Watch and Airpods. Despite the rotation into value, the firm tracked broadly in line with the index over the latter half of Q3. However, a downgrade to neutral by Bank of America in the closing days caused the stock to plunge 5% despite the analyst's positive long-term outlook on the stock. We continue to view Apple as a very high-quality company with strong growth prospects and positive market trends. The firm's Services segment is a significant source of growth, is accretive to margins (70% gross margin vs 42% for the firm), helps to diversify away from iPhone and creates stickier revenues. iPhone also continues to offer an attractive growth runway, with the segment gaining share on rivals Samsung and achieving strong emerging market penetration.

Zoom (-31.8% USD)

Zoom ended the quarter as the Fund's bottom performer. The stock experienced a strong negative price reaction to its earnings release. While top-line figures missed expectations (revenue -1.6% to consensus, +7.6% year-on-year), we found the negative market reaction to be overdone. In our view, the most important segments showed broad-based strength (enterprise, upmarket, nascent product lines). Enterprise exposure increased to 54% of sales, up from 41% last year, with strong top-line growth (+27% year-on-year). The Enterprise segment is a key strategic focus for Zoom, with higher-quality revenues stemming from greater pricing power, multi-contract solutions, cross-selling opportunities, longer-term contracts, and stickiness from organisational inertia. Zoom also had success in the upmarket segment, with revenues from customers contributing more than $100,000 (trailing 12 months) growing by +37%. In addition, net dollar expansion of 120% highlighted strong growth in spending by existing enterprise customers. Zoom also demonstrated strength in its nascent product lines. Zoom Phone is continuing to rapidly acquire new customers, reaching nearly 4 million seats in 2Q23 - annual growth of over 100% and approximately double the amount of seats of close peer Ringcentral. Whilst there was some weakness in the international segment, where the firm is aiming to drive growth, we do not feel that these results justified such a severe negative reaction, with the market perhaps placing too much emphasis on the retail segment, which is facing headwinds as we exit the pandemic. Overall, the firm's nascent product lines and growing TAM (total addressable market) offer strong growth potential, and paired with the firm's brand equity, solid balance sheet and focused strategy, give us confidence in the long-term outlook for Zoom.

Adobe (-24.8% USD)

Adobe was trending broadly in line with the MSCI World Index until mid-September, when a merger agreement with Figma caused a sharp sell-off in the stock. Adobe was more than 10% ahead of the Index half-way through the quarter following a positive set of earnings and the broader growth rally. Adobe's Q2 results beat consensus on both the top and bottom line (revenues of $4.39 billion and EPS of $3.35 came in 1.1% and 1.2% ahead of consensus). The firm also announced a $464 million net increase in 'new digital media' annually recurring revenue stemming from better-than-expected performance in the Creative Cloud and Document Cloud segments. Management reiterated their previous bullish guidance and explained that the full-year outlook of a $1.9 billion increase in annual recurring revenue is still on track. However, the rotation towards value removed any positive momentum, and the announcement of the firm's Figma acquisition in mid-September caused the stock to tumble nearly 17%

in one day. Figma facilitates collaboration between remote working software developers and designers, also offering a new class of browser-based design tools for millions of non-designers – a potential threat to Adobe's core business, the traditional leader in design software. The $20bn valuation is what concerned the market, a multiple of five times annual recurring revenue. We view the acquisition, although expensive, as a strong strategic move. It exposes Adobe to an additional $16.5bn in TAM with the potential to grow, with significant synergies and collaborative opportunities particularly in imaging, photography, illustration and video.

CHANGES TO THE PORTFOLIO

We made no changes to the portfolio during Q3.

PORTFOLIO CHARACTERISTICS

The two charts below show how the exposure of the fund has evolved since the launch of the strategy in 2003. The fund continues to have no exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities. Information Technology remains the largest exposure, split between the three sub-sectors of semiconductors; software and services; and technology hardware. On a regional basis, North America continues to be the largest exposure (80%), followed by Europe (12%) and Asia Pacific (6%).

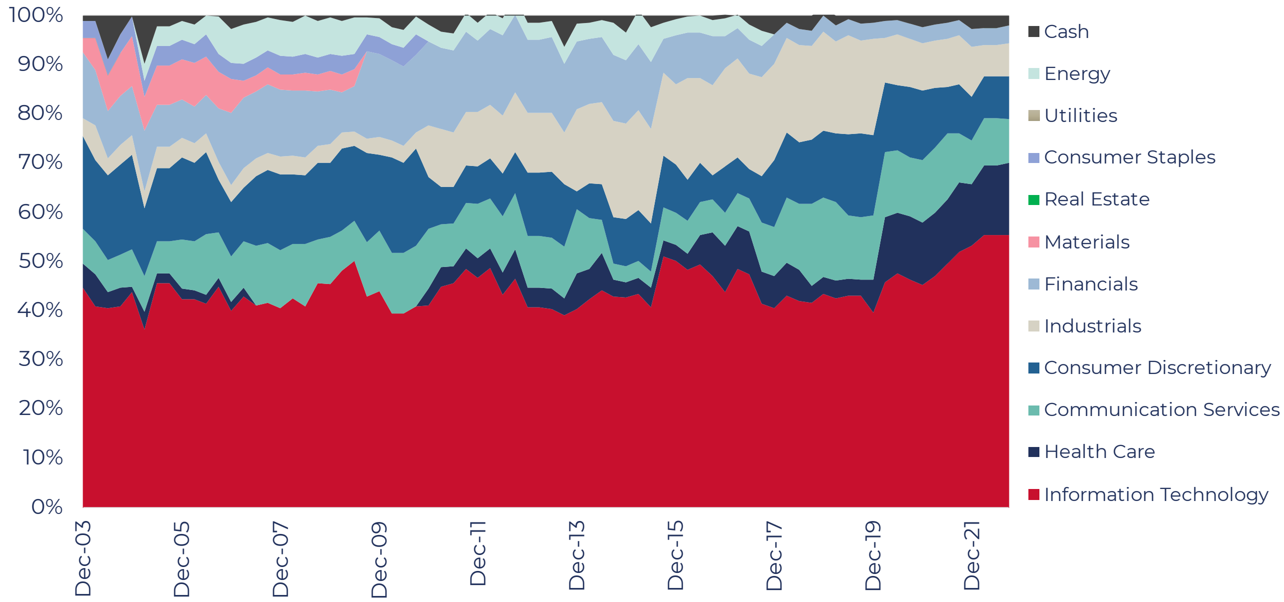


Figure 3: Portfolio sector breakdown. Guinness Global Investors, Bloomberg (30.09.2022)

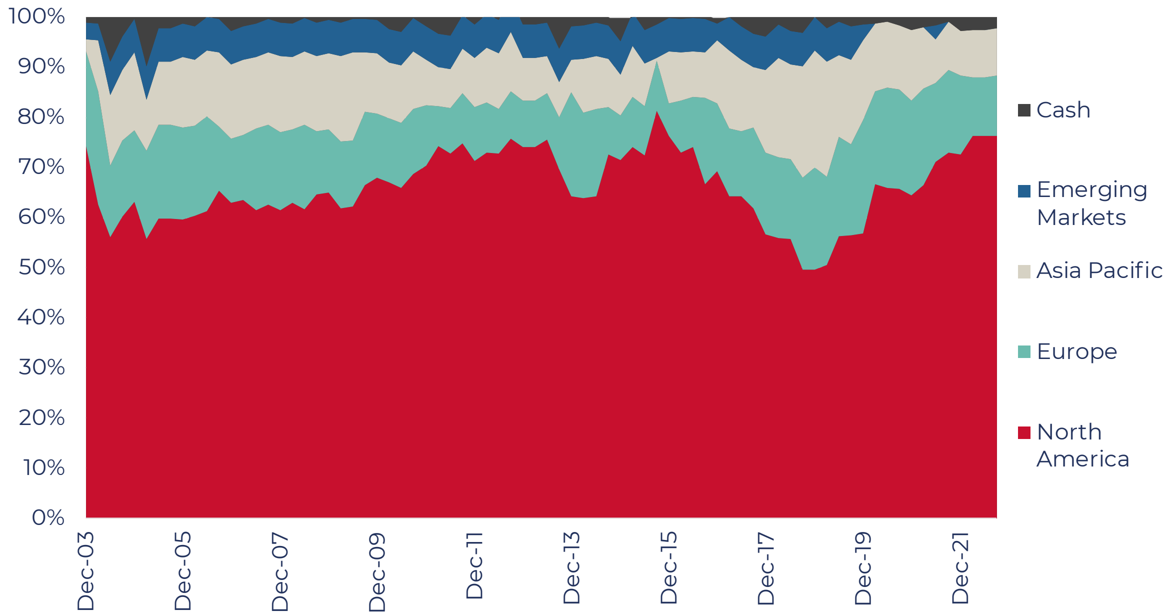


Figure 4: Portfolio geographic breakdown. Guinness Global Investors, Bloomberg (30.09.2022)

On a regional level, at the end of the quarter the fund held a small overweight position to North America, and small underweight positions to Europe and Asia Pacific, relative to the benchmark.

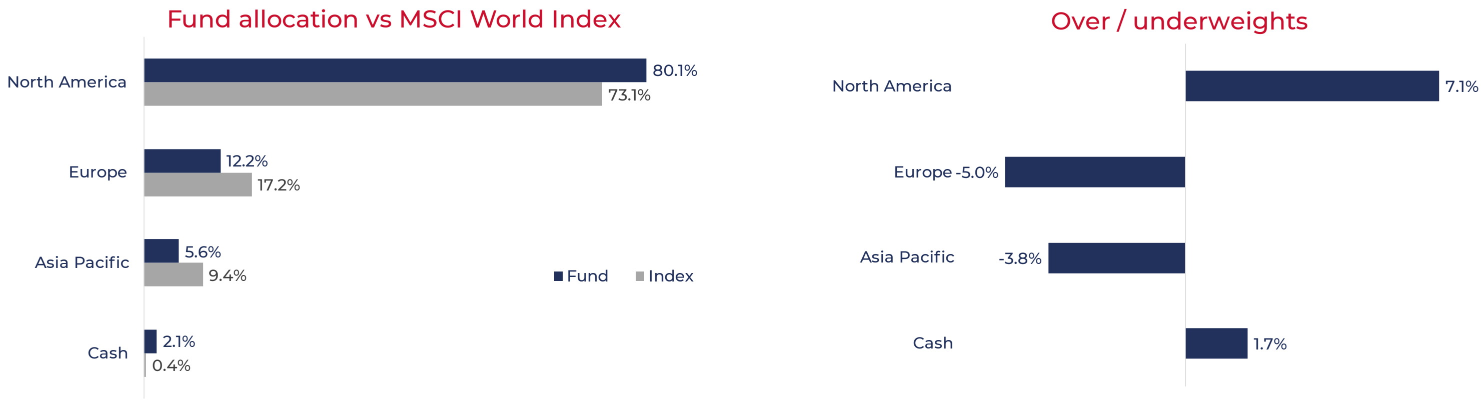


Figure 5: Guinness Global Investors, Bloomberg (data as at 30.09.22)

On a sector level, the fund continues to have a large overweight to IT (34.3%), while its 0% exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities leaves these areas underweight relative to the benchmark.

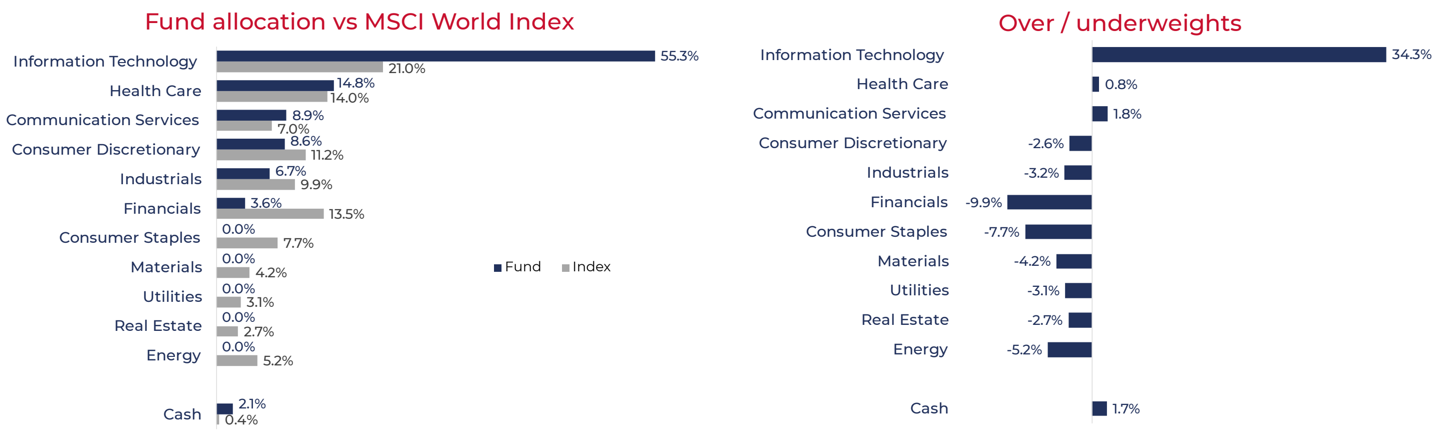


Figure 6: Guinness Global Investors, Bloomberg (data as at 30.09.22)

KEY FUND METRICS

Innovation: We seek companies which are exposed to secular growth themes and which should therefore be more insulated from market cycles.

Quality: We only invest in companies with high (and ideally growing) returns on capital and strong balance sheets.

Growth and valuation: We look to buy good growth companies at reasonable valuations and specifically we try to avoid paying too high a premium for expected future growth as this is inherently less predictable.

Conviction: We run a concentrated portfolio of 30 stocks, equally weighted.

The table below illustrates these four key tenets of our approach in the portfolio today.

		Fund	MSCI World Index
Innovation	R&D / Sales	8.9%	6.3%
	CAPEX / Sales	6.2%	8.4%
Quality	Return on Capital	20.2%	7.2%
	Weighted average net debt / equity	26.0%	67.3%
Growth (& valuation)	Trailing 5-year sales growth (annualised)	14.8%	3.2%
	Estimated earnings growth (2023 vs 2022)	9.4%	6.5%
	PE (2022e)	17.7	14.3
Conviction	Number of stocks	30	1630
	Active share	83%	-

Figure 7: Guinness Global Investors, Bloomberg (data as at 30.09.2022)

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA

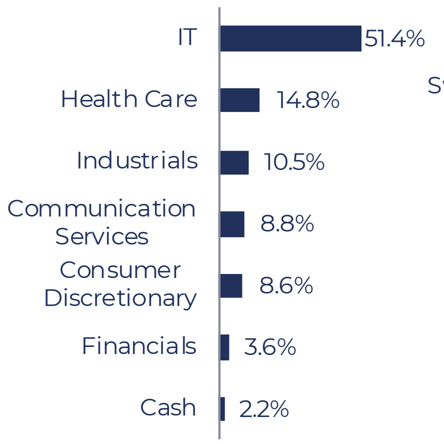
Dr Ian Mortimer, CFA

PORTFOLIO

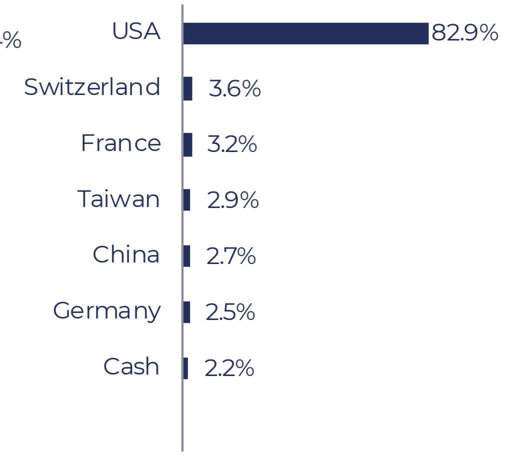
Fund top 10 holdings (%)

Amphenol Corp	4.1%
Thermo Fisher Scientific	4.1%
Paypal	4.1%
Danaher Corp	4.0%
Microsoft	3.8%
Intuit Inc	3.8%
Mastercard Inc	3.8%
Roper Technologies Inc	3.7%
Visa	3.7%
Bristol-Myers Squibb Co	3.7%
% of Fund in top 10	38.8%
Total number of stocks	30

Sector analysis (%)



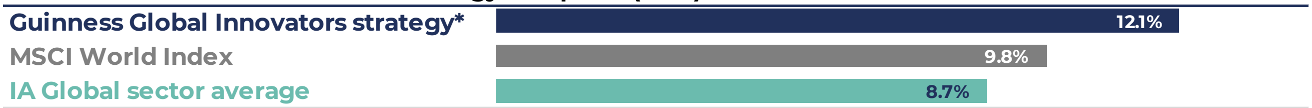
Geographic allocation (%)



PERFORMANCE*

Past performance does not predict future returns.

Annualised % total return from strategy inception (GBP) **30/09/2022**



Discrete years % total return (GBP)	Sep '22	Sep '21	Sep '20	Sep '19	Sep '18
Guinness Global Innovators Fund	-14.9	23.3	25.6	8.4	8.8
MSCI World Index	-2.9	23.5	5.2	7.8	14.4
IA Global sector average	-8.9	23.2	7.2	6.0	11.6
IA Global sector ranking	376/489	209/439	49/401	121/367	254/331
IA Global sector quartile	4	2	1	2	3

Cumulative % total return (GBP)	YTD	1 Yr	3 Yrs	5 Yrs	Launch*
Guinness Global Innovators strategy	-21.2	-14.9	31.9	55.6	824.2
MSCI World Index	-9.5	-2.9	26.2	55.6	511.5
IA Global sector average	-13.0	-8.9	20.3	42.3	406.7

RISK ANALYSIS **30/09/2022**

Annualised, weekly, 5 years, in GBP	Index	Sector	Fund
Alpha	0	-0.35	-0.50
Beta	1	0.82	1.08
Information ratio	0	-0.27	-0.03
Maximum drawdown	-24.58	-21.61	-23.47
R squared	1	0.84	0.84
Sharpe ratio	0.32	0.22	0.25
Tracking error	0	6.38	7.57
Volatility	15.83	14.24	18.65

*Simulated past performance. Performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects the Guinness Atkinson Global Innovators Fund (IWIRX), a US mutual fund with the same investment process since 01.05.2003. Discrete 12m performance is shown below.

Source: FE fundinfo, bid to bid, total return. Fund Y GBP class (0.89% 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.

DISCRETE 12-MONTH PERFORMANCE*

Past performance does not predict future returns.

Discrete 12m % total return (GBP)	Sep '22	Sep '21	Sep '20	Sep '19	Sep '18	Sep '17	Sep '16	Sep '15	Sep '14	Sep '13
Guinness Global Innovators Strategy	-14.9	23.3	25.6	8.4	8.8	24.1	31.9	-2.0	22.6	33.4
MSCI World Index	-2.9	23.5	5.2	7.8	14.4	14.4	29.9	1.6	12.1	19.9
IA Global sector average	-8.9	23.2	7.2	6.0	11.6	14.9	26.2	-1.4	7.9	18.8
IA Global Sector Ranking	376/489	209/439	49/401	121/367	254/331	14/302	62/281	196/256	4/233	8/213
IA Global Sector Quartile	4	2	1	2	3	1	1	4	1	1

	Sep '12	Sep '11	Sep '10	Sep '09	Sep '08	Sep '07	Sep '06	Sep '05	Sep '04	Sep '03
Guinness Global Innovators Strategy	21.5	-1.7	12.1	17.0	-20.2	20.8	11.2	23.4	-1.4	26.8
MSCI World Index	17.3	-3.2	8.4	8.9	-15.5	11.0	8.1	21.7	7.5	18.7
IA Global sector average	13.0	-4.9	8.6	12.0	-19.3	13.6	9.0	24.0	7.6	15.4
IA Global Sector Ranking	9/201	47/175	51/164	36/153	87/141	25/134	45/116	64/102	92/97	12/91
IA Global Sector Quartile	1	2	2	1	3	1	2	3	4	1

Source FE fundinfo. *Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same team using the same investment process as applied to the UCITS version.

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 Innovators 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

The Guinness Global Innovators 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, and you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on our website.

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