Guinness Global Money Managers

2023 Annual Review and Outlook

RISK

This is a marketing communication. Please refer to the prospectus, KIDs and KIID for the Fund, which contain detailed information on its characteristics and objectives, before making any final investment decisions.

The 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. Further details on the risk factors are included in the Fund's documentation, available on our website.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	31.12.2010
Index	MSCI World
Sector	IA Financials and Financial Innovation
Managers	Will Riley Tim Guinness
EU Domiciled	Guinness Global Money Managers Fund

OBJECTIVE

The Fund aims to deliver long-term capital growth by capturing the strong returns that successful asset management companies can deliver to shareholders. We expect asset managers to outperform the broad market over the long term, primarily due to the ability of successful managers to grow their earnings more rapidly than the broad market. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

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COMMENTARY

In this annual review and outlook, we review the asset management sector and our Fund performance in 2023, and consider the outlook for 2024 and beyond.

The Global Money Managers Fund (class Y, in USD) in 2023 produced a total return of +16.3%. This compares to the return of the MSCI World Index (net return) of +23.8% and the MSCI World Financials Index of +16.2%.

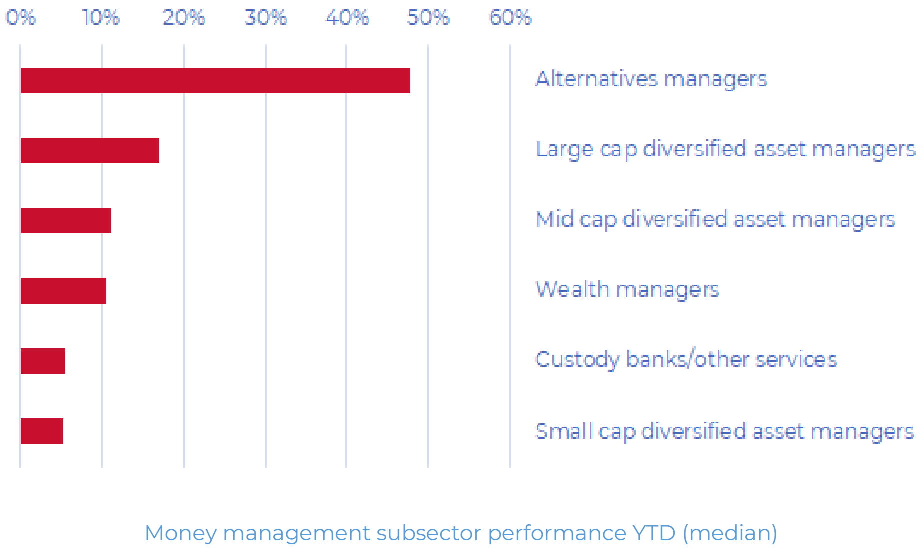
After a difficult 2022, 2023 was far kinder to balanced portfolios. The predominant outlook coming into the year was one of high inflation and rapidly rising interest rates leading to recession in the West. So far, however, economies have coped well with higher rates, and there were positive signs that pandemic-induced inflation is easing. By the final quarter of the year, a growing expectation that central banks will cut interest rates sooner in 2024 than previously expected resulted in a strong rally in nearly all asset classes.

Developed market equities performed especially strongly, led by big growth stocks, which fell sharply in 2022 but have bounced back well. Value sectors, including financials, lagged. Bonds, also hit hard in 2022, enjoyed a partial recovery, but not to the same degree as equities. Finally commodities, which were 2022's star performer, were the most notable laggard in 2023.

Expectations for interest rates peaking sooner in the US than in Europe have contributed to an unwinding of some of the extreme strength last year in the US dollar, which lagged the Euro and Sterling in 2023.

Against this backdrop, the money management sector performed satisfactorily, underperforming the MSCI World but outperforming broader financials.

Money Management subsector performance in 2023 % (USD)



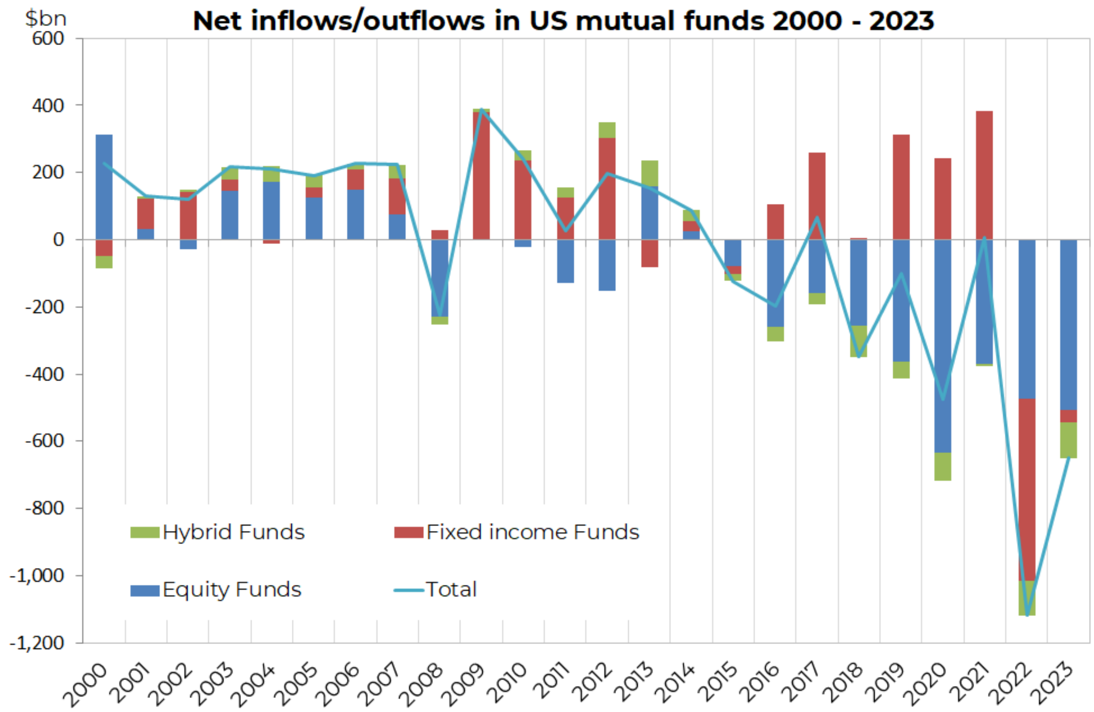
Source: Bloomberg; Guinness Global Investors. Total return (USD) 31.12.2022 – 31.12.2023

The best performing subsector within the Fund was, by some distance, alternative managers. Conditions have been particularly good for those such as Ares (+79% in USD) that are geared to the private credit growth opportunity. Blackstone (+83%) was also a stand-out performer, with assets under management reaching the $1trn milestone, and more positive commentary on a thawing in private equity dealmaking after the challenges of 2022. Strength in the S&P500 so far this year was especially beneficial to our most US equity-levered traditional asset managers, including Artisan Partners (+60%) and Janus Henderson (+36%).

Weaker stocks included UK asset managers Liontrust Asset Management (-34%) and Jupiter Asset Management (-21%). Both companies have struggled with continued retail outflows, whilst Liontrust saw a mixed reception to its proposed takeover of Swiss asset manager GAM Holding AG. Value Partners (-8%) has also lagged, its position as a specialist in Asian investing remaining out of favour.

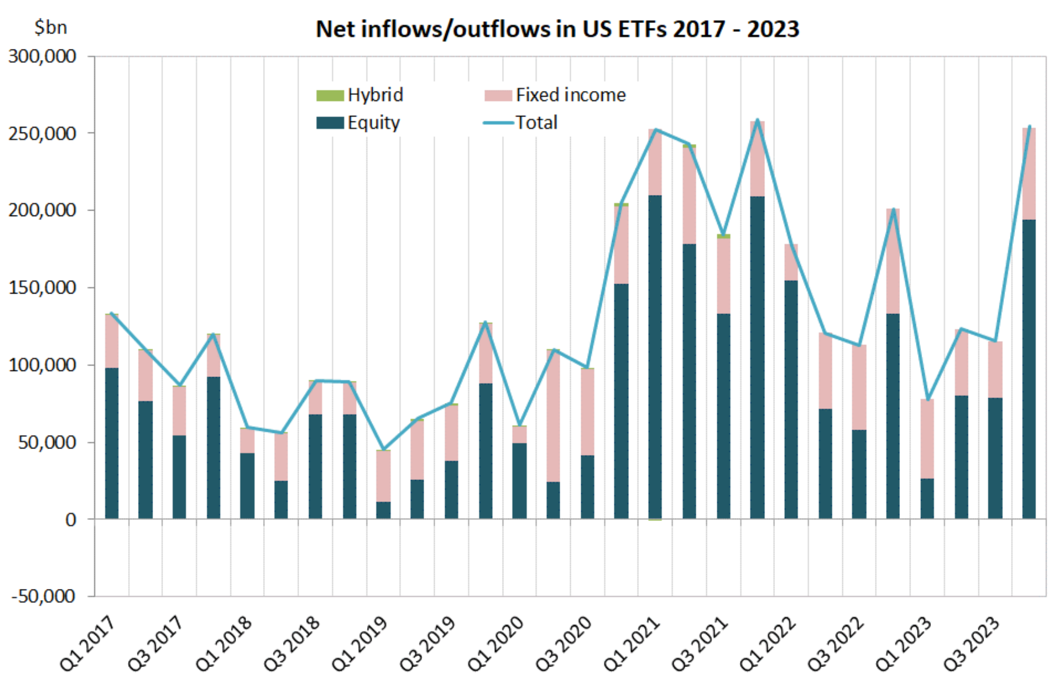
In November, we saw Sculptor Asset Management acquired by Rithm Capital at around a 40% premium to Sculptor's undisturbed share price. Rithm made an initial approach in July, which prompted a rival bid by a consortium led by Saba Capital Management's Boaz Weinstein. Rithm's counter-offer was ultimately accepted. With the deal completed, it removes the one hedge fund specialist in the portfolio.

Net flows from the active mutual fund sector in the US turned negative in 2022 (having been small positive in 2021). 2023 saw a continuation of the previous year's trends, with net outflows for active equity, fixed income and hybrid funds persisting, albeit slower in aggregate than 2022:



Source: ICI; Guinness Global Investors; to 31.12.2023

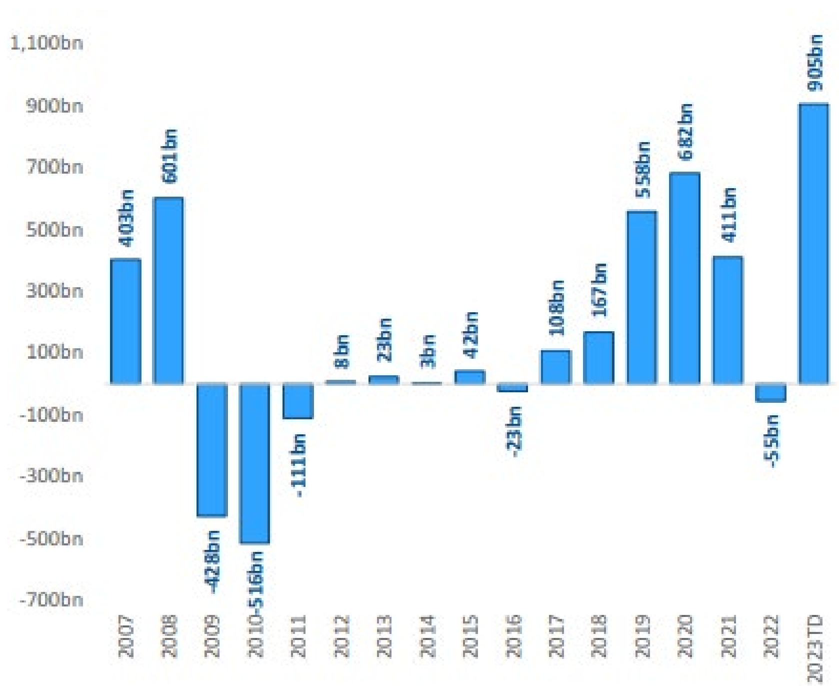
Data from the US ETF industry shows inflows across equity ETFs, bond & income ETFs and hybrid ETFs in every quarter since the start of 2017. The trend has continued into 2023, with net inflows accelerating materially in the fourth quarter:



Source: ICI; Guinness Global Investors; to 31.12.2023

Within active management, the brightest spot has been money market funds, coming back to life in the higher interest rate environment. According to Morningstar, money market funds are enjoying their highest rate of net inflows since before the 2008 financial crisis:

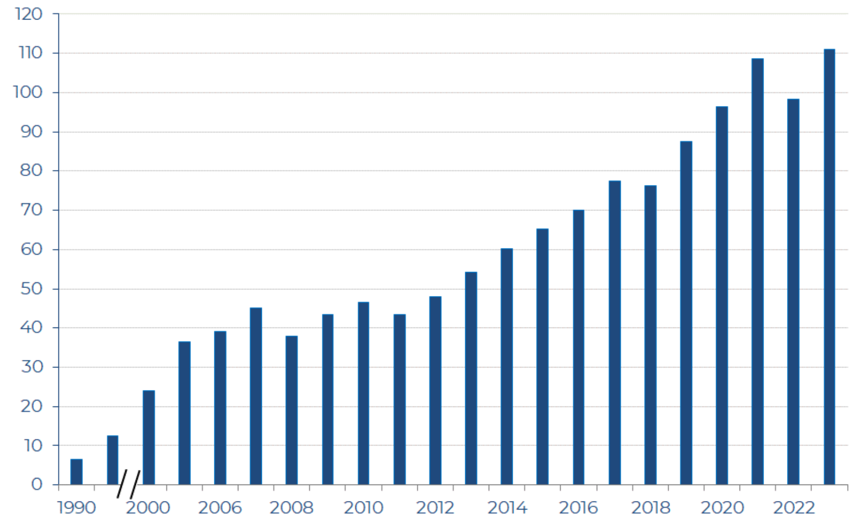
US Money Market net flows ($bn)



Source: Morningstar; Goldman Sachs; data to 30.11.2023

The assets under management of several companies in our investment universe reached new highs in 2023, helped by the strength in global equities and also the secular forces of wealth creation, expansion in the breadth of investible assets, and demographic shifts. It was an environment where many firms achieved strong profits. And yet, 2023 was also a year when the pressures of active to passive rotation in equities, associated fee pressures, plus the burden of inflation and increased regulation, were as visible as any point in the last decade.

Global assets under management ($trn)



Source: BCG; Guinness Global Investors; data to 31.12.2023

So, how do these countervailing trends play out over the next few years?

We continue to believe that the money management sector is developing into the 'haves' and the 'have-nots'. Simplistically, it would be easy to think of the 'haves' as those who can crack the issue of scale: 'trillionaire' firms managing the largest pool of assets in an efficient, profitable fashion. This is part of the answer. As we see it, however, quality remains the key facet when defining a successful asset manager, and manifests itself in various ways, not just via scale.

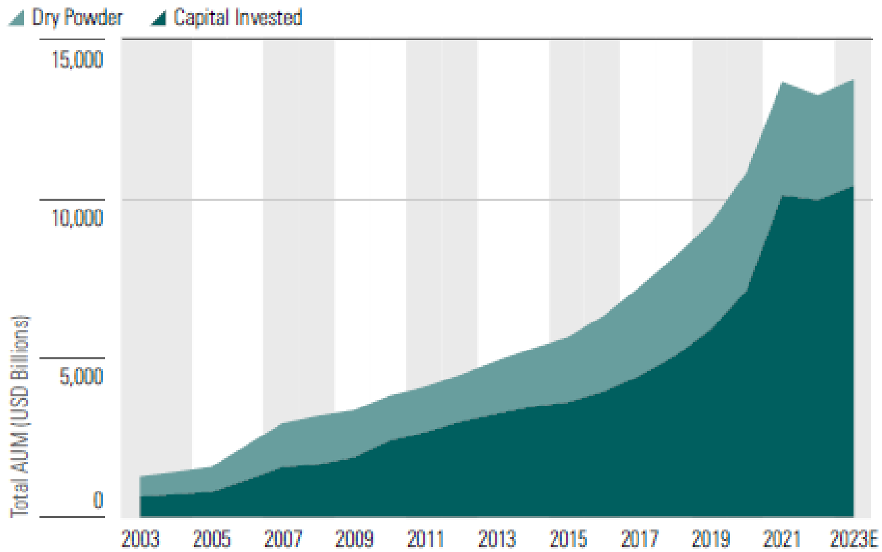
We define quality as "the ability of a manager to consistently meet stated and relevant objectives". For a smaller traditional asset manager, it likely means the provision of high active share, alpha-generating portfolios. For a passive provider, quality increasingly looks like the delivery of easily accessible, very low-tracking-error, low-cost ETF products. For an alternatives provider it is the consistent delivery of differentiated absolute returns. If quality is sustained, in whatever form, it will drive the growth of a successful asset management business.

The most obvious 'have-nots' in the industry today are the weaker traditional asset managers who continue to overcharge for undifferentiated products. Some companies in this category have reached interesting 'value' territory, but many will remain value traps: leaking assets and lacking the vision to redesign investment products or client distribution models.

Considering the various sector trends that are playing out, we expect outperformance from the following participants in the sector:

- **Alternative asset managers**. There has been a strong secular migration in the institutional channel to illiquid alternatives (e.g. private equity, real estate, private debt, infrastructure). This is particularly benefiting the largest alternative firms like Blackstone, KKR and Ares. 'Alternative' asset managers, such as private equity and hedge funds, face less threat from passives than large low-active-share traditional managers, and therefore sit well placed to continue to grow assets as investors seek differentiated returns.

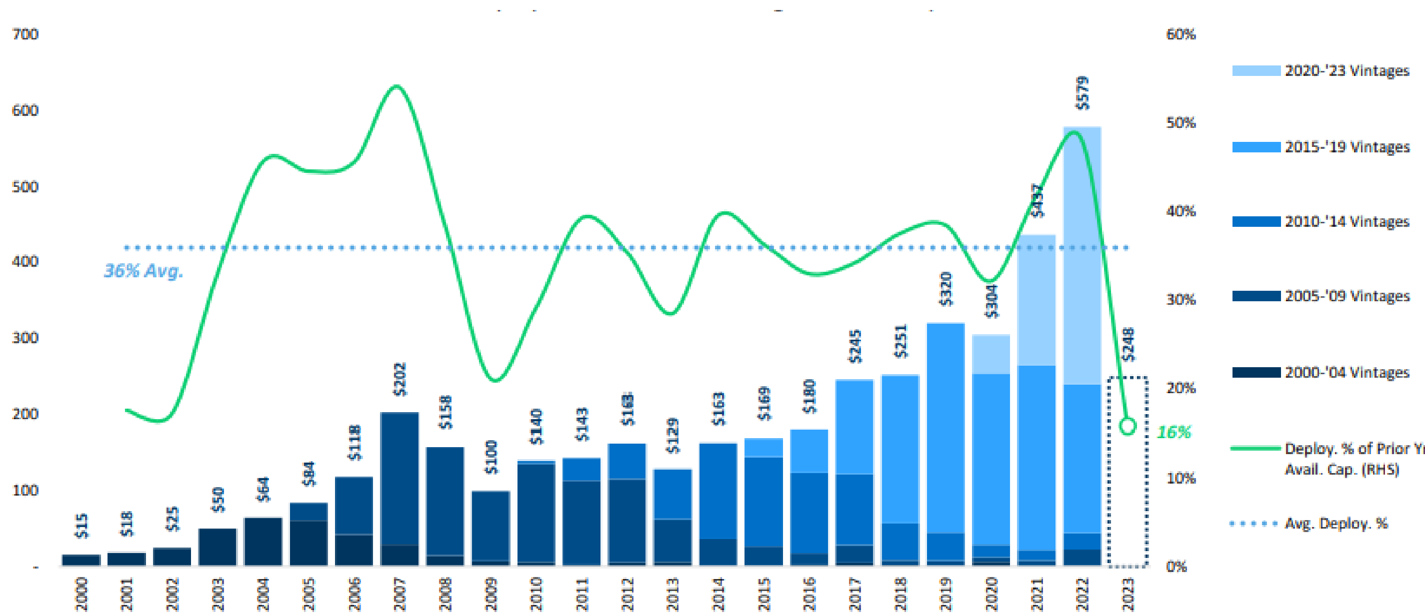
Private markets AuM (2003-23E) USD $bn



Source: Morningstar; data to 30.11.2023

There was a slowdown in private markets in 2023, with the deployment of private equity capital being the weakest in over six years, accounting for 16% of industry-wide capital available versus a long-term average of 36%. The pace of deployment is expected to accelerate in 2024, helped by a stabilising interest rate environment.

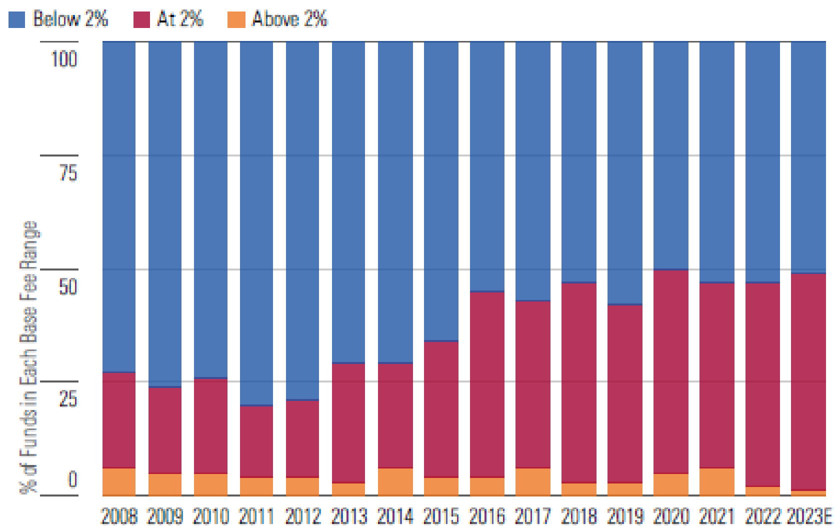
Private equity capital deployment (LHS, $bn) vs deployment % of available capital (RHS)



Source: Goldman Sachs; to 31.12.2023

What is also apparent is the stickiness of higher fee rates in the alternatives sector. The last ten years have seen a steady increase in the proportion of private capital that attracts a management fee of 2% or better, which has clear positive implications for company profitability:

Annual management fee rates for private capital funds (2013-23E)

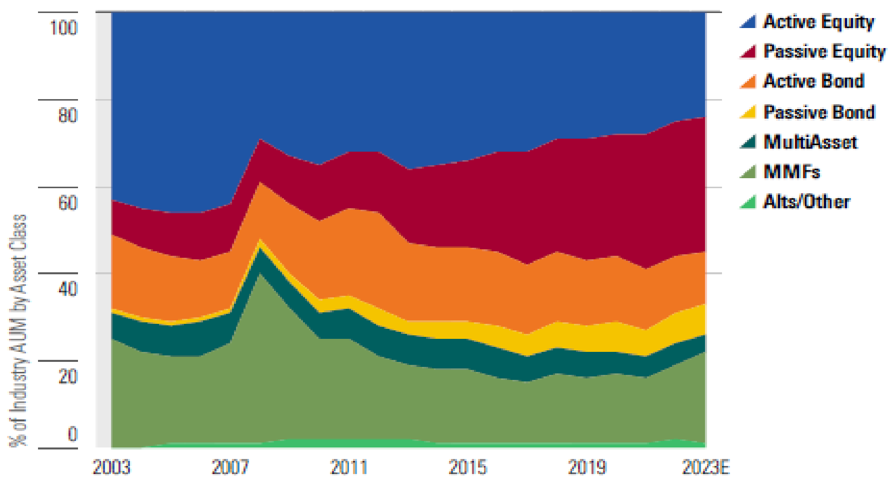


Source: Morningstar; data to 30.11.2023

- **Effective, outperforming, active management.** Managers who can successfully offer products that outperform their benchmarks will continue to be the sector's most attractive revenue opportunity. These products will likely have a high active share (if compared to benchmarks), have a high tracking error. Firms must be able to demonstrate performance quality and investment process quality (isolating skill from luck). Across the sector, 2023 was a better year than 2022 for active manager outperformance, with 36% of active managers outperforming (up from 27% in 2022, according to AJ Bell) but the numbers still illustrate the importance of picking the 'right' active manager.

- **Cost-efficient beta (ETFs/passives).** The next few years will see significant growth in the use of easily-accessible passive products, notably ETFs. Indeed, we expect the global ETF market to more than double in size over the next five years. Broadly speaking, this divides into low-cost 'beta delivery' operations (e.g. Vanguard, BlackRock iShares) which rely on scale, and innovative beta products (e.g. Wisdom Tree and Invesco Powershares). Increasingly, the winners in the ETF/passive world are those achieving significant scale at low cost, so maximising their operating leverage.

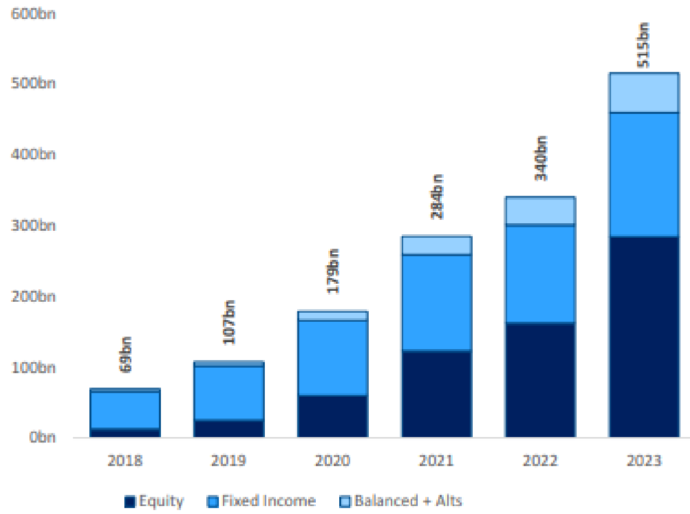
AuM by asset class (2003-23E) %



Source: Morningstar Direct; data to 30.11.2023

One area we watch closely is the more nascent active ETF space, the growth of which is helping to offset outflows for active mutual funds. Active ETFs have consistently generated inflows in each of the early years of the product's existence, with $125bn inflows in 2023 representing 40%+ growth on flows reported in 2022. Five years ago, active ETF flows were dominated by fixed income products, but more recently, flows have skewed to active equities. In our portfolio, for example, Janus Henderson doubled its active ETF AuM from $6bn to $12bn last year – still only 5% of overall AuM, but encouraging progress.

AuM in active ETFs



Source: Goldman Sachs; to 31.12.2023

- **Wealth management consolidators.** Similar to traditional asset managers, the wealth management industry has been under pressure to reduce fees as competition intensifies. Nevertheless, this is still providing opportunities for well organised wealth management firms to scale up via acquisition and consolidation. In the portfolio, for example, Ameriprise has grown its earnings successfully over the past few years, based on an expanding asset base in its wealth division, and diversification into a broader service range. In the face of industry cost inflation, Ameriprise has a history of strong expense controls and margin expansion, something we expect to continue this year, despite higher revenues.

- **Ancillary services to the industry (e.g. custody banks; stock exchanges).** Whilst change is occurring to the composition of assets under management, it remains the case that the total level of AuM is growing at a faster pace than the growth in underlying returns. Since 1990, new investable companies and increasing household wealth have helped grow conventional assets under management by around 17x, versus world equity returns of around 10x. We expect this trend to continue. An expanding pool of assets provides an attractive environment for sectors such as stock exchanges and custody banks. Growth in the stock exchange industry is being driven not only by transactional volume, but also by rising demand for data and the commercialisation of new technology.

We believe that the most successful money management investments over the coming years will be companies that deliver a quality product to their clients, whether active traditional management, alternatives or passive; companies that provide helpful asset allocation services; well-run wealth managers; and well-run support services. Combining these themes with our stock selection process, which allows us to identify the equities of managers whose products are succeeding, leads us to a portfolio biased to these themes:

Guinness Global Money Managers portfolio by theme, 31 December 2023

	Theme	Example holdings		Weighting (%)
1	Alternatives	KKR	Blackstone	20.8%
2	High active share	ARTISAN PARTNERS	POLAR CAPITAL	15.5%
3	Wealth management	Rathbones	Ameriprise Financial	13.7%
4	Traditional value	T.RowePrice	FRANKLIN TEMPLETON	12.5%
5	Secular shift in Europe to equities	VONTOBEL	AZIMUT	11.7%
6	Support services	Nasdaq	STATE STREET	9.1%
7	Growth of ETFs/passive distribution	BLACKROCK	Invesco	8.3%
8	Asset management consolidators	AMG		3.9%
9	Other (incl cash)			4.5%

Source: Guinness Global Investors

At 31 December 2023, the P/E ratio of the Fund was 14.7x 2023 earnings. This sits at a significant discount to the broad market, with the MSCI World trading on a 2023 P/E ratio of 23.2x. Earnings growth for the portfolio is forecast (consensus) to be around 10% in 2024, which compares to expected earnings for MSCI World of around 7%.

	'23	'24
Fund P/E	14.7	13.4
MSCI World P/E	19.0	17.6
Premium (+)/ Discount (-)	**-23%**	**-24%**

Source: Guinness Global Investors, as of 31.12.2023

In the longer term we expect asset managers as a sector (and therefore the Fund) to outperform the broad market, due primarily to the ability of successful asset management companies to grow their earnings more rapidly than the broad market.

The Fund remains positioned to capitalise on the increasing value of successful companies in the sector.

Will Riley & Tim Guinness

January 2024

GUINNESS GLOBAL MONEY MANAGERS FUND - FUND FACTS

Fund size	$10.6m
Fund launch	31.12.2010
OCF	0.74%
Benchmark	MSCI World TR

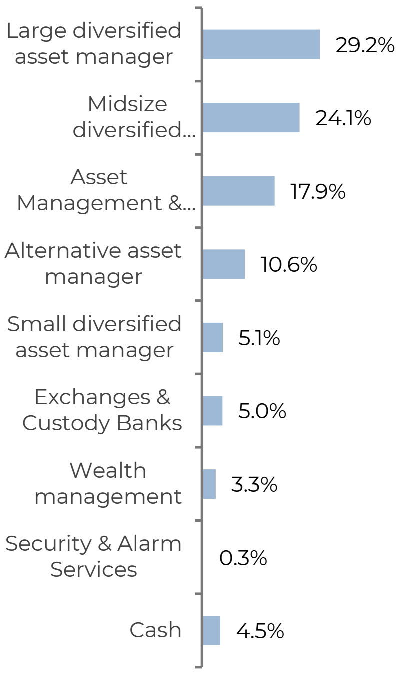
GUINNESS GLOBAL MONEY MANAGERS FUND - PORTFOLIO

Top 10 holdings

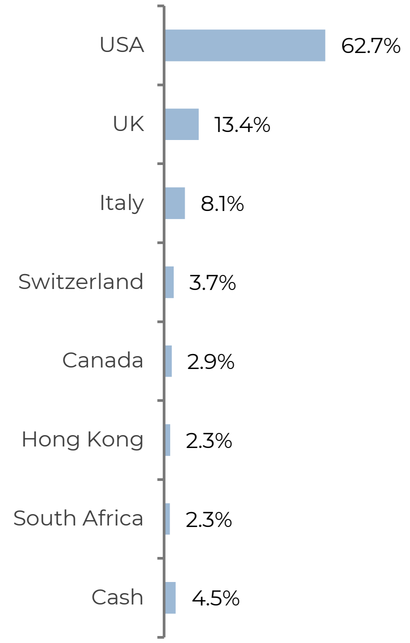
KKR	5.7%
Blackstone Group	5.6%
Ares Management	5.5%
Ameriprise Financial	5.5%
Raymond James Financial	5.4%
Blackrock	5.3%
Nasdaq	5.3%
Carlyle Group	4.8%
Azimut Holding	4.5%
State Street	4.3%

Top 10 holdings	51.8%
Number of holdings	28

Sector



Country



Past performance does not predict future returns.

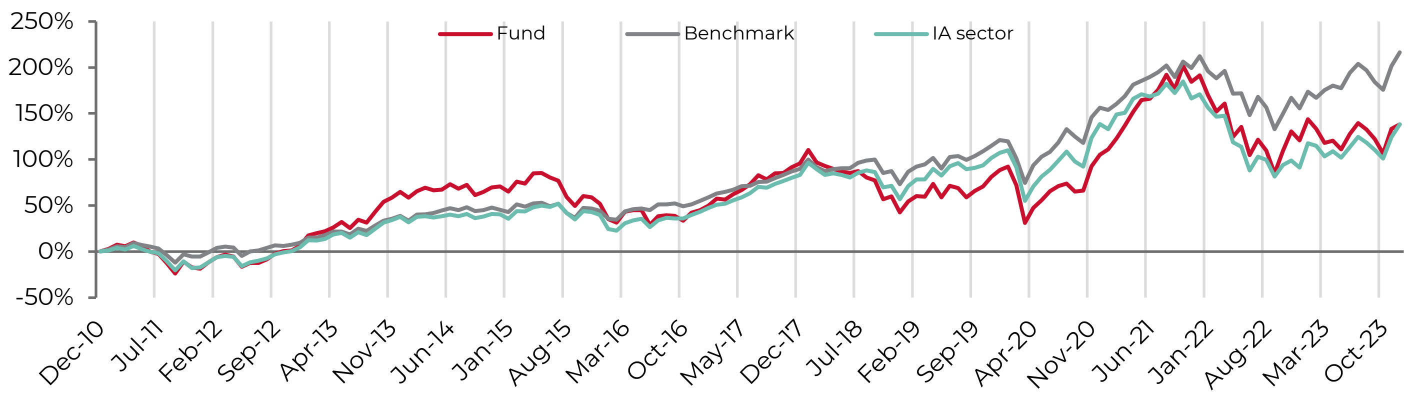
GUINNESS GLOBAL MONEY MANAGERS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+9.4%	+9.8%	+9.8%	+34.4%	+80.0%	+102.6%
MSCI World TR	+4.2%	+16.8%	+16.8%	+32.4%	+82.5%	+196.5%
IA Financials and Financial Innovation TR	+5.5%	+12.3%	+12.3%	+7.1%	+51.7%	+125.0%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+10.2%	+16.3%	+16.3%	+25.3%	+80.2%	+56.0%
MSCI World TR	+4.9%	+23.8%	+23.8%	+23.4%	+82.7%	+128.3%
IA Financials and Financial Innovation TR	+6.2%	+19.0%	+19.0%	-0.1%	+51.8%	+73.1%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+8.8%	+12.4%	+12.4%	+38.8%	+85.6%	+91.2%
MSCI World TR	+3.6%	+19.6%	+19.6%	+36.7%	+89.0%	+184.7%
IA Financials and Financial Innovation TR	+4.9%	+15.0%	+15.0%	+10.6%	+57.1%	+116.0%

GUINNESS GLOBAL MONEY MANAGERS FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+9.8%	-14.6%	+43.3%	+5.5%	+27.0%	-22.7%	+23.4%	+13.7%	-5.7%	+10.0%
MSCI World TR	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%	+11.5%
IA Financials and Financial Innovation TR	+12.3%	-16.8%	+14.6%	+11.6%	+26.9%	-9.0%	+16.9%	+22.0%	+5.5%	+8.4%
(USD)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+16.3%	-24.1%	+42.0%	+8.9%	+32.1%	-27.2%	+35.1%	-4.7%	-10.9%	+3.6%
MSCI World TR	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%	+4.9%
IA Financials and Financial Innovation TR	+19.0%	-26.1%	+13.6%	+15.1%	+32.0%	-14.3%	+27.9%	+2.3%	-0.3%	+2.0%
(EUR)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+12.4%	-19.2%	+52.8%	-0.4%	+34.2%	-23.7%	+18.4%	-2.1%	-1.0%	+17.7%
MSCI World TR	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%	+19.5%
IA Financials and Financial Innovation TR	+15.0%	-21.3%	+22.2%	+5.6%	+34.5%	-10.0%	+12.4%	+5.4%	+11.1%	+16.2%

GUINNESS GLOBAL MONEY MANAGERS FUND - PERFORMANCE SINCE LAUNCH (USD)



Source FE fundinfo to 31.12.23. 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 current OCF for the share class used for the fund performance returns is 0.74%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

IMPORTANT INFORMATION

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

This report is designed to inform you about equities and equity markets invested in by the Guinness Global Money Managers 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. OCFs for all share classes are available on www.guinnessgi.com.

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 Money Managers Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The Fund invests only in companies involved in asset management and other related industries; it is therefore susceptible to the performance of that one sector and can be volatile. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further 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 Information Document (KID), 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: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or,
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager 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.waystone.com/waystone-policies/

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 KID 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.