Guinness Global Equity Income

2023 Annual Review and Outlook

RISK

This is a marketing communication. Please refer to the prospectuses, KIDs and KIIDs for the Funds, which contain detailed information on their characteristics and objectives, before making any final investment decisions.

The Funds are equity funds. 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 Global Equity Income
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
EU Domiciled	Guinness Global Equity Income Fund
UK Domiciled	WS Guinness Global Equity Income Fund

OBJECTIVE

The Guinness Global Equity Income Funds are designed to provide investors with global exposure to dividend-paying companies. The Funds are managed for income and capital growth and invest 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 Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

CONTENTS

Commentary	1
Guinness Global Equity Income Fund	
Key Facts	24
Performance	25
WS Guinness Global Equity Income Fund	
Key Facts	26
Performance	27
Important Information	28

COMMENTARY

In 2023 the Guinness Global Equity Income Fund produced a total return of 9.2% (in GBP), compared to the MSCI World Index return of 16.8% (in GBP). The Fund therefore underperformed the Index by 7.6%.

The IA Global Equity Income Sector returned 9.2% (in GBP), therefore the Fund performed in line with its peer average.

Since launch, 13 years ago, the Fund ranks 2nd out of 13 Funds in the IA Global Equity Income sector.

- It has produced a cumulative total return of 288.9% (in GBP) compared to the sector average of 181.7% – an outperformance of 107.2%.
- The Fund has outperformed its sector peers in 11 of the 13 years the Fund has been in existence and has provided positive returns in each of the last 13 years.

A macroeconomic environment of high (albeit falling) inflation, rapid interest rate rises and geopolitical tension presented a challenging set-up for global equity markets as 2023 began. However, a strong rally in the technology sector based on the promise held by artificial intelligence lifted markets through the summer, and a perceived dovish outlook for interest rates from the Federal Reserve in November initiated a broad-based rally across risk assets which accelerated in the final weeks of the year. Despite the obvious headwinds, exogenous shocks such as the US banking crisis in March, and the large swings in sentiment driven by interest rate expectations being challenged throughout the period, equity markets ended the year with very strong overall performance.

In the Fund, our focus on quality companies with strong balance sheets and long histories of high returns on capital meant that 32 out of our 35 holdings grew their dividend in 2023, 2 kept their dividend flat, and 1 company cut its dividend.

- This follows on from 2020, 2021, and 2022 when we also saw 0 companies cancel their dividend distribution.

In January 2024, the Fund declared its final dividend which represented the income we received in the second half of 2023. The total dividend distributed for the full year 2023 declined 6.4% compared to 2022 (Class Y GBP) due to a small negative effect of GBP exchange rates and changes to the portfolio over recent years. However, the annualised growth of the dividend since launch is 3.4%. We provide a detailed analysis of the dividend later in this report.

The trailing 12-month dividend yield today is 2.0% (net) which compares to the benchmark MSCI World Index yield of 2.0% (gross).

The philosophy and process behind the Fund has been the same since launch in late 2010:

- We look to invest in good quality businesses with persistently high returns on capital and solid balance sheets, which are highly cash generative and are trading at attractive valuations. We believe that such businesses are best placed to pay a sustainable and growing dividend.

- We take a long-term view and approach, holding companies for 3-5 years on average, and the Fund is a concentrated portfolio (35 stocks) of equally weighted positions, with an active share of typically c.90% vs the benchmark.

- We believe our balanced approach – seeking a return from a combination of cash flow growth, multiple expansion, and dividends – alongside a focus on quality characteristics means the Fund remains well placed whatever the future market direction in 2024 and beyond.

PERFORMANCE

In 2023 the Guinness Global Equity Income Fund produced a total return of 9.2% (in GBP), compared to the MSCI World Index return of 16.8% (in GBP). The Fund therefore underperformed the Index by 7.6%.

The Fund ranked 23/55 funds in the IA Global Equity Income Sector and performed in line with the average peer fund.

Past performance does not predict future returns.

	1 year	3 years	5 years	10 years	Since Launch (31/12/2010)
Guinness Global Equity Income Fund	**9.2%**	**37.6%**	**80.2%**	**184.0%**	**288.9%**
MSCI World Net TR Index	16.8%	32.4%	82.5%	196.5%	288.5%
IA Global Equity Income Sector	9.2%	28.1%	56.9%	117.7%	181.7%
Position in IA Sector	25/55	12/53	10/47	4/34	2/13
Quartile	**2nd**	**1st**	**1st**	**1st**	**1st**

Source FE fundinfo Total Return in GBP, as of 31st December 2023.

We are pleased that since launch at the end of 2010, the Fund ranks 2nd out of 13 funds in the IA Global Equity Income sector.

The Fund also ranks in the top quartile of the sector over 3 years, 5 years, and 10 years.

Past performance does not predict future returns.

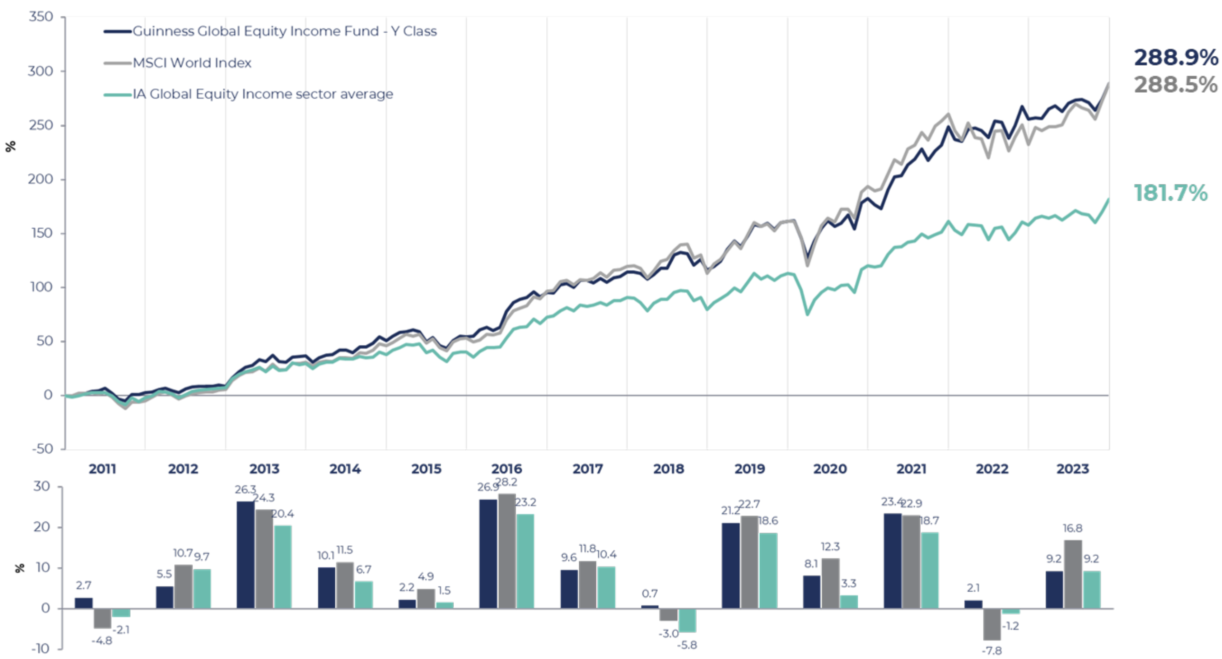
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Global Equity Income Fund	**2.7%**	**5.5%**	**26.3%**	**10.1%**	**2.2%**	**26.9%**	**9.6%**	**0.7%**	**21.2%**	**8.1%**	**23.4%**	**2.1%**	**9.2%**
MSCI World Net TR Index	-4.8%	10.7%	24.3%	11.5%	4.9%	28.2%	11.8%	-3.0%	22.7%	12.3%	22.9%	-7.8%	16.8%
IA Global Equity Income Sector	-2.1%	9.7%	20.4%	6.7%	1.5%	23.2%	10.4%	-5.8%	18.6%	3.3%	18.7%	-1.2%	9.2%

Source: FE fundinfo Total return in GBP as of 31st December 2023.

The Fund has now outperformed its sector peers in 11 of the 13 years the Fund has been in existence, and provided positive returns in each of the last 13 years.

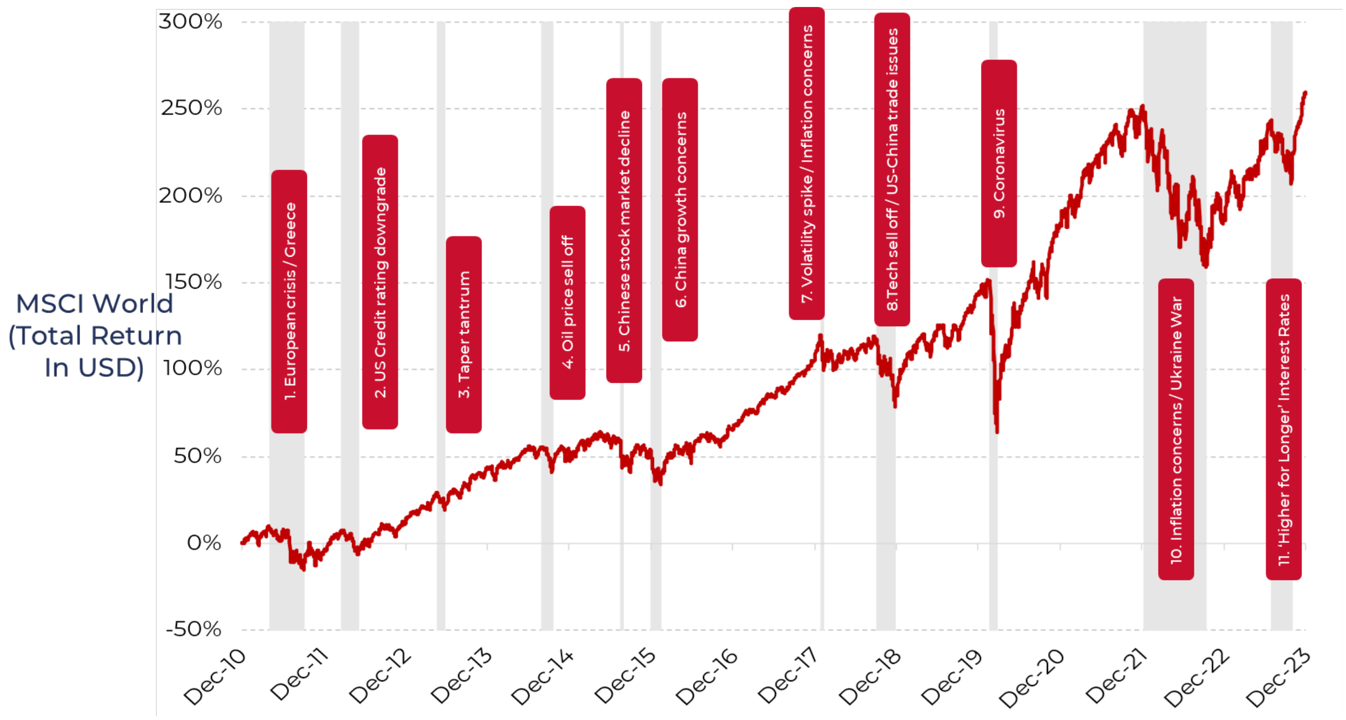
Since launch the Fund has produced a cumulative total return of 288.9% (in GBP); it has outperformed the Index by 0.4% and the sector average by 107.2%.

Past performance does not predict future returns.



Cumulative Total return in GBP as of 31st December 2023. Source: FE fundinfo

Every year – including 2023 – brings with it many uncertainties and surprises and we seek to position the Guinness Global Equity Income Fund so that it is capable of weathering whichever environment the market presents. The Fund has historically outperformed in falling markets but has kept up well with rising markets. Since the launch of the Fund it has outperformed in each of the largest drawdowns seen in the last 13 years:



Largest drawdowns in global equity markets since fund launch (31st December 2010). Source: Bloomberg

Reason for sell off	Start date	End date	MSCI World Index	Guinness Global Equity Income	Fund relative performance
1. European crisis / Greece	02/05/2011	04/10/2011	-22.0%	-15.6%	6.4%
2. US credit rating downgrade	19/03/2012	04/06/2012	-12.5%	-8.9%	3.5%
3. "Taper tantrum"	21/05/2013	24/06/2013	-7.7%	-5.2%	2.5%
4. Oil price sell off	27/08/2014	16/10/2014	-8.8%	-8.3%	0.5%
5. Chinese stock market decline	17/08/2015	25/08/2015	-9.4%	-8.5%	0.9%
6. China growth concerns	31/12/2015	11/02/2016	-11.5%	-6.1%	5.4%
7. Volatility spike / inflation concerns	26/01/2018	08/02/2018	-9.0%	-7.1%	2.0%
8. Tech sell off / US-China trade issues	03/10/2018	25/12/2018	-17.5%	-12.0%	5.5%
9. Coronavirus	19/02/2020	23/03/2020	-34.0%	-32.5%	1.4%
10. Inflation concerns / Ukraine war	04/01/2022	12/10/2022	-26.1%	-20.8%	5.3%
11. 'Higher for Longer' Interest Rates	31/07/2023	27/10/2023	-10.5%	-9.0%	1.5%

Performance of fund vs benchmark in the largest drawdowns since fund launch, in USD. Source: Bloomberg

In the second half of 2023, we saw continued interest rate increases in July alongside more hawkish central bank rhetoric which led the market to price in a 'higher for longer' rate environment. The result was a market drawdown in excess of 10% as investors repriced assets against a backdrop of tighter monetary policy than had previously been expected. We are pleased that the Fund outperformed by 1.5% over this period. By seeking companies with persistently high profitability, strong balance sheets, robust competitive advantages, and attractive valuations, the Fund held up better than the more cyclical and growthier parts of the market, which bear relatively greater inflation and interest rate risk.

DIVIDEND ACTIONS

In 2023, out of our 35 holdings:

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

In the Fund, the average dividend growth across all 35 companies was 6.3%, and 8.2% for the 32 companies that grew their dividend.

The Fund's dividend yield at the end of the quarter was 2.0% (net of withholding tax) vs the MSCI World Index's 2.0% (gross of withholding tax).

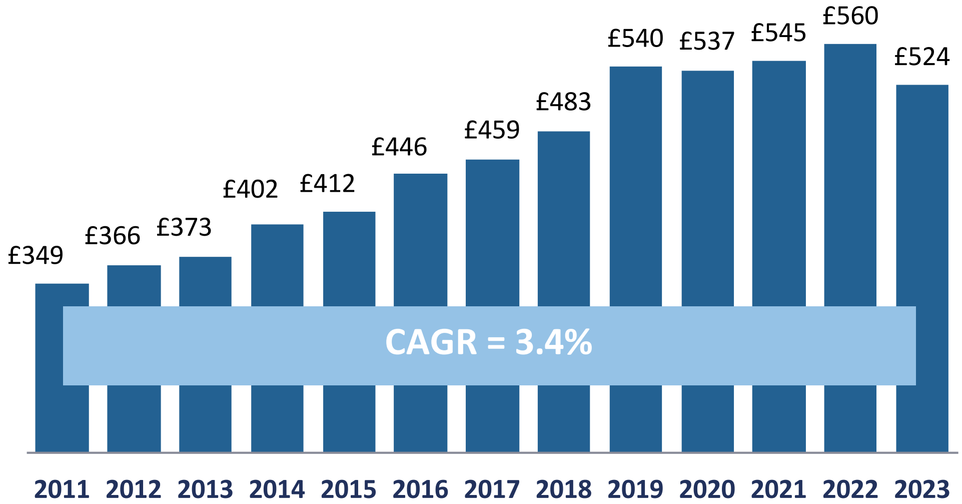
A moderate dividend yield is characteristic of the Fund because our focus is not on simply finding the highest-yielding companies, but instead on finding high-quality, cash-generative businesses which can consistently grow their dividend stream year-on-year.

Explicitly screening for persistently profitable companies also means that many industries – regulated sectors such as Utilities, Telecommunications & banks, and commodity-led sectors such as Energy and Materials – tend not to appear in our investible universe. These excluded industries often contain companies with the highest dividend yields but which we believe are at a greater risk of dividend cuts (as we saw in 2020) and are less likely to grow their dividend over time.

Last year the dividend distributed by the Fund declined 6.4%, and the compound annual growth rate since launch is now 3.4%. The reasons for the absolute decline in distribution include a small negative impact of the GBP exchange rate (which affects the non-GBP income we receive from our globally listed holdings) as well as the changes to companies held in the portfolio we have made over recent years. For example, in 2022 we took profits on companies that had rallied strongly in the period after the Russia-Ukraine war but had relatively high dividend yields (British American Tobacco, Imperial Brands, BAE Systems), and replaced them companies of higher quality but lower dividend yield (Mondelez, Emerson, Atlas Copco). We also continued to hold some lower-yielding stocks which we expected to do better in the environment we have witnessed more recently (for example, Microsoft and Novo Nordisk). Overall, these changes added positively to the total return of the Fund.

We aim for a balance between capital growth and income. In the few years after the pandemic we have witnessed a very volatile and uncertain economic environment. The Fund has navigated this difficult period well, but the opportunities for high yields have been in companies which are cyclical, economically sensitive, or in distress of some kind. We have preferred to invest 'up in quality' over this period, which in some cases has meant capturing a lower dividend income stream. We believe this has been a sensible approach and consistent with the Fund's philosophy since launch. It has also served to provide a better overall total return. We also note that the opportunity set we see today for better value, higher yielding, but still high-quality companies is expanding as dispersion across equity markets has increased and the general economic outlook has improved.

Indeed, the overall organic growth in dividend payments we have seen from companies in the current portfolio is very encouraging, and we believe the Fund should be well placed to continue with good dividend growth in the future.



Income generated may fall as well as rise and past performance is not a guide to future performance.

Imputed income generated by investing £100 at launch (31/12/2010) and switching into lower OCF share class when introduced on first ex-dividend date. The value of investments and the income from them can fall as well as rise.
Source: Guinness Global Investors. *Historic yield for Y GBP Dist. 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 (data as at 31.12.2023) Class Y GBP dividend distribution.

Source: Guinness Global Investors

WHY DIVIDENDS (STILL) MATTER

Taking a step back, we think it is helpful to emphasise once again the importance of dividend investing, particularly in lower-growth environments. In *Why Dividends (Still) Matter*, a paper we wrote after launching the Fund and which we revisited in April 2020, we began by assessing the importance of dividends to the total return an equity investor receives over long periods. Specifically, from the table below, we see that across the various decades from the 1940s, dividends accounted for, on average, 48.9% of total returns in the S&P 500 Index. However, when we look at the two lower-growth decades – the 1940s and 1970s – we see dividends played an even greater role, on average contributing over 75% of total returns. Even in high-growth decades such as the 1990s or 2010s, dividends still accounted for over 25% of the overall total return.

S&P500 returns for individual decades since 1940

	Total return	Price appreciation	Dividends	Dividends as % of total return	
1940s	**143.1%**	34.8%	108.3%	75.7%	Low growth
1950s	**467.4%**	256.7%	210.7%	45.1%	
1960s	**109.5%**	53.7%	55.8%	51.0%	
1970s	**76.9%**	17.2%	59.7%	77.6%	Low growth
1980s	**389.2%**	227.4%	161.8%	41.6%	
1990s	**423.2%**	315.7%	107.5%	25.4%	High growth
2000s	**-9.1%**	-24.1%	15.0%	*Not meaningful*	
2010s	**256.4%**	189.7%	66.7%	*26.0%*	High growth
Average	***232.1%***	***133.9%***	***98.2%***	***48.9%***	

Source: 'Why Dividends (Still) Matter', Guinness Global Investors

The driving force behind this is the relative stability of dividend payments compared to earnings. Below we see that across five US recessionary periods, earnings-per-share (EPS) dropped peak-to-trough by an average of 42%. This is in stark contrast to dividends-per-share (DPS), which only dropped on average 8%.

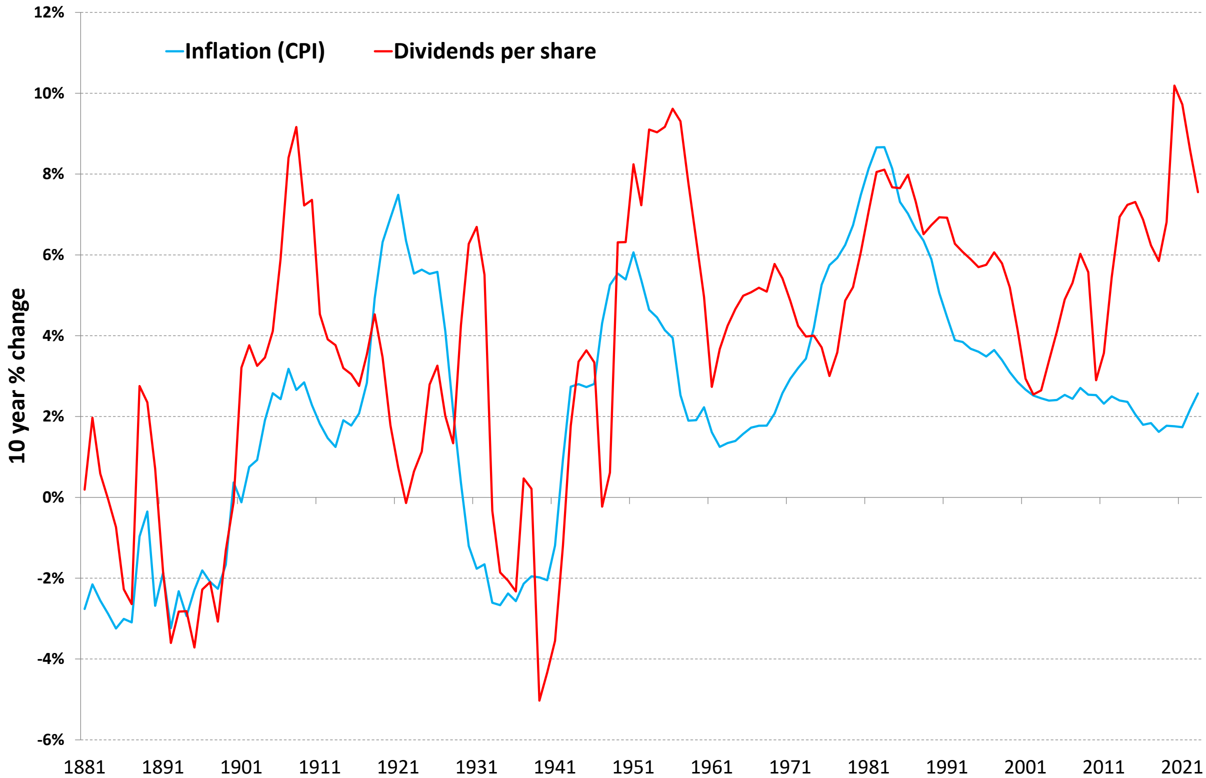
S&P500 DPS and EPS falls in the last 5 US recessionary periods

US Recessionary period	Dividend per share (DPS) trough date	Earnings per share (EPS) trough date	Peak to trough (%)	
			DPS	EPS
Nov 1973 to Feb 1975	Dec 1975	Sep 1975	-1%	-15%
Jul 1981 to Oct 1982	No decline in DPS	Mar 1983	-	-19%
Jul 1990 to Feb 1991	Dec 1991	Jun 1992	-1%	-32%
Mar 2001 to Oct 2001	Jun 2001	Dec 2001	-6%	-54%
Dec 2007 to May 2009	Mar 2009	Mar 2009	-24%	-92%
Average			**-8%**	**-42%**

Source: Robert J Schiller, stock market data used in "Irrational Exuberance", Princeton University Press

We also note that over long periods, the growth in dividends matches, and often exceeds, that of inflation – suggesting that the income stream from dividend payments can be maintained in real terms.

Further, we believe that focusing on dividend-paying – and specifically dividend-growing – companies, provides something of a natural hedge against inflation. Since the 1940s, over rolling 10-year periods to each year end, the average growth in the S&P 500 companies' dividends per share is 4% per year. Over the same period, inflation grew at 2% (consumer price index (CPI) calculated by the US Bureau of Labor Statistics). Indeed, looking at the correlation of dividend growth to inflation over rolling 10-year periods, as shown in the figure below, we can see a strong relationship overall (correlation 0.80). This shows that investing in divided-paying companies can, over the long term, provide an inflation hedge, in the sense that the income received in the form of dividends grows in line (or often at a higher rate) than inflation.



Source: Robert J. Shiller, stock market data used in "Irrational Exuberance", Princeton University Press, Data as of 31st December 2022

To conclude we would summarise that, historically, dividends have:

- Delivered an even greater proportion of total return in periods of low growth.
- Delivered an income stream that is much more consistent than that of company earnings.
- Grown at a rate equal or above that of inflation over the longer term.

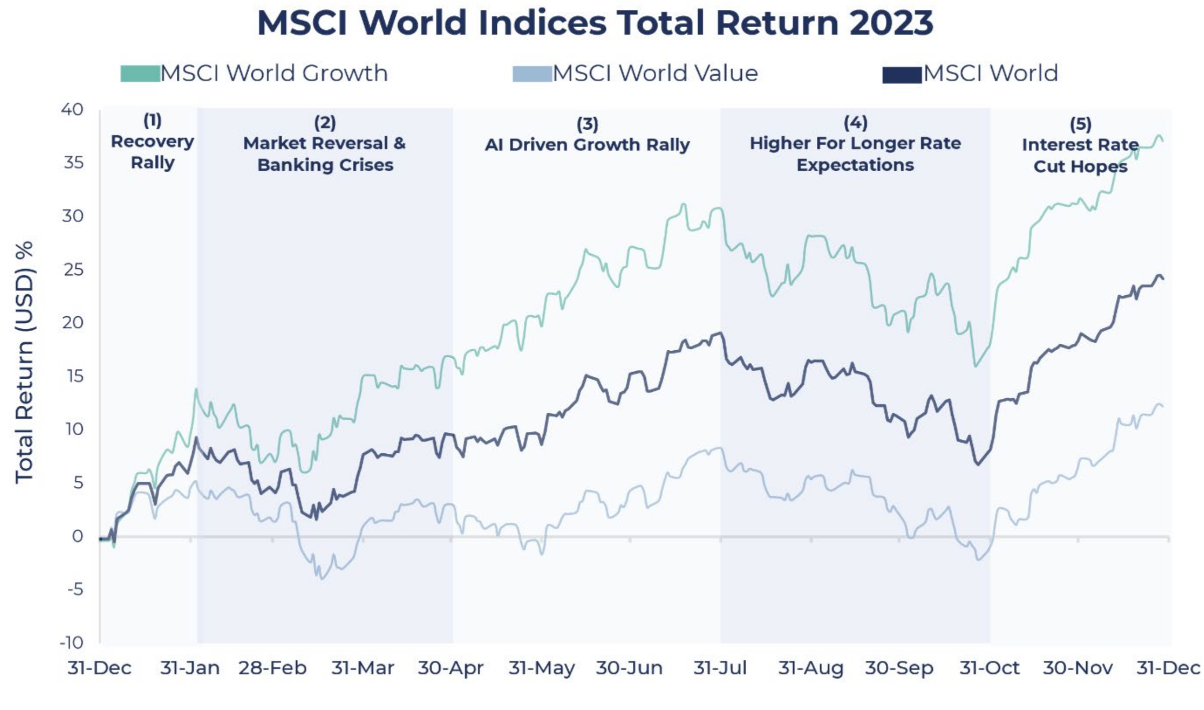
Hence, we believe there is a good argument for dividend investing in the current market environment. We would caution, however, that not all dividends are created equally. We note that 'high yield' stocks and sectors can perform poorly in market sell-offs, and particularly in recessionary environments, as they can often be more economically sensitive or more highly regulated (e.g. banks, where we have seen many instances of dividend payments being curtailed by regulators or political influence). In this scenario we believe the case for quality, growing dividends may be more compelling: they are less likely to cut, they may protect better in a downturn, and often have better prospects for stable or sustainable earnings growth alongside.

2023 IN REVIEW

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

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

Part 1: The Year in Review



Source: MSCI, data as of 31st December 2023

(1) Recovery Rally

- *What Happened*: Over the start of 2023 equities rallied hard, with the growthiest parts of the market performing particularly well. The factors which faired worst over 2022 saw a pronounced reversal and led the market higher over the first month of 2023.

- *Fund Performance*: Given that the lowest quality areas of the market rallied the most (including unprofitable tech, high-beta names, and more speculative areas of the market) the Fund underperformed due to its strong quality focus.

(2) Market Reversal

- *What Happened*: The positive sentiment that had driven markets quickly unwound. The rally had been led by a small number of seemingly fragile data points, and as new data emerged, investors reassessed their inflation expectations and the outlook became markedly more hawkish. With the prospect of higher rates for an extended period, longer-duration assets were impacted the hardest as markets retreated. This was coupled with a banking crisis: three large bank failures in the US and the Credit Suisse rescue in Europe pointed to growing stress in the banking sector. The impacts of an historically stringent monetary tightening cycle were evident but, after a short sell-off in early March, a catastrophic fallout was averted as swift liquidity support by central banks (and several takeovers) prevented widespread escalation. Over this period, the Financials and Energy sectors performed particularly poorly, but other parts of the market (notably Healthcare and IT) fared better.

- *Fund Performance*: The Fund outperformed over this period, as we would have hoped. During the market reversal, the high-quality nature of the portfolio avoided the worst of the sell-off and our Consumer Staples holdings showed their strong defensive qualities. Furthermore, as the banking crisis developed, the zero allocation towards banks was a source of outperformance as were the Fund's diversified Financial holdings in exchange groups such as CME (which benefited from the increased volatility). In sum, this helped to drive better relative performance against the index.

(3) AI-Driven Growth Rally

- *What Happened*: Since the middle of Q2, a focus on artificial intelligence and its potential use cases for a range of businesses have been a positive tailwind for markets. The largest beneficiaries have been a handful of large-cap tech stocks, companies with exposure to the semiconductor value chain, and a range of technology-focused names with tangential AI exposure. This has in turn pushed investors and organisations to consider the significant role that AI will play at all stages of the value chain, and has been a significant positive in equity performance over 2023.

- *Fund Performance*: Much of this rally was led by the growthier and more speculative parts of the market (as well as the Magnificent 7 and companies with strong AI exposure). This meant that the Fund's semiconductor names performed well but, as a whole, the Fund underperformed over this period due to its underweight exposure to IT.

(4) Higher for Longer Rate Expectations

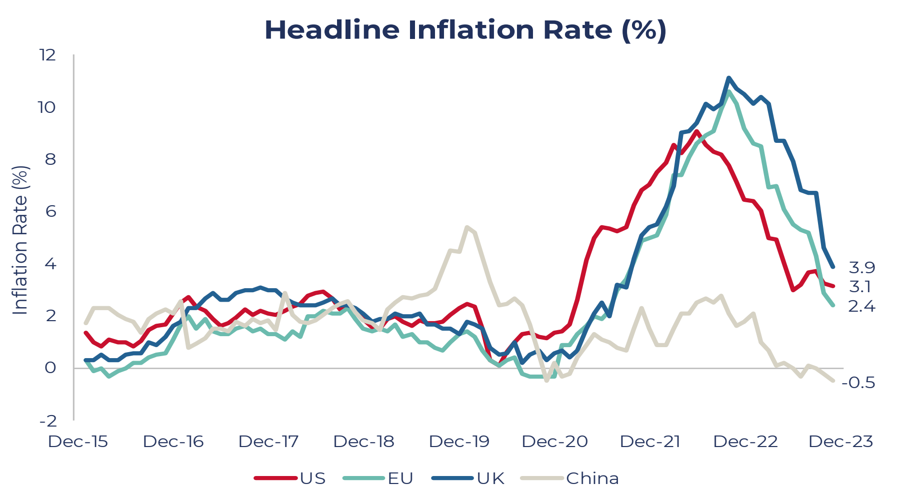
- *What Happened*: As Q3 began, a range of policy speeches from global central banks compounded the view that interest rates would need to stay higher for longer, until inflation became firmly under control. The Federal Reserve and many other central bank policy makers (Bank of England, Bank of Canada, ECB) were steadfast in this mantra and, as the market priced in tighter monetary policy, markets saw steady declines over the third quarter. Any positive economic news only served to strengthen the view that monetary policy would stay restrictive, adding to the negative equity performance.

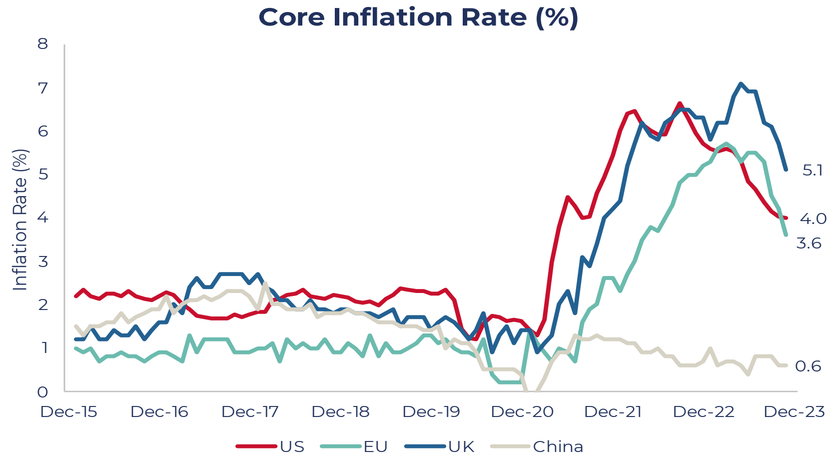
- *Fund Performance*: It was pleasing to see that the Fund behaved as we would have hoped. Given that interest rate expectations were driving markets, longer-duration names were punished. The defensive parts of the portfolio helped the Fund outperform by 1.5% in a significant drawdown (with a market fall of more than 10%).

(5) Hopes of Interest Rate Cuts:

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

Part 2: Key Macro Themes over 2023

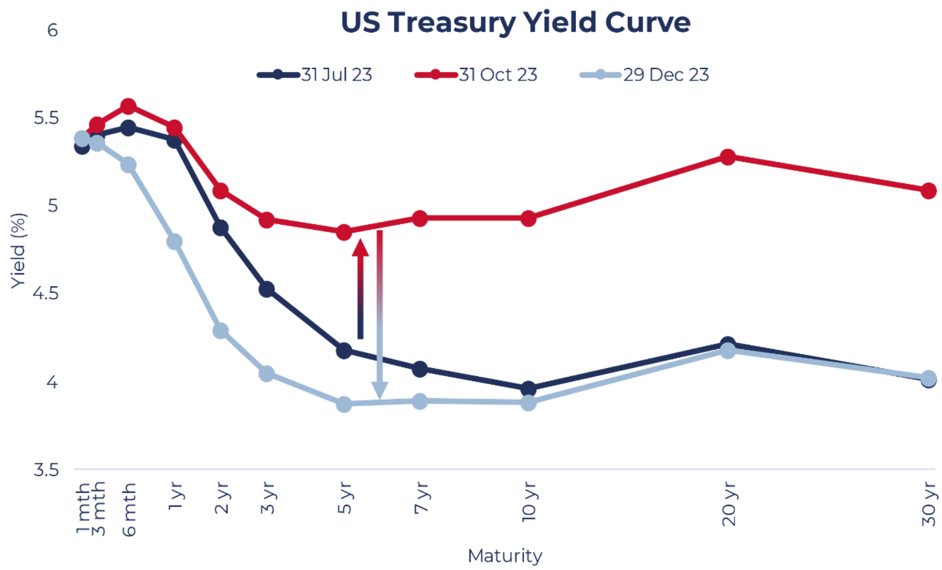




Source: Bureau of Labor Statistics (US), Office for National Statistics (UK), Eurostat (EU), National Bureau of Statistics (China) as of 31st December 2023

Our commentaries often discuss the nuance of inflation data over shorter time frames, but when looking at 2023 as a whole, it is clear that global central banks have made substantial progress on bringing inflation down. Even though inflation is still above long-term target rates, price growth in the US, UK and much of the EU have shown strong moderation, leading to renewed optimism about central bank policy (that rate cuts are on the way). Headline inflation now stands below 4% for all major geographies, with China even experiencing negative inflation. Core inflation is also falling, albeit with some stickiness. The major drivers have been an easing of labour costs (despite generally healthy labour markets), a slight moderation in consumer demand, falling energy costs over much of the year, and a normalisation of the supply chains that weighed heavy on markets in 2022 and persisted into early 2023.

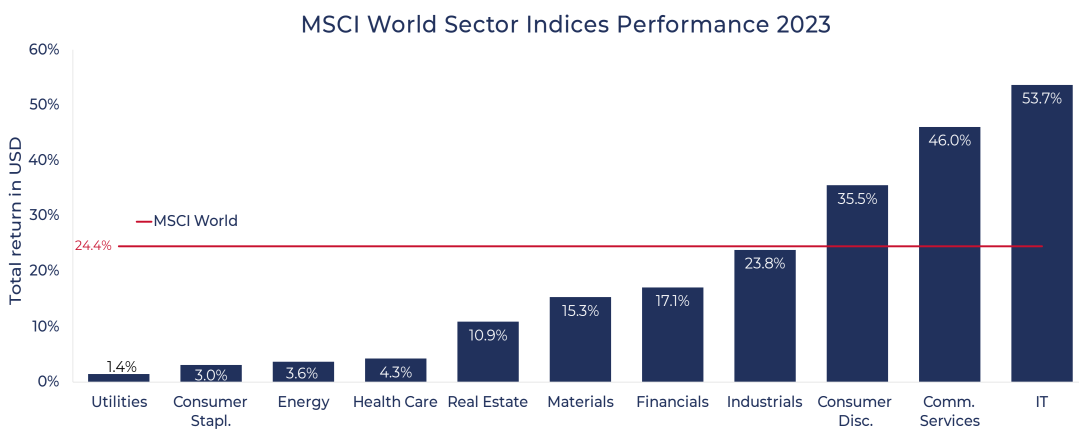
With inflation clearly moderating and economic data remaining remarkably robust, all eyes have turned to the central banks in anticipation of highly anticipated rate cuts. As has been the case for much of the past 18 months, investors have deliberated over every word of policy speeches to better understand the future path of interest rates. Looking at the broader picture, we have seen a steadily evolving narrative. We started the year with fears of a 'hard landing', which swiftly moved to a 'soft landing' and now, the prospect of 'no landing' at all. This development can be viewed through the US Treasury yield curve, which saw a significant upward shift over the summer when policy talk was of 'higher for longer'. However, notably dovish comments over the last two months of the year gave markets cause for optimism and there was a sharp fall in yields. This was primarily caused by the Fed alluding to the end of rate hikes, given positive real rates in the US. This sets the stage for accommodative policy, with the market pricing in between five and six US rate cuts over 2024, a notably bullish outlook that sparked a broad-based rally in equities. In sum, 2023 served as yet another reminder of the paramount importance of interest rate expectations in driving equity market performance over the past few years.



Source: Bloomberg & US Federal Reserve, as of 31st December 2023

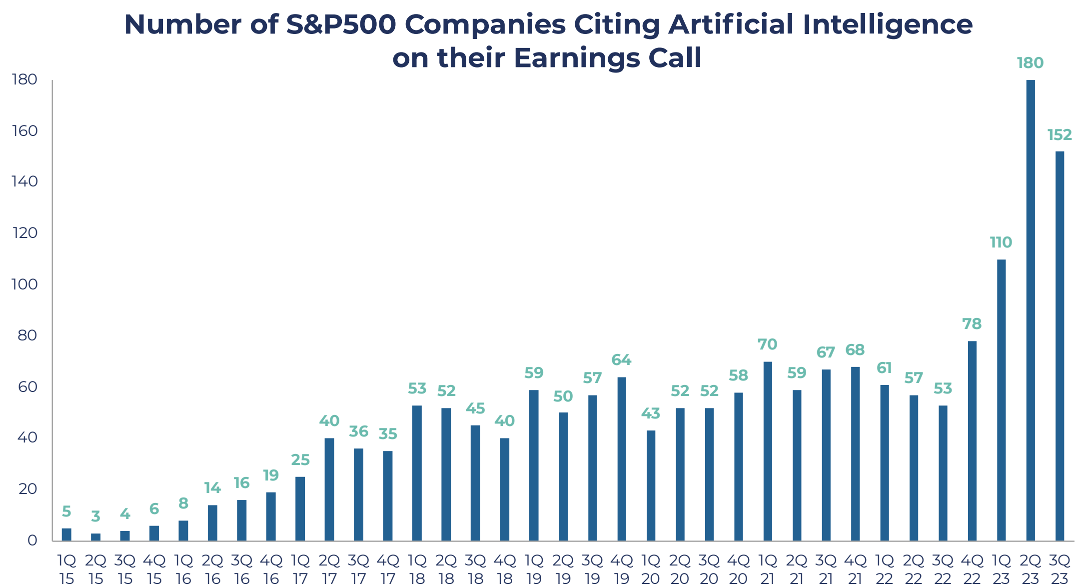
Our 2022 annual review serves as a timely reminder of how quickly the outlook can change. Just one year ago, we wrote of the 'macroeconomic storms to navigate through 2023' alongside the investor sentiment 'that a recession seemed to be foretold'. Perhaps most ominous was the sharply inverted yield curve, which has traditionally been the most accurate predictor of economic cycles and pointed to an impending recession. However, much to the market's surprise, 2023 brought economic resilience with labour markets tight, the consumer remaining in decent shape and positive GDP growth in most major economies. When stepping back, we can see the market's apparent difficulty in thinking long-term, with sentiment seemingly swaying from one extreme to another. Given a strong end to 2023, the outlook for 2024 now looks markedly better with investor appetite for risk largely increased. But, despite the positive surprise, it may well be prudent to adopt a more cautiously optimistic outlook for the year ahead.

Part 3: Equity Markets - The Winners & Losers



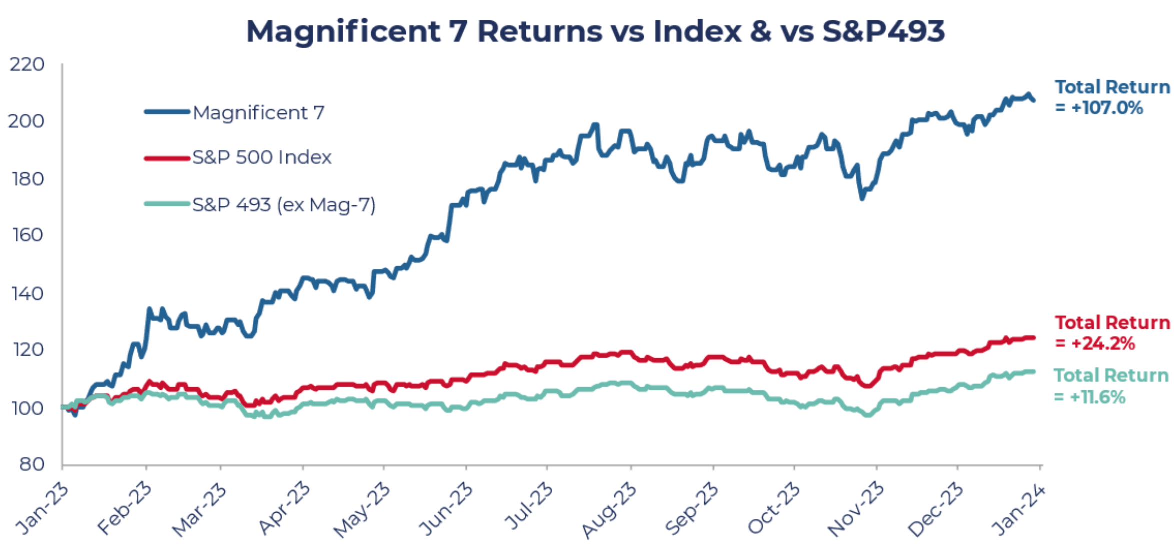
Source: MSCI, data as of 31st December 2023

It was a blow-out year for technology, with the IT sector (+54% in USD) leading the market higher and contributing almost 50% towards the MSCI World's total return. Communication Services (+46%) and Consumer Discretionary (+36%) saw strong gains as well, but this was in large part due to the MSCI classification, which includes Meta and Google and Amazon and Tesla in these two sectors respectively. Therefore, the sector performance chart (above) can clearly be viewed as a function of the strong gains from companies with material exposure to technology trends, namely artificial intelligence. This focus on AI over the year not only supported areas with structural exposure (Semiconductors, Software, and IT more broadly) but it has also driven performance in many other sectors which will likely benefit from a range of tangential AI use cases. It is worth noting that AI is not a new phenomenon, but the launch of ChatGPT in early 2023 was the first consumer-facing AI application and it therefore brought widespread attention to the technology. It is not yet clear how effectively each business will be able to leverage this emerging technology, but this did not stop company CEOs from espousing its value. The number of S&P 500 companies citing AI on their earnings call more than tripled year-on-year in Q2 2023, and doing so was often richly rewarded by the market.



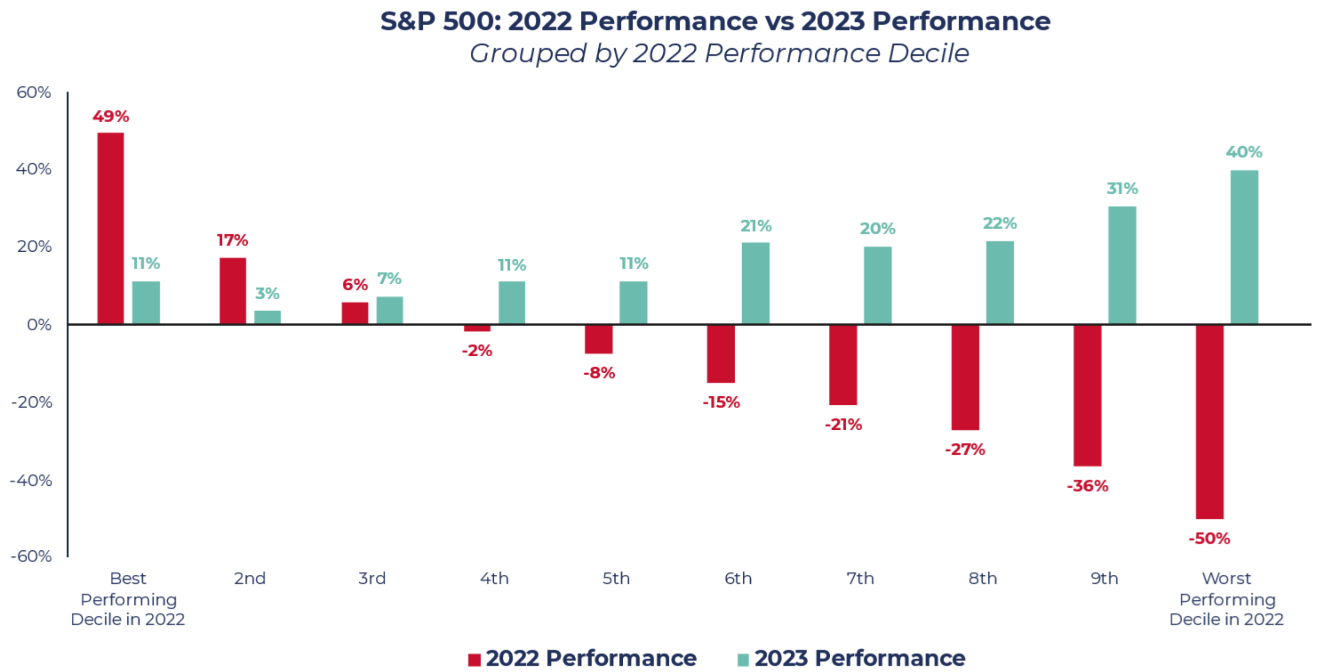
Source: Factset, data as of 31st December 2023

Magnificent 7



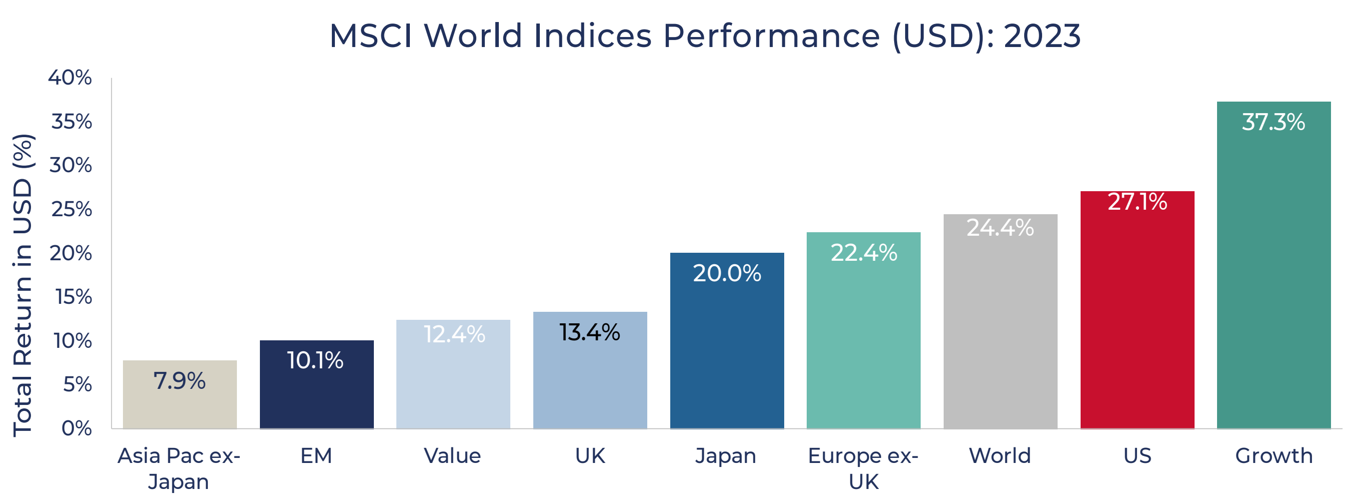
Source: Bloomberg, data as of 31st December 2023

Within technology, and indeed much of the index, it was the so-called Magnificent 7 stocks that were behind the majority of the market's gains. These mega-cap technology-focused stocks collectively rose +107%, which compares to a more modest +11.6% for the remainder S&P '493'. As discussed above, the AI trend has gained increasing attention over the year, but what sets these names apart is their large and meaningful AI exposure both directly (in the case of Nvidia which produces advanced AI chips) and indirectly (in the case of Alphabet and Microsoft which are leveraging AI to drive efficiencies, upgrade product suites, and target new audiences). Given the stark level of outperformance vs the index, investors who did not hold these names in 2023 would have likely missed out on significant upside. However, when looking over a two-year basis, the Magnificent 7 returns look far more normalised. In 2022, a composite of these seven stocks would have fallen over 40%, and their two-year annualised returns are 6.4%, a figure much more in line with the broader index.



Source: Bloomberg, data as of 31st December 2023

This contrast with 2022 was not just the case for the Magnificent 7. When looking at the S&P 500 performance over two years, the divergence between 2022 and 2023 is stark. The chart above takes the S&P 500 in deciles ranked by their 2022 performance. It then shows how each decile performed over 2023. It is clear that the worst-performing group of US stocks in 2022, which declined on average 50%, saw the strongest rebound over 2023 (an average of 40%). The reverse was also true, as the outperformers in 2022 saw more muted performance in 2023. Given the abrupt reversal in macro conditions (high inflation vs falling inflation, rising rates vs prospect of rate cuts) the reversal can be contextualised but is nonetheless noteworthy.



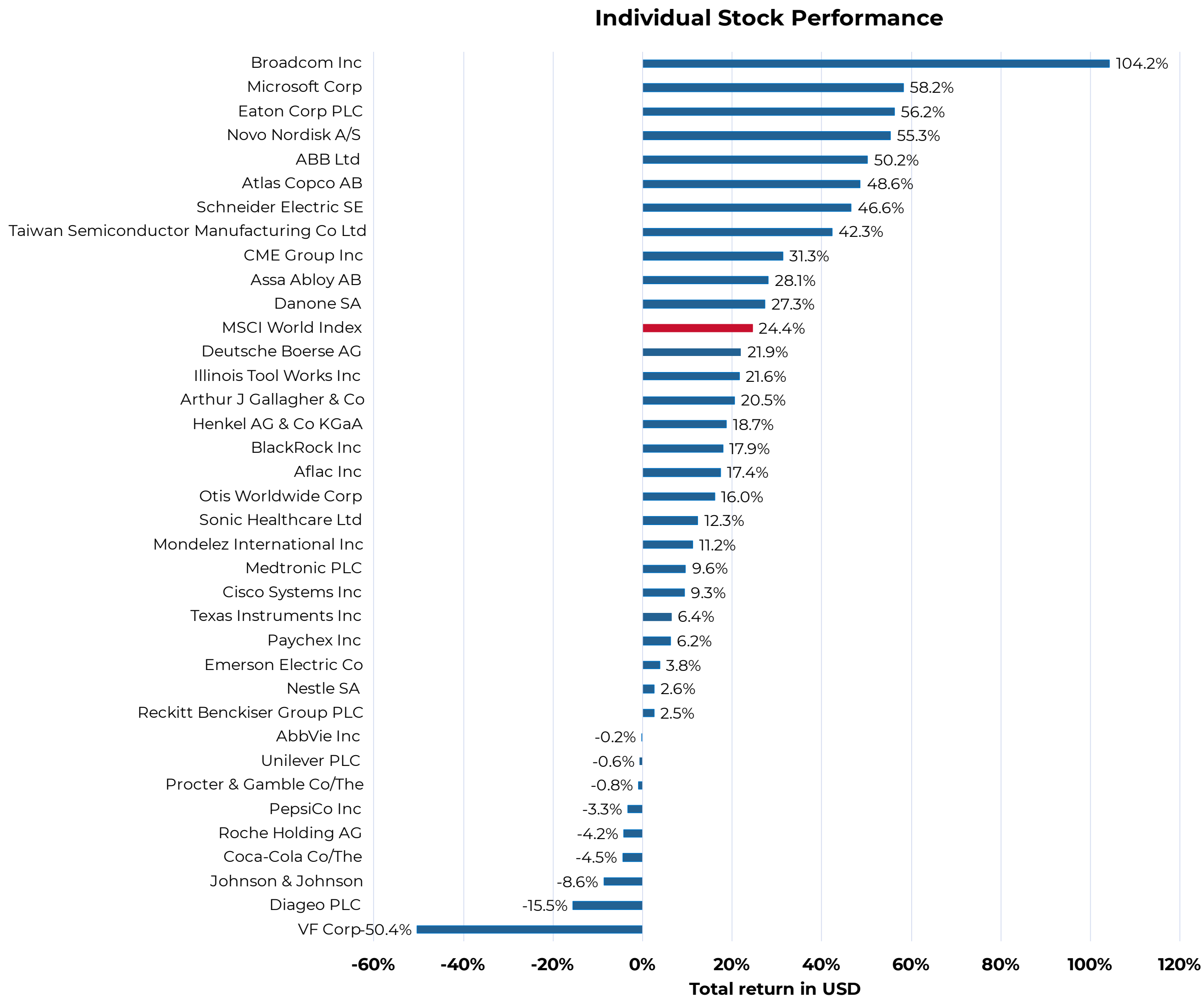
Source: Bloomberg, data as of 31st December 2023

The US was the strongest region thanks to its large overweight to both IT and Growth as a factor. In Europe, value stocks started the year well but then faltered in the latter half of 2023, particularly as rate expectations disproportionately helped growthier parts of the market. As such, the value-oriented UK market underperformed and this was not helped by weakness in both the Energy and Healthcare sectors, two core areas of the UK index. Japanese equities gained (+20% in USD and +28% in Yen) due to a range of positive tailwinds. Foreign interest in Japanese companies has gathered steam following well-known investor Warren Buffet's bullish outlook on the market. Furthermore, as firms continue to diversify supply chains away from China, some of the high-end offshoring is relocating to Japan, especially for some of the advanced semiconductor manufacturing. This has seen improving investor sentiment on the market and has also been supported by a weaker yen, which improves relative valuation of assets. Conversely, Chinese equities struggled in 2023 and underperformance has been the case for much of the APAC region. China has been battling with its heavily indebted property sector, which continues to weigh heavy on the domestic economy. GDP growth figures have been revised downwards and the country continues to fight with very high youth unemployment (which now exceeds 20%). Whilst the world's second largest economy still has many attractive growth drivers, there is no doubt that 2023 was a challenging period, helping to explain the relative equity underperformance over the year.

INDIVIDUAL STOCK PERFORMANCE

When we look at how individual companies within the portfolio performed in 2023, we see that out of the top 10 there are five Industrials stocks, two IT, one Consumer Staples, one Health Care, and one Financials. This highlights the benefit of our moderate dividend yield and sector-agnostic approach, which can identify opportunities outside of the traditional high-yield or 'defensive' areas typically associated with income funds.

Individual Stock performance over year (holding period total return in USD)



Individual stock performance over holding period during 2023 (TR in USD). As of 31st December 2023. Source: Bloomberg

Broadcom was the best performing stock over 2023, gaining 104.2% USD. It was generally a good year for semiconductor names as the sector was buoyed by the surge in demand for computing power. This has been driven, in large part, by the bullish sentiment for AI devices, which has been a welcome sector tailwind. Broadcom is a developer, manufacturer and supplier of semiconductor software products and is therefore strategically well placed to benefit from the rising demand for cutting-edge chips, which has led to greater subsequent demand for the associated software products that Broadcom produces. Over the year, Broadcom saw a 9% increase in sales, posting a record $36bn, alongside 65% EBIT margins and very solid free cash flow generation, which it will reinvest into numerous growth opportunities.

One such example was the recently completed $61bn VMware acquisition, which will strengthen its overall product stack, particularly around its cloud-based offerings, where VMware has a core advantage. We are encouraged by the strong performance over 2023 and believe that Broadcom continue to remain exposed to various growth drivers which should play out as the semiconductor opportunity continues to gather steam.

Microsoft also had a very good year, up 58.2% (USD). Shares in the technology behemoth performed particularly well over 2023 as investors grew increasingly optimistic about the introduction of generative AI features that are being added into the firm's suite of products and services. While still in the early stages of this transformation, Microsoft is overhauling its entire lineup of Office apps (incl. Excel, PowerPoint, Outlook and Word) with generative AI features, which are leveraging technology from OpenAI, the startup behind ChatGPT, in which it invested $10bn earlier in the year. Microsoft CFO Amy Hood told investors that new AI-powered services will contribute at least $10 billion to the company's top lines in the years to come and will present a sustained and meaningful growth driver throughout the AI cycle. Amid this positive macroeconomic backdrop, the company continued to show strong operating performance, with the Azure Cloud posting revenue growth of 29% year-on-year in Q2, well ahead of consensus and also ahead of peers, making progress in taking market share. On the earnings call, management guided for this trend to continue, and noted that AI is playing an increasingly large role in driving revenues for the segment. In sum, both the business and the operating environment remain favourable, and Microsoft's early move towards embracing the next wave of AI technology, coupled with solid results, helped outperformance over the year.

VF was the worst performing stock in the portfolio (down 50.4% USD over our holding period in 2023), and the one position we exited over the year. Further commentary on this performance and the reason for sale can be found below.

Diageo was the second worst performer (down -15.1%). This comes amidst the context of a generally difficult set-up for the spirits market, which is seeing a deceleration in growth due to sluggish consumer trends. The well-regarded Goldman Sachs US Spirits Wholesalers survey showed that US wholesalers were the most cautious on the growth outlook since 2020 and respondents expected weaker volume trends in the US for the time being. The US market constitutes one third of Diageo's sales and makes up over 40% of its operating profit, so signs of a cooling end market were a headwind for the stock. Over the year, it also issued a gloomy trading update in advance of its Capital Markets Day. This centred around a growth slowdown in its Latin American division due to sluggish customer activity and a rise in down-trading to cheaper brands. As a result, the firm downgraded its overall medium-term profit guidance by 1%. Whilst the spirits conglomerate is facing some notable headwinds, the long-term thesis for Diageo remains firmly intact. It has a diversified portfolio of very strong brands, with a leadership position in scotch, gin and tequila, and an attractive geographic footprint. Management are also prioritising advertising and promotional investments to kick start growth, and we are encouraged by the long-term investment into the business.

J&J also struggled in 2023, closing down -8.6% (USD). It was a weak year for healthcare names in general, with the sector underperforming the benchmark by over 20%. However, this was compounded by a series of unfavourable events for the pharmaceutical giant including news that it had drastically cut production of its Covid-19 vaccine, as well as the failed trial and subsequent discontinuation of Mosaico, its HIV drug which was in late-stage clinical trials. Additionally, J&J found out it may still be on the hook for damages over cancer causing ingredients in its baby powder, despite that particular division having already filed for bankruptcy. While these short-term developments are not favourable, we believe that the long-term business outlook remains positive. J&J remains well diversified across medical devices and pharmaceutical, which should help it stabilise revenues amidst any end-market weakness. Additionally, the firm continues to invest heavily in R&D and has a very healthy pipeline of drugs and devices coming to market over the next year 24 months, which should more than offset the setbacks outlined above.

PORTFOLIO CHANGES

In 2023, we sold one position (VF Corp) in Q4, and under our one-in-one-out process replaced it with Assa Abloy, leaving the portfolio with 35 positions at the end of the year.

Number of changes to the portfolio

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Buys	8	4	7	2	7	4	5	4	4	3	1	4	1
Sales	9	3	8	3	6	4	5	4	4	3	1	4	1
Total holdings	35	36	35	34	35	35	35	35	35	35	35	35	35

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

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

VF Corp

VF Corp's business has been struggling for a moderate period due to a global slowdown in demand for its core brands (including Vans, Dickies, and Timberland). New management led by CEO Bracken Darrell (formerly CEO of Logitech) had been brought in to lead the turnaround. However, the business is still facing substantial issues. On the Q2 2024 earnings call, management noted that the core segments are still in decline, with particular weakness in the primary US market. In addition, the firm remains highly levered and management are focusing on paying down the debt. In order to achieve this, they decided to cut the dividend a further 70% (following a previous cut of 40% earlier in the year). While this strategy may pay off longer-term, management were clear on their earnings call that the turnaround would take longer than investors had expected. Coupled with the significant dividend cut, we feel that VF Corp has become too anomalous to our core process of picking high-quality companies with strong balance sheets and stable, growing dividends. We therefore decide to sell the position in full.

Assa Abloy

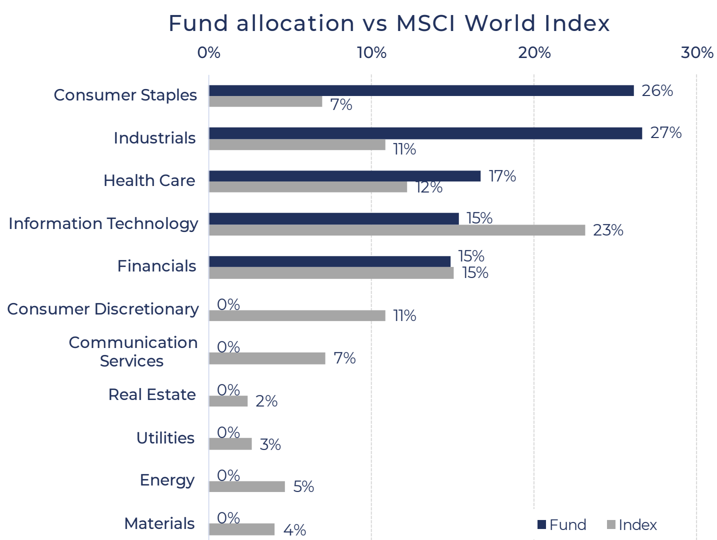
Assa Abloy is a high-quality Swedish manufacturer and distributor of locks and security systems. It is the current leader in the space with a dominant position (being three times the size of the closest competitor), and the business has defensive, sticky revenues thanks to high exposure to the aftermarket segment. It also has a number of levers that can unlock value – both organic and inorganic. Mergers and acquisitions have historically been a key component of growth, but management have done well to create a more balanced approach centred around a strong innovation pipeline and upgrading the large installed base (particularly in emerging geographies) to more complex, profitable solutions. Assa Abloy is also exposed to attractive underlying trends including the need for greater security, proliferation of smart buildings, and rapid urbanisation. These should all serve to grow the end markets that Assa Abloy serves, and the firm's quality products, well-known brand and solid innovation should protect its leading market position. The dividend looks secure and is growing sustainably. In sum, it is a high-quality business, with clear competitive advantages, trading at a reasonable valuation.

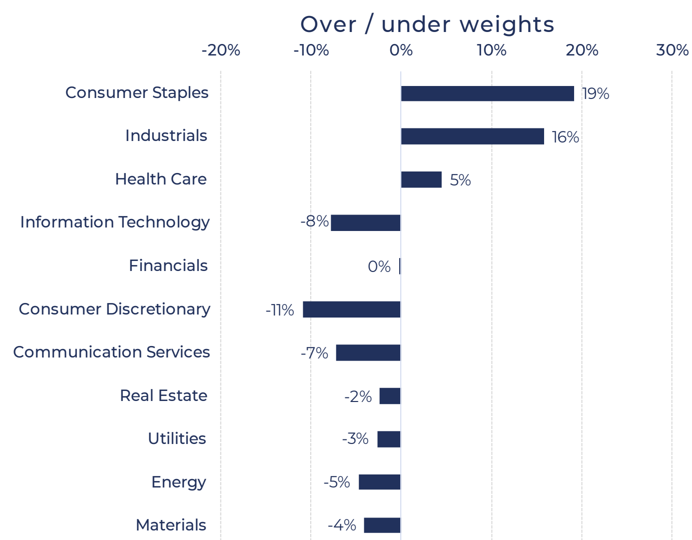
PORTFOLIO POSITIONING

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

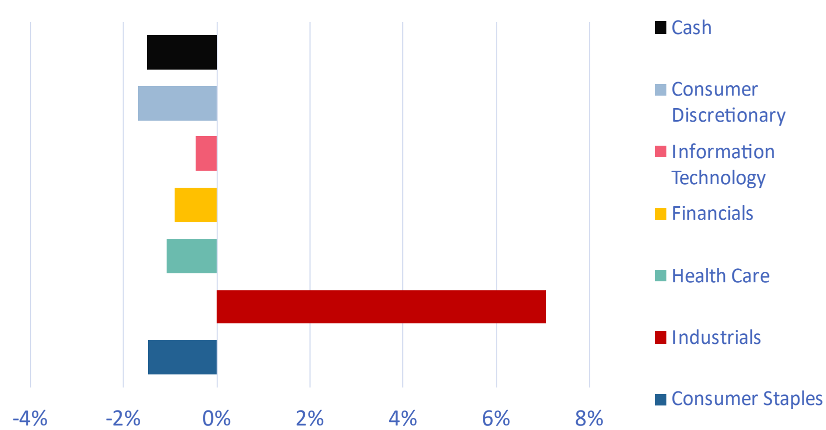
Whilst the defensive names tend to have lower beta and hold up better when markets are falling, the cyclical holdings allow the Fund to maintain performance when markets are rebounding and rising. We believe that within these more cyclical sectors we are owning the 'quality' businesses. All the companies we seek to invest in have strong balance sheets and a history of performing well in difficult market environments. Within Financials, for example, whilst we do not own any banks, which helps to dampen the cyclicality of our Financials, we do own exchange groups such as CME and Deutsche Boerse (which tend to do better in periods of market volatility as volumes tend to increase, resulting in higher revenues for the exchanges).

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



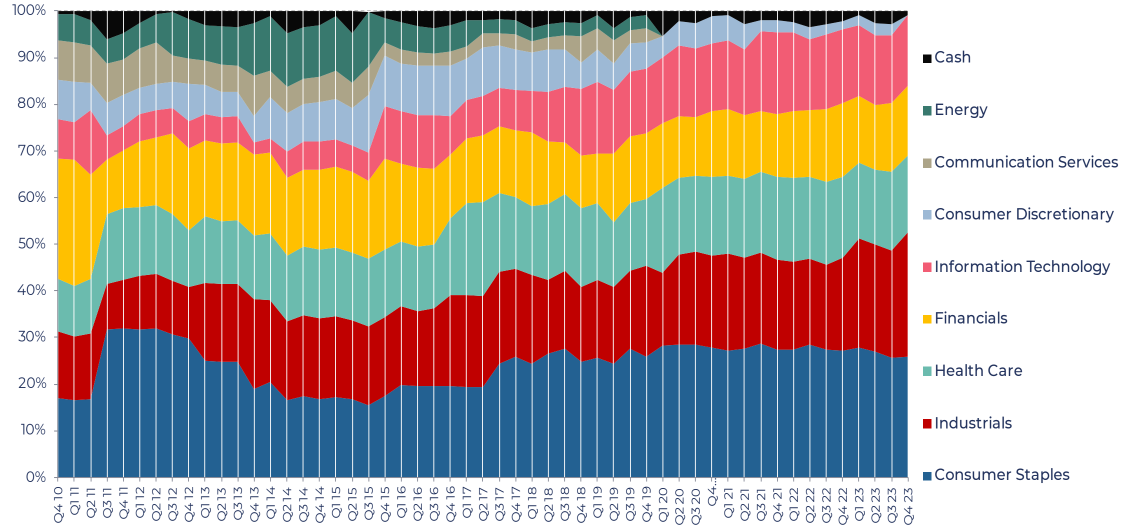


Sector breakdown of the Fund versus MSCI World Index. Source: Guinness Global Investors, Bloomberg. Data as of 31st December 2023



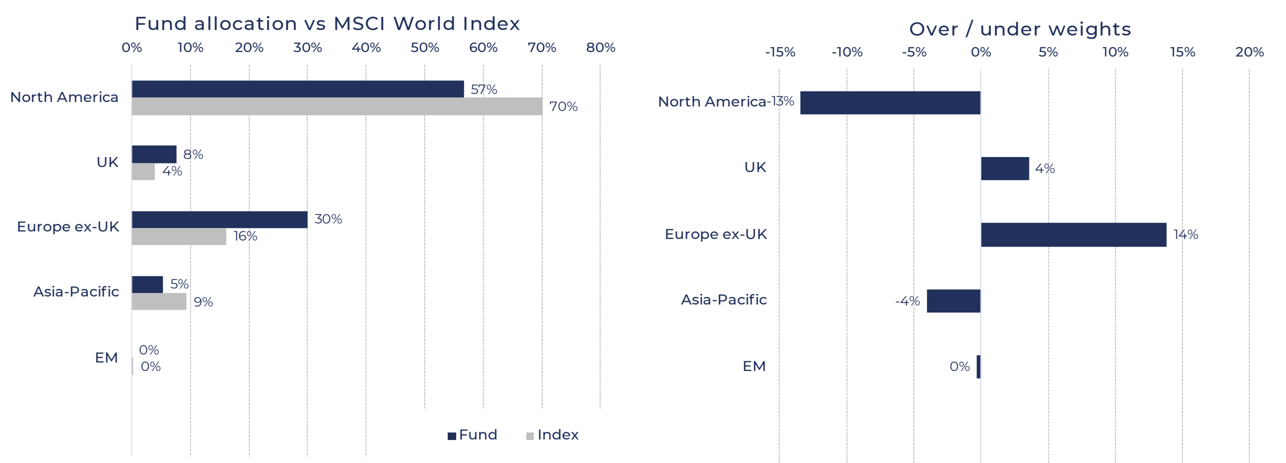
Year-on-year change in sector breakdown (31st December 2023 vs 31st December 2022). Source: Guinness Global Investors

The chart below shows how the sector exposure of the Fund has evolved since we launched the strategy in 2010.

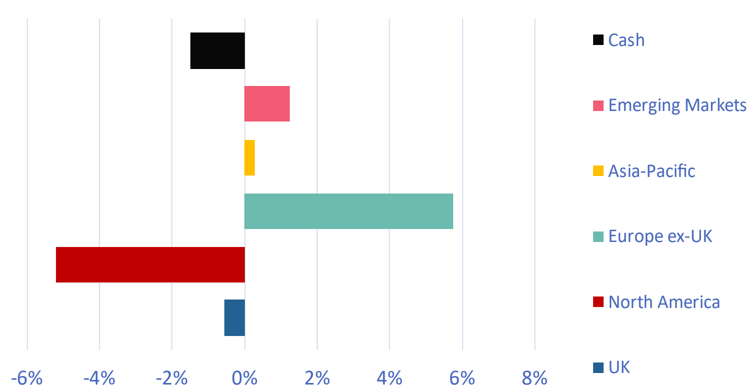


Sector breakdown of the Fund since launch. Source: Guinness Global Investors. Data as of 31st December 2023

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

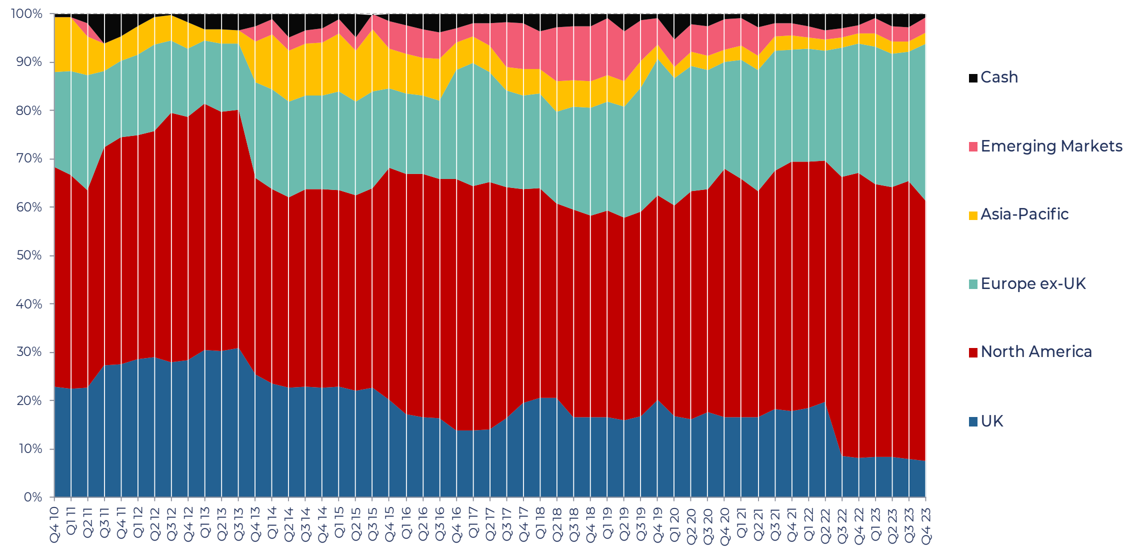


Regional breakdown of the Fund versus MSCI World Index. Source: Guinness Global Investors, Bloomberg. Data as of 31st December 2023



Year-on-year change in geographic breakdown (31st December 2023 vs 31st December 2022). Source: Guinness Global Investors

The chart below shows regional exposure since the strategy's launch the strategy in 2010.



Geographic breakdown of the Fund since launch. Source: Guinness Global Investors. Data as of 31st December 2023

ENGAGEMENT

At Guinness Global Investors, we believe that both individual and collaborative action around ESG issues is an important part of the investment process.

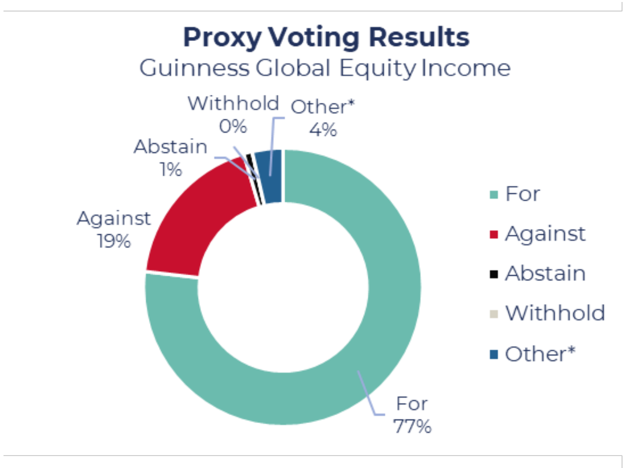
In 2023 we continued our participation in the CDP non-disclosure campaign, which offers investors the opportunity to engage with companies that have received the CDP disclosure request but have not yet provided a response. The objective of the annual campaign is to drive further corporate transparency around climate change, deforestation, and water security, by encouraging companies to respond to CDP's disclosure requests. Our participation includes the opportunity to lead engagements with investee companies where relevant. As a 'lead signatory', we would be responsible for managing the correspondence between ourselves and the subject company, on behalf of both Guinness and other investors who had opted to be part of the campaign. If unsuccessful in our application as a 'lead', we could opt to be a 'co-signatory', where we would have our signature included at the bottom of the letter, and have the correspondence sent on our behalf by another 'lead signatory'.

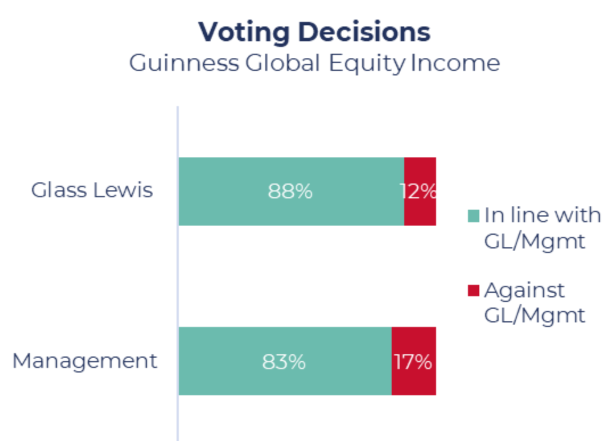
Over 2023, within the Guinness Global Equity Income Fund, we were the 'lead signatory' for a letter to Sonic Healthcare and Arthur J Gallagher, managing the correspondence on behalf of both Guinness Global Investors and a range of other investors, requesting that they disclose to the Carbon Disclosure Project. This follows on from us co-signing letters to Sonic Healthcare and Arthur J Gallagher in 2022 since they did not submit to the CDP. Additionally, we have previously written to these companies on our own in 2021 (independently of the CDP non-disclosure campaign). Within the Fund, 33/35 holdings now submit to the CDP with respect to Climate Change.

Whilst disclosure is a significant first step, we view setting strong, achievable climate targets as critical in aligning companies globally to the goals set within the Paris Agreement, to limit global temperature rise to below 1.5°C by 2050. We also believe it focusses companies on their exposure to broader business risk associated with emissions and the costs that can be incurred. Following from the success that the CDP campaign has had in encouraging our Fund holdings to disclose, we then felt it was important to encourage our holdings within the Fund to set science-based emissions reduction targets (SBTs) through the Science Based Targets initiative (SBTi). The SBTi is a partnership between the CDP, UN Global Compact, WRI and WWF, and is a globally recognised standard in setting audited emission reduction targets. Its main purpose is to provide companies with resources and assistance to future-proof business growth by setting science-based emissions reduction targets that are aligned to the Paris Agreement.

Within the Guinness Global Equity Income Fund and as part of a campaign lead by the SBTi, we were co-signatories to eight companies who had yet to submit Science Based Targets, audited by the SBTi. We followed up this co-signed letter with our own letter, not only encouraging SBTi-audited targets, but encouraging them to pledge continued commitment to the CDP (given that they have previously participated in the CDP campaign). It is too early yet to measure the success of this campaign, but we will monitor the success of this campaign into 2024 and continue our engagements where necessary.

Finally, we continued with our 2022 executive remuneration engagement with our portfolio companies. After reviewing each of our holdings' remuneration policies, we believe that there is strong evidence to suggest that management incentive packages do indeed influence decision making, company strategy and overall company performance. We have undertaken analysis of the remuneration structures of all 35 of the Fund's holdings and in 2022 engaged with 33 of these names regarding best practice. We continued these discussions over much of 2023, but also placed additional focus on holdings which received meaningful shareholder proxy voting dissent (c.10%+) regarding their latest remuneration plans. We re-engaged with these 12 holdings (both investor relations and, in some cases, the management teams) to discuss what changes they are planning to make to the structure, in light of the latest investor feedback. We are encouraged to see that, in the majority of cases so far, these holdings are taking on board a range of investor feedback and are discussing changes to the executive compensation structure to align it more closely with the interest of shareholders. We will continue to monitor and engage on these issues during 2024.





Source: Guinness Global investors 01.01.23 to 31.12.23

OUTLOOK

The four key tenets to our approach are: quality, value, dividend, and conviction.

		Fund	MSCI World Index
Quality	Weighted median return on capital	18.9%	8.6%
	Weighted median debt / equity	62%	68%
Value	P/E (2024e)	19.5	17.9
	FCF Yield (LTM)	4.2%	4.0%
Dividend	Dividend Yield (LTM)	2.0% (net)	2.0% (gross)
	Weighted average payout ratio	55%	42%
Conviction	Number of stocks	35	1650
	Active share	89%	-

Portfolio metrics versus index. As of 31st December 2023 Source: Guinness Global Investors, Bloomberg

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

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

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

- Central bank policy is more hawkish than is being priced in.

- The disinflationary trend starts to stall, or worse, picks up once more.

- The expected positive growth outlook turns negative.

Indeed, the consensus view is rarely reflected by the eventuality, and today's consensus carries high expectations, considering the still difficult path that central banks need navigate. We do not try to predict what will happen from a macro perspective for just these reasons and instead try to create a portfolio that can weather different economic environments and provide the return outcomes we seek to provide on a consistent basis.

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

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

Portfolio Managers
Matthew Page
Ian Mortimer

Investment Analysts
Sagar Thanki
Joseph Stephens
William van der Weyden
Jack Drew
Loshini Subendran

GUINNESS GLOBAL EQUITY INCOME FUND - FUND FACTS

Fund size	$5384.9m
Fund launch	31.12.2010
OCF	0.77%
Benchmark	MSCI World TR
Historic yield	2.0% (Y GBP Dist)

Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the latest month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

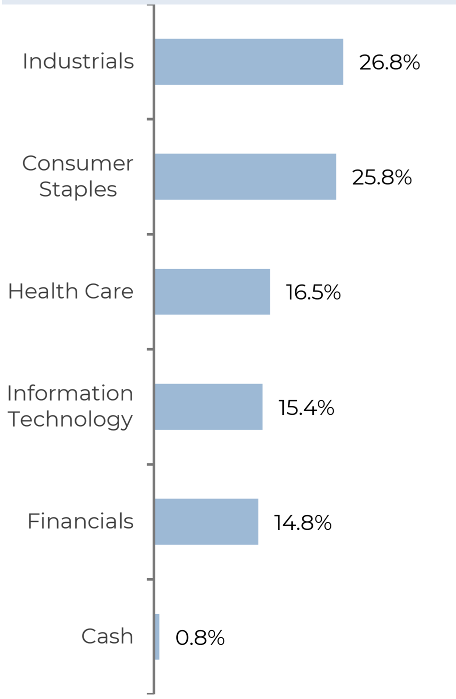
GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

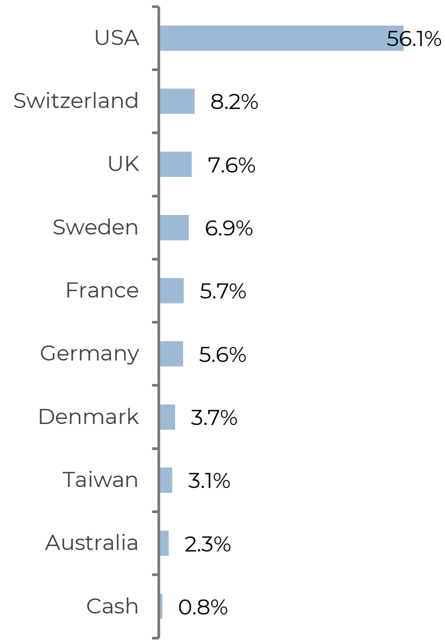
Novo Nordisk	3.8%
Atlas Copco	3.5%
Assa Abloy AB	3.4%
Microsoft	3.3%
Abbvie	3.2%
Deutsche Boerse	3.2%
Schneider Electric	3.1%
Taiwan Semiconductor	3.1%
ABB	3.1%
Texas Instruments Inc	3.1%

Top 10 holdings	33.0%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

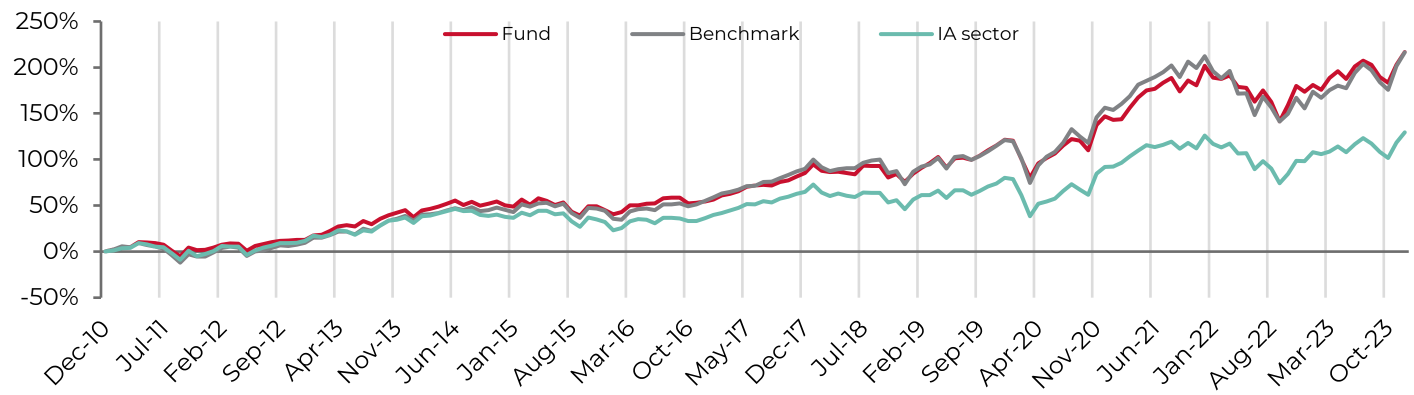
GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.9%	+9.2%	+9.2%	+37.5%	+80.1%	+183.9%
MSCI World TR	+4.2%	+16.8%	+16.8%	+32.4%	+82.5%	+196.5%
IA Global Equity Income TR	+4.3%	+9.2%	+9.2%	+28.1%	+56.9%	+117.7%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+4.6%	+15.8%	+15.8%	+28.3%	+80.3%	+118.6%
MSCI World TR	+4.9%	+23.8%	+23.8%	+23.4%	+82.7%	+128.3%
IA Global Equity Income TR	+5.0%	+15.8%	+15.8%	+19.5%	+57.1%	+67.5%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+3.3%	+11.9%	+11.9%	+42.1%	+86.5%	+173.0%
MSCI World TR	+3.6%	+19.6%	+19.6%	+36.7%	+89.0%	+184.7%
IA Global Equity Income TR	+3.7%	+11.8%	+11.8%	+32.3%	+62.5%	+109.0%

GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+9.2%	+2.1%	+23.3%	+8.1%	+21.2%	+0.7%	+9.6%	+26.9%	+2.2%	+10.1%
MSCI World TR	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%	+11.5%
IA Global Equity Income TR	+9.2%	-1.2%	+18.7%	+3.3%	+18.6%	-5.8%	+10.4%	+23.2%	+1.5%	+6.7%
(USD)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+15.8%	-9.3%	+22.2%	+11.5%	+26.0%	-5.2%	+20.0%	+6.4%	-3.4%	+3.7%
MSCI World TR	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%	+4.9%
IA Global Equity Income TR	+15.8%	-12.3%	+17.6%	+6.5%	+23.4%	-11.3%	+20.8%	+3.3%	-4.0%	+0.4%
(EUR)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+11.9%	-3.4%	+31.5%	+2.3%	+28.3%	-0.4%	+5.4%	+9.6%	+7.7%	+18.0%
MSCI World TR	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%	+19.5%
IA Global Equity Income TR	+11.8%	-6.5%	+26.6%	-2.3%	+25.7%	-6.9%	+6.1%	+6.4%	+6.9%	+14.4%

GUINNESS GLOBAL EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



Simulated past performance in 10 year and since launch numbers. Performance prior to the launch date of the Y class (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% Ongoing Charges Figure - OCF). Source: FE fundinfo 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 OCF. The current OCF for the share class used for the fund performance returns is 0.77%. 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.

WS GUINNESS GLOBAL EQUITY INCOME FUND - FUND FACTS

Fund size	£141.2m
Fund launch	09.11.2020
OCF	0.79%
Benchmark	MSCI World TR
Historic yield	2.2% (Y GBP Inc)

Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the latest month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

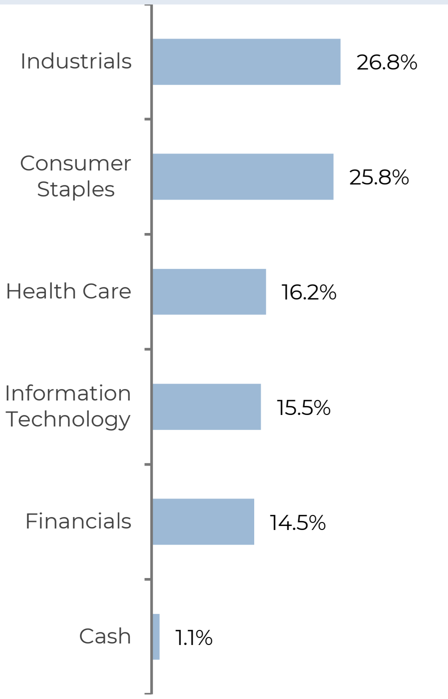
WS GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

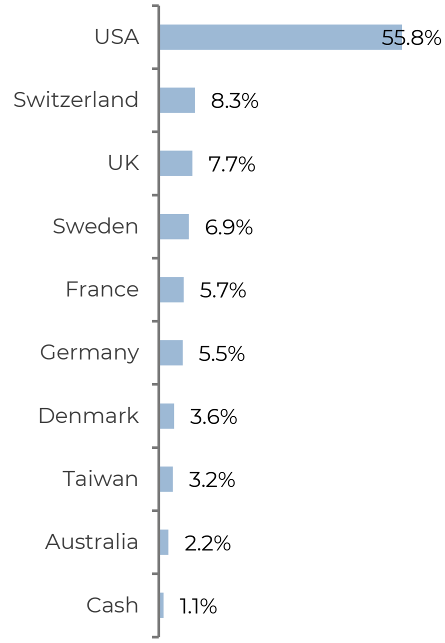
Novo Nordisk	3.6%
Atlas Copco	3.5%
Assa Abloy AB	3.4%
Microsoft	3.3%
Taiwan Semiconductor	3.3%
Schneider Electric	3.2%
Abbvie	3.2%
Deutsche Boerse	3.2%
ABB	3.2%
Texas Instruments Inc	3.1%

Top 10 holdings	32.9%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

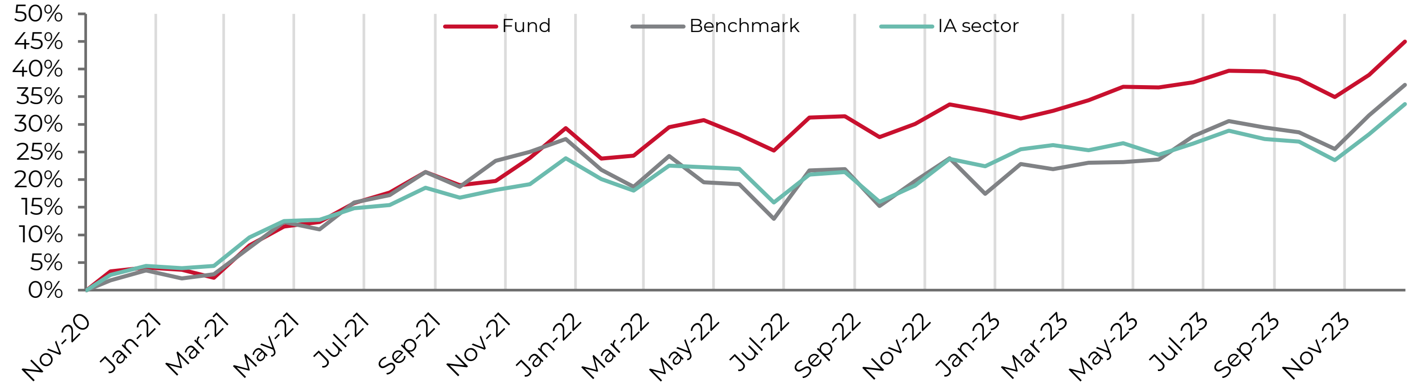
WS GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.4%	+9.5%	+9.5%	+39.3%	-	-
MSCI World TR	+4.2%	+16.8%	+16.8%	+32.4%	-	-
IA Global Equity Income TR	+4.3%	+9.2%	+9.2%	+28.1%	-	-

WS GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+9.5%	+2.4%	+24.3%	-	-	-	-	-	-	-
MSCI World TR	+16.8%	-7.8%	+22.9%	-	-	-	-	-	-	-
IA Global Equity Income TR	+9.2%	-1.2%	+18.7%	-	-	-	-	-	-	-

WS GUINNESS GLOBAL EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (GBP)



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 0.79%. 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 which 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 the Guinness Global Equity Income Fund and the WS Guinness Global Equity Income Fund. It may provide information about the Funds' 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 Funds or to buy or sell individual securities, nor does it constitute an offer for sale.

GUINNESS GLOBAL EQUITY INCOME FUND

Documentation

The documentation needed to make an investment, including the Prospectus, the Key Information Document (KID), 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.

WS GUINNESS GLOBAL EQUITY INCOME 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 https://www.waystone.com/our-funds/waystone-fund-services-uk-limited/ or free of charge from:-

Waystone Fund Services (UK) Limited
64 St James’s Street
Nottingham
NG1 6FJ
General enquiries: 0115 988 8200
Dealing Line: 0115 988 8285
E-Mail: clientservices@waystonefs.co.uk

Waystone Fund Services (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.

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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.

Telephone calls will be recorded and monitored.