# Guinness European Equity Income

Investment Commentary – April 2024

## 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** | 19.12.2013 |
| **Index** | MSCI Europe ex UK |
| **Sector** | IA Europe Excluding UK |
| **Managers** | Nick Edwards<br>Will James |
| **EU Domiciled** | Guinness European Equity Income Fund |
| **UK Domiciled** | WS Guinness European Equity Income Fund |

## OBJECTIVE

The Guinness European Equity Income Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Europe ex UK region. The Funds aim to provide capital appreciation and a source of income that has the potential to grow over time. The Funds are actively managed and use the MSCI Europe ex UK Index as a comparator benchmark only.

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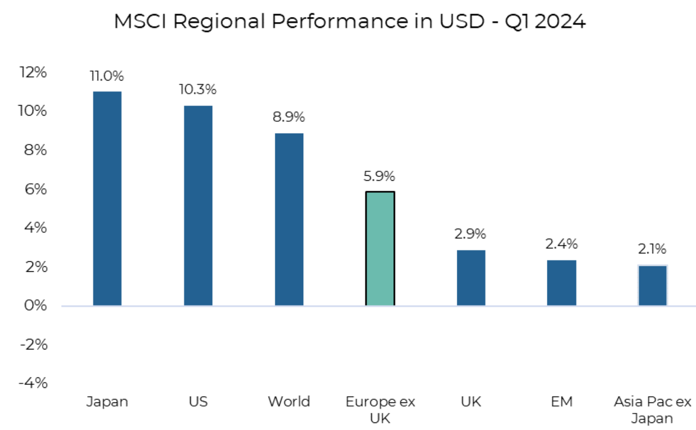
## COMMENTARY

The Guinness European Equity Income Fund was up +4.5% (Y class, in GBP) in Q1, underperforming the MSCI Europe ex UK Index which rose +6.8% in GBP.

Global stock markets registered strong gains in Q1 led by a stronger-than-expected US economy, an expectation that interest rates had peaked and would likely start to come down through the year, and ongoing hopes that central banks around the globe had managed to engineer a potential 'soft landing'. However, towards the end of March, markets started to temper their view around the expected speed of rate cuts in 2024.

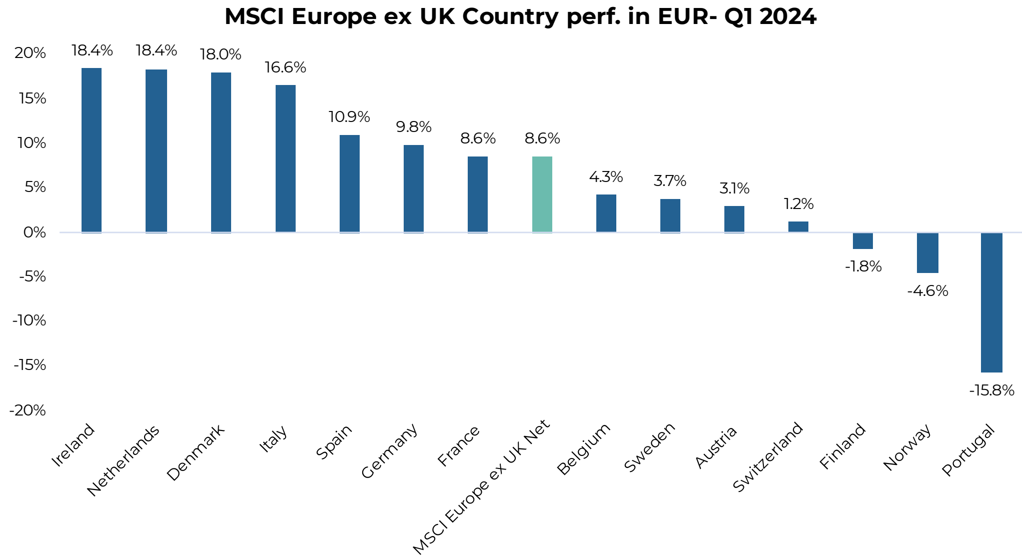



*Source: Bloomberg; data as of 31.03.2024*

European markets performed well over the first quarter driven by a combination of factors. The full-year corporate earnings season was on balance better than expected. With regards to inflation, there were signs of an ongoing slowdown in inflation with the data for March easing to 2.4% from 2.6% in February and 2.8% in January. In fact, gas prices fell over 30% in the first quarter to levels last seen before the Russian invasion of Ukraine. In addition, during the quarter there were signs of improved business activity in the Eurozone, driven by a rise in the flash eurozone purchasing managers' index (PMI) to 49.9 in March from 49.1 in February (readings above 50 denote growth), bringing Europe towards stable levels of business activity.

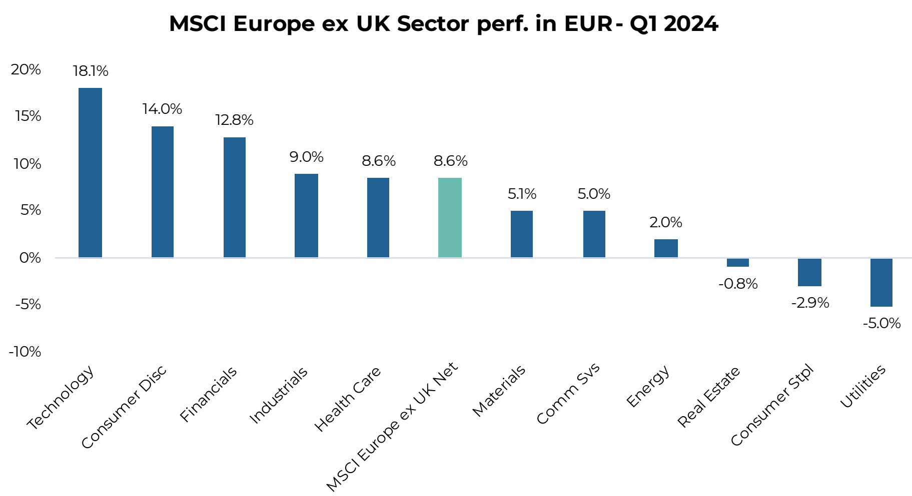
In fact, the Composite PMI (services + manufacturing) moved above 50 in March. These readings gave grounds for cautious optimism that perhaps Europe is through the worst of the pressure on the economy. However, it is notable that Germany (the former powerhouse of Europe) remains a laggard in terms of growth while Spain and Italy have appeared to weather the fallout of COVID-19 and the Ukraine conflict and have been boosted by their greater exposure to tourism amongst other things. The European Central Bank's task is to navigate the path of tackling inflation while supporting what limited growth there is, as well as trying to boost productivity. As a result, the rate cuts that had been expected in January for April were pushed into the summer months.

## QUARTER IN REVIEW




*Source: Bloomberg. Data 31.12.2023 – 31.03.2024*

At a country level, performance was skewed by the largest constituents of the indices in Ireland (Flutter Entertainment), the Netherlands (ASML) and Denmark (Novo Nordisk). These companies account for over 25% of their respective indices. Financials dominate the Italy index, so given the change in rate expectations in US and Europe in March it was no surprise to the see strength in this index. Thus, looking at Europe through a country 'prism' offers its challenges and can give a distorted picture of the drivers of performance. This highlights one of the many advantages of investing at a Continental European level, which gives the ability to diversify among multiple countries, sectors and companies while still being able to invest in high-quality, cash-generative, dividend-paying companies.




*Source: Bloomberg. Data 31.12.2023 – 31.03.2024*

Over the quarter, both cyclical and interest sensitive sectors benefited from the initial dovish stance with regards to interest rates and the soft landing scenario in the US. Technology was also boosted by ongoing excitement with regards to the artificial intelligence boom that companies such as Nvidia are experiencing. Financials benefited from stronger capital markets as well as a strong rally on the change in interest expectations in March. This saw banks in particular perform well as the market had been expecting earnings to start peaking as interest rates started to fall.

Commodity prices fell during the quarter, and this had a knock-on impact on the Energy sector (although oil rallied towards the end of the quarter on growing geopolitical concerns). As highlighted in February's commentary, Utilities also came under pressure to as the gas price fell aggressively in Europe due to high storage levels and warmer weather than expected. Finally, Consumer Staples delivered results which continued to highlight the challenges the sector has faced – slower volumes in the face of limited ability to raise prices further.

**Contributors**

| Top 5 performing stocks | | | |
|---|---|---|---|
| **Company** | **Description** | **Sector** | **Total Return (in EUR)** |
| NOVO NORDISK A/S-B | Danish healthcare | Health Care | 27.1% |
| KONECRANES OYJ | Finnish port equipment | Industrials | 21.3% |
| MAPFRE SA | Spanish insurer | Financials | 20.5% |
| SALMAR ASA | Norwegian salmon farmer | Consumer Staples | 20.4% |
| MERCEDES-BENZ GROUP AG | German auto OEM | Consumer Discretionary | 18.2% |

**Novo Nordisk** (27.1%) continues to go from strength thanks to its first-mover advantage in the 'weight loss' drugs arena. Its full-year numbers beat consensus expectations both in terms of sales and profits, but more encouragingly, management upped their 2024 guidance and expect 'sales growth of 18-26%' and 'operating profit growth of 21-29%' (at constant exchange rates). Novo Nordisk has continued to strengthen its position with purchase of Catalent, a contract drug manufacturer in the US. This acquisition allows it to control and manage supply of product which is in high demand and has been supply-constrained. This is testament to the company's effective capital allocation and R&D investmen, affirming our conviction in the stock.

**Konecranes** (+21.3%), the Finnish port equipment and solutions provider, delivered strong numbers in the quarter. Konecranes has been on something of a journey since the potential merger with peer Cargotec in 2022 was overruled by competition authorities. This caused a strategic rethink, and our portfolio is enjoying the fruits of that endeavour. Full-year numbers saw the delivery of solid orders and earnings with a supportive outlook for 2024. This, coupled with an attractive dividend yield and valuation versus history and the sector, saw the shares rally strongly. In addition, the dividend was raised by 8%.

**Salmar** (+20.4%), the Norwegian salmon farmer, continued to deliver for the portfolio. Full-year numbers were notable for the better synergy realisation from recent M&A, a better-than-expected effect of the resource tax, and finally a significant upgrade in its dividend for 2023. The proposed dividend was raised 75%, driven by much better cash generation and an improved balance sheet position.

**Mapfre** (+20.5%), the Spanish insurance company, finished the quarter strongly in the aftermath of its AGM on 15th March. Mapfre announced a new three-year plan in which it targets annual growth of at least 6%. In addition, the commitment to growing the dividend was reiterated.

Having pre-announced in January, **Mercedes-Benz** (+18.2%), the German luxury car manufacturer, announced better-than-expected results with the highlight being the decision to pay out all of its industrial cashflow to shareholders via share buybacks and dividends. Based on the announced 40% payout ratio, the dividend yield is circa 7%, while the buyback of up to €4.9bn by July 2025 equates to an additional c.7% of market capitalisation. While end markets for autos remain lacklustre, the cash return is a strong signal of the management and Supervisory Board's confidence in the future of the business.

As mentioned above, the strategy's zero weight in the Energy and especially the Utilities sector continued to benefit relative performance. These sectors underperformed because of concerns about the demand backdrop and ongoing weak economic data. It has been notable that power prices in Europe are down double digits in the year to date; a function of warmer weather, plentiful gas in gas storage and weaker demand.

**Detractors**

| Bottom 5 performing stocks | | | |
|---|---|---|---|
| **Company** | **Description** | **Sector** | **Total Return (in EUR)** |
| NESTLE SA | Swiss food producer | Consumer Staples | -6.3% |
| ROCHE HOLDING AG | Swiss healthcare | Health Care | -6.7% |
| KAUFMAN & BROAD SA | French property developer | Consumer Discretionary | -10.3% |
| DHL GROUP | German logistics | Industrials | -11.0% |
| MELEXIS NV | Belgian semiconductors | Information Technology | -17.6% |

In keeping with the more cyclical tilt to markets, the following holdings struggled in February.

**Nestlé** (-6.3%), the Swiss Consumer Staples company, delivered lacklustre results while revenue guidance for 2024 fell short of market expectations at around 4%. The dividend was grown by only 2%. This was clearly not enough given the better-than-expected results elsewhere and the improving growth sentiment.

**Roche** (-6.7%) fell on a cost-driven miss and cited that currency would be a headwind for growth in 2024. Roche's share price performance has been particularly disappointing with ongoing concerns about the drugs pipeline impacting sentiment. It is clear that a strategic rethink when the new CEO joins later in the year may well be required to reinvigorate the company and highlight the very attractive return on capital profile that Roche has.

**Kaufman & Broad** (-10.3%), impacted performance negatively due to shorter-term concerns about rates staying higher for longer and a lack of recovery in the French construction market. However, Kaufman has continued to demonstrate the strengths of its differentiated business model with margins remaining resilient in the face of expected top-line weakness. In addition, in a sign of underlying confidence, the dividend was kept flat year-on-year. Looking ahead, Kaufman will be a key beneficiary of the eventual fall in interest rates and the accompanying improvement in affordability for consumers. We believe the quality of the business is very high compared to the wider sector and it is poised to take advantage of a turn in the prospects of the French housing market when it comes.

**DHL** (-11.0%), the German logistics company, struggled throughout the quarter mainly due to the challenging backdrop for its Express service. Post the COVID-19 boom in parcel delivery, the market continues to suffer from a tough comparable base while slower economic growth has also impacted volumes. At full-year numbers, management released guidance which was in line with expectations and DHL remains well positioned for a recovery in end markets. In the meantime, DHL continues to buy back shares from its prodigious cash flow.

**Melexis'** (-17.6%) share price was down in the quarter driven by investor expectations of a slowing automotive chip cycle. While full-year numbers were in line with expectations, the market remains concerned about the adoption of electric vehicles globally and the impact this could have on the company. While Melexis is expecting a slower first half to the year followed by a stronger second half, the market appears to be waiting for a proper slowdown before it can build any confidence in the future trajectory of the ongoing and growing penetration of semiconductors in cars.

## DIVIDENDS

So far in 2024, we have had dividend updates from all of our 30 holdings.

- 23 companies announced increases to their 2024 dividend vs 2023.
- 7 companies kept their dividend flat year-over-year.
- 0 companies announced a dividend cut.
- 0 companies announced dividend cancellations.

The below table gives a breakdown of the various dividend announcements:

| Company | Sector | Div Growth (yoy) | Div yield (FY1) |
|---|---|---|---|
| Salmar | Consumer Staples | 75.0% | 4.8% |
| Novo Nordisk | Healthcare | 57.0% | 1.4% |
| Essilor Luxottica | Healthcare | 22.0% | 2.0% |
| Atlas Copco | Industrials | 20.0% | 1.7% |
| Banca Generali | Financials | 20.0% | 6.3% |
| Euronext | Financials | 11.7% | 3.0% |
| Schneider | Industrials | 11.1% | 1.8% |
| Axa | Financials | 10.6% | 6.2% |
| Legrand | Industrials | 10.0% | 2.2% |
| Konecranes | Industrials | 8.0% | 3.1% |
| Helvetia | Financials | 6.8% | 5.4% |
| Assa Abloy | Industrials | 6.7% | 1.9% |
| Mapfre | Financials | 6.0% | 7.0% |
| Melexis | Technology | 5.7% | 5.0% |
| Deutsche Boerse | Financials | 5.5% | 2.1% |
| Danone | Consumer Staples | 5.0% | 3.6% |
| Recordati | Healthcare | 4.8% | 2.8% |
| Cap Gemini | Technology | 4.6% | 1.7% |
| ABB | Industrials | 3.4% | 2.1% |
| Roche | Healthcare | 3.2% | 4.2% |
| Nestle | Consumer Staples | 2.0% | 3.3% |
| Mercedes | Consumer Discretionary | 2.0% | 6.8% |
| TietoEvry | Technology | 1.4% | 7.7% |
| Kaufman & Broad | Consumer Discretionary | 0.0% | 7.7% |
| Amundi | Financials | 0.0% | 6.5% |
| Unilever | Consumer Staples | 0.0% | 3.9% |
| Royal Unibrew | Consumer Staples | 0.0% | 3.4% |
| UMG | Comm Services | 0.0% | 2.0% |
| DHL | Industrials | 0.0% | 4.7% |
| Henkel | Consumer Staples | 0.0% | 2.6% |

*Source: Company reports, Bloomberg; 31.03.2024*

The average growth by the portfolio's holdings was 10.1%.

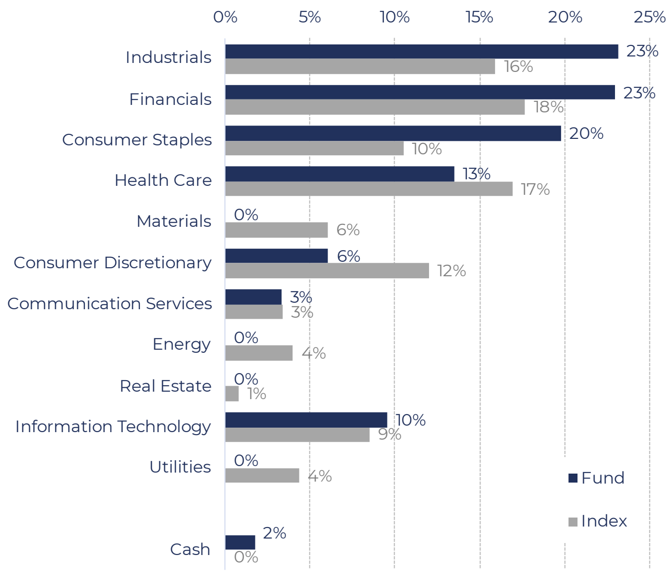
The Fund's dividend yield at the end of the quarter was 3.0% (net of withholding tax) vs the MSCI World Index's 2.9% (gross of withholding tax). (This is a historic yield and reflects the distributions declared over the past 12 months expressed as a percentage of the Fund price. It does not include any preliminary charges. Investors may be subject to tax on the distribution.) The expected forward dividend yield at the end of March was 3.8%(gross) (using Bloomberg consensus data) versus the MSCI Europe ex UK index at 3.2% (gross).

## PORTFOLIO POSITIONING

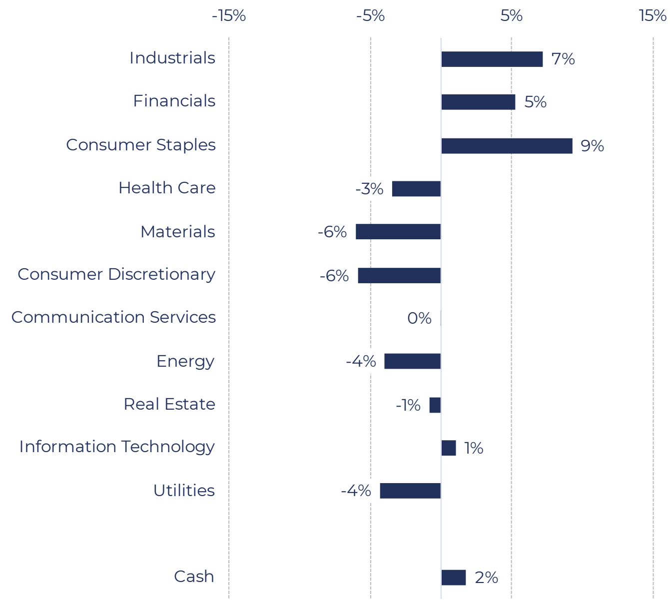
We continue to maintain a balance between quality defensive and quality cyclical/growth companies. We have approximately 45% in quality defensive companies (e.g. Consumer Staples, Healthcare and our exposure within Communications through Universal Media Group) and around 55% in quality cyclical companies (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 Euronext and Deutsche Boerse (which do well in periods of market volatility as trading volumes tend to increase, resulting in higher revenues). The Fund also has zero weighting to Energy, Utilities, Materials and Real Estate.

Fund allocation vs MSCI Europe ex UK Index



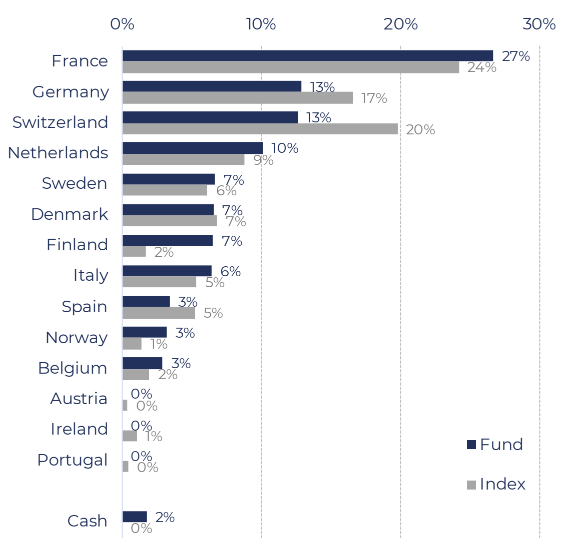

Over / under weights



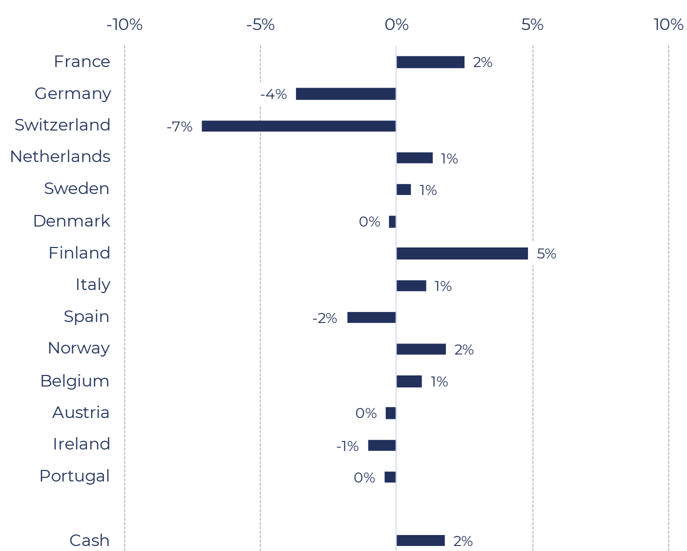

*Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2024*

Country exposure is a function of our bottom-up stock selection. There is a notable overweight to the Nordic regions (Sweden, Denmark, Norway, and Finland) due to the quality of companies and management teams found there and the generally outstanding attitude to effective capital allocation including dividends. Due to the size of Switzerland in the wider MSCI Europe ex UK index and the better investment opportunities we find elsewhere, the strategy finds itself underweight.

Fund allocation vs MSCI Europe ex UK Index




Over / under weights




*Source: Guinness Global Investors, Bloomberg. Data as of 31.03.2024*

## PORTFOLIO METRICS

The four key tenets to our approach are quality, value, dividend, and conviction. We follow metrics at the portfolio level to make sure we are adhering to them. At the quarter end, we are pleased to report that the portfolio continues to deliver on all four relative to the MSCI Europe ex UK Index.

| | | Fund | MSCI Europe ex UK Index |
|---|---|---|---|
| **Quality** | Weighted median return on capital | 14.6% | 4.0% |
| | Weighted median net debt / equity | 75% | 193% |
| **Value** | PE (2024e) | 15.0x | 15.6x |
| | FCF Yield (LTM) | 6.9% | 5.5% |
| **Dividend** | Dividend Yield (LTM) | 3% (net) | 2.9% (gross) |
| | Weighted average payout ratio | 56% | 48% |
| **Conviction** | Number of stocks | 30 | 338 |
| | Active share | 83% | - |

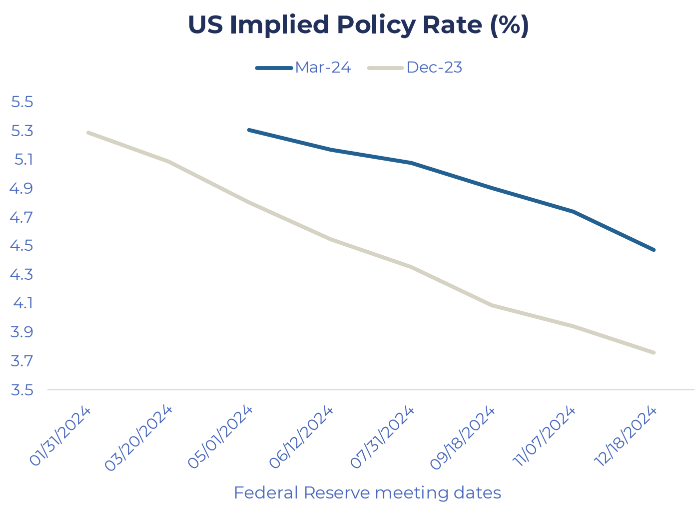
*Source: Bloomberg, Guinness Global Investors. Data as of 31.03.2024*

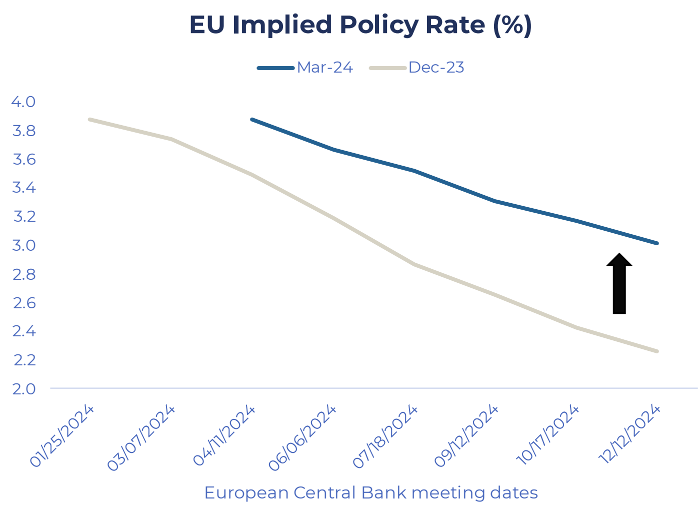
## OUTLOOK

It is worth highlighting a number of factors that are increasing the relative and absolute merits of Europe and the dividend investment opportunities that abound.

**Inflation is less of an issue for Europe**

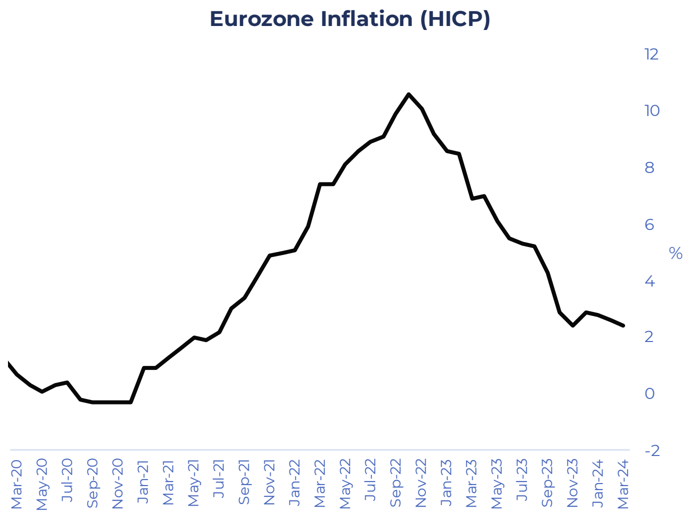
The market has progressively revised its view on the trajectory of interest rates across developed markets largely because of 'stickier' than expected inflation in the US and a stronger than expected US economy.

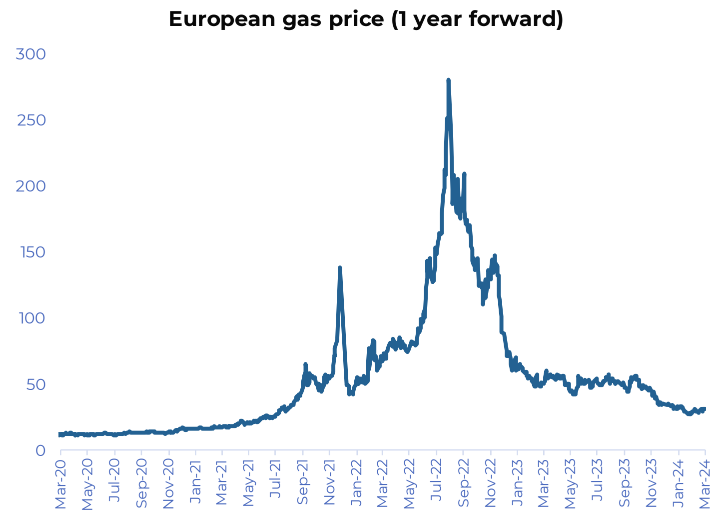



*Source: Bloomberg. Data as of 31.03.2024*

Having begun the year expecting rates to fall to nearer 3.5% in the US by December, the market now expects them to fall only to c.4.5%. The European markets have moved in sympathy, with rates now expected to be c.3% vs c.2%. However, inflation is much less of a problem and is on its way to the 2% target because of energy price deflation and a generally weaker economy than the US.



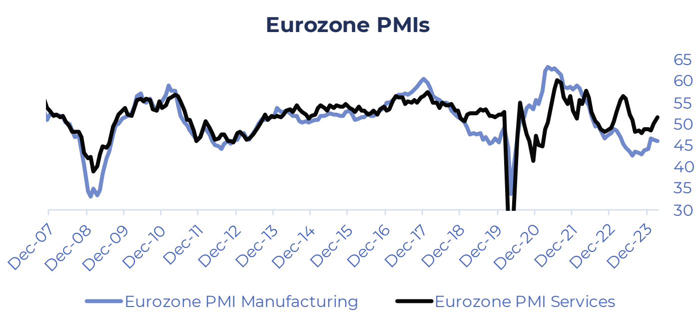



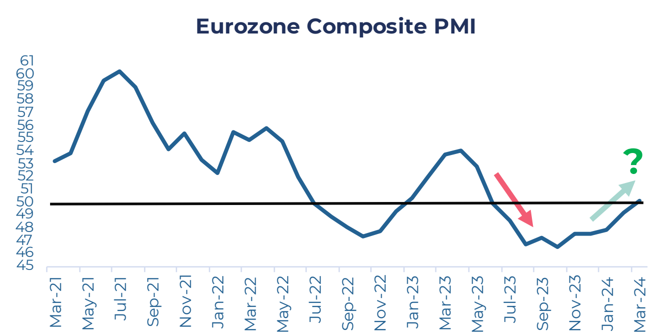

*Source: Bloomberg. Data to 31.03.2024*

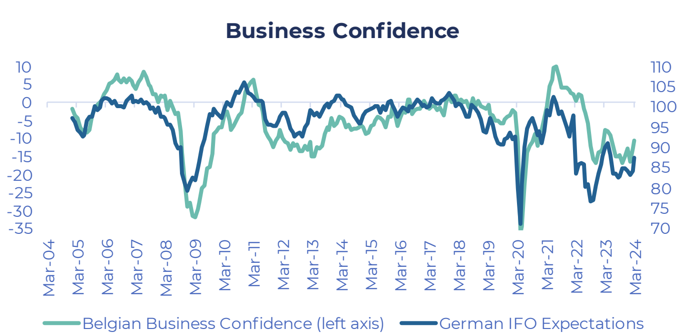
As a result, the European Central Bank has arguably more room to manoeuvre when it comes to rates and perhaps manage to guide the economy out of its tough patch.

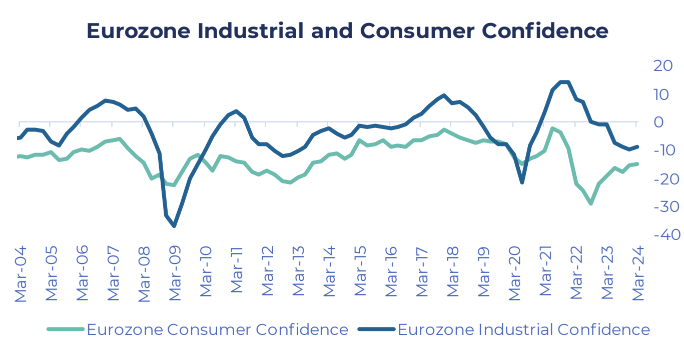
**The economy is moving in the right direction**

While economic growth has been far less impressive than in the US, the signs are growing that a recovery of sorts is underway.



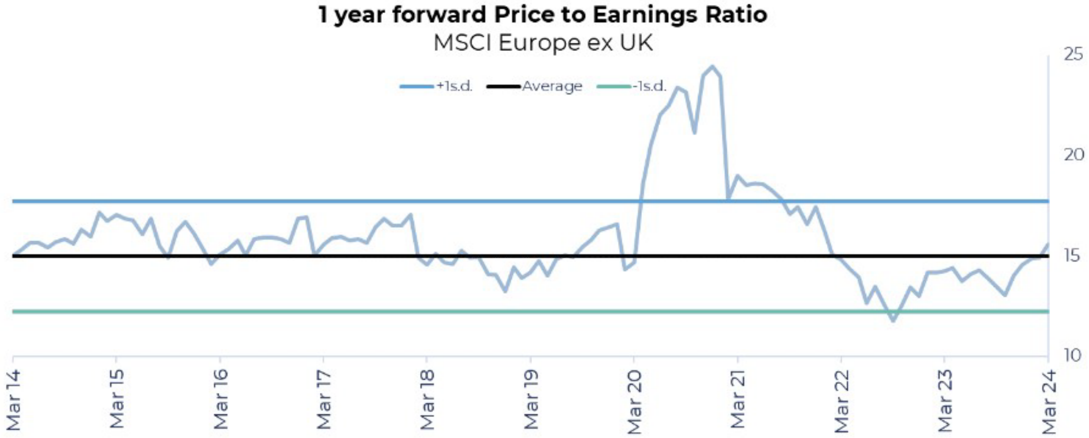




*Source: Bloomberg. Data to 31.03.2024*

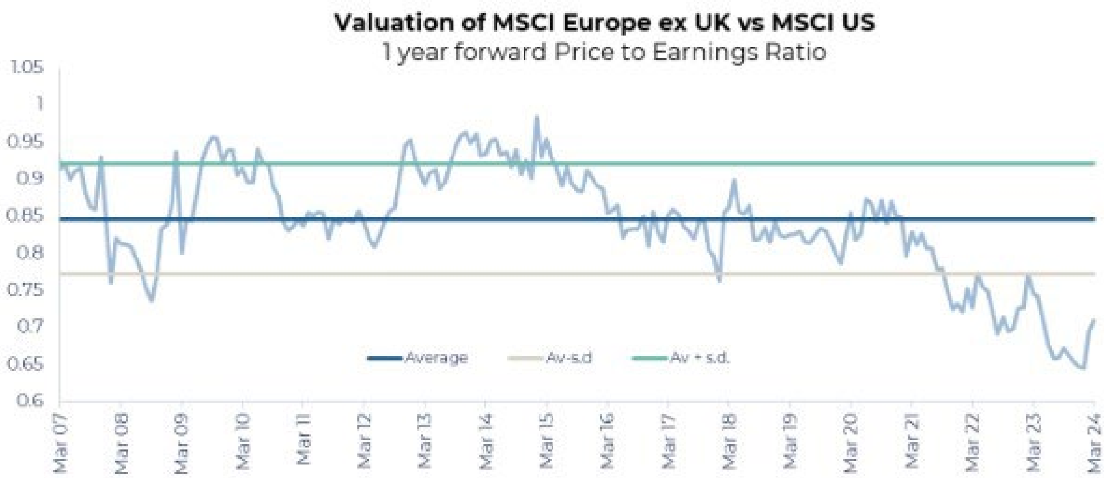
Europe is starting to see economic activity pick up from a low base, while consumer and business confidence is returning. Against expectations that remain conservative, this could presage a period of stronger performance from European markets in spite of markets having recovered well from the September 2023 lows.

**Already captured in the valuation?**



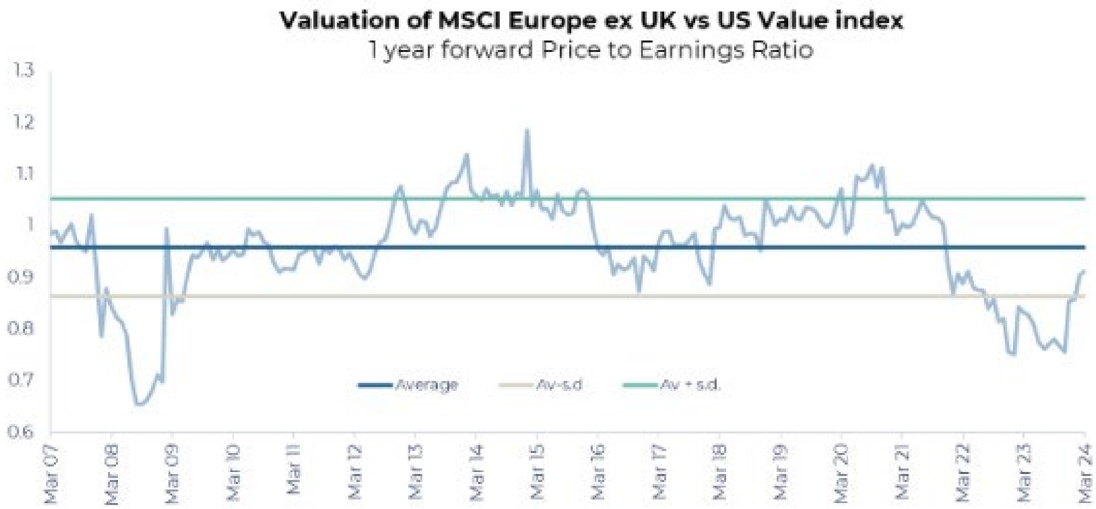

*Source: Bloomberg. Data to 31.03.2024*

While we have witnessed a degree of multiple expansion from the market lows, the MSCI Europe ex UK index is trading in line with its long-run average as the improvement in data has not gone unnoticed. However, when considered against the US, the picture looks more interesting.




*Source: Bloomberg. Data to 31.03.2024*

Now, some would argue that there are structural reasons that justify Europe trading at a discount, such as the high weighting to Technology in US market and a more established equity culture in the US. However, when comparing Europe (and accepting the 'Value' attributes of Europe) versus the MSCI US Value index, it highlights the opportunity on offer.

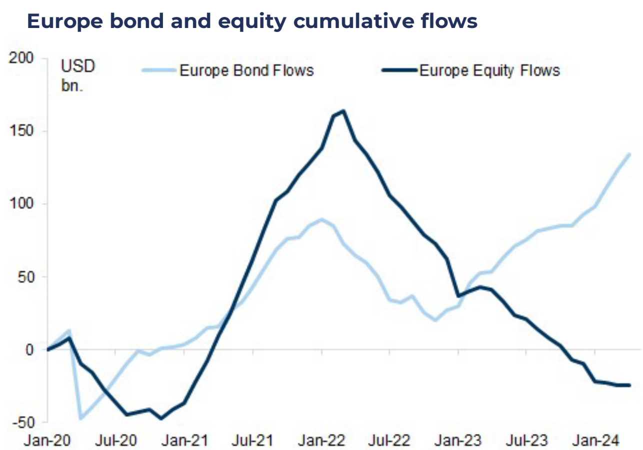


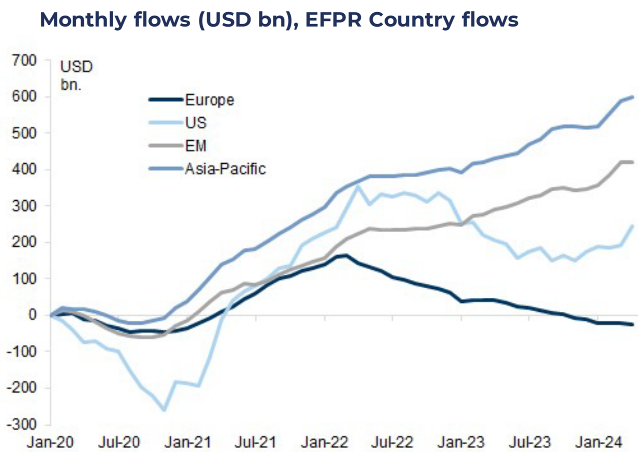

*Source: Bloomberg. Data to 31.03.2024*

Europe tends to trade at a premium to US Value, but due to geopolitics, relative growth and the market preference for all things American in the last two or three years, it remains at a discount!

**Where are investors positioned?**

It may or may not come as a surprise but investors have largely ignored the market moves of late and the potential improvement in the European economy.




*Source: Goldman Sachs Global Research, EFPR, 08.04.2024*

European equity flows have been weak since Russia's invasion of Ukraine – in fact, weaker than all other main regions.

So, while the US has had its merits as a 'safe haven' over the last few years, one could argue the risk profile is rising. The law of large numbers suggests that the US economy will have to slow at some point while Europe is recovering. Inflation has perhaps unsurprisingly stayed stickier than many predicted, but there is more room for manoeuvre in Europe. This should allow it to manage the nascent economic recovery with monetary policy, while it appears the Federal Reserve may have to wait for a proper slowdown. In addition, while Europe has EU elections in the summer which are unlikely to change much, the US elections may justify a reassessment of relative risk profiles of the two regions. If one then overlays a bottom-up stock picking approach which identifies high-quality, undervalued, dividend-paying companies in Europe, the proposition, in our opinion, becomes even more compelling.

As we progress through this year, the volatility around inflation and interest rate expectations is going to continue to subside and investors will not be able to just back Value or Growth styles of investment to deliver a return. It will become ever more important to be stock-specific and apply fundamental analysis to identify the winners in this opaque economic and demand environment. As a result, our focus on quality companies that generate persistent high cash returns supported by strong balance sheets should serve investors well for the long term. We will continue to work hard to deliver long-term capital growth and a steady, growing income stream. The strategy is equipped for all weathers, being well balanced across quality and value, with a focus on globally leading European companies supported by strong structural growth drivers and a solid and growing dividend yield.

**Portfolio Managers**
Nick Edwards
Will James

## GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS

| | |
|---|---|
| Fund size | $12.2m |
| Fund launch | 19.12.2013 |
| OCF | 0.89% |
| Benchmark | MSCI Europe ex UK TR |
| Historic yield | 3.0% (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.

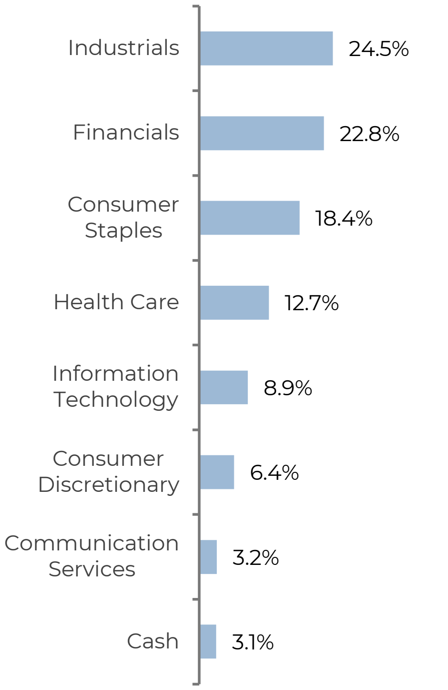
## GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO

### Top 10 holdings

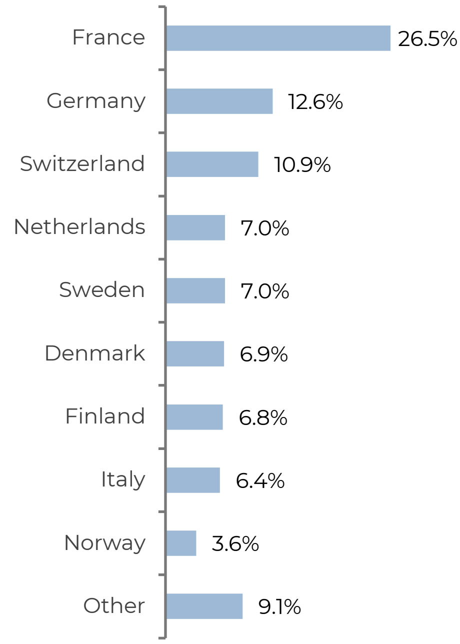
| | |
|---|---|
| Konecranes | 3.9% |
| Euronext | 3.8% |
| Schneider Electric | 3.8% |
| Novo Nordisk | 3.7% |
| Salmar | 3.6% |
| Assa Abloy AB | 3.6% |
| ABB | 3.5% |
| Atlas Copco | 3.5% |
| EssilorLuxotica | 3.4% |
| Mapfre | 3.4% |

| | |
|---|---|
| Top 10 holdings | 36.1% |
| Number of holdings | 30 |

### Sector




### Country



Past performance does not predict future returns.

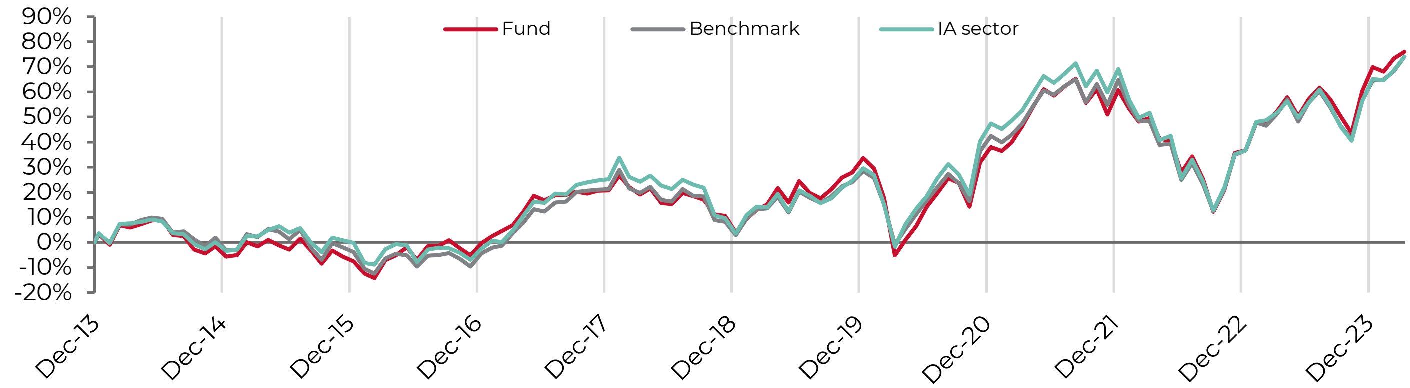
## GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

| (GBP) | 1 Month | YTD | 1 yr | 3 yr | 5 yr | 10 yr |
|---|---|---|---|---|---|---|
| Fund | +1.7% | +4.5% | +13.0% | +31.3% | +57.7% | +118.5% |
| MSCI Europe ex UK TR | +3.7% | +6.8% | +12.7% | +29.0% | +58.0% | +114.4% |
| IA Europe Excluding UK TR | +3.4% | +6.4% | +12.3% | +24.6% | +57.6% | +113.6% |
| **(USD)** | **1 Month** | **YTD** | **1 yr** | **3 yr** | **5 yr** | **10 yr** |
| Fund | +1.5% | +3.6% | +15.5% | +20.2% | +52.8% | +66.0% |
| MSCI Europe ex UK TR | +3.5% | +5.9% | +15.1% | +18.2% | +53.2% | +62.5% |
| IA Europe Excluding UK TR | +3.3% | +5.5% | +14.8% | +14.1% | +52.8% | +61.8% |
| **(EUR)** | **1 Month** | **YTD** | **1 yr** | **3 yr** | **5 yr** | **10 yr** |
| Fund | +1.7% | +6.0% | +16.2% | +30.8% | +59.0% | +110.9% |
| MSCI Europe ex UK TR | +3.7% | +8.3% | +15.8% | +28.6% | +59.3% | +107.3% |
| IA Europe Excluding UK TR | +3.5% | +7.9% | +15.4% | +24.2% | +58.9% | +106.5% |

## GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

| (GBP) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund | +17.2% | -4.2% | +17.5% | +0.1% | +23.7% | -8.8% | +10.7% | +28.5% | +3.6% | -3.0% |
| MSCI Europe ex UK TR | +14.8% | -7.6% | +16.7% | +7.5% | +20.0% | -9.9% | +15.8% | +18.6% | +5.1% | -0.7% |
| IA Europe Excluding UK TR | +14.0% | -9.0% | +15.8% | +10.3% | +20.3% | -12.2% | +17.3% | +16.4% | +9.3% | -0.9% |
| **(USD)** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| Fund | +24.2% | -14.9% | +16.4% | +3.3% | +28.6% | -14.0% | +21.2% | +7.8% | -2.0% | -8.6% |
| MSCI Europe ex UK TR | +21.7% | -18.0% | +15.7% | +10.9% | +24.8% | -15.1% | +26.8% | -0.6% | -0.7% | -6.6% |
| IA Europe Excluding UK TR | +20.8% | -19.2% | +14.7% | +13.8% | +25.2% | -17.3% | +28.4% | -2.4% | +3.3% | -6.7% |
| **(EUR)** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| Fund | +20.0% | -9.3% | +25.2% | -5.2% | +31.1% | -9.8% | +6.4% | +10.9% | +9.0% | +3.9% |
| MSCI Europe ex UK TR | +17.6% | -12.6% | +24.4% | +1.8% | +27.1% | -10.9% | +11.4% | +2.4% | +10.7% | +6.4% |
| IA Europe Excluding UK TR | +16.7% | -13.9% | +23.4% | +4.4% | +27.5% | -13.1% | +12.8% | +0.5% | +15.1% | +6.2% |

## GUINNESS EUROPEAN EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)




Source: FE fundinfo to 31.03.2024. 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 0.89%. 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 EUROPEAN EQUITY INCOME FUND - FUND FACTS

| | |
|---|---|
| Fund size | £0.6m |
| Fund launch | 30.12.2022 |
| OCF | 0.89% |
| Benchmark | MSCI Europe ex UK TR |
| Historic yield | 3.0% (Y 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.

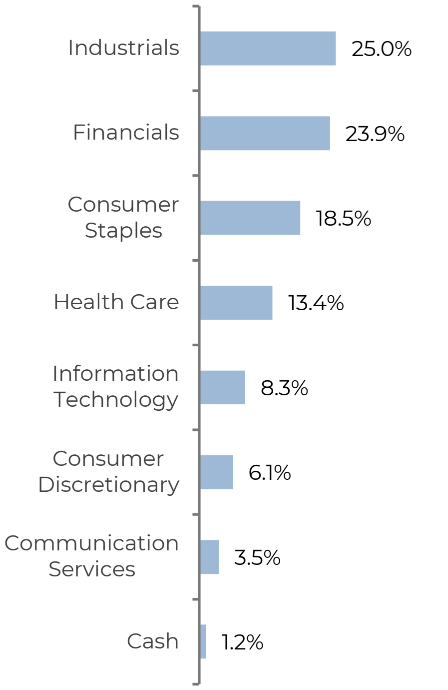
## WS GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO

### Top 10 holdings

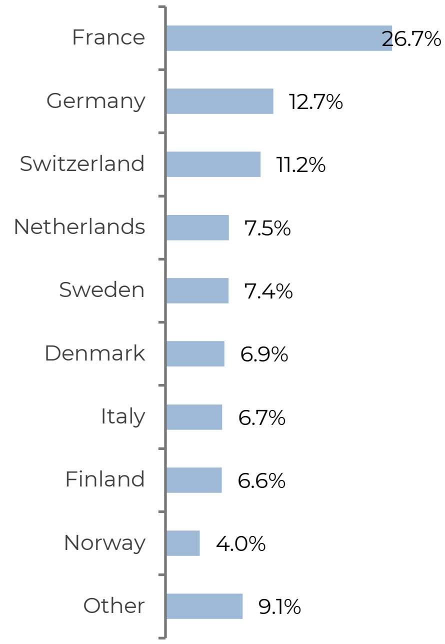
| | |
|---|---|
| Novo Nordisk | 4.1% |
| Konecranes | 4.1% |
| Salmar | 4.0% |
| Euronext | 3.9% |
| Mapfre | 3.8% |
| Atlas Copco | 3.8% |
| Schneider Electric | 3.8% |
| Assa Abloy AB | 3.7% |
| Universal Music Group | 3.5% |
| ABB | 3.5% |

| | |
|---|---|
| Top 10 holdings | 38.1% |
| Number of holdings | 30 |

### Sector




### Country



Past performance does not predict future returns.

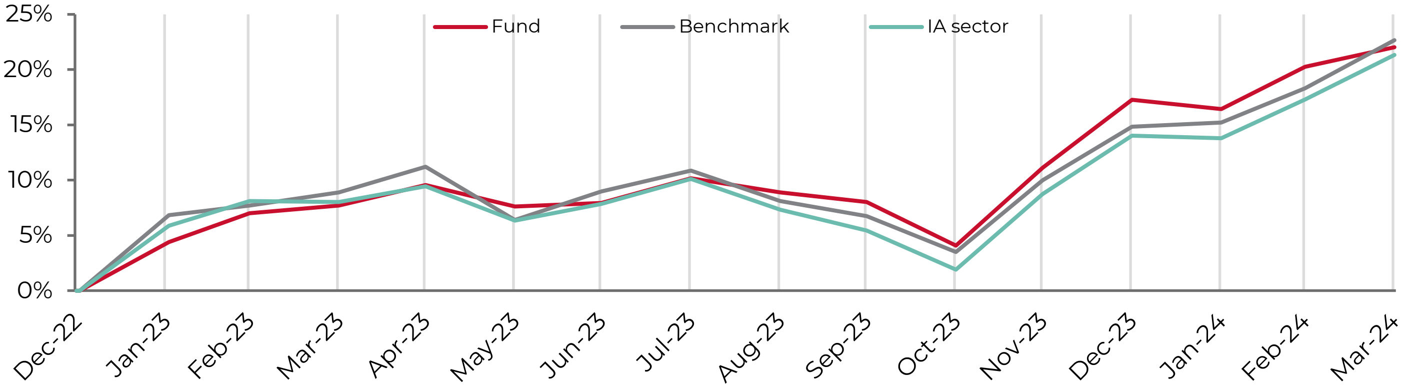
## WS GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

| (GBP) | 1 Month | YTD | 1 yr | 3 yr | 5 yr | 10 yr |
|---|---|---|---|---|---|---|
| Fund | +1.5% | +4.0% | +13.3% | - | - | - |
| MSCI Europe ex UK TR | +3.7% | +6.8% | +12.7% | - | - | - |
| IA Europe Excluding UK TR | +3.4% | +6.4% | +12.3% | - | - | - |

## WS GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

| (GBP) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund | +17.3% | - | - | - | - | - | - | - | - | - |
| MSCI Europe ex UK TR | +14.8% | - | - | - | - | - | - | - | - | - |
| IA Europe Excluding UK TR | +14.0% | - | - | - | - | - | - | - | - | - |

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




Source: FE fundinfo to 31.03.24. 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 0.89%. 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 European Equity Income Fund and the WS Guinness European 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 EUROPEAN 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 EUROPEAN 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 www.fundsolutions.net/uk/guinness-global-investors/ or free of charge from:-

Waystone Management (UK) Limited
PO Box 389
Darlington
DL1 9UF
General Enquiries: 0345 922 0044
E-Mail: investorservices@linkgroup.co.uk

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

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

**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.