Guinness Global Innovators

Investment Commentary – November 2024

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID/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 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	01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
EU Domiciled	Guinness Global Innovators Fund
UK Domiciled	WS Guinness Global Innovators Fund

INVESTMENT POLICY

The Guinness Global Innovators Funds are designed to provide investors with global exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. Innovation can take many forms, and not just in disruptive tech-driven products. It is the intelligent application of ideas and is found in most industries and at different stages in the company lifecycle. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

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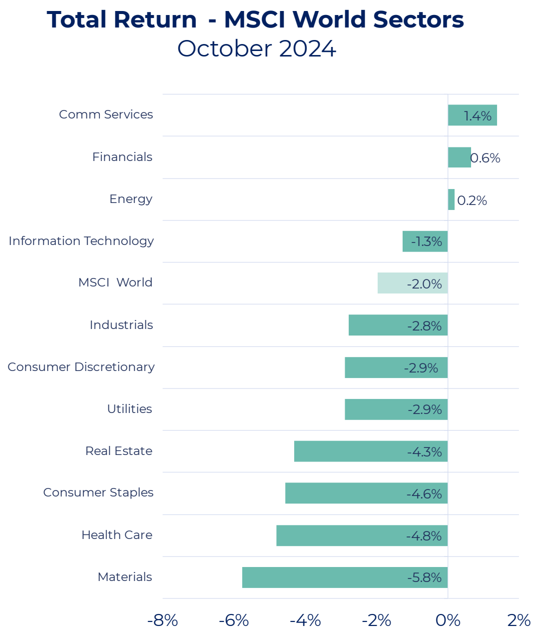
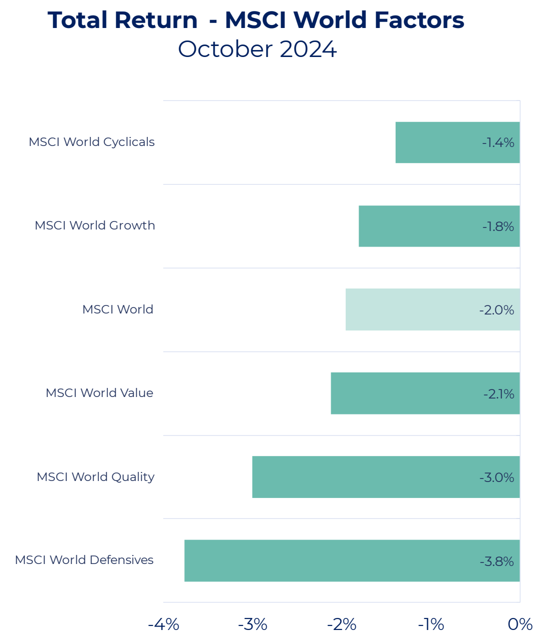
COMMENTARY

In October, the Guinness Global Innovators Fund provided a total return of 1.6% (GBP) against the MSCI World Index net total return of 2.3% and the IA Global sector average return of 1.2%. Hence the Fund underperformed the benchmark by 0.7 percentage points and outperformed the IA Global Sector by 0.4 percentage points.

October was a turbulent month for global markets, with the MSCI World falling over a calendar month (in USD terms) for the first time since April. Investors had a number of macroeconomic events to digest, including heightened geopolitical tensions in the Middle East, uncertainty with respect to fiscal and monetary stimulus in China, the increasing odds of a Trump victory in the US election, positive economic data but slightly disappointing inflationary data resulting in shifting interest rate cut expectations – all while corporate earnings season was delivering some pretty mixed results. On the whole, cyclically orientated sectors led defensives and growth led value, although all factors (and most sectors) delivered negative returns in USD. As at the time of writing, Donald Trump was announced the next President of the United States. Alongside a brief review of what drove markets over October, we explore how the President-elect may impact the economy, and what this may mean for markets.





Source: Guinness Global Investors, MSCI, Bloomberg (all data in USD); to 31.10.2024

During the month, relative performance of the Fund was driven by the following:

- The largest contributor to relative underperformance was the Healthcare sector. A combination of both negative allocation effects (due to an overweight position in an underperforming sector) and a negative stock selection effect with holdings Thermo Fisher (-11.7% USD), Danaher (-11.6% USD) and Siemens Healthineers (-13.2% USD) all underperforming the wider sector.

- While the Fund's largest sector overweight position, Information Technology, offered a small tailwind to performance with respect to allocation, this was offset by a negative stock selection effect. In particular, our semiconductor equipment manufacturer names struggled, following negative read-across from ASML (not held within the Fund), despite strong results from both Lam Research (-8.9% USD) and KLA (-14.0% USD). Applied Materials (-10.1% USD) reports next month. This weakness was in part offset by strength from off-benchmark stock Taiwan Semiconductor (+9.7% USD), which ended the period as the Fund's top performer. Strength in Nvidia (+9.3% USD) was a positive for absolute Fund performance, but our underweight relative to the benchmark was a slight drag.

- Our allocation to Industrials had a relatively neutral impact on Fund performance from an allocation perspective, but positive stock selection aided relative performance. This was driven by one holding in particular, a new position in Ametek (+6.8% USD). We report on our 'buy' rationale below.

It is pleasing to see the Fund in the top quartile versus the IA Global Sector over all key periods shown below, but particularly over the longer time frames of 5, 10, 15 and 20-year periods, as well as since launch.

Past performance does not predict future returns.

Cumulative % total return, in GBP, to 31st October 2024	YTD	1 year	3 years	5 years	10 years	15 years	20 years	Launch
Guinness Global Innovators	17.4	31.7	30.0	105.9	275.0	805.4	1204.6	1342.0
MSCI World Index	15.5	26.2	28.4	77.6	216.5	459.5	608.6	740.5
IA Global sector average	4.4	10.0	21.9	12.7	55.6	156.0	296.0	431.2
IA Global sector ranking	54/549	31/541	53/486	10/413	7/261	1/160	1/95	2/90
IA Global sector quartile	1	1	1	1	1	1	1	1

^Ranking not shown in order to comply with European Securities and Marketing Authority rules

Past performance does not predict future returns.

Annual % total return in GBP	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14*
Guinness Global Innovators	32.1	-20.7	22.6	32.1	31.3	-11.9	22.0	27.7	2.0	18.9
MSCI World Index	16.8	-7.8	22.9	12.3	22.7	-3.0	11.8	28.2	4.9	11.5
IA Global sector average	12.7	-11.1	17.7	15.3	21.9	-5.7	14.0	23.3	2.8	7.1
IA Global sector ranking	12/539	440/508	123/468	52/424	17/389	312/344	32/312	99/284	206/263	7/235
IA Global sector quartile	1	4	2	1	1	4	1	2	4	1
	Dec 13*	Dec 12*	Dec 11*	Dec 10*	Dec 09*	Dec 08*	Dec 07*	Dec 06*	Dec 05*	Dec 04*
Guinness Global Innovators	42.6	14.9	-6.0	20.7	29.3	-24.5	19.2	4.2	25.0	3.4
MSCI World Index	24.3	10.7	-4.8	15.3	15.7	-17.9	7.2	5.3	22.4	7.0
IA Global sector average	21.7	9.4	-9.3	15.8	23.0	-24.3	8.8	7.8	24.8	7.7
IA Global sector ranking	6/219	31/203	59/182	44/165	38/158	91/142	21/131	87/115	58/101	75/95
IA Global sector quartile	1	1	2	2	1	3	1	4	3	4

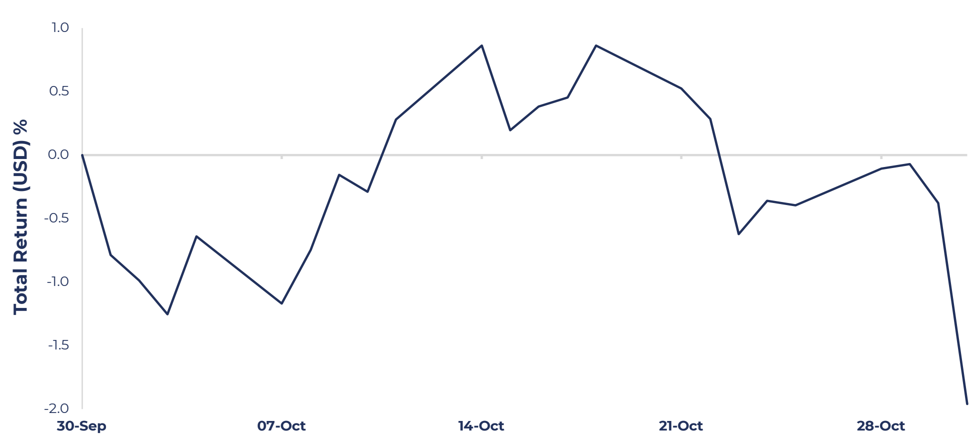
Source: FE fundinfo, as of 31.10.2024

**Simulated past performance; performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects a US mutual fund which has had the same investment process since the launch of the strategy on 01.05.2003.*

MARKET COMMENTARY

October proved to be a volatile month for equity markets, with a number of news events pulling equities in different directions. After reaching record highs at the end of September, global equity markets fell in the first days of the month following an increase in tensions in the Middle East, with concerns flaring over a broader regional conflict. In particular, the uncertainty over the nature and extent of any Israeli response to a barrage of Iranian missiles sparked a surge in oil prices, although the response eventually proved more 'measured' than many had feared. China also proved to be a key source of volatility. On the final day of September, Chinese stocks (CSI 300) surged 8.5% on their best day since 2008. This had followed a pledge by President Xi Jinping of widespread monetary and fiscal stimulus to support flagging economic growth. The next week, however, saw significant volatility with policymakers seemingly reluctant to provide detail over the plans and increasing concerns that policymakers may in fact be hesitant to enact forceful enough easing, given high public debt and falling tax revenues. The overhang of the US election, and the rising odds of a Trump victory throughout the month, was also a driver of significant uncertainty.

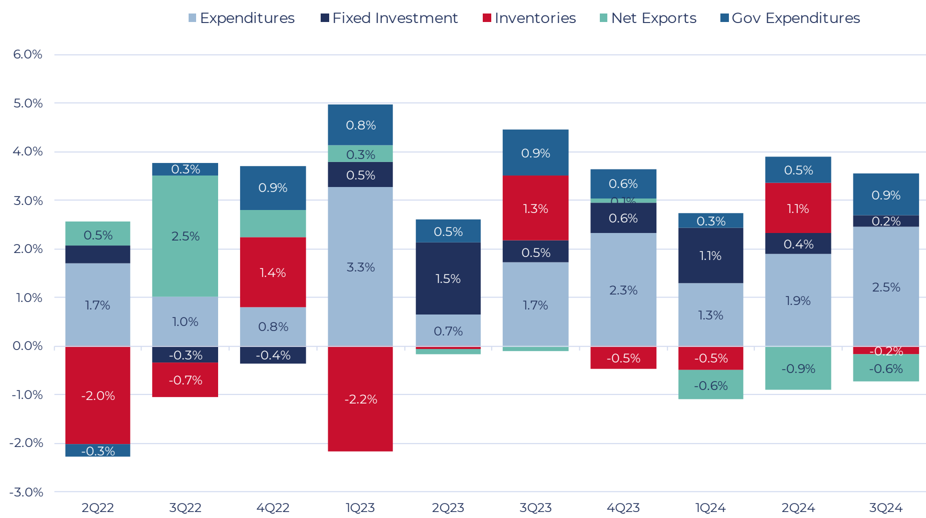
MSCI World Index Total Return - October 2024



Source: Guinness Global Investors, MSCI, Bloomberg, to 31.10.2024

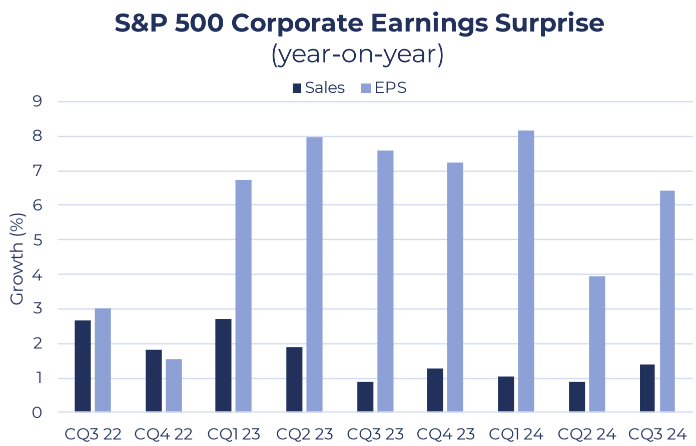
Following a first week plagued with uncertainty over both China and the Middle East, markets soon began rallying once more, as economic data proved resilient. Jobs data early in the month was the initial spark, with American unemployment ticking downwards 10 basis points (bps) to 4.1%. 'New jobs' data for September was well ahead of expectations (254k vs 140k expected), and both July and August figures were revised upwards by 55,000 and 17,000 respectively, dampening the perceived slowdown. Later in the month, Flash Purchasing Managers' Indices (PMIs) also indicated an improving economic environment, with preliminary data for the S&P Global Manufacturing PMI jumping to 48.8 (eventually revised downwards to 48.5 on November 1st) from 47.3 the month prior (a number of 50 and above is a leading indicator to economic expansion), the first positive move since June. The Services PMI remained firmly in expansionary territory at c.55. Finally, GDP data in the final days of October reaffirmed the view of US economic strength, with the region continuing to outperform peers. Whilst slightly below the 3.0% expected (and the 3.0% the quarter prior), the 'make up' of the print was reassuring. At odds with the fact that consumer sentiment has been sliding since Spring, the 2.8% GDP growth for Q3 2024 was driven by a significant step up in Personal Consumption (the largest component of GDP) at 3.7%, well ahead of expectations (3.3%), and accounting for 2.5% of the overall growth figure. Saying this, the continued slowdown in Fixed Investment (i.e. business investment) is slightly concerning.

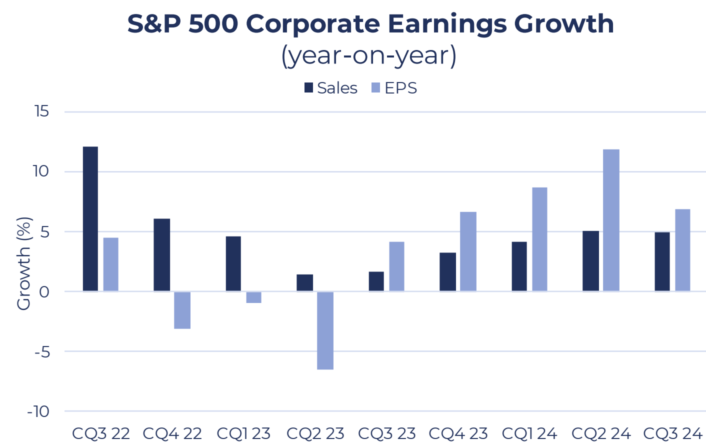
Components of Real GDP Growth (QoQ, %)



Source: Guinness Global Investors, Bureau of Economic Analysis, as of 30.09.2024

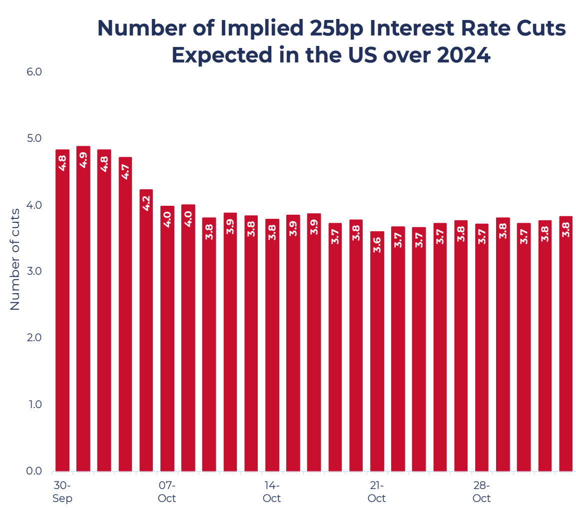
Whilst economic data has been broadly positive, company earnings have been comparatively mixed. As at the time of writing, 80% of S&P 500 companies have reported Q3 earnings. On the whole, this earnings season has been better than expected, with the average magnitude of 'surprise' on both top and bottom lines accelerating from the prior quarter. However, the average year-on-year 'growth' numbers have stalled on their upward trend, with earnings per share (EPS) growth in particular slowing from 11.9% in Q2 to 6.8% in Q3. At a stock-specific level, a number of high-profile earnings releases drove further volatility – in particular in relation to the semiconductor sector following a very disappointing outlook from ASML (reviewed in depth later), and some disappointing results on the final day of the month from two 'Magnificent 6' stocks, Microsoft and Meta.

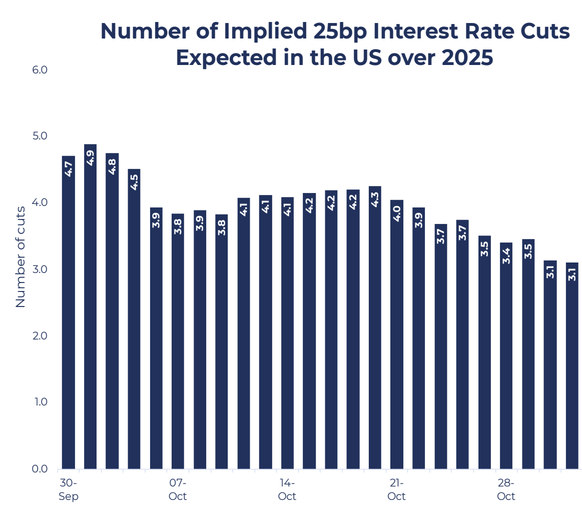




Source: Guinness Global Investors, Bloomberg, to 31.10.2024

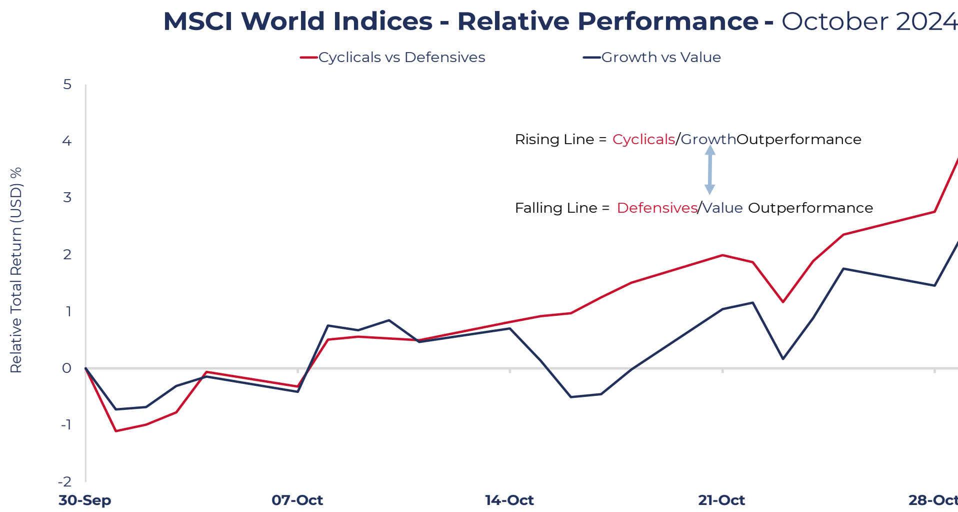
Markets also had one eye on what the Federal Reserve (Fed) may do next. Following the bumper 50bp cut in September, markets are currently pricing in an additional two 25bp cuts for the remainder of 2024 (more precisely, an additional '1.8' cuts, totalling 0.4 percentage points). This is one cut less than at the end of September. The change in the expected number of cuts for 2025 fell from 4.7 cuts to 3.1 cuts. Part of the rationale for the bumper cut in September revolved around concerns of a slowdown in the economy, whilst inflation has broadly been trending towards target levels. October brought data suggesting economic resilience and (ever-so-slightly) stickier inflation than hoped: Core CPI inflation came in at 3.3%, 10bps ahead of last month and 10bps ahead of expectations. After commentary from the Fed's chair, Jay Powell, that "From a base case standpoint, we're looking at it as a process that will play out over some time, not something that we need to go fast on," markets soon tempered their expectations for rate cuts. Paired with the rising odds of a Trump presidency (explored below), the change in market expectations has driven US Treasury yields consistently higher (60bps in total) since the September rate cut, acting as a headwind for equity valuations.





Source: Guinness Global Investors, Bloomberg, to 31.10.2024

In the context of a.) geopolitical shocks; b.) strength in economic data; c.) mixed company earnings; d.) stickier-than-hoped-for inflation; e.) uncertainty over the outlook of the US election and more, markets have had a lot to contend with this month. It is therefore unsurprising that we saw such volatility in equities. With this in mind, it may be surprising that the outperformance of cyclicals (and to a lesser extent growth) has been so consistent over the same time period – with the exception of the final day of October – even if all factors and most sectors fell over the period. The persistent interest in cyclicals and growth-oriented stocks indicates that markets may be pricing in greater optimism for a soft landing scenario and continued economic momentum, focusing asset allocations predominantly on the economic data rather than the prevailing uncertainties and noise elsewhere.



Source: Guinness Global Investors, Bloomberg

What might a Trump presidency mean for markets and the economy

As at the time of writing, America has voted for its next president: Donald Trump. Over October, the former president (and now president-elect) had managed to swing momentum in the polls back in his favour, closing the gap with Kamala Harris by election day on November 5th in what was dubbed by many to be the tightest race in history. In the event, the win was decisive, with the former president taking not just the popular vote (the Republicans have failed to do this since 2004), but also seeing a swing in his favour by almost every demographic group. Importantly, at the time of writing, the Republicans also look likely to take both the House and the Senate. Among the wide-ranging implications, the key themes that we believe will be most impactful on the economic environment and markets include the following:

- **Trade: an escalation of tariffs**. As he did during his first term, Trump intends to pursue an "America First" agenda, a policy of greater isolationism and the prioritisation of American interests. This includes focusing more on 'bilateral' trade agreements over 'multilateral' agreements and reducing the trade deficit. The idea is based on reigniting home-grown growth and restoring US manufacturing. Trump has therefore laid out plans to go even further with respect to tariffs (than he did in his first term), including:
    - Implementation of a universal baseline tariff of 10-20%.
    - Increase tariffs on Chinese goods to "more than" 60%. Currently, tariffs range somewhere between 7.5-25% of goods.
    - 100% tariffs on non-US made vehicles.

  With greater protectionism and higher tariffs, trade wars could follow – an outcome that may be inflationary, given negative supply shocks. This is the largest concern voiced by economists. This would negatively affect both industries that depend on imported inputs and countries with export-orientated economies.

Estimated Tariffs under a Second Trump Administration

Country	Coverage/ Goods	Amount ($bn)	Current Tariff	Incremental Tariff	Possible Final Tariff
China	List 1-2 (no consumer goods)	40	25%	60%	85%
	List 3 (20% consumer)	120	25%	35%	60%
	List 4a (mostly consumer)	90	7.5%	10%	17.50%
	List 4b (mostly consumer)	200	0%	5%	5%
Mexico	Auto Imports	Very small	0-2.5%	97.50%	100%
EU	Auto Imports	80	2.5%	22.50%	25%
Global	All imports	3100	2.7%	10%	12.70%
China	All imports	450	13.7%	40%	53.70%
Global	All imports	3100	2.7%	TBD	TBD

Source: Goldman Sachs Investment Research, September 2024

- **Fiscal policy – lower tax revenues and lower government spending**: In contrast to proposals from the Harris campaign, Trump is expected to extend tax cuts he passed in 2017 under the Tax Cuts and Jobs Act (TCJA), and in some cases, cut them ever further. Policy proposals include:

    - Cutting corporation tax to 15%.
    - Eliminating tax on Social Security income, tips and overtime pay.
    - Lowering tax for American citizens who live abroad.

  Trump's fiscal policy proposals also include reining in non-defence government spending by cutting foreign aid alongside energy and environment-related spending (we expect the Inflation Reduction Act to be repealed at least in part), closing the Department of Education, and also privatising some departments. Trump has committed to protecting Social Security and Medicare reforms from any benefit cuts. This reduction on government spending is unlikely to offset any reduction in revenue from tax cuts, however, and is likely to add to an already large deficit. The Committee for a Responsible Federal Budget estimated that Trump's plans would increase the deficit by $7.5 trillion over the next decade – double the increase that was expected under Harris. This has placed upward pressure on Treasury yields.

- **Deregulation:** Trump has promised "low regulations", stating he would cull 10 regulations for every new one created. Trump has also suggested implementing a new 'efficiency commission' that would be helmed by Elon Musk and would be "tasked with conducting a complete financial and performance audit of the entire federal government and making recommendations for drastic reforms". In energy, this could mean removing hurdles to oil and gas development – as was seen in his first term, where he rolled back hundreds of environmental protections. In finance, this may mean reduced capital requirements. Antitrust enforcement seems likely to be loosened, and we may therefore see greater M&A activity. In technology, we may see reduced regulation on emerging technologies such as AI – particularly if Musk is appointed.

- **Federal Reserve**: The Federal Reserve is independent of influence from the President's office, but Trump has made clear his dislike of the actions of current chair, Jay Powell. Powell, who was nominated by Trump in his first term, will come to the end of his second term as Chair in 2026. At the least, we expect Trump to exert dovish pressure on the Federal Open Market Committee, and Powell will probably be replaced by someone Trump believes is more amenable in 2026.

The market reaction to the Trump victory was mixed. It was particularly positive for US stocks, which would benefit from the lowering of corporation tax from 21% to 15%. This had a rather mechanical positive impact on equity valuations – even more so now that the proposed 28% rate is off the table. This valuation impact was in some ways offset by the negative impact of rising Treasury yields over inflationary concerns and the deficit. More generally, Trump is thought to be good for growth, due to tax cuts and deregulation, and hence cyclical industries are likely to benefit. Small-caps are likely to benefit too, reflecting optimism over corporate tax rates and lighter regulation. Industries reliant on imports are likely to be most affected, as well as countries with export-dominated sectors. Deregulation may be supportive to many industries (such as Big Tech) but we do not expect Healthcare to be among them, given previous attempts to cap prescription pricing. Tarriff-exposed companies are likely to be negatively impacted. Outside of the US, the equity reaction was more mixed, with concerns over a global trade war and risks for EU exports given the imposition of tariffs. This is especially true for trade-dependent economies such as Germany. The resulting strong dollar is likely problematic for emerging economies.

CHANGES TO THE PORTFOLIO

In October, we made one switch in the portfolio, buying Ametek and selling PayPal.

Ametek is a niche manufacturer of highly engineered electromechanical and electronic instruments across a wide range of end-markets, including MedTech, Power, Aerospace and Defence, among others. A unifying factor across these end-markets is that these manufactured products are typically 'mission critical', while the cost tends to be small relative to the cost of the system as a whole. A high level of specificity within these mission critical products drives high switching costs, allowing Ametek a significant level of pricing power. Over time, this has led to a long track record of healthy organic growth, a trend we expect to continue. Supplementing this organic growth, Ametek also has a long history of successful acquisitions. By targeting niche businesses in adjacent markets with complementary products and technologies, Ametek is expanding its product mix into areas in which it is strategically advantaged relative to peers, whilst offering its target companies the scale, expertise and customer base they need to scale properly. This balanced mix of revenue growth from both organic and inorganic sources helps reduce the downside risk associated with the cyclical end-markets the company operates in. Whilst Ametek possesses a strong growth outlook, the firm also maintains a quality profile that has been improving over time. It has significant aftermarket exposure, providing a higher-margin and stickier revenue stream. Further, management has an excellent track record of operationally improving the business, resulting in a significantly lower operational expenditures as a percentage of sales relative to peers, which when paired with its asset-light business model leads to strong free cash flow generation. Ametek's robust balance sheet is another key strength, providing stability during economic downturns and allowing the company to invest in future growth through acquisitions and R&D. In sum, Ametek is a high-quality compounder with exposure to attractive, growing end markets in which it is competitively advantaged.

We initially acquired **PayPal** in July 2015 when eBay, a long-term holding of the Fund, spun it off as a separate entity. After a thorough evaluation of PayPal, we decided to sell our remaining position in eBay and reinvest it in PayPal. From July 2015 to October 2024, the stock delivered a total return of c.115% (in USD terms; vs MSCI World 150%). PayPal was a pioneer in digital payments and established itself as a convenient and secure alternative to traditional payment methods. As one of the first companies to offer a seamless online payment solution, PayPal quickly gained traction among both consumers and businesses, positioning itself as a dominant player in the digital payments space. For years, it enjoyed relatively limited competition, which helped the company secure a loyal user base and enjoy strong growth, exacerbated during Covid as the boom in ecommerce increased transaction volumes and sent the stock to all-time highs. In recent years, however, enthusiasm for the stock has diminished as post-pandemic volumes decreased more than expected and margins have contracted alongside. Additionally, investor concerns have mounted due to intensifying competition in its core PayPal Button business from emerging digital payment wallets like Apple Pay and CashApp, as well as slower growth in PayPal's subsidiary products, Venmo and Braintree. Following a steep stock price decline in 2021, PayPal has seen a notable recovery since July 2024. This rebound was driven by new product momentum, improved execution under fresh leadership, and an attractive valuation. However, its core product – the PayPal Button, responsible for 60-70% of gross profits – continues to lose market share to competitors such as Apple and Shop Pay. Given the uncertainty surrounding the outlook for PayPal Button, we have lost confidence in the long-term growth story and believe there are better opportunities elsewhere.

STOCK PERFORMANCE OVER THE MONTH

Taiwan Semiconductor Manufacturing Company (+9.7% USD) and Nvidia (+9.3%)

TSMC and Nvidia ended the month as the Fund's top two performers, driven by renewed investor confidence in the demand outlook for AI-related chips, which pushed both stocks to record highs. TSMC and Nvidia are both positioned at the heart of a global surge in spending on AI development, with the former possessing the most advanced fabrication plants globally and facilitating the manufacturer of cutting-edge chips used to train AI, which are typically designed by the latter. The interconnected nature of the businesses drives strong read-across from news events between the two firms – particularly when it relates to the outlook of AI demand.

Nvidia in particular has faced some share pressure and volatility over recent months following "engineering snags" and delays to its flagship chip, Blackwell. October brought relatively limited news for the stock, with positive sentiment stemming mainly from developments elsewhere in the semiconductor market, and in particular from TSMC. There was, however, positive commentary from Nvidia CEO Jensen Huang that the Blackwell chip is now in "full production" and that demand is "insane", enabling Nvidia to more than reverse all of the prior share price weakness. For TSMC, a number of developments allowed the stock to carry strong momentum into results (released mid-month): expanded collaboration with advanced chip packaging and testing service provider Amkor, which would invest $2bn in a chip testing facility in Arizona (the first of its kind in the US and near TSMC's own fabrication plants), accelerating overall product cycle times; news of planned factory expansion into Europe, beyond the firm's Dresden build-out; and disappointing results from rival foundry Samsung, implying the firm is struggling to compete and 'close the gap' with TSMC in custom-made chips.

The highlight for TSMC, however, was a very strong Q3 earnings release, eliminating concerns that demand for AI hardware was tapering. The firm's impressive Q3 year-on-year sales growth of +39% (+13% quarter-on-quarter) was ahead of expectations (sales +1.2% ahead of consensus), supplemented by strong margin performance that drove an earnings per share 'beat' of +8.5%. Higher utilization rates, efforts in cost reduction and strong AI demand drove gross margin expansion (c.500bps). AI demand was particularly strong for additional chip content on PCs and smartphones. Whilst Q3 results were proof of continued high demand, management guidance reassured investors of the longer term outlook. Revenue for 2024 was guided at c.30% year-on-year, compared to the previous guide in the mid-twenties, with gross margins also guided marginally higher. Management in particular showed strong conviction towards the long-term outlook for AI demand, maintaining that they are only at the beginning of the AI era. Whilst margins may come under slight pressure from the ramp of overseas fabrication plants and the development of 2nm production capabilities, we expect strong earnings to continue being driven by solid earnings growth.

Developments over October served to reassure us that the AI story still has a long way to run, and having positions in two companies at the forefront of its development is a good place to be.

KLA (-14.0%), Applied Materials (-10.1%) and Lam Research (-8.6%).

It was not all good news in the semiconductor space, however, with weakness from semiconductor equipment manufacturers Lam Research, Applied Materials and KLA. The latter was the Fund's bottom performer. Despite tracking upwards in the early weeks of October, all three dropped sharply following negative read-across from fellow semi equipment manufacturer ASML (not held). Each of these equipment manufacturers is a leader in its own field within the semiconductor value chain: Applied Materials focuses on 'deposition', Lam Research on 'etch', KLA on 'process control', and ASML on 'lithography'.

ASML holds a near monopoly on machines that make high-end silicon. Its lithography machines cost up to $380m each, with foundries TSMC, Intel and Samsung the key end-customers. But challenges at Intel and Samsung led to 'Net bookings' – orders placed by ASML customers – significantly missing expectations at just €2.6bn for Q3, nearly half the €5bn expected. In Intel's case, the firm is scrambling to cut costs and is thus delaying investment in new production facilities, whilst Samsung has been facing ballooning losses in its bespoke chipmaking business and thus falling behind TSMC in the AI chip race. Only TSMC, of the big three, is seemingly maintaining capex, stating that spend will be slightly higher than the $30bn this year. ASML's chief financial officer highlighted that those foundries not benefiting from booming demand in AI computing structure were undergoing a slower recovery. This resulted in a meaningful downgrade to guidance, from €40bn for 2025 to €30-35 billion. ASML is arguably the most exposed to spending cycles within the industry, in part mitigated by its control of the market, but predominantly because it is the sole provider of the largest, most expensive component of extreme ultraviolet (EUV) lithography systems, which are essential for advanced semiconductor manufacturing. With very few customers at these lower nodes, and the fact that these machines can last up to 30 years, it is therefore exposed to the spending cycles of its customers, which themselves are exposed to cyclical end-markets.

ASML's weak results caused its share price to drop by 16% on the day, with negative read-across spurring double-digit declines for Lam Research, Applied Materials and KLA. However, unlike ASML, both Lam Research and KLA reported strong quarterly earnings over the month, driving a small rebound, with Applied Materials due to report in mid-November. Lam Research beat revenue expectations (+20% year-on-year growth vs +16.5% expected), with demand remaining robust and the high quality 'Services' segment in particular performing particularly well. Echoing results elsewhere, demand was particularly strong in cutting-edge chip equipment. Guidance also came in ahead of expectations. KLA's results were similarly strong, with revenue growth of +19% meaningfully ahead of expectations (vs 14% expected). And as was the case with Lam, KLA showed strength in growing the high-quality 'Services' segment (+15% year-on-year, the 49th consecutive quarter of growth), and management expect it to sustainably grow around this number, facilitated by the firm's sizeable installed base. Product growth was also driven by newer node sizes, and technologies at the leading edge. This led management to strike a positive tone on the broader wafer fabrication equipment (WFE) market, revising up their 2024 expectation from mid-$90bns to high-$90bns and for further growth in 2025 (in contrast to ASML's earnings). Ultimately, it appears that ASML's struggles could, in some part, be idiosyncratic to 'lithography', particularly due to higher customer concentration from Intel and Samsung. While KLA, Lam Research and Applied Materials have moderate exposure to China (a key focus for many investors), demand in the region has remained strong despite trade concerns. A normalization in demand is expected in subsequent quarters, although high Capex spend from foundries in other regions is likely to make up for this.

We thank you for your continued support.

Portfolio Managers
Matthew Page
Ian Mortimer

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

GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	$1173.2m
Fund launch	31.10.2014
OCF	0.81%
Benchmark	MSCI World TR

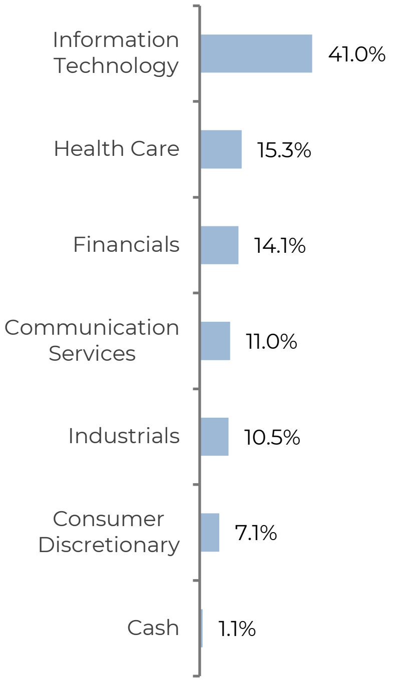
GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

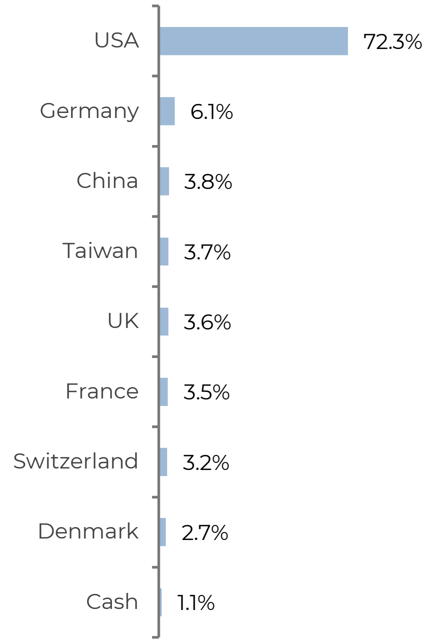
Netflix	3.9%
Meta Platforms	3.9%
Anta Sports Products	3.8%
Nvidia Corp	3.8%
AMETEK	3.8%
Taiwan Semiconductor	3.7%
Mastercard	3.7%
salesforce.com	3.7%
London Stock Exchange Group	3.6%
Medtronic	3.6%

Top 10 holdings	37.5%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

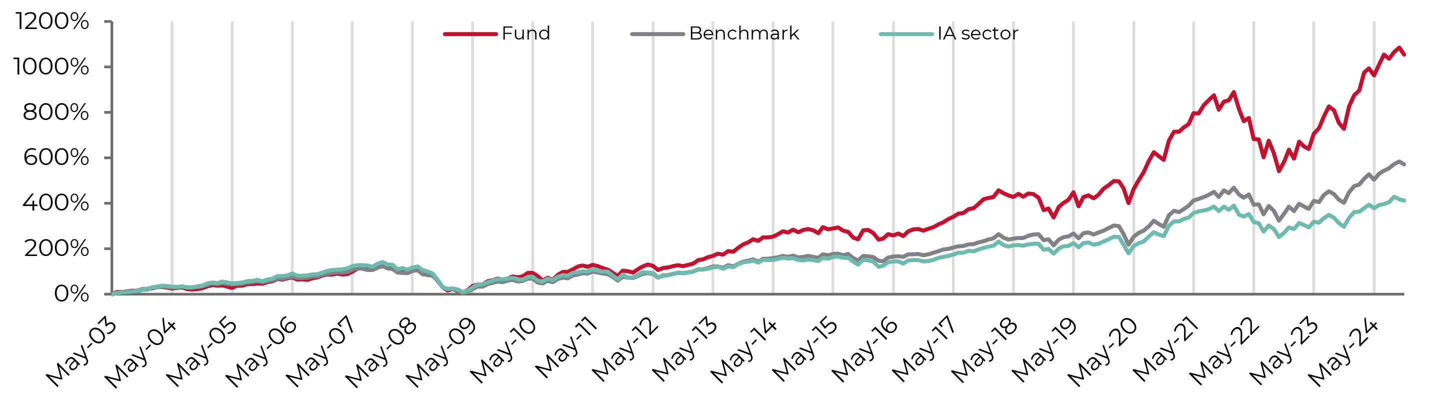
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.6%	+17.4%	+31.7%	+30.0%	+105.9%	+275.0%
MSCI World TR	+2.3%	+15.5%	+26.2%	+28.4%	+77.6%	+216.5%
IA Global TR	+1.2%	+10.0%	+21.9%	+12.7%	+55.6%	+156.0%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-2.6%	+18.4%	+39.5%	+21.9%	+104.6%	+202.2%
MSCI World TR	-2.0%	+16.5%	+33.7%	+20.4%	+76.5%	+154.3%
IA Global TR	-3.0%	+11.0%	+29.1%	+5.7%	+54.6%	+105.7%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.1%	+20.5%	+35.9%	+30.0%	+110.3%	+247.4%
MSCI World TR	+0.8%	+18.5%	+30.2%	+28.3%	+81.3%	+193.5%
IA Global TR	-0.3%	+12.9%	+25.7%	+12.7%	+58.8%	+137.4%

GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+32.1%	-20.7%	+22.6%	+32.1%	+31.3%	-11.9%	+22.0%	+27.7%	+2.0%	+18.9%
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 TR	+12.7%	-11.1%	+17.7%	+15.3%	+21.9%	-5.7%	+14.0%	+23.3%	+2.8%	+7.1%
(USD)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+40.0%	-29.6%	+21.5%	+36.3%	+36.6%	-17.0%	+33.6%	+7.2%	-3.5%	+11.9%
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 TR	+19.4%	-21.0%	+16.6%	+18.9%	+26.8%	-11.2%	+24.8%	+3.4%	-2.9%	+0.8%
(EUR)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Fund	+35.2%	-25.0%	+30.7%	+25.0%	+39.1%	-12.9%	+17.3%	+10.2%	+7.3%	+27.4%
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 TR	+15.4%	-15.8%	+25.5%	+9.1%	+29.2%	-6.8%	+9.6%	+6.5%	+8.2%	+14.8%

GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (USD)



Simulated past performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflecting a US mutual fund which has the same investment process since the strategy's launch on 01.05.03.
Source: FE fundinfo to 31.10.24. 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 0.81%. 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. Graph data is in USD from 01.05.03.

WS GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	£12.9m
Fund launch	30.12.2022
OCF	0.79%
Benchmark	MSCI World TR

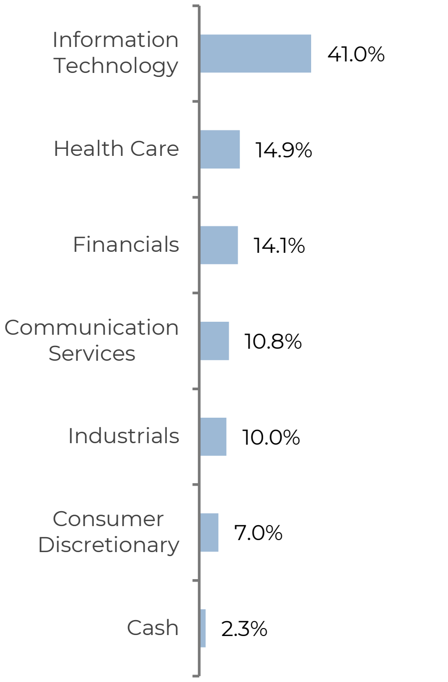
WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

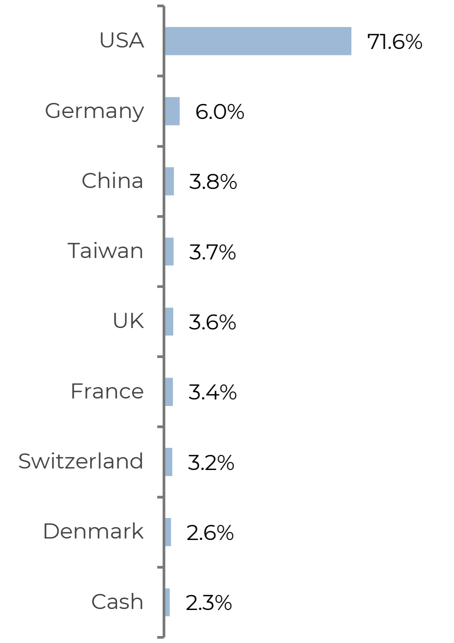
Nvidia Corp	4.0%
Meta Platforms	3.9%
Anta Sports Products	3.8%
Taiwan Semiconductor	3.7%
Mastercard Inc	3.7%
Netflix	3.6%
Intercontinental Exchange	3.6%
salesforce.com	3.6%
London Stock Exchange Group	3.6%
Medtronic	3.6%

Top 10 holdings	37.0%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

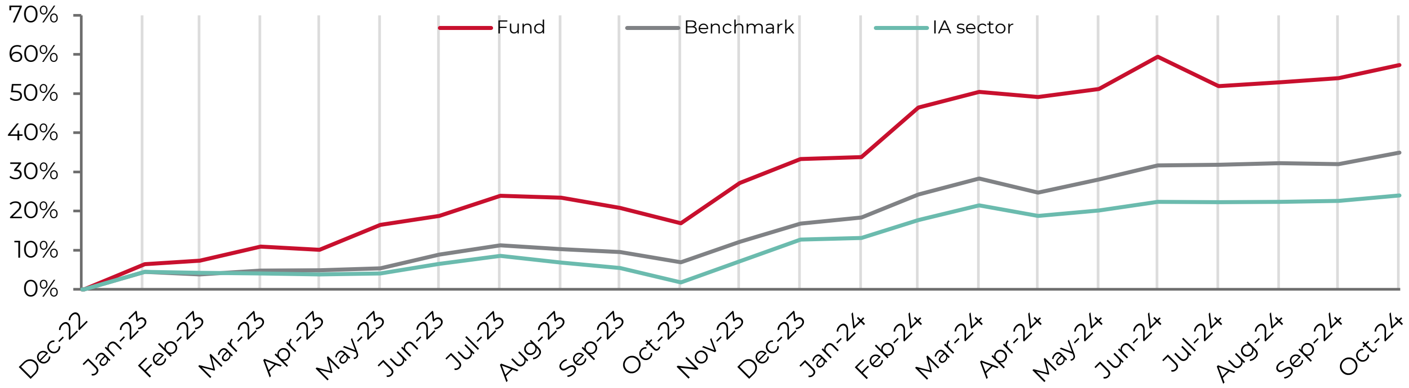
WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.2%	+18.1%	+34.6%	-	-	-
MSCI World TR	+2.3%	+15.5%	+26.2%	-	-	-
IA Global TR	+1.2%	+10.0%	+21.9%	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+33.3%	-	-	-	-	-	-	-	-	-
MSCI World TR	+16.8%	-	-	-	-	-	-	-	-	-
IA Global TR	+12.7%	-	-	-	-	-	-	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (GBP)



Source: FE fundinfo to 31.10.24. 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 0.79%. 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 Innovators Fund and the WS Guinness Global Innovators 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 INNOVATORS FUND

Documentation
The documentation needed to make an investment, including the Prospectus, Supplement, tKey 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, REYL & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. 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 INNOVATORS 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: wtas-investorservices@waystone.com
Dealing: ordergroup@waystone.com

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.
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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.