Guinness Global Equity Income

Investment Commentary – December 2024

RISK

This is a marketing communication. Please refer to the prospectuses, supplement, 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

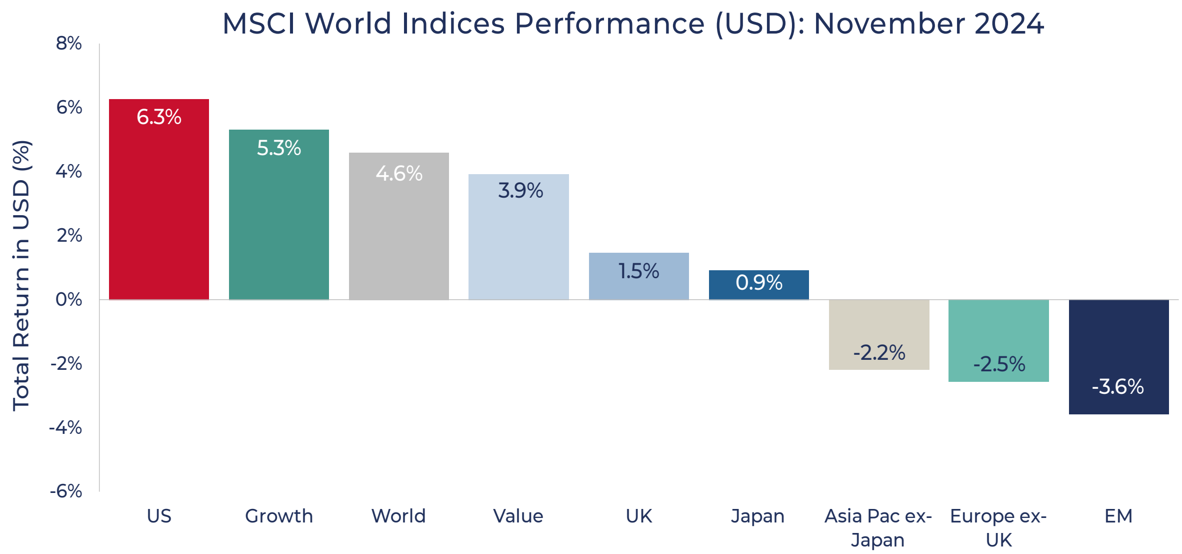
The Guinness Global Equity Income Funds are designed to provide investors with global exposure to dividend-paying companies. The Funds are managed for income and capital growth and invest in profitable companies that have generated persistently high return on capital over the last decade, and that are 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

In November, the Guinness Global Equity Income Fund returned 2.7% (in GBP), the MSCI World Index returned 5.8%, and the IA Global Equity Income sector returned 2.7% (on average). The Fund therefore underperformed the Index by 3.2 percentage points and was in line its peer group average.

The major development for equities over November was the sweeping victory of Donald Trump and the Republican party, who won not only the electoral college vote, but also the popular vote and majorities in the House and the Senate. Equities reacted positively (the MSCI World was up +4.6% in USD in November) but with clear divergence in regional performance due to the varied implications of this result. US equities gained the most, climbing +6.3% as the prospect of further tax cuts, expansionary fiscal policy, deregulation, and a more nationalist trade policy was well received by markets. On the other hand, Emerging Markets underperformed the World Index by a substantial -8.2%, led by Chinese weakness (-4.4%) on fears of exacerbated trade conflict and a growing concern that recent government measures are insufficient for the scale of the domestic real estate crisis.



Source: Bloomberg; as of 30th November 2024

The Q3 earnings season, which came to an end in November, was fairly positive for equities, with US earnings up +9% year-on-year and MSCI World earnings +4.4% year-on-year, both ahead of expectations. Even though it was largely lost in the news flow, both the Fed and the Bank of England cut rates by 25 basis points over November after continued progress on inflation. Among the macroeconomic data, October US retail sales rose by 0.4%, which was higher than expected, and the November Purchasing Managers' Index (PMI) came in strong with the US figure of 55.3 growing over the previous month and far outpacing the UK & Eurozone (49.9 and 48.1 respectively).

This commentary is split into three parts.

1. First, we explain the latest changes to both the equity and bond markets given substantial moves over November, in reaction to the US election result.

2. We then consider more closely the implications of the change in administration, focusing on trade, spending, taxes as well as the possible impacts on global markets as we look forward to 2025 and beyond.

3. Finally, we will discuss the implications for the Fund, focusing specifically on the Industrial and Financial sectors, two of the Fund's largest sector allocations.

In November, the Fund's underperformance versus the benchmark can be attributed to the following:

- A zero weighting to the Consumer Discretionary and Energy sectors and an underweight allocation to IT acted as a headwind as these were the top, third-best and fourth-best performers over the month.

- The overweight allocation to Healthcare (16.1% for the Fund vs 10.9% for the Index) was also a drag as the sector closed down -0.9% in USD, the second-worst performer in November.

- However, the Fund did benefit from strong stock selection within Industrials, with Emerson Electric (+23.0% in USD), Eaton (+13.5% in USD), and ITW (+6.3% in USD) all performing well.

It is pleasing to see that the Fund has outperformed the IA Global Equity Income sector YTD and over 1-year, 3-years, 5-years, 10-years and since launch.

Past performance does not predict future returns.

Cumulative % total return in GBP to 30/11/2024	YTD	1 year	3 year	5 year	10 year	Launch
Guinness Global Equity Income Y Dis GBP	16.7	21.2	36.7	74.4	193.9	353.9
MSCI World	22.2	27.3	34.0	82.7	221.3	374.8
IA Global Equity Income (average)	12.9	17.7	26.7	51.1	126.9	218.0
IA Global Equity Income (ranking)	^	11/53	11/53	9/50	8/45	5/32
IA Global Equity Income (quartile)	^	1	1	1	1	1

Source: FE fundinfo. Fund launched on 31st December 2010. Performance prior to the launch date of the Class Y class (11.03.15) is a composite simulation for Class Y performance based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The Fund's E class is denominated in USD but the performance data above is calculated in GBP.

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

NOVEMBER IN REVIEW

Part 1: The Trump Trade (2.0)

Eight years on from winning the 2016 presidential election, Donald Trump is soon to be back in the White House and as the leader of the world's largest economy. Policies are yet to be confirmed, but investors have an idea of what to expect (tariffs, protectionism and lower taxes, discussed below). There will also be plenty of surprises, certainly. The initial market reaction was positive. In part, this was down to the decisiveness of the result: a clear majority for either candidate may well lead to a more stable political and legislative environment. However, there is also a broader consensus that Trump's proposals will be good for US equities with lower taxes likely to increase corporate earnings and a more relaxed regulatory regime, alongside wider stimulatory fiscal measures, seen as beneficial for growth. The chart below shows the market reaction across industry, sector, region, factor and market capitalisation since November 5th (election day).

MSCI Index Performances: 05/11/24 - 30/11/24 (USD)

Industry Group	
Auto & Components	17.7%
Diverse Financials	8.2%
Software	7.5%
Food & Staples Retail	6.6%
Bank	6.4%
Consumer Services	5.4%
Technology Hardware	5.0%
Insurance	4.9%
Retailing	4.2%
Commercial&Professional Services	4.0%
Telecom Services	3.9%
Energy	3.4%
MSCI World	3.3%
Heath Care Equipment & Services	3.1%
Capital Goods	3.1%
Utilities	2.9%
Media	2.7%
House & Personal Products	2.2%
Transportation	2.0%
Real Estate	1.8%
Consumer Durables & Apparel	-0.1%
Food Beverage & Tobacco	-1.6%
Materials	-1.7%
Semiconductors	-2.2%
Pharma Biotech	-3.5%

Sectors	
Financials	6.8%
Consumer Discretionary	6.5%
Energy	3.3%
IT	3.3%
MSCI World	3.3%
Industrials	3.0%
Communication Services	2.9%
Utilities	2.8%
Real Estate	1.8%
Consumer Staples	1.6%
Health Care	-1.2%
Materials	-1.7%

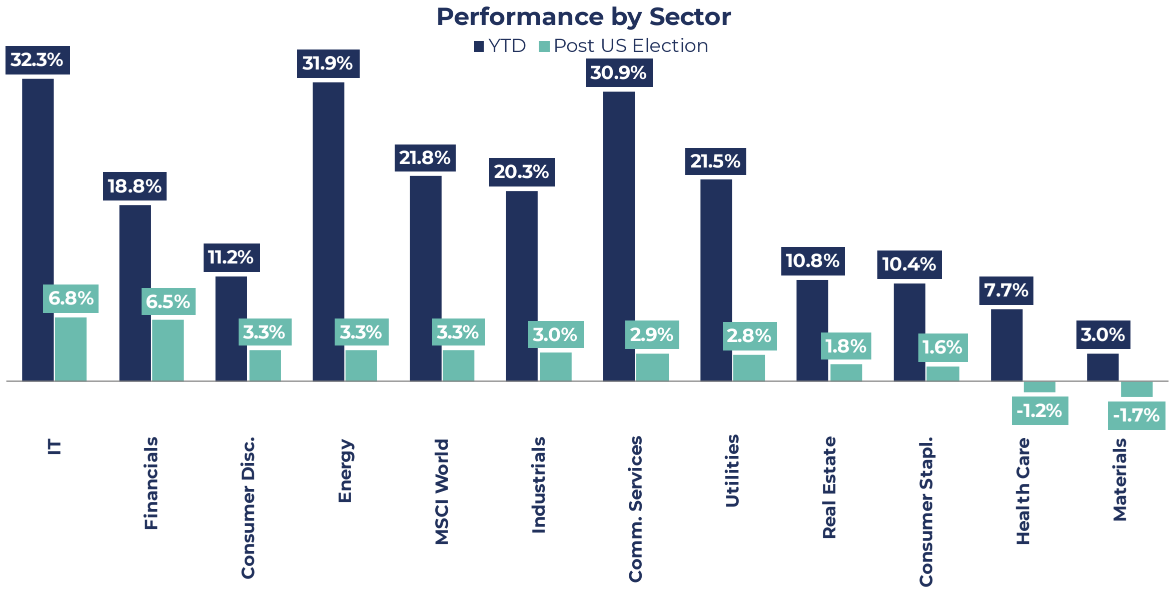
Regions	
North American	4.7%
MSCI World	3.3%
Japan	1.6%
UK	-0.6%
Europe ex-UK	-3.6%
Asia ex-Japan	-4.0%
Emerging Markets	-5.3%

Factors	
GS Unprofitable Index	13.6%
Growth	3.7%
MSCI World	3.3%
Value	2.8%
MSCI World Equal-Weight	2.2%
Quality	1.9%

Market Cap	
Magnificent 7	7.4%
Small	4.9%
Mid	4.6%
Large	3.3%

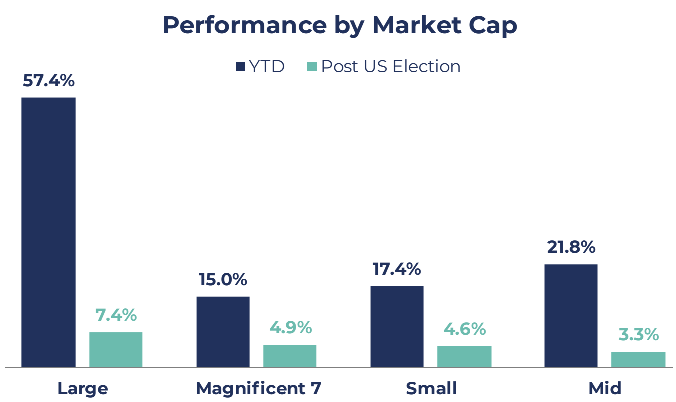
Source: MSCI, Bloomberg; as of 30th November 2024

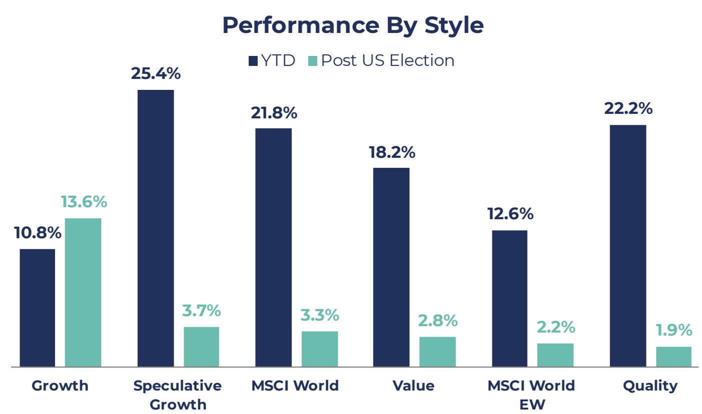
Financials were the best performing sector (+6.8%). This was led by good performance from Diversified Financials (+8.2%) and Banks (+6.4%) as the prospect of deregulation, higher M&A volumes and potentially higher interest rates all supported the rally. Consumer Discretionary also rose (+6.5%), led overwhelmingly by Amazon and Tesla, the later up +42.1% post-election given Elon Musk's increasingly close ties with the incoming administration and the expected tailwind to the autos industry of self-driving deregulation.



Source: MSCI, Bloomberg; as of 30th November 2024

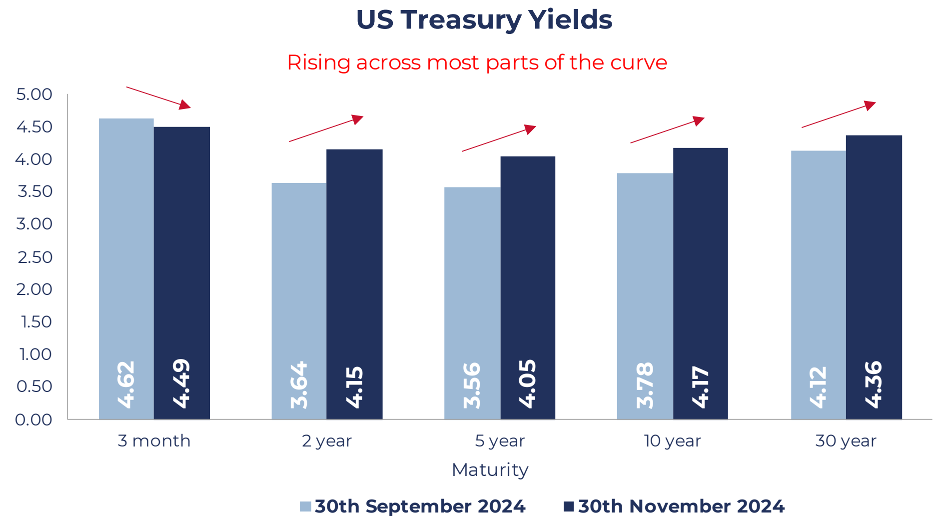
Stylistically, growth outperformed value by c.1% but most notably, speculative growth (as shown by the Goldman Sachs unprofitable tech index) rallied an impressive +13.4% as lower-quality areas of the market were buoyed by the prospect of a new Trump term. From a size perspective, small and mid-cap generally outperformed (since tax policies and onshoring are likely to benefit the more domestically-exposed smaller players), but the Magnificent 7 continued their strong momentum over this year and rose a further +7.4%, led by Tesla.





Source: MSCI, Bloomberg; as of 30th November 2024

Bond markets, however, did not react as positively. Following the election result, US bond prices fell and yields rose across most of the curve (except short-dated 3-month Treasury yields, which fell). This is in fact part of a more enduring trend since the end of Q3 2024, which has seen renewed investor worry over sticky inflation prints. Such fears have been exacerbated by ongoing government spending and new Treasury issuance (the US National Debt has grown by c.$1trn every 100 days since mid-2023) as bi-partisan plans of further spending have renewed concerns of an inflationary outlook. Add to this Trump's mooted tariff policy and hardline stance on migration which, if enacted, would likely put further pressure on domestic prices via a tighter labour market and the higher cost of imported goods. This is evidenced by a Bank of America Fund Managers Survey, published in November, which found more investors than not now forecast higher inflation in the next 12 months, the first time this has happened in over three years. In sum, the jump in yields before and after the election shows that investors think inflation could persist.



Source: Bloomberg; as of 30th November 2024

Part 2: Implications for 2025 & beyond

It is important to stress that Trump's policy agenda has not been formally announced, but the section below outlines some of its potential implications for global markets as we look towards 2025 and beyond.

Fiscal Policy

Trump plans to expand the Tax Cuts & Jobs Act of 2017, aiming to reduce corporate tax rates from 21% to 15%. Other cuts might include eliminating taxes on hospitality workers and on social security benefits and overtime. This could enhance corporate profitability, potentially leading to increased dividends and stock buybacks. On the other hand, it is estimated to lower tax revenues and could create a further $7.5bn net fiscal deficit impact according to the Committee for a Responsible Federal Budget.

The Trump Plan
(billions, 2026-2035)

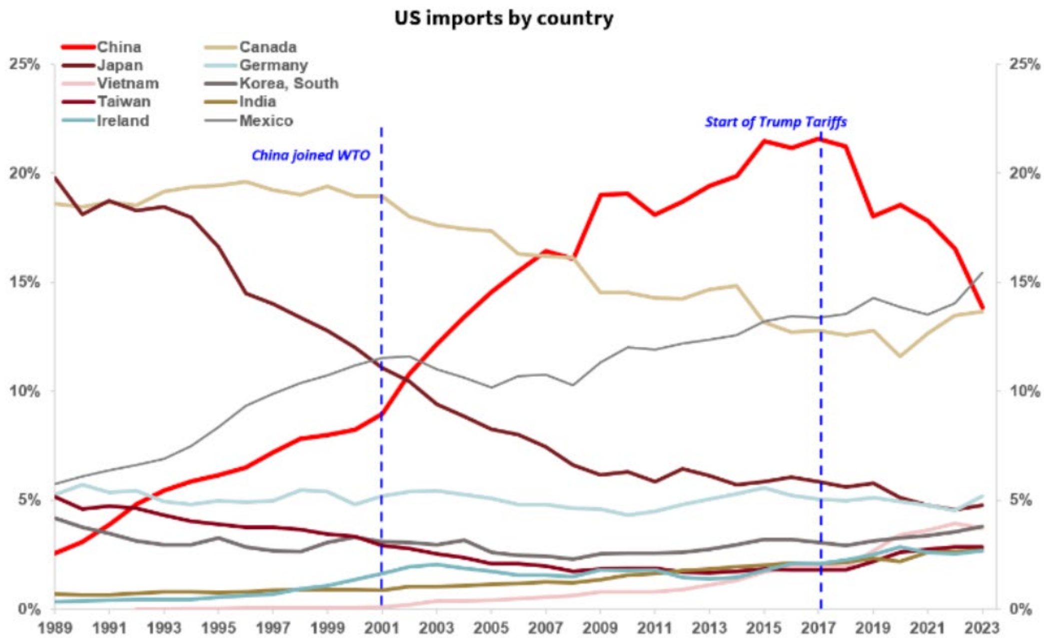
Policy Proposals	Low	Central	High
Extend and Modify the Tax Cuts & Jobs Act (TCJA)	-$4,600	-$5,350	-$5,950
Exempt Overtime Income from Taxes	-$500	-$2,000	-$3,000
End Taxation of Social Security Benefits	-$1,200	-$1,300	-$1,450
Lower the Corporate Tax Rate to 15% for Domestic Manufacturers	-$150	-$200	-$600
Exempt Tip Income from Taxes	-$100	-$300	-$550
Strengthen and Modernize the Military	-$100	-$400	-$2,450
Secure the Border and Deport Unauthorized Immigrants	$0	-$350	-$1,000
Enact Housing Reforms, Including Credits for First-Time Homebuyers	-$100	-$150	-$350
Boost Support for Health Care, Long-Term Care, and Caregiving	-$50	-$150	-$300
Subtotal, Tax Cuts and Spending Increases	**-$6,800**	**-$10,200**	**-$15,650**
Establish a Universal Baseline Tariff and Additional Tariffs	$4,300	$2,700	$2,000
Reverse Current Energy/Environment Policies and Expand Production	$750	$700	$550
Reduce Waste, Fraud, and Abuse	$250	$100	$0
End the Department of Education and Support School Choice	$200	$200	$0
Subtotal, Revenue Increases and Spending Reductions	**$5,500**	**$3,700**	**$2,550**
Net Interest	**-$150**	**-$1,000**	**-$2,050**
Total, Net Deficit Impact	**-$1,450**	**-$7,500**	**-$15,150**

Source: CFRB; as of 30th November 2024

Deregulation

The administration's commitment to deregulation is likely to benefit sectors such as financial services, energy and manufacturing. Eased regulations could lower operational costs, foster expansion and create a softer regulatory backdrop for increased M&A activity.

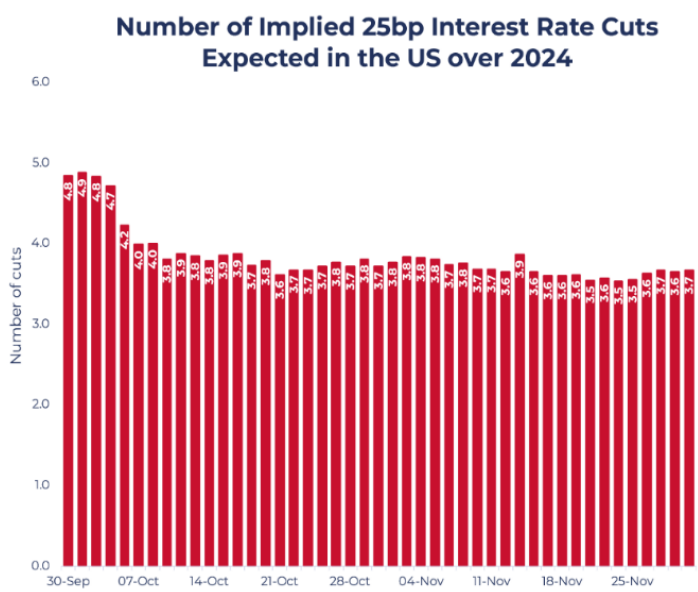
Trade

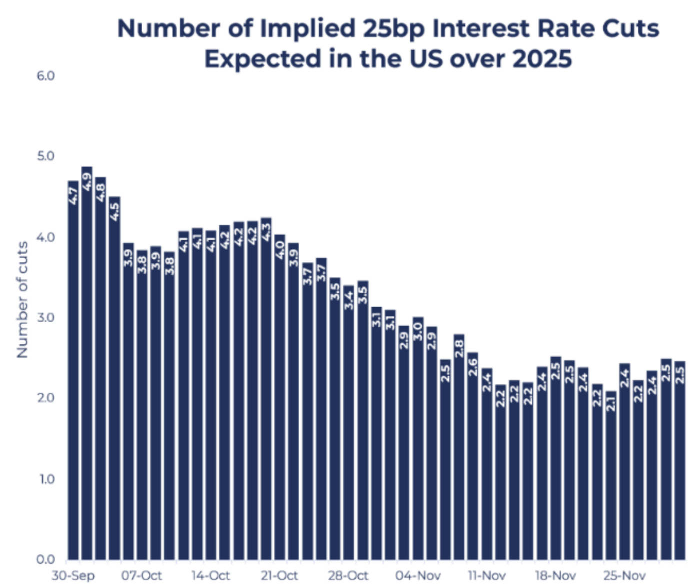


Source: SG Cross Asset Research/Equity Strategy; as of 30th November 2024

Trump's proposed escalation of tariffs, in pursuit of an 'America First' agenda, appears to be front of mind for investors. Trump has suggested 10-20% blanket tariffs, with up to 60% tariffs on Chinese goods. Interestingly, when looking back at trading patterns over the past 30 years, the US seemingly dislikes overreliance. Whenever imports from a certain country reach approximately 20% of total import spend, there has been substantial push-back and de-risking. This happened with Japan in the 1980s, Canada in the 2000s, and China in the late 2010s. It may well happen if reliance on Mexico continues to grow. Note Trump has proposed 100% tariffs on Mexican auto imports.

Interest Rate Cut Expectations Pared Back

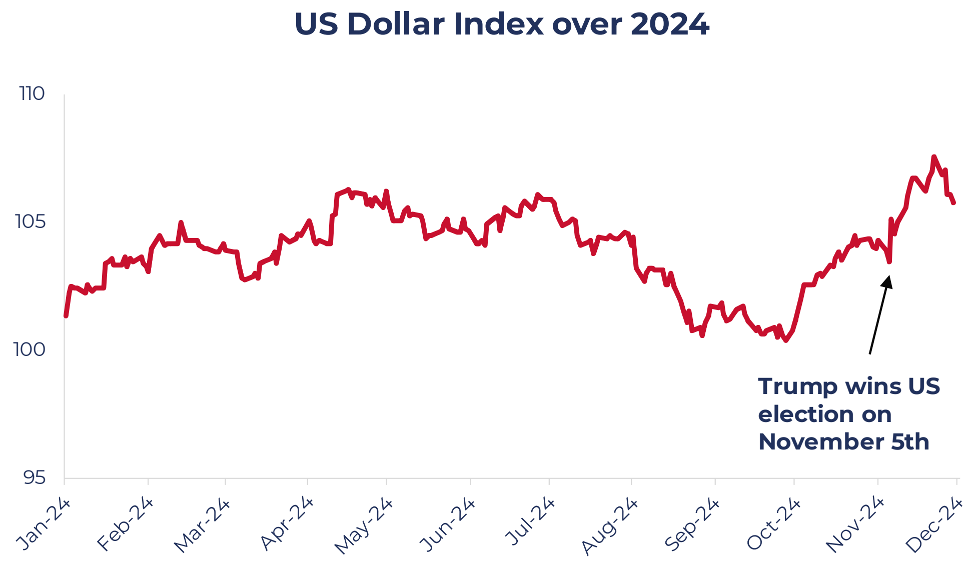




Source: Guinness Global Investors, Bloomberg; as of 30th November 2024

At the time of the first rate cut by the Federal Reserve, in September this year, markets were pricing in almost 125bps of easing for 2024 and a further 125bps for 2025. However, given fears of sticky service inflation reads, ongoing fiscal deficits, a higher mid-term inflation outlook and now the prospect of increased trade wars and tariffs, the market is now forecasting far fewer rate cuts than before. With 75bps of easing so far in 2024, the market sees a 70% chance of one final 25bp cut for the year and then just 2.5 cuts for 2025, a big reduction from what was priced in just two months ago. The Fed rate cutting cycle may not be as smooth as was initially thought.

Top Dollar



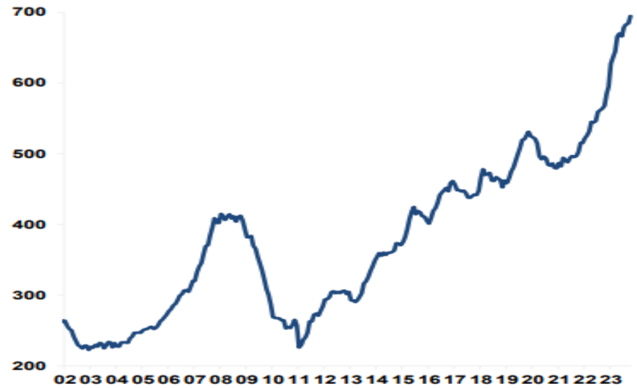
Source: Guinness Global Investors, Bloomberg; as of 30th November 2024

A combination of these inflation expectations and proposed fiscal spending changes led to a sharp dollar rally in November. More broadly, the dollar marked its strongest two-month run in over two years as growing US optimism gains momentum. Furthermore, Trump recently proposed 100% tariffs on BRIC nations that don't transact using the dollar; a greater share of global trade taking place using the dollar further bolster its value. Although a stronger dollar can send positive economic signals and boosts American purchasing power, it also poses challenges for global markets, particularly for dollar-denominated bonds, which suffered from currency-driven losses in November. It is clear, however, that the "America First" rhetoric will be central to the new Trump administration, emphasising the dominance of the dollar and prioritising US economic interests above all else.

Part 3: What This Means for the Fund

One of the main themes to emerge in recent years has been the reshoring of global production. This emerged in the late 2010s following growing trade animosity with China and the Trump-imposed tariffs which soon followed in 2018. Interestingly, reshoring has gathered steam under both Democratic and Republican leadership in the US, but has also spread throughout Europe, China and much of the developing world as countries prioritise economic resilience and national security over theoretically more economically productive free trade. The pandemic further highlighted frailties in global supply chains and the risks of overreliance on foreign suppliers. Flagship US bills have sought to increase self-sufficiency in key industries including the Infrastructure & Jobs Act ($743bn), the Inflation Reduction Act ($409bn), and the CHIPS Act ($52bn). All have supplied substantial capital to build out domestic production, but there is also a more subtle ongoing shift to prioritise domestically-made goods and support key industries at home, as shown by the increase in US manufacturing spend.

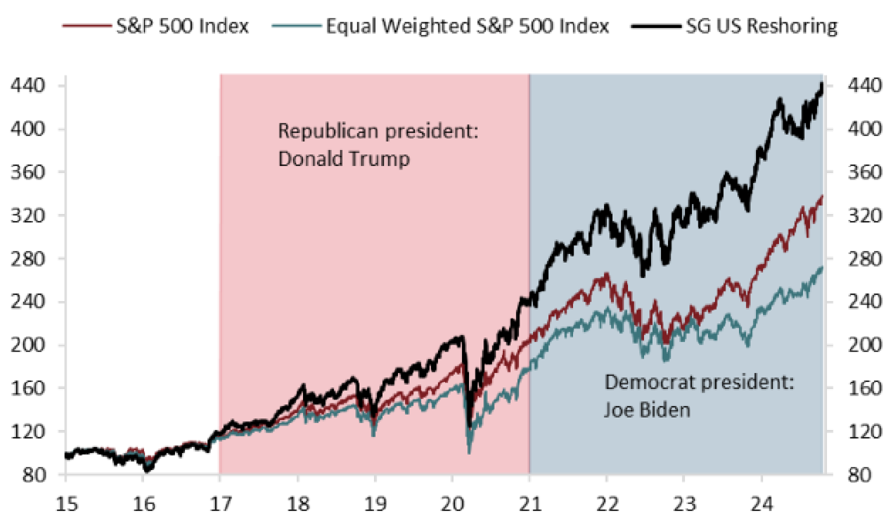
US Annual Manufacturing Spending
(in USD bn)



Source: SG Cross Asset Research, Bloomberg; as of 30th November 2024

Whilst many sectors have received associated tailwinds of all this spending, one of the major beneficiaries has been the Industrials sector, particularly those firms with high exposure to the US domestic production build out. The Fund currently holds nine high-quality US and European Industrial stocks which account for c.25% of the portfolio. As the focus on domestic production continues to strengthen, we believe these companies are well placed to further benefit from this trend, and we recently published an [insight into the broader sector]. On this note, a recent thought piece by Société Générale highlighted the strong outperformance by US Reshoring stocks, a basket of 35 names that have exposure across infrastructure, manufacturing, materials, and software, but with underlying exposure heavily weighted to Industrials. The chart below shows the outperformance from these reshoring names, under both the Trump and Biden presidencies.

US Reshoring Stocks Outperformance vs S&P

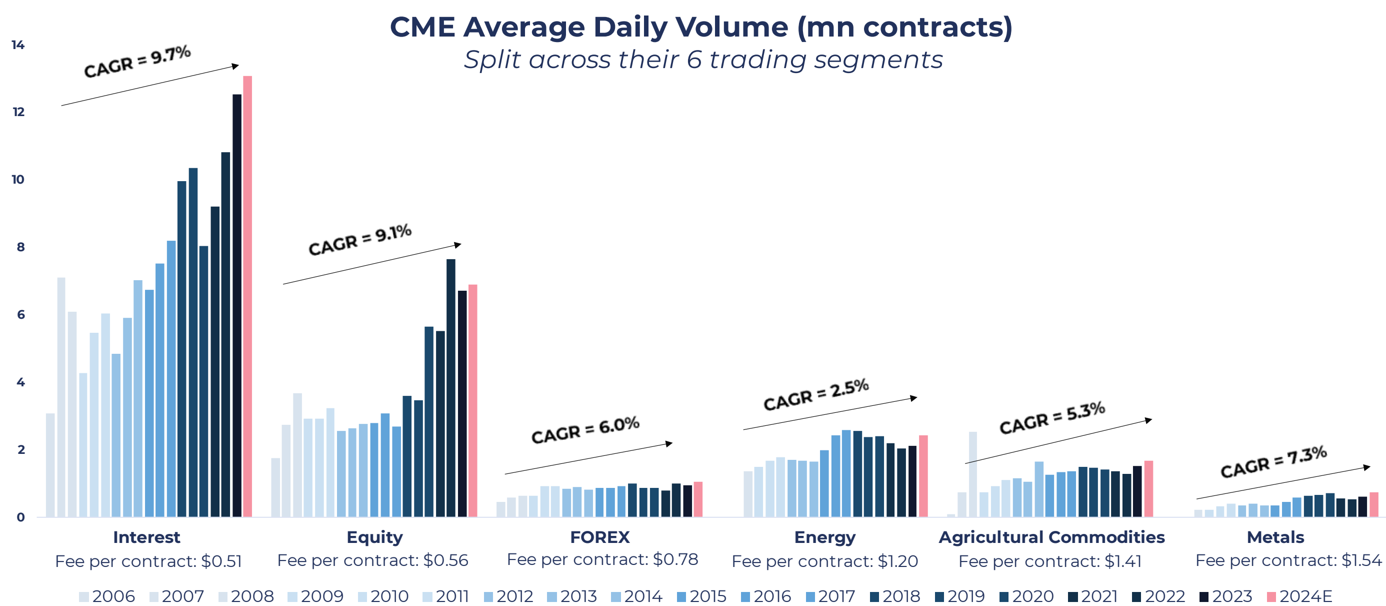


Source: SG Cross Asset Research, Bloomberg; as of 30th November 2024

FINANCIALS IN FOCUS

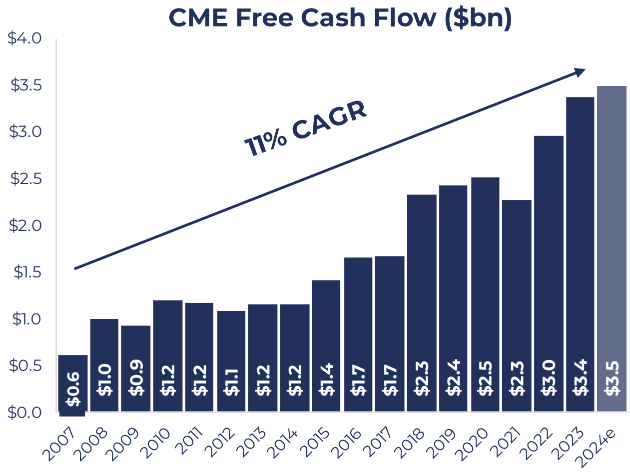
As noted above, the prospect of deregulation and the potential of 'higher-for-longer' rates helped Financials outperform over November, with Banks leading the charge. Furthermore, Lina Khan, the notoriously anti-M&A chair of the Federal Trade Commission, has reached the end of her term, and even though she will stay on until a replacement is found, it appears likely that Trump will appoint a new, more business-friendly commissioner. The Fund has a c.15% allocation to Financials. We do not invest in banks because in general they fail to generate consistently high returns on capital over an entire cycle and often don't make it into our universe. That said, the Fund does invest in high-quality Diversified Financials businesses, from insurers to asset managers and exchange groups, which tend to be higher-quality and have more enduring returns on capital. One example is CME Group, not a household name, but positively exposed to the tailwinds above.

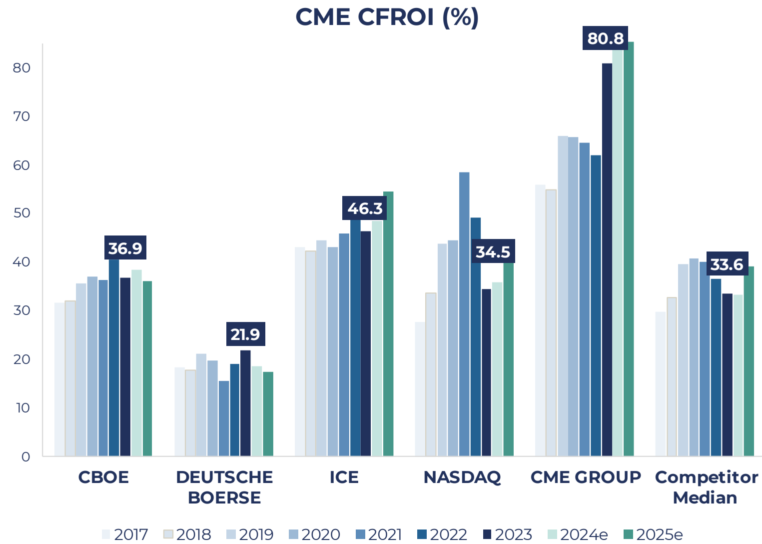
CME Group Overview



Source: Guinness Global Investors, Bloomberg; as of 30th November 2024

CME is the largest derivatives exchange operator in the world, enabling clients to trade futures, options, cash and over-the-counter (OTC) products. It has a near monopoly in numerous end markets (e.g. US interest rate futures, US oil futures, NASDAQ & S&P contracts) and has established dominance via unmatched liquidity, tight spreads and small tick sizes, which means the cheapest possible trading offering for clients. CME performs well when volumes through its exchange are high, and therefore a key focus is on its platform's Average Daily Volume (number of contracts traded per day). The uncertain and volatile economic environment over the past few years has pushed more market participants to hedge risk and diversify via options and future contracts. This has enabled CME to grow its ADV to a staggering 28.3mn contracts a day as of the most recent quarter, up 59% in just three years and enabling a firm wide 3-year revenue compound annual growth rate (CAGR) of 13%.

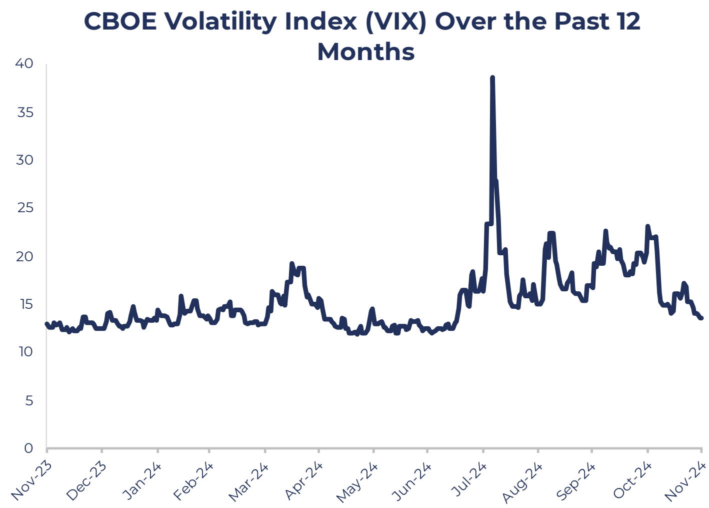




Source: Guinness Global Investors, Credit Suisse Holt, Bloomberg as of 30th November 2024

Alongside its strong operational performance, a clear focus on rationalising its cost base along with inherent operating leverage has led to healthy margin expansion and an improvement in free cash flow generation (above left). CME's healthy margin profile has generated good returns and, given its light asset base, it generates substantially higher returns on capital than peers (shown by CFROI, above right).

A Return to Volatility?



Source: Chicago Board Options Exchange; as of 30th November 2024

With the Fund's allocation to financial exchanges in mind (CME and Deutsche Boerse), it is worth taking a deeper look at the VIX index, a popular measure of the stock market's implied volatility based on option pricing. We have seen some volatility in recent months, particularly in August as the Yen Carry Trade unwound, but also in the run-up to the US election as uncertainty returned to markets over the pricing of future rate cuts, prospects for economic growth and the election result itself. While the post-election period has been notably calmer, there remains an inherent level of unpredictability until the Trump administration enters office. With the potential policy changes outlined above, alongside sustained geopolitical tensions and ongoing wars in Ukraine & the Middle East, the outlook is markedly uncertain.

How the Fund has performed in drawdowns

Largest Drawdowns in Global Equity Markets

MSCI World Total Return in USD

Source: Guinness Global Investors, Bloomberg as of 30th November 2024

Since the Fund's launch in 2010, equity markets have undergone 12 significant drawdowns of more than 7% for the MSCI World Index, shown in the chart above by the dark grey bars. Most encouragingly, the Fund has outperformed the MSCI World in every single one of these drawdowns (see chart below). The strongest period of relative outperformance (+6.6% on a relative basis) occurred this summer during the 'Growth Scare/ Yen Carry Trade Unwind'. However, we are encouraged by the consistent downside capture that the Fund shows, in every case avoiding the worst of the sell-off. As noted above, the macro outlook continues to remain uncertain and therefore the Fund's mix of defensive and cyclical exposure as well as its focus on high-quality companies with strong balance sheets should leave it well placed to weather the risks ahead.

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%
12. Growth Scare / Yen Carry Trade Unwind	16/07/2024	05/08/2024	-8.2%	-1.6%	6.6%

Data in USD. Source: Guinness Global Investors, Bloomberg; as of 30th November 2024

PORTFOLIO HOLDINGS

Emerson Electric was the Fund's top performer over November, returning +23.0% (USD). The US-based industrial automation firm had a very strong quarter, delivering sales growth of +13% (+4% organic) alongside excellent free cash flow generation (+10% year-on-year), which came in ahead of analyst expectations. This was coupled with solid improvement in margins; gross margins crossed 50% for the first time ever, expanding more than 1000 basis points over their levels in FY21 before the portfolio transformation programme. Emerson has focused this multi-year transformation on streamlining its portfolio, emphasising automation solutions, and investing in digital technologies. Key progress on the latter was announced over Q4, with management proposing to acquire the remaining 43% of AspenTech for $6.5bn, strengthening exposure to the fast-growing industrial process software market. They are also exploring divesting non-automation segments including the potential sale of the Safety & Productivity unit, which could bring in over $3bn and would further streamline the portfolio. We are now three years into this portfolio pivot and the results remain encouraging. Emerson has successfully repositioned itself into a pure-play industrial automation company and is well set up given attractive end market exposures and a leaner business model. We were also encouraged by guidance that Emerson plans to return 100% of 2025 free cash flow to shareholders via dividends and buybacks, which makes the solid underling growth in their free cash position even more attractive.

Eaton also performed well over November, gaining +13.5% (USD). There was no clear stock-specific catalyst, with the firm reporting earnings broadly in line towards the end of October. The multinational electrical component and power management leader saw the majority of this share appreciation over the US election week, alongside broader gains for the Industrials sector. The strongest were those with a heavy US domestic focus, as is the case for Eaton (with over 60% of revenues derived from the US). Eaton has been a top performer for several years, driven by its attractive exposure to electrical grid infrastructure, power management improvements and, more recently, the boom in data centre demand. Eaton has also positioned itself well to benefit from the growing demand for Megaprojects (large scale multi-year projects with a capital spend of over $1bn). Eaton has noted over $1.8tn in megaproject spend since 2021 with roughly 3%-5% of this going on electrical content, where Eaton competes for business. Much of this is driven by US government spending, with landmark bills such as the Inflation Reduction Act and the Infrastructure Investment and Jobs Act pledging several hundred billion dollars for domestic US infrastructure projects, presenting a significant tailwind to Eaton. Much of this demand has ended up in the firm's backlog, which today stands at an impressive $15.5bn and gives good visibility into the forward demand outlook. There were some fears that a Trump government would cut these spending plans introduced under Biden, but these were dispelled by CEO Craig Arnold who said before the election, "what gives us a fairly high level of confidence that it's not going to change materially, is that a lot of these projects are going into red states." This brings Eaton gains up to over 55% this year, and November was another strong month for the stock.

AbbVie was the Fund's worst performer, falling -10.3% (USD) in November. The pharmaceutical giant shared news that its Emraclidine drug, acquired via the recent $8.7bn acquisition of Cerevel in late 2023, had failed Phase 2 trials. The stock fell over 12% on the news. Emraclidine was a potential best-in-class, next-generation antipsychotic that was thought to be effective in treating schizophrenia, a condition which impacts more than 5m people in the G7 and a market with significant opportunity for treatment innovation. Although this news is clearly disappointing, it is worth remembering that AbbVie was one of the Fund's top performers in October, just one month before, after the stock rallied +7% on the release of strong Q3 earnings. This was led by stellar performance from new drugs Skyrizi and Rinvoq which more than offset the loss from previous flagship drug Humira, which has come off patent. Within the pharma industry, the churn of high-performing drugs and the often impending nature of patent cliffs means the drug development pipeline is crucial to the investment outlook. As part of AbbVie's Q3 earnings, the firm disclosed some promising updates including the filing of approval for Teliso-V (a new lung cancer drug) which should support growth starting 2025, as well as highlighting the other promising best-in-class drugs in development from the Cerevel acquisition including Tavapadon (treatment of Parkinson's disease) and CVL-354 (treatment of major depressive disorder). Whilst this was certainly a setback, we remain encouraged by the breadth and depth of AbbVie's diversified pipeline, which spans immunology, oncology and neurology treatments, and leaves them well placed to compete going forward.

Nestlé also underperformed in November, falling -8.0% (USD). The Swiss-domiciled giant is the world's largest food & beverage company by revenues and boasts a variety of well-known brands from KitKat to Nespresso. The firm has had a difficult run of late, which was compounded by a November announcement revising its mid-term profit expectations (margins revised down by 100bps). Nestlé also revealed plans to spin off its bottled water business as a standalone entity, a decision driven by ongoing struggles with contamination issues and supply constraints affecting the water segment. This strategic shift comes as newly appointed CEO Laurent Freixe cuts back on guidance set by his ousted predecessor Mark Schneider, who ran the firm for eight years until August 2024. Nestlé now sees sales rising 4% or more in 'a normal operating environment' which is compared to the previous guidance of mid-single-digit growth. However, on a more positive note, management announced plans to ramp advertising and promotional (A&P) spend back up to pre-pandemic levels in order to bolster the brand portfolio and remain front of mind, particularly targeting price-sensitive consumers. A&P investment is forecast to reach 9% of sales by the end of next year, or an estimated $9.2bn in annual spend. To help fund this, Nestlé also announced a fresh cost-cutting programme of $2.8bn a year by 2027. Despite the changes announced, some core parts of the portfolio continue to operate very well, notably the Pet Food and Coffee segments which are both growing in the mid-single-digit range and continue to show good volume and price improvements. In addition, we are encouraged by the ongoing A&P spend and, while it is disappointing to see margin forecasts cut back, we remain optimistic that the ongoing commitment to brand investments will help reinvigorate sales growth.

We made no changes to the portfolio holdings in the month.

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 EQUITY INCOME FUND - FUND FACTS

Fund size	$6772.2m
Fund launch	31.12.2010
OCF	0.77%
Benchmark	MSCI World TR
Historic yield	1.8% (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.

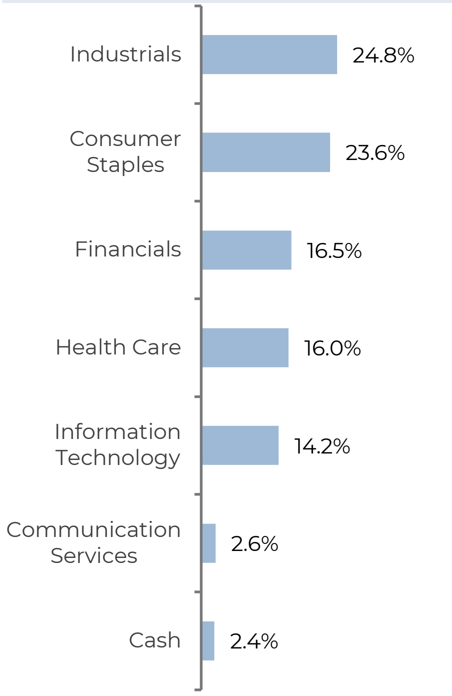
GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

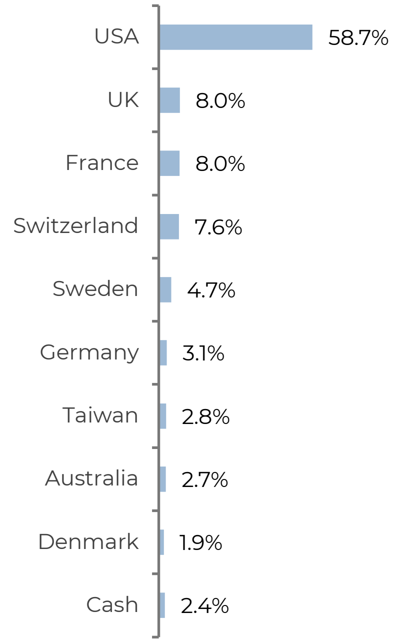
BlackRock	3.5%
Aflac	3.4%
Gallagher, Arthur J	3.4%
Cisco Systems	3.4%
Emerson Electric Co	3.3%
CME Group	3.2%
Deutsche Boerse	3.1%
Paychex	3.1%
Illinois Tool Works	3.0%
Reckitt Benckiser Group	3.0%

Top 10 holdings	32.3%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

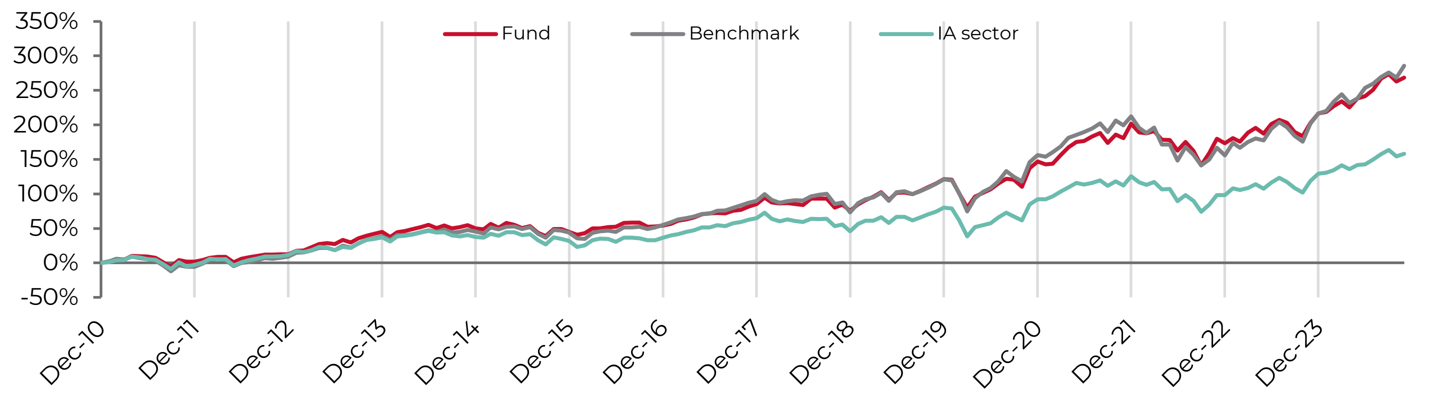
GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.7%	+16.7%	+21.2%	+36.7%	+74.4%	+193.8%
MSCI World TR	+5.8%	+22.2%	+27.3%	+34.0%	+82.7%	+221.3%
IA Global Equity Income TR	+2.7%	+12.9%	+17.7%	+26.7%	+51.1%	+126.9%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+1.5%	+16.4%	+21.7%	+31.3%	+71.3%	+138.5%
MSCI World TR	+4.6%	+21.9%	+27.8%	+28.7%	+79.5%	+160.8%
IA Global Equity Income TR	+1.5%	+12.6%	+18.2%	+21.7%	+48.5%	+84.2%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+4.3%	+21.7%	+25.7%	+39.9%	+78.9%	+181.9%
MSCI World TR	+7.5%	+27.4%	+32.1%	+37.2%	+87.4%	+207.8%
IA Global Equity Income TR	+4.4%	+17.7%	+22.1%	+29.7%	+55.0%	+117.4%

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 30.11.24. 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 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	£243.0m
Fund launch	09.11.2020
OCF	0.79%
Benchmark	MSCI World TR
Historic yield	2.1% (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.

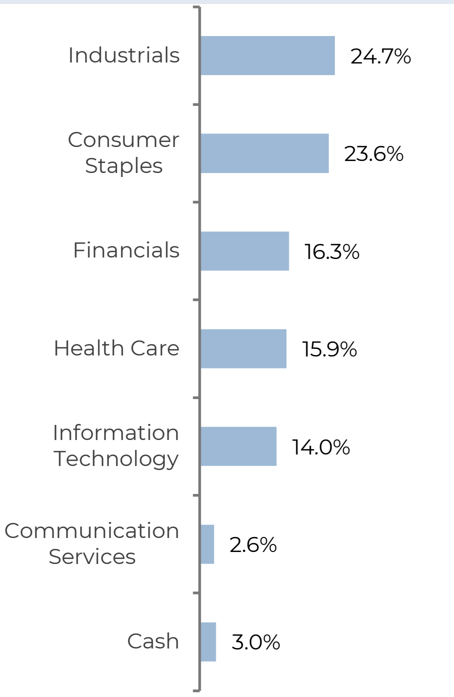
WS GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

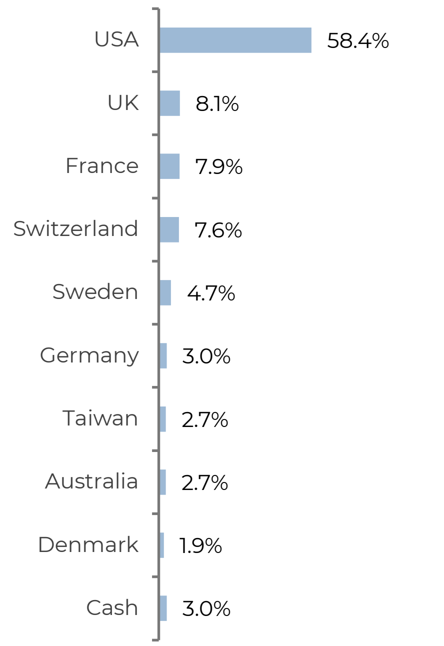
BlackRock	3.4%
Cisco Systems	3.4%
Aflac	3.4%
Gallagher, Arthur J	3.3%
Emerson Electric Co	3.2%
CME Group	3.2%
Paychex Inc	3.1%
Deutsche Boerse	3.0%
Reckitt Benckiser Group	3.0%
Illinois Tool Works	3.0%

Top 10 holdings	32.0%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

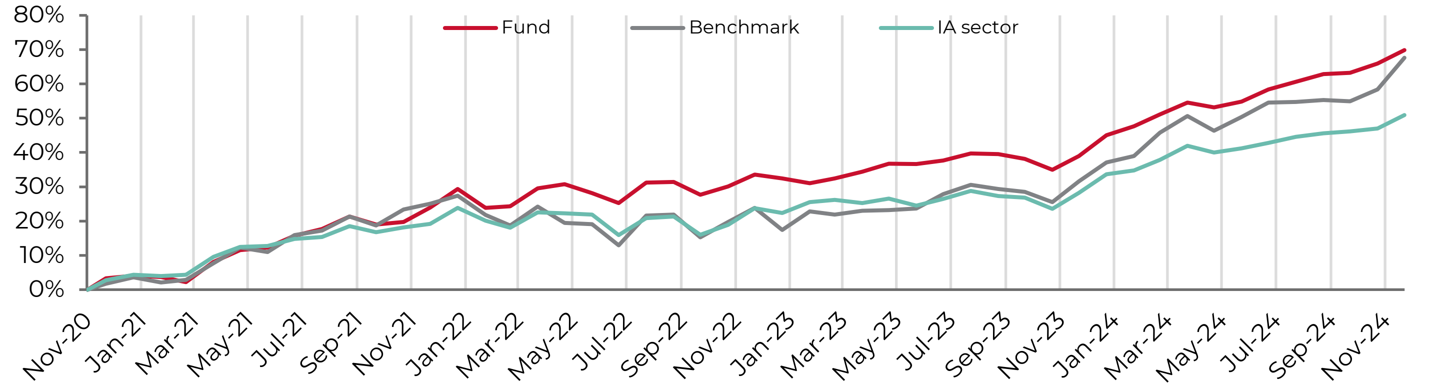
WS GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.4%	+17.1%	+22.3%	+37.1%	-	-
MSCI World TR	+5.8%	+22.2%	+27.3%	+34.0%	-	-
IA Global Equity Income TR	+2.7%	+12.9%	+17.7%	+26.7%	-	-

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 30.11.24. 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 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.

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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, 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 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: 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.

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.