Guinness Global Money Managers

2024 Annual Review & Outlook

RISK

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

The Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available on our website.

Past performance does not predict future returns.

ABOUT THE STRATEGY

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

OBJECTIVE

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

CONTENTS

COMMENTARY

In this update, we review the asset management sector and our Fund performance in 2024, and consider the outlook for 2025 and beyond.

The Guinness Global Money Managers Fund (class Y, in USD) in 2024 produced a total return of +23.6%. This compares to the return of the MSCI World Index (net return) of +18.7% and the MSCI World Financials Index of +26.7%.

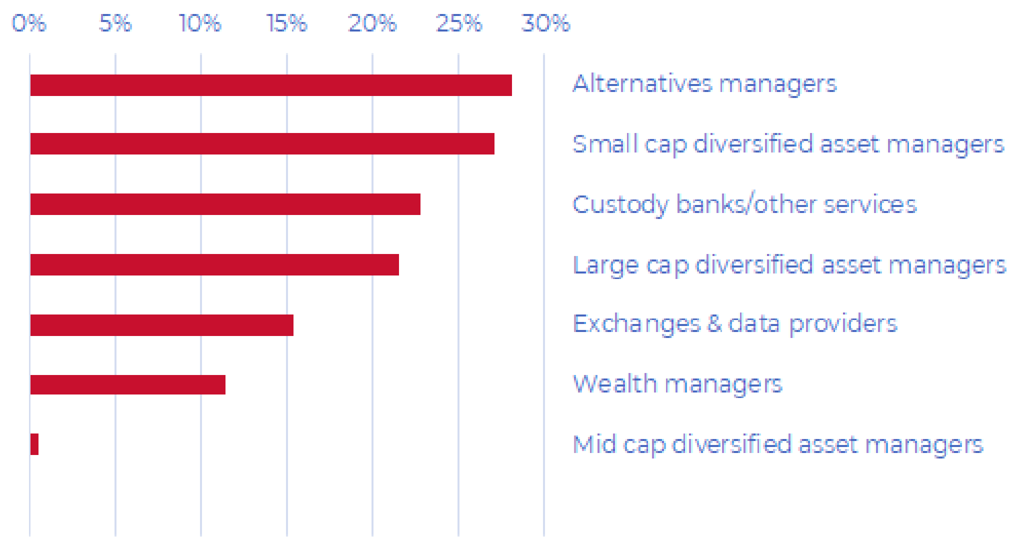
In 2024, risk assets continued to perform strongly, with the US economy playing a central role in driving gains. Developed market stocks produced a total return of over 19%, fuelled again by the impressive performance of US mega-cap tech companies. Emerging market stocks saw more modest gains of just over 8%, benefiting from a late rally in China and strong results from India and Taiwan. The prospect of deregulation after the US election helped financial stocks, contributing to a 12% increase in global value stocks.

On the commodity front, while weaker demand from China limited broader commodity performance, gold stood out with a significant gain of over 27%, driven by growing concerns over US fiscal policy. As central banks in developed markets moved toward normalizing their interest rate policies, expectations for rapid rate cuts softened due to persistent inflation and steady economic growth, especially in the US. Meanwhile, rising interest rates and a stronger dollar led global investment-grade bonds to post a small negative return.

After underperforming in 2023, last year saw a return of US Dollar strength, which posted modest gains against both the Euro and Sterling.

Against this backdrop, the money management sector performed well, outperforming the broad equity market but slightly underperforming the broader financials sector.

Money Management subsector performance in 2024 % (USD)



Money management subsector performance (median). Guinness selected subsectors.

Source: Bloomberg; Guinness Global Investors. Total return (USD) 31.12.2023 – 31.12.2024

Similar to the previous year, the best performing subsector within the Fund in 2024 was large cap alternative managers. Conditions have been good for those such as Ares (+53% in USD) that are geared to the private credit growth opportunity. KKR (+80%) has also been a strong performer, with deployable capital reaching a record high, and a new partnership this year with Capital Group to target mass retail markets being well received. Blackstone (+35%), which is the world's largest real estate investor, is an outsized beneficiary of the interest rate cutting cycle that has now commenced in the US.

Strength in the S&P500 in 2024 was especially beneficial to our most US equity-levered traditional asset managers, including BlackRock (+29%) and Janus Henderson (+48%). Janus Henderson has around 70% of its total assets under management in equities, making it one of the highest beta plays in our portfolio to stock market returns.

Within the exchange sector, it has been pleasing to see Nasdaq return to outperformance (+35%) after a weaker 2023. Nasdaq has grown its 'fin tech' sales to more than a third of overall company revenues, and this portion of the business is expected to continue to grow most rapidly. De-leveraging of the company's balance sheet is ahead of schedule, which should give the opportunity to accelerate share repurchases.

In late November, it was announced that one of the fund's wealth management holdings, CI Financial, was subject to takeover by Mubadala Capital, a division of Abu Dhabi's state investment fund. The agreed acquisition price of C$32/share represented a 33% premium to its previous close. CI Financial, which has been owned in the fund for several years, has over C$500bn in assets, managing money for a client base of predominantly US and Canadian investors.

Interestingly, Mubadala has also agreed to keep the CI Financial's data in Canada as a condition of the deal. Mubadala made a similar concession as part of its takeover of Fortress, agreeing to keep its technology and data domiciled in the US to appease local regulators.

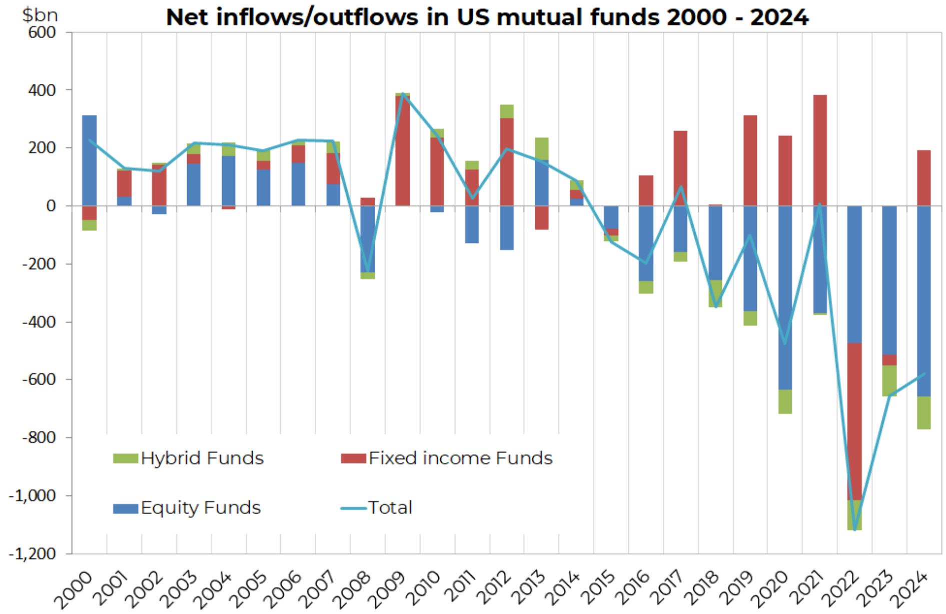
The acquisition of CI Financial is the culmination of a strategy that has seen the company grow aggressively via acquisition. Much of the expansion has come in the US via takeover of small advisory firms, with the company's US assets growing by over 50% since 2022.

The deal ascribes CI Financial with an equity value of C$4.7bn, which implies the company trading on 8.3x 2024 earnings. We see this as an attractive deal for Mubadala, but takes the overall return in CI Financial's shares in 2024 to nearly +100%, which we see as a satisfactory outcome.

Weaker stocks included Hong Kong based manager Value Partners (-28%) and US asset manager Franklin Resources (-27%). Value Partners has seen its position as a specialist in Asian investing remaining out of favour relative to developed markets, leading to persistent fund outflows.

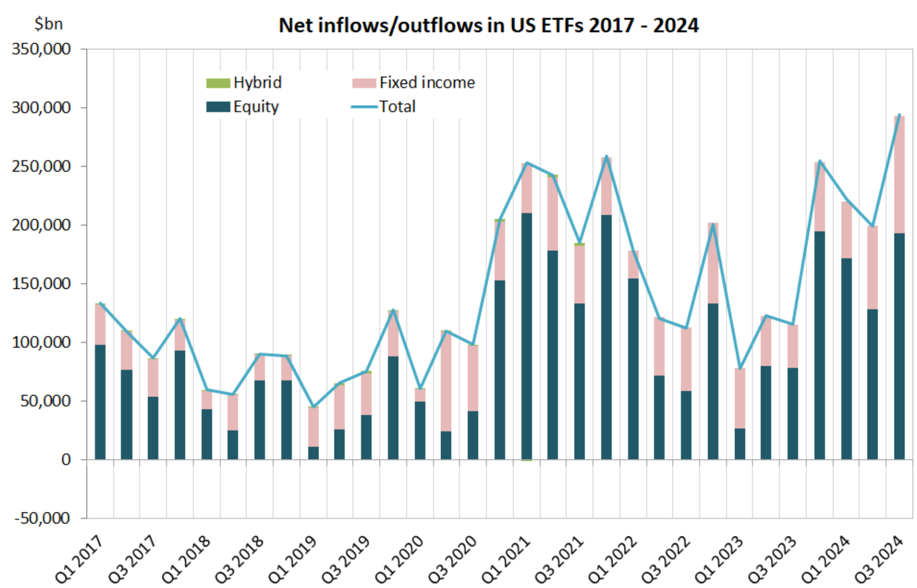
Franklin Resources, meanwhile, has suffered from a period of outflows, both in fixed income and equities, whilst the company's alternatives division has only achieved flat assets under management in an environment where peers have been raising assets.

Net flows from the active mutual fund sector in the US turned negative in 2022 (having been small positive in 2021), a trend that has continued in 2023 and 2024. Over the last twelve months, active equity and hybrid funds have seen sharp outflows, partially offset by fixed income inflows:



Source: ICI; Guinness Global Investors 31.12.24

Data from the US ETF industry shows inflows across equity ETFs, bond & income ETFs and hybrid ETFs in every quarter since the start of 2017. The trend has continued into 2024, with net inflows accelerating to a new high in Q4 2024:

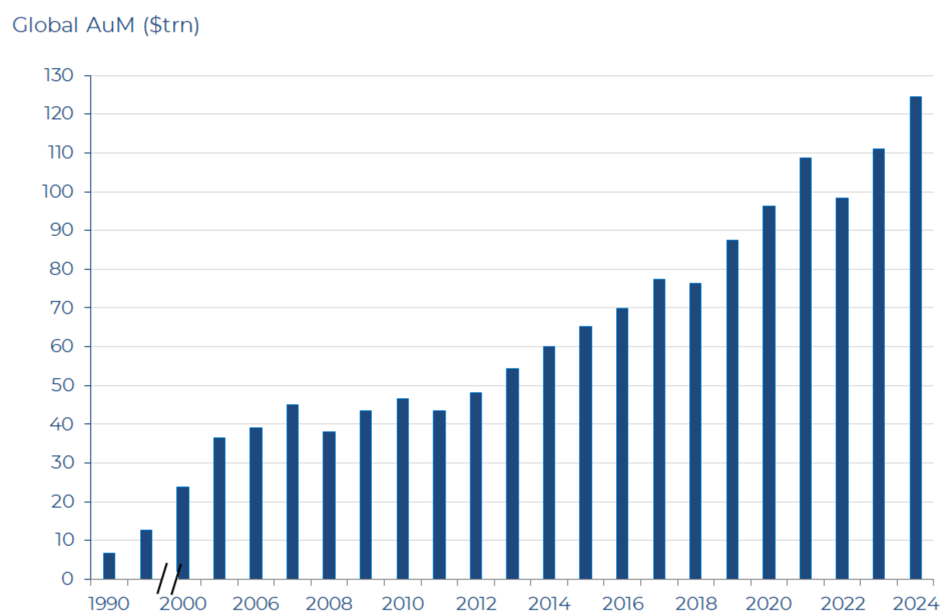


Source: ICI; Guinness Global Investors

Outlook

The assets under management of several companies in our investment universe reached new highs in 2024, helped by the strength in global equities and also the secular forces of wealth creation, expansion in the breadth of investible assets, and demographic shifts. It was an environment where many firms achieved strong profits. And yet, 2024 was also another year when the pressures of active to passive rotation in equities, and associated fee pressures, were as visible as any point in the last decade.

Global assets under management vs MSCI World Index (total return) 1990-2024E



Source: BCG; Guinness Global Investors 31.12.24

As we look ahead, we continue to believe that the money management sector will have clear winners and losers. The winners will be firms of high quality, with quality manifesting itself in various ways. For a smaller traditional asset manager, it likely means the provision of high active share, alpha-generating portfolios. For a passive provider, quality increasingly looks like the delivery of easily accessible, very low tracking-error, low cost ETF products. For an alternatives provider it is the consistent delivery of differentiated absolute returns. If quality is sustained, in whatever form, it will drive the growth of a successful asset management business. The most obvious losers in the industry today are the weaker traditional asset managers who continue to overcharge for undifferentiated products. Some companies in this category have reached interesting 'value' territory, but many will remain value traps: leaking assets and lacking the vision to redesign investment products or client distribution models. Evidently, these are companies to avoid.

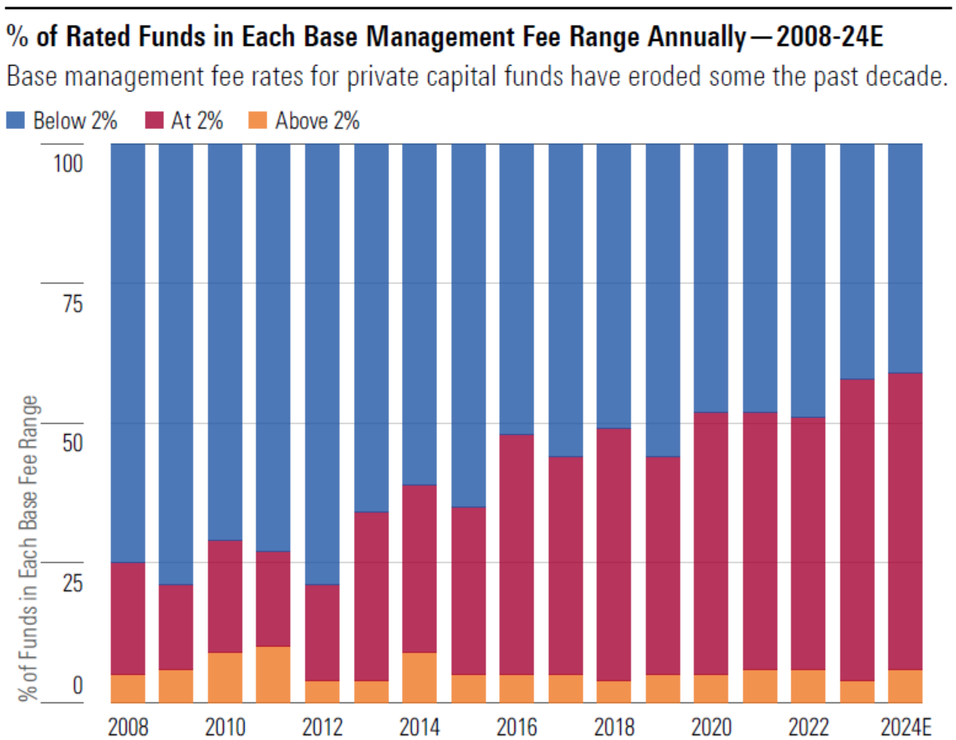
Exploring some of the key subsectors within the money management industry, and for starters, the outlook for alternative asset managers remains positive, with secular growth likely to continue in 2025. Policy changes with the incoming US administration should be supportive in various ways, including:

- supportive capital markets, with policies that are bullish for equity markets and therefore bullish for IPOs and capital markets activity broadly;
- less obstruction to M&A, which expanding monetization avenues for existing deployed capital;
- a lighter and more pro-investment regulatory backdrop. Amongst other things, this could enable faster retail adoption of alternative products, including in the 401k channel; and
- the potential for lower corporate taxation.

The backdrop as described should foster strong fundraising, with double-digit organic growth in fundraising expected. We also expect to see an acceleration in product innovation, with fee-related earnings likely to grow in excess of asset base growth. For example, retail allocations remain a small fraction of alternative manager AuM, a segment which is high margin and likely to enjoy outsized expansion versus other asset types.

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

Annual management fee rates for private capital funds (2008-24E)



Source: Morningstar 31.12.24

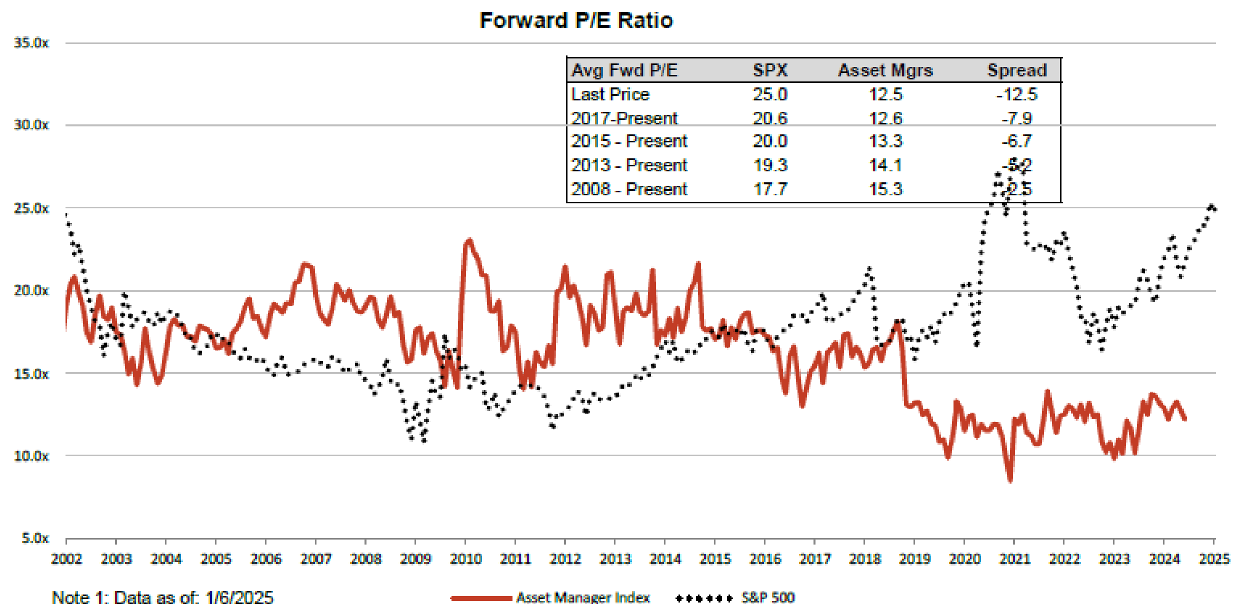
Within the alternative management group, we view Blackstone as particularly well positioned to benefit from the structural growth of private markets. Within the retail market, the company is the most advanced in its retail build-out, with the Private Credit and Private Equity funds likely to appeal to retail investors given the strong investment track record in both areas. And within private credit, we see Blackstone benefitting from the regulatory challenges banks currently face for lending.

For traditional asset managers, the continued mix shift towards passive vehicles requires active managers to innovate in various ways, including greater use of active ETFs and separately managed accounts. Some traditional managers are also increasingly focusing on alternatives as a means to return to growth, via either internally developed products or acquisition of existing alternative managers. One challenge with this model is to integrate alternatives into the culture and operating model of a traditional manager. But for those who can achieve it, the rewards (and valuation multiple re-rating) are high.

Active US equity funds have continued to lag their respective benchmarks, with only 34% outperforming in 2024 (versus 38% in 2023). The picture for fixed income funds has been far brighter, with around 79% of funds outperforming their respective benchmarks, up from 58% in 2023 and marks the highest percentage of funds outperforming in the last ten years. Unsurprisingly, therefore, the prospect of asset growth in the active fixed income sector remains one of the brightest spots for traditional managers in 2025.

Traditional asset managers continue to trade at a substantial discount to the broad equity market. At the start of January 2025, the forward P/E ratio for the sector in the US, according to Jefferies, was around 12.5x versus the S&P500 trading on 25x. The spread of P/Es is close to being as wide as its been over the past twenty years:

Valuation of traditional asset managers versus S&P 500 (2002-25)



Source: Jefferies

We continue to look for opportunities in the 'ancillary' services to the industry. An expanding pool of investible assets globally provides an attractive environment for sectors such as stock exchanges and custody banks. Growth in the stock exchange industry, for example, is being driven not only by transactional volume, but also by rising demand for data and the commercialization of new technology. We see our holding in Nasdaq as a major beneficiary of this trend.

Revisiting the concepts touched on at the start of this outlook, we expect the best earnings growth to come from companies that fall broadly into four categories:

- alpha generators with a consistent record of investment outperformance and a differentiated investment system well understood by clients;
- large, at-scale manufacturers of well structured, low cost passive investment strategies;
- distribution powerhouses with privileged access to clients—for example, through ownership of wealth or retirement channels; and
- investment solution and ancillary service innovators that can design and rapidly launch differentiated solutions to address client needs

Combining these themes with our stock selection process, which allows us to identify the equities of managers whose products are succeeding, leads us to a portfolio biased to these themes:

Guinness Global Money Managers portfolio by theme, 31 December 2024

	Theme	Example holdings		Weighting (%)
1	Alternatives	KKR	Blackstone	22.0%
2	High active share	ARTISAN PARTNERS	POLAR CAPITAL	13.9%
3	Wealth management	Rathbones Look forward	Ameriprise Financial	13.3%
4	Secular shift in Europe to equities	VONTOBEL	AZIMUT	12.1%
5	Traditional value	T.RowePrice	FRANKLIN TEMPLETON	12.0%
6	Support services	Nasdaq	STATE STREET	10.5%
7	Growth of ETFs/passive distribution	BLACKROCK	Invesco	8.0%
8	Asset management consolidators	AMG		4.1%
9	Other (incl cash)			4.1%

Source: Guinness Global Investors

At 31 December 2024, the P/E ratio of the Fund was 16.1x 2024 earnings. This sits at a significant discount to the broad market, with the MSCI World trading on a 2024 P/E ratio of 20.9x. Earnings growth for the portfolio is forecast (consensus) to be around 8% in 2025, which compares to expected earnings growth for MSCI World of around 9%.

	'24	'25
Fund P/E	16.1	14.9
MSCI World P/E	20.9	19.1
Premium (+)/ Discount (-)	-23%	-22%

Source: Bloomberg; Guinness Global Investors

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

Will Riley & Tim Guinness

January 2025

GUINNESS GLOBAL MONEY MANAGERS FUND - FUND FACTS

Fund size	$15.2m
Fund launch	31.12.2010
OCF	0.74%
Benchmark	MSCI World TR

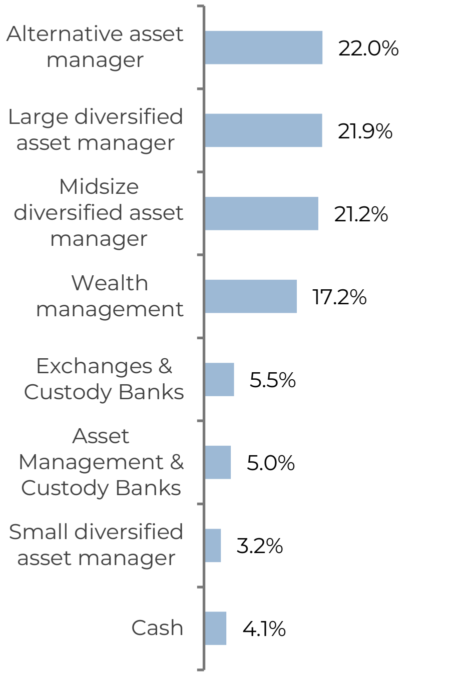
GUINNESS GLOBAL MONEY MANAGERS FUND - PORTFOLIO

Top 10 holdings

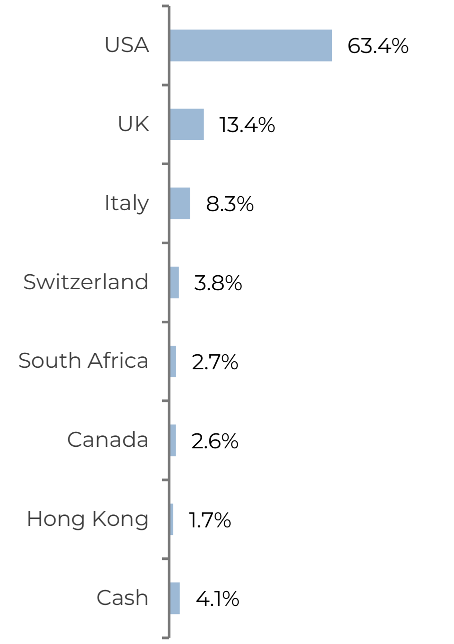
Ares Management	6.2%
Ameriprise Financial	5.8%
KKR	5.6%
Blackstone Group	5.6%
Nasdaq	5.5%
State Street	5.0%
BlackRock	4.9%
Banca Generali	4.6%
Carlyle Group	4.6%
Raymond James Financial	4.5%

Top 10 holdings	52.3%
Number of holdings	28

Sector



Country



Past performance does not predict future returns.

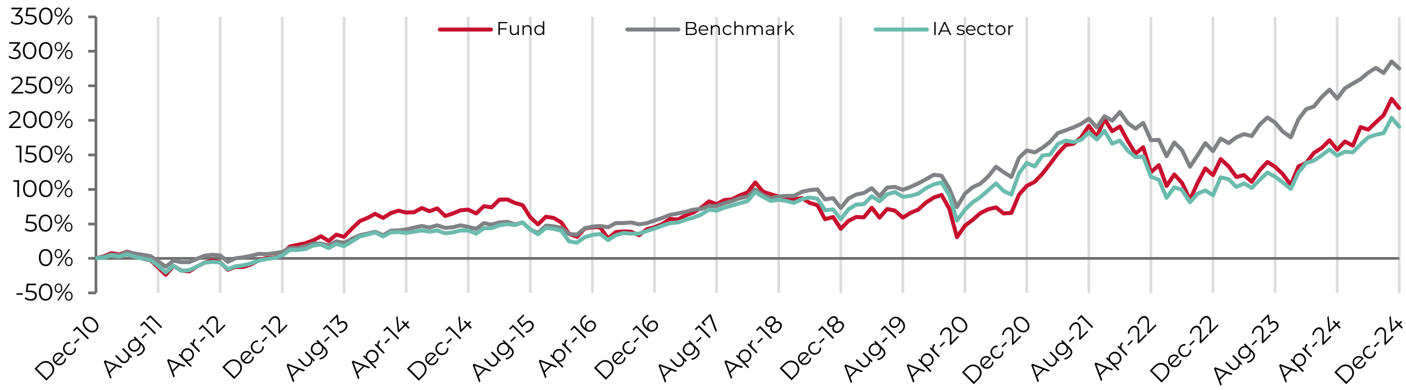
GUINNESS GLOBAL MONEY MANAGERS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-2.7%	+25.8%	+25.8%	+18.0%	+78.4%	+131.7%
MSCI World TR	-1.2%	+20.8%	+20.8%	+30.1%	+79.6%	+221.4%
IA Financials and Financial Innovation TR	-2.9%	+24.3%	+24.3%	+16.1%	+48.5%	+158.0%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-4.1%	+23.6%	+23.6%	+9.1%	+68.6%	+86.1%
MSCI World TR	-2.6%	+18.7%	+18.7%	+20.3%	+69.8%	+158.1%
IA Financials and Financial Innovation TR	-4.3%	+22.1%	+22.1%	+7.4%	+40.4%	+107.2%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-2.2%	+31.9%	+31.9%	+19.8%	+82.4%	+114.3%
MSCI World TR	-0.7%	+26.6%	+26.6%	+32.1%	+84.0%	+201.6%
IA Financials and Financial Innovation TR	-2.4%	+30.3%	+30.3%	+17.9%	+52.2%	+142.2%

GUINNESS GLOBAL MONEY MANAGERS FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+25.8%	+9.8%	-14.6%	+43.3%	+5.5%	+27.0%	-22.7%	+23.4%	+13.7%	-5.7%
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%
IA Financials and Financial Innovation TR	+24.3%	+12.3%	-16.8%	+14.6%	+11.6%	+26.9%	-9.0%	+16.9%	+22.0%	+5.5%
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+23.6%	+16.3%	-24.1%	+42.0%	+8.9%	+32.1%	-27.2%	+35.1%	-4.7%	-10.9%
MSCI World TR	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%
IA Financials and Financial Innovation TR	+22.1%	+19.0%	-26.1%	+13.6%	+15.1%	+32.0%	-14.3%	+27.9%	+2.3%	-0.3%
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+31.9%	+12.4%	-19.2%	+52.8%	-0.4%	+34.2%	-23.7%	+18.4%	-2.1%	-1.0%
MSCI World TR	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%
IA Financials and Financial Innovation TR	+30.3%	+15.0%	-21.3%	+22.2%	+5.6%	+34.5%	-10.0%	+12.4%	+5.4%	+11.1%

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



Source FE fundinfo to 31.12.24 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 0.74%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

IMPORTANT INFORMATION

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

This report is designed to inform you about equities and equity markets invested in by the Guinness Global Money Managers Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Fund or to buy or sell individual securities, nor does it constitute an offer for sale.

Risk

The Guinness Global Money Managers Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The Fund invests only in companies involved in asset management and other related industries; it is therefore susceptible to the performance of that one sector and can be volatile. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available on our website.

Documentation

The documentation needed to make an investment, including the Prospectus, Supplement, the Key Information Document (KID), the Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or,
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

Investor Rights

A summary of investor rights in English is available here: https://www.waystone.com/waystone-policies/

Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. **NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS**.

Structure & regulation

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, 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.

Telephone calls will be recorded and monitored.