Guinness Emerging Markets Equity Income

2024 Annual Review & Outlook

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KID 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	23.12.2016
Index	MSCI Emerging Markets
Sector	IA Global Emerging Markets
Managers	Edmund Harriss Mark Hammonds CFA
EU Domiciled	Guinness Emerging Markets Equity Income Fund

OBJECTIVE

The Guinness Emerging Markets Equity Income Fund is designed to provide investors with exposure to high-quality dividend-paying companies in Emerging Markets worldwide. The Fund aims to provide long-term capital appreciation and a source of income that has the potential to grow over time. The Fund is actively managed and uses the MSCI Emerging Markets Index as a comparator benchmark only.

CONTENTS

COMMENTARY

2024 saw an extraordinary political recovery as Donald Trump was re-elected president of the United States of America.

While there was a sense of déjà vu as America's relationship with its largest trading partners (China and Mexico in emerging markets) came back into the spotlight, the market reaction to Trump's victory proved much calmer than in 2016.

Emerging markets performed well, up 9.4% over the year in sterling terms or 7.5% in dollar terms.

Developed markets, however, proved tough competition, with the S&P 500 rising 27% in sterling terms. Stocks with exposure to the artificial intelligence theme were among the main contributors.

In the economy, inflationary pressures continued to subside, though showed signs of stubbornness towards the towards the end of the year.

Central bankers in developed markets began to cut rates, with the Federal Reserve in the US cutting the Fed funds rate from 5.25-5.5% at the start of the year to 4.25-4.5% by the end.

After initially pricing in rapid rate cuts, market participants began to row back on that view, repricing rate expectations.

China's economy performed sluggishly as the repercussions of a weak property market continued to dampen consumer confidence and investor sentiment.

A range of stimulus measures unveiled by Chinese policymakers in September caused a sharp rebound in China's stock markets. This somewhat unwound as further details of the extent of the measures became clearer over the fourth quarter.

Latin America was weaker. Among the principal markets, Brazil was plagued by the deteriorating fiscal situation while Mexico suffered from concerns over the future trading relationship with the United States and threat of tariffs by Trump.

FUND COMMENTARY

The fund generated outperformance in relative terms in 2024, rising 12.9% (Y class, in GBP) against the MSCI Emerging Markets net total return Index which gained 9.4%.

Over three years, the fund significantly leads the benchmark, up 18.4% versus the benchmark up 2.0%.

Of the 32 stocks held for the full year, 17 outperformed the benchmark, 15 underperformed.

The fund's distribution for the period rose by 3.0% in sterling terms. Since 2017, it has grown at a compound annual growth rate of 6.8%, compared with 2.0% for the benchmark.

After the most recent distribution, the fund trades on a trailing distribution of 3.9%, significantly above the market. (Historic yield reflects the distributions declared over the 12 months expressed as a percentage of the mid-market price, as at 17 January 2024. It does not include any preliminary charges. Investors may be subject to tax on the distribution.)

We bought four new positions: Kweichow Moutai, Nien Made, Arca Continental and Bank Rakyat Indonesia.

We sold three positions: Banco Davivienda Johannesburg Stock Exchange and Hanon Systems.

The effect of the switches during the year was to increase exposure to Consumer Staples and to decrease exposure to Financials.

Valuations for emerging markets continue to look reasonable, both on an absolute basis and on a relative basis compared with developed markets.

As at year end, the portfolio traded on 11.9x 2024 earnings, a 12% discount to the benchmark which traded on 13.5x 2024 earnings.

Within our investment process, we place emphasis on the following factors:

- Sustainable competitive advantage: companies must have demonstrated the ability to earn returns on capital above the cost of capital, reflecting a competitive advantage that has persisted over time and that can be harnessed by management to the benefit of shareholders.

- Robust business model: the business needs to have a business model that is resilient to external factors, both at an industry and macro level, i.e. the company is able to generate strong cash flows through the cycle, despite facing challenging conditions at times.

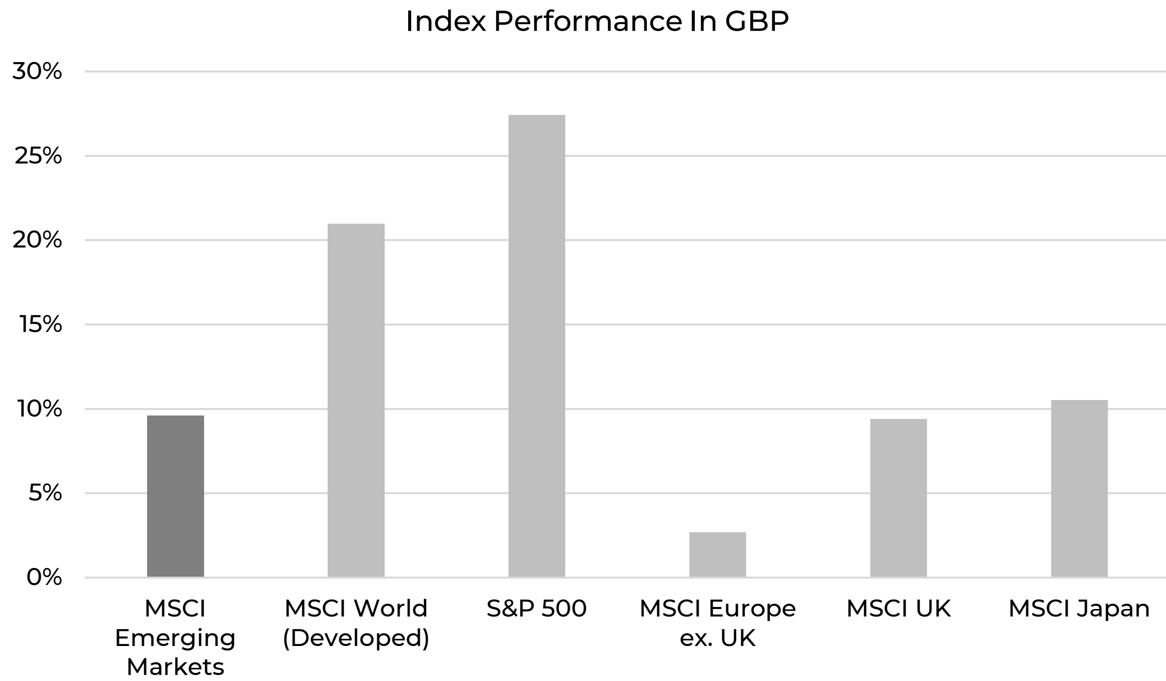
- Attractive opportunities for reinvestment and growth: opportunities exist for management to redeploy the capital generated by the existing business at attractive rates of return. Long-term opportunities for growth exist – these opportunities may offer more moderate (but more consistent and sustainable) growth rates.

- Strong dividend policy: management must be committed to returning a meaningful portion of the capital generated by the business to shareholders.

- Attractive valuation: we seek investments that are undervalued by the market. We want valuation changes to be a positive contributor to overall returns, and avoid stocks where they may be a detractor.

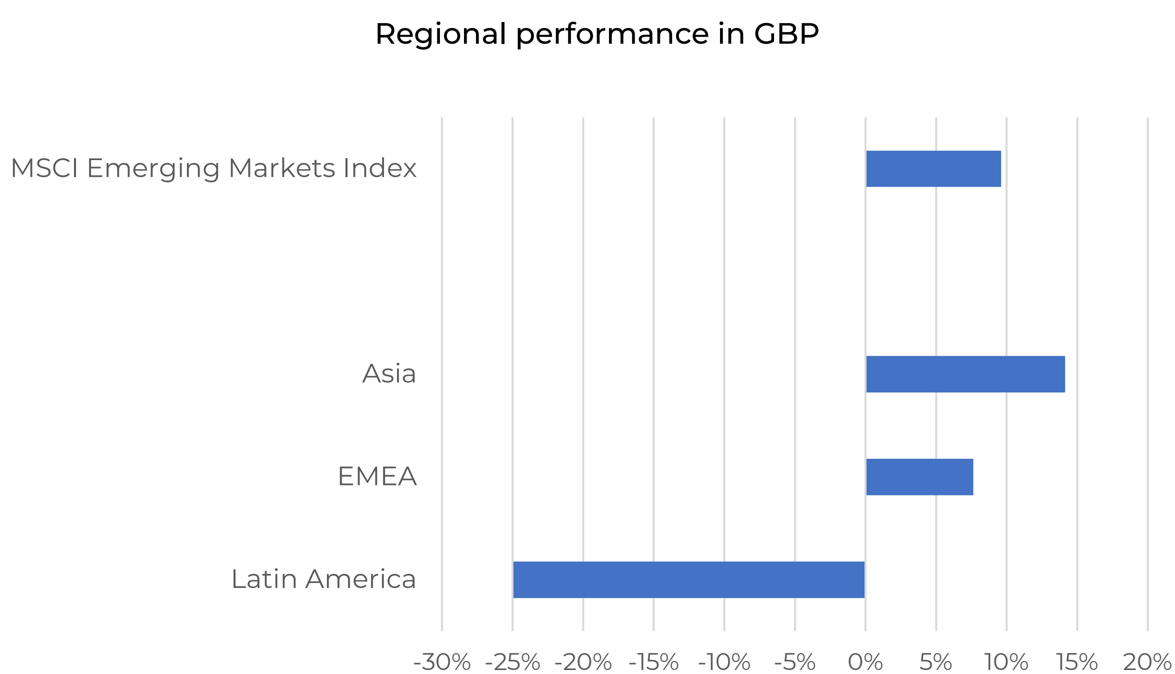
We think such an approach works well in emerging markets and is suited to the uncertainties in today's economic environment both in the region and globally.

MARKET PERFORMANCE



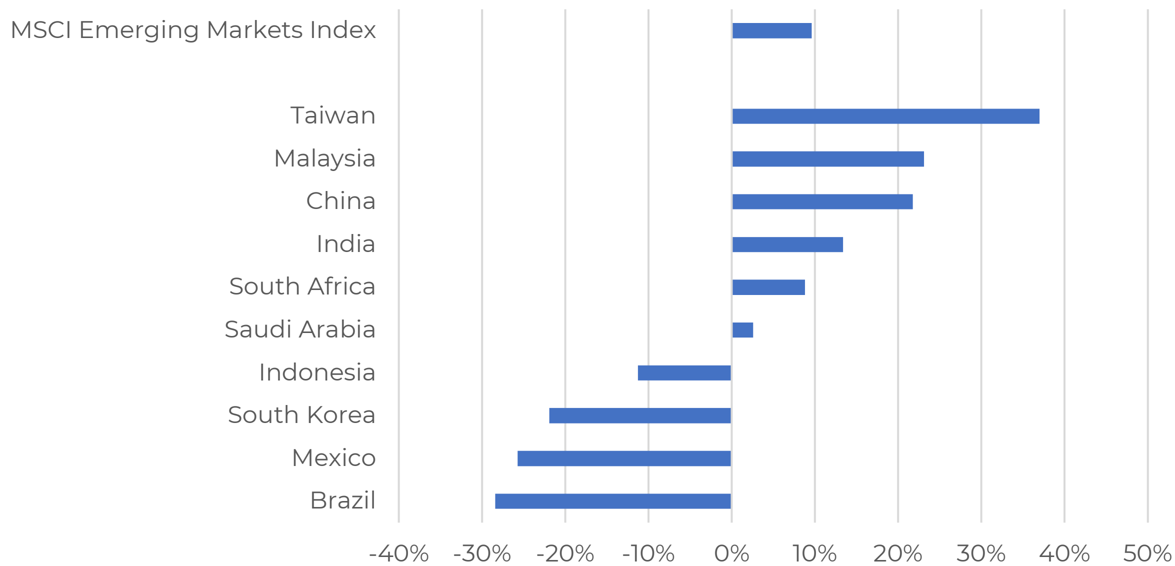
Source: Bloomberg. Data 31.12.2023 to 31.12.2024

For the year overall, emerging markets generated positive performance overall in sterling terms, rising 9.6%. However, as the chart shows, the strength in developed markets and in particular in the US was a tough comparator. The MSCI World was up 21%, led by the S&P 500 rise of 27.4%. Europe's performance was disappointing, up only 2.7%. The UK and Japan both performed similarly to emerging markets.



Source: Bloomberg. Data 31.12.2023 to 31.12.2024

Large emerging market country performance in GBP



Source: Bloomberg. Data 31.12.2023 to 31.12.2024

Asia was the strongest performing region, rising 14.1%. Taiwan was the best performer on an individual country basis (among the larger countries) up 37%, but other strong contributors included China and Malaysia, both up more than 20% and India as well, up 13%.

Strong performance in Asia has been driven predominantly by emerging markets, particularly Taiwan, as well as China and India. Taiwan benefits from a high skew to the technology sector (more than 70%). In particular, the country weights substantially to TSMC, which, with its focus and dominant market share in advanced node manufacturing, continues to benefit from the growing AI market. China has come back to outperforming the Indian market after a period of relative underperformance, helped by the financials, communication services (particularly Tencent) and technology sectors. Additionally, the Chinese government revealed a series of stimulus measures in September, causing a sharp rebound in China's stock markets, although some of this was unwound through the fourth quarter.

On the other side, the weakest market was Korea, where a significant tilt towards the technology sector was a key factor to underperformance. Korea's technology segment skews towards consumer electronics and the memory market, both of which have been headwinds in 2024 with Samsung Electronics accounting for a decent portion of the detraction. Outside of market performance, a surprise attempt to impose martial law and the subsequently messy political landscape seen at the end of the year drove further uncertainty and negative sentiment.

EMEA (Europe, Middle East and Africa) was next, regionally, up 7.6%. South Africa was the principal contributor, reflecting the progress that has been made in overhauling Eskom, the state electricity provider, after having suffered from frequent electrical blackouts in previous years.

Latin America was clearly the weakest region, down 24.9%, driven by weakness in both Brazil, where the deterioration of the fiscal situation has dragged on the currency and in Mexico, where the judicial reforms in the country have undermined investor confidence.

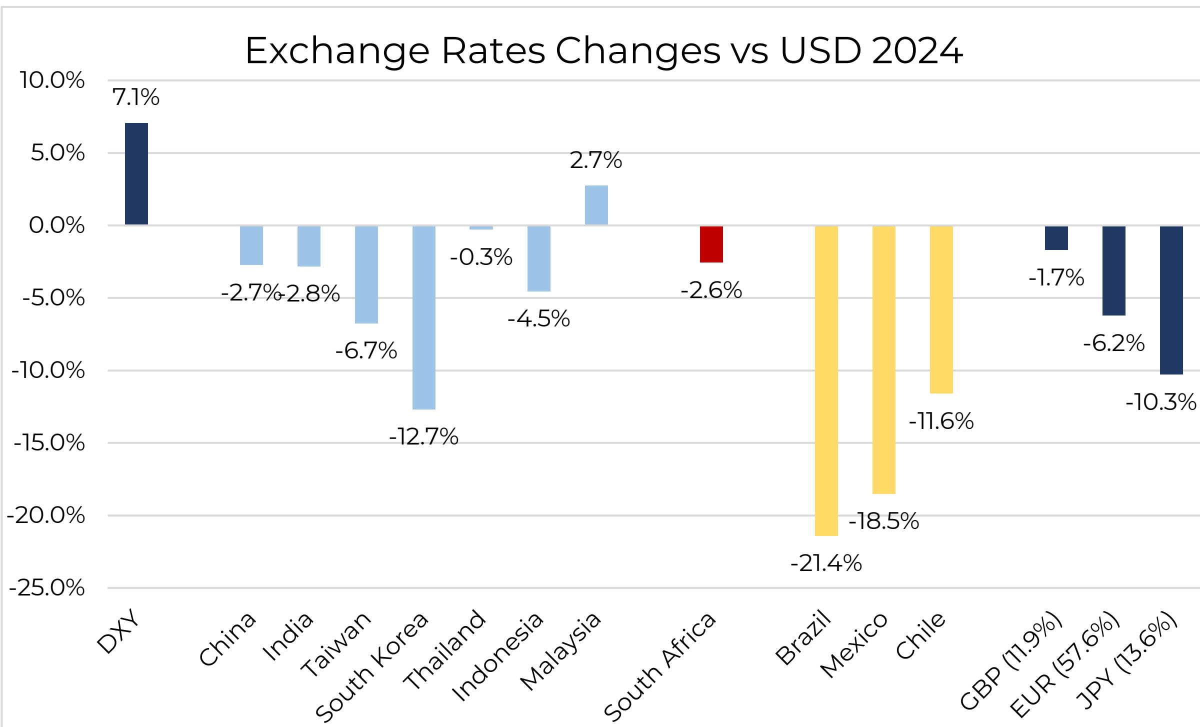
Index weights	31 Dec 2024	31 Dec 2023
Asia	80.9%	77.8%
EMEA	12.4%	12.7%
Latin America	6.6%	9.5%

Source: MSCI. Data as of 31.12.2024

Asia's weighting in the benchmark dwarfs that of both EMEA and Latin America, and so makes a much larger contribution to overall benchmark performance. Reflecting strong performance of emerging markets over the year, Asia's regional weighting has steadily increased, with Latin America correspondingly decreasing.

Currencies

The following chart shows the movements in foreign exchange over the year for the large countries (from a benchmark weighting perspective) for Asia, EMEA and Latin America, as well as the developed market components of the dollar index (DXY).



Source: Bloomberg. Data as of 31.12.2024

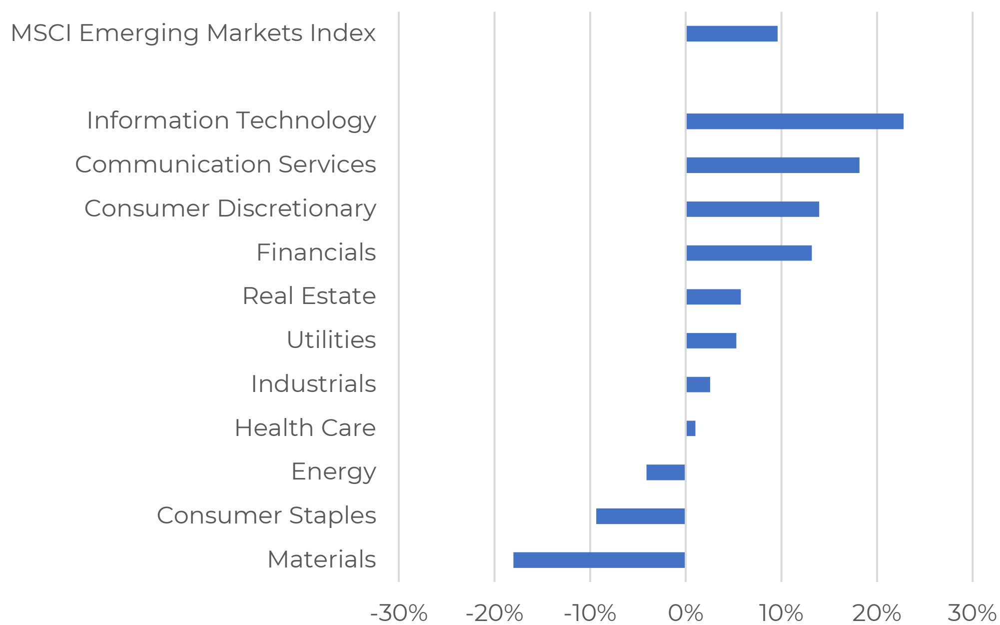
As the left-hand bar DXY shows, the theme of the year was dollar strength, with the dollar rising 7.6% in the fourth quarter following the US election. All except one of the currencies shown above fell versus the dollar.

Latin America saw significant weakness. Brazil was the worst performer falling 21.4%. The currency has borne the brunt of concerns over the country's public finances, with the deficit running at around 10% of GDP. A plan has been put in place to address the fiscal deficit, but investors have been unconvinced that it goes far enough. Nevertheless, the government has reiterated its plan to achieve a zero primary deficit (before interest payments) in 2025. Brazil's domestic economy has been reasonably strong this year, with unemployment at low level. Brazil may well also a beneficiary of rising US-China trade tensions (as it was during 2018, when China sought to shift Soybean purchases away from the US). However with inflation picking up and efforts to defend the currency, the central bank has been channelled into raising rates.

Asian currencies exhibited typical variation, with China, India and Taiwan depreciating the least. In general we have seen a relatively stable position in Asian currencies, particularly given the result of the US election and the stronger dollar that followed. Asian markets have come through the period relatively well (and certainly the path has been less turbulent than that witnessed at the end of 2016 with the first Trump win). Korea is perhaps the exception, and a clear underperformer following the political turbulence in the country.

South Africa was weaker over the year, although in the context of the dollar strength, the performance should not be judged too harshly.

Emerging market sector performance in GBP



Source: Bloomberg. Data as of 31.12.2024

Information Technology was the best performing sector, up 22.8%. The market has demonstrated almost unfaltering enthusiasm towards stocks exposed to the AI theme, as the large US tech companies have continued to invest capital in this area. This of course has benefited companies in the supply chain, many of which are located in emerging Asia. Communications Services, Consumer Discretionary and Financials also performed well. The weakest performing sector was Materials, down 18.0%, followed by Consumer Staples and Energy.

FUND PERFORMANCE

Following good relative outperformance in 2023, in 2024 the fund again outperformed the benchmark. For the year overall, the fund was up 12.9% against the benchmark index up 9.4%.

The best performers in the portfolio were those with exposure to the AI theme, notably Broadcom, TSMC and Hon Hai. Following the China stimulus measures which included easing monetary policy, the Chinese banks were also among the best performers, benefitting from the improved environment.

On the weaker side, the detractors in the portfolio were mainly due to idiosyncratic, or individual company-specific reasons. Among the weaker stocks towards the end of the year were those most exposed to global trade, following Trump's victory in the US presidential election.

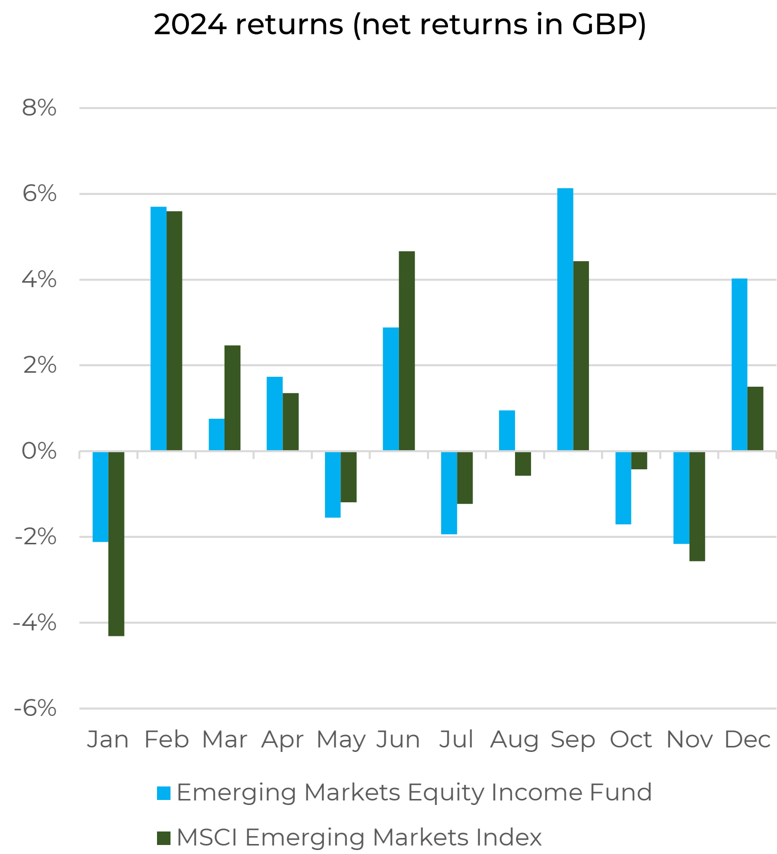
From an attribution perspective, the fund benefited from its off-benchmark holding in Broadcom, along with a lack of exposure to Korea (which more than offset the negative selection from holding Hanon). Other developed market-listed holdings including British American Tobacco and Unilever, and positive stock selection in India also made a contribution.

Our overweight to Brazil, and stock selection within the country was the largest detractor. Others included stock selection in Taiwan (though offset by our overweight there), and our overweight allocation to Mexico (though this time offset by our stock selection).

From a sector perspective, our Information Technology stock selection was the principal contributor, assisted by our overweight position. The fund also benefited from a lack of exposure to the Materials sector, where the fund has no holdings. Financials were also among the better performers.

On the downside, stock selection within Health Care was a negative, as was that within Consumer Discretionary. However, the latter was offset by our overweight position to the sector.

The following chart shows monthly performance of the fund versus the benchmark:



Source: Bloomberg. Data as of 31.12.2024

Again the year saw very inconsistent month-to-month performance of the market, particularly in the second half of the year. The fund outperformed in seven months in 2024 and underperformed in five.

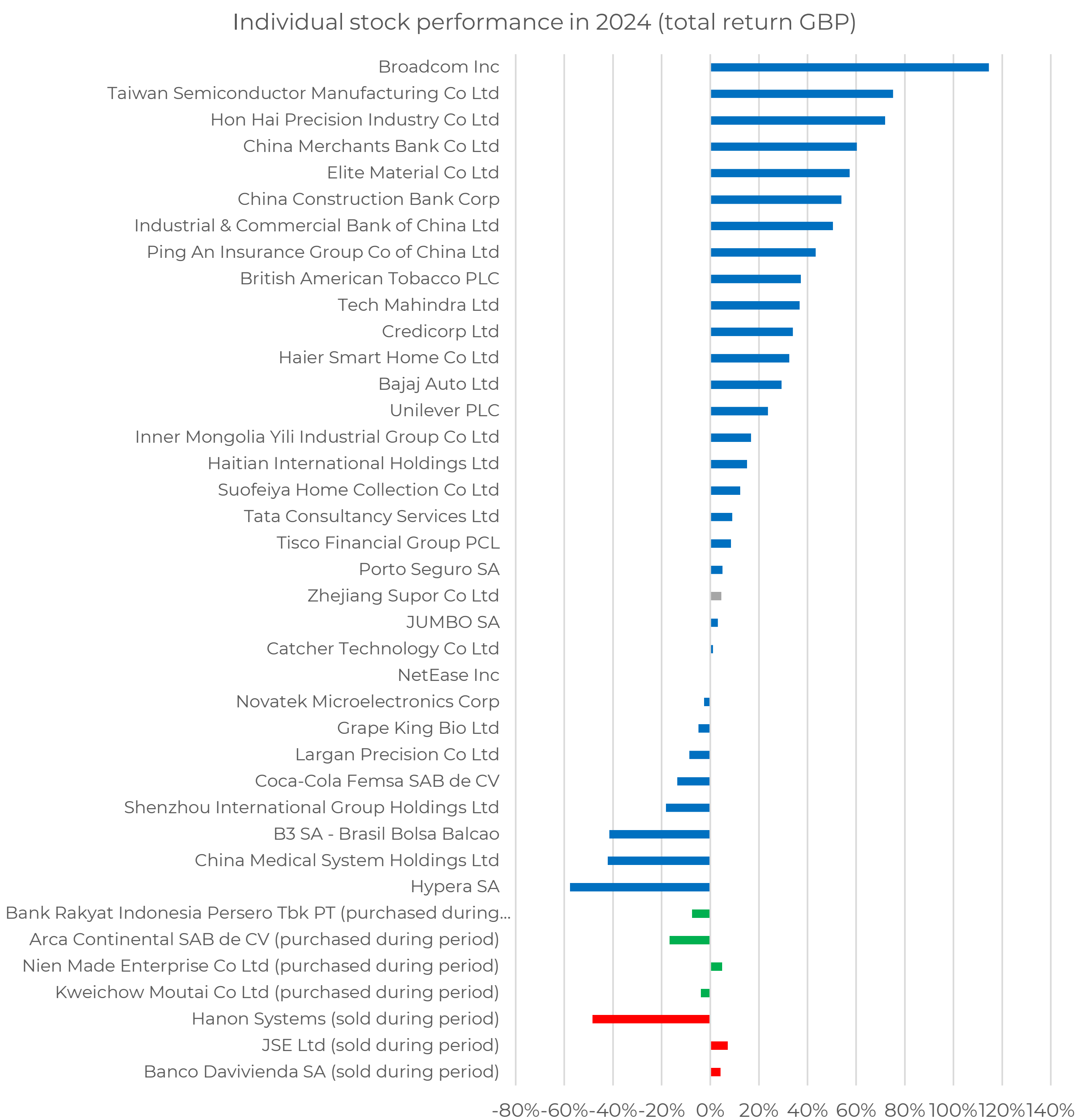
Typically, the experience with the fund is that it has generated outperformance in periods when the market has declined. Encouragingly, the fund outperformed in the sell off at the start of the year, before going to capture all of the upside in the February rally. Some of this lead was given up in March. The pattern in the other negative months was less consistent, but the market falls were less than those in January.

In positive months, we could correspondingly expect underperformance; the fund capturing most but not all of the upside. However, in both September and December when the market rose, the fund generated significant outperformance.

STOCK PERFORMANCE

In 2024, out of the 32 stocks held for the full year (i.e. ignoring the buys and sells), 17 were outperformers and 15 underperformed. Seventeen stocks achieved double digit positive returns and fourteen gained by more than 20% in sterling terms. On the downside, five stocks lost 10% or more and three lost more than 20%. (One of the stocks sold was also in this category).

The following chart show individual stock performance for the portfolio including stocks purchased and sold in 2024.



Source: Bloomberg. Data as of 31.12.2024

Leaders

Within the portfolio, the best performing stocks were Broadcom (+114.5%), TSMC (+75.2%) and Hon Hai Precision (+71.8%).

Broadcom Inc. is a designer, developer and manufacturer of semiconductors and infrastructure software services. During the period that we have held Broadcom, we have seen the shape of the company shift quite dramatically, widening its business scope to include recurring Software revenues, and now directing its business towards the high-growth AI segment, offsetting slower growth related to historical wireless chip business. 2024 was a continuation of this story, with much of the outperformance driven by the AI story.

Taiwan Semiconductor Manufacturing Co (TSMC) is a manufacturer of high-end semiconductors. This is another company that has benefitted greatly from the AI excitement. Key customers are ramping up their AI-related products, which necessitate higher-end chips, where TSMC dominates- the company commands more than 55% of foundry market share, and almost 90% market share of the most advanced nodes currently in production. Additionally, whilst dividend growth has been expected, the rate of this growth has been faster than sell-side expectations, further amplifying positive sentiment around the company.

Hon Hai Precision is historically known as a manufacturer of consumer electronics products for its client base, with Apple a notable customer. Whilst the company did indeed benefit from higher iPhone shipments, we have also seen a shift in sell-side interest towards Hon Hai's growth avenues, in particular, the company's ability to manufacture products directly related to AI servers. Whilst AI-related products were low contributors to Hon Hai's 2024 revenues (c5%), there is increasing evidence that Hon Hai will be able to grow this segment, backed by its market-leading position in AI servers (including dominance in production for Nvidia's AI servers) and global production edge, which has driven a valuation re-rating.

Laggards

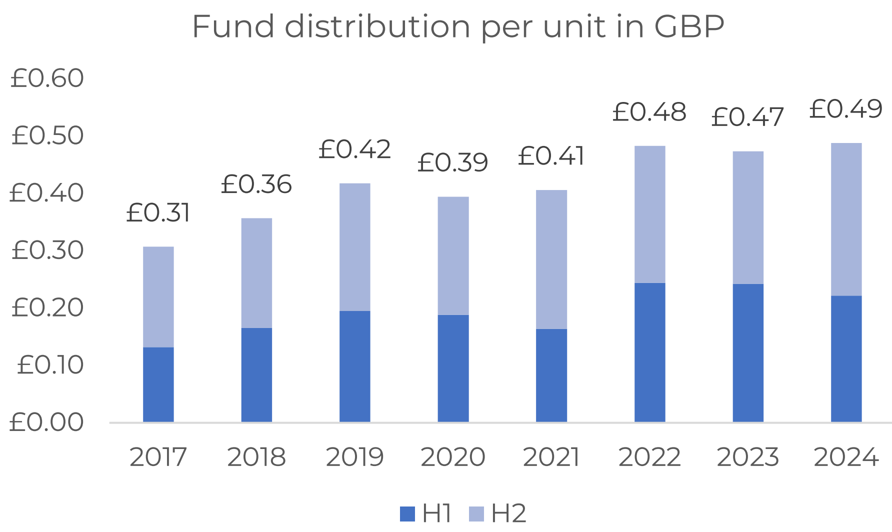
The worst performing stocks were Hypera (–57.7%), Hanon System (–48.4%), and China Medical System (–42.1%). Hanon System we sold during the period, and so is discussed in the Portfolio Changes section below.

Hypera, a consumer pharmaceutical company, has suffered from operational challenges this year. The company's most recent earnings reported disappointed compared with analyst expectations. Higher inventories among customers have continued to result in a mismatch between sell-in and sell-out values. A planned reduction in credit terms should help to improve the working capital position and benefit cashflows. Ultimately this should be supportive of shareholder returns, both through dividends and an announced share buyback programme to be executed over the next 18 months. Longer term projections for industry growth continue to look attractive. In addition to the operational troubles the company is facing, a significant portion of the returns for the year have been driven by currency weakness, with the Brazilian real down 21% over the year.

China Medical Systems is probably the leading pharmaceutical licensor in China, with growing in-house R&D and strong sales network. The company has over twelve new products (in various phases) in their product pipeline which are expected to launch in the next two to three years. However, in March, the company reported results for Fiscal Year 2023 that fell well short of market expectations through a combination of larger price cuts for drugs included in China's Volume-based procurement programme (VBP) and lower sales of non-VBP drugs, due to the anti-graft campaign. This has triggered significant downgrades to earnings forecasts in the near-term, although the investment thesis for the stock outlined above remains unchanged. The stock sold off sharply and, we believe, reflects more than fully the changed outlook. As such, we see China Medical Systems as having limited downside from March lows, and added to it in line with our portfolio approach.

DIVIDEND REVIEW

The full dividend history for the fund since launch is as follows:



Source: Guinness Global Investors. Y share class dividend growth in GBP.

As the chart shows, the most recently declared a dividend for the second half, represents a new record – both the largest semi annual payment, but also the largest total for the year at 49 pence. As highlighted earlier in the year. some of the increase in the second half payment is due to timing differences, where dividends that fell in the first half previously have slipped into the second (and thus were recouped later in the year).

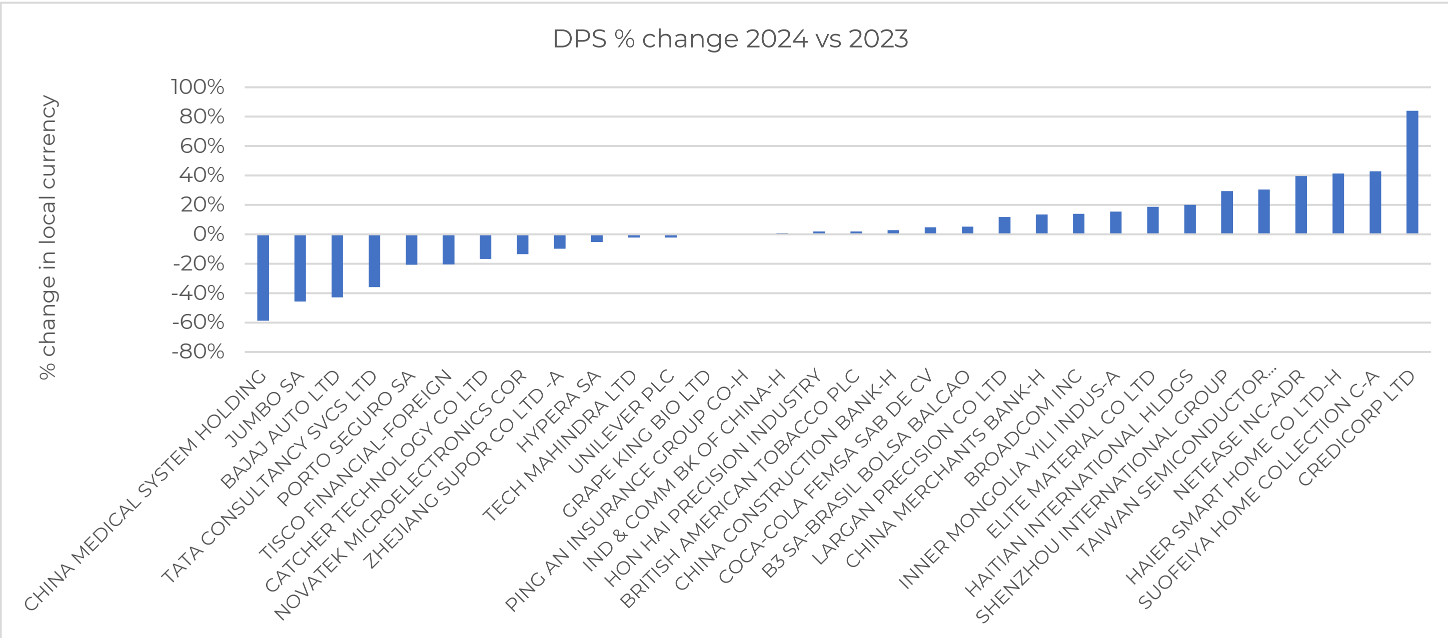
We note last year for the full year, the Y share class distribution in sterling terms rose by 3.0%. This increase broadly reflected where we were seeing earnings revisions this year for the portfolio. While it is still very early in the period, we see forecasts as reflecting higher earnings growth for next year, in the mid to high single digits range on average (of course there is no guarantee that this will be realised).

Compared with the benchmark, we note that the distribution has recovered the previous record level set in 2022. Over this two year period the benchmark dividend per share figure is still 10% lower.

While we do not expect the fund distribution to grow in every 12 month period, we do expect growth over the long term. Since the launch of the fund to the full year 2024, the sterling dividend has grown at a compound annual growth rate of 6.8% per annum compared to 2.0% per annum for the benchmark. This compound annual rate is closer to our expectation for long run earnings growth.

Portfolio dividend review

The following shows the change in dividends per share for each company during 2024 compared with 2023. We show the percentage change, measuring dividend per share in local currency.



Source: Bloomberg data. Based on ex-dividend date.

The companies shown are the 32 that were held for the entirety of this year (one, Haier, was purchased during 2023, but the remainder were also held for the entirety of that year). For the group of 32 stocks, the mean dividend increase was 3.3% and the median was 1.9%. (As a reminder, the fund distribution was up 3.0% year on year).

As well as operational performance, the comparisons are also affected by the timing of distributions (particularly around year end) and the payment of special dividends, which are typically treated as ‘one-off’ in nature.

Starting with the weaker performers, China Medical System saw a reduction in the dividend payment that largely reflected the deterioration in earnings. Jumbo saw special dividends in 2023 not repeated this year. Excluding the November 2023 dividend, the overall total actually rose this year. Bajaj Auto we believe this reduction is timing differences, and likely to be recouped in the early part of 2025.

Among the stronger performers, Haier has seen double digit earnings growth, but also an increase in the payout ratio from 36% to 45%. Suofeiya Home saw similarly strong earnings growth and again an increase in the payout ratio from 60% to 75%. Credicorp’s figure is flattered by the payment of a special dividend in 2024. Without this, the dividend increase would be a still impressive 40%.

Note: there are several factors that affect the distribution received by unit holders. Principally these are: the timing of buys and sells, local currency movement, differences in weightings in the portfolio and withholding taxes. The combination of these factors can cause differences between the dividend growth rates within the portfolio and the overall distribution.

PORTFOLIO CHANGES

Portfolio activity in 2024 was slightly above recent years, as we added four new positions to the fund. Three positions were sold from the fund during the year, restoring the number of holdings in the portfolio to 36.

Additions

We added Kweichow Moutai, the market leading producer of Baijiu alcohol in China. The company's flagship product carries a high degree of prestige and is often drunk at banquets, over business meetings and other important occasions. A recent large price hike by the company in the wholesale distribution channel, after a period of keeping prices constant, indicated the pricing power present in the luxury brand. The company has progressively taken steps to increase direct-to-consumer sales, which offers higher margins. The business is very cash generative, and the stock pays an attractive dividend.

We also added Nien Made, a Taiwanese-listed maker of blinds and window coverings. The company sells both ready-made and made-to-measure products in primarily the United States to customers such as Home Depot, and also to European markets. We like the way management runs operations and we believe the exposure to the export markets is a good complement in the portfolio to companies with more exposure to the domestic property markets. Nien Made has a history of generating attractive returns on capital, is reasonably valued and is projected to pay a growing dividend.

Arca Continental, listed in Mexico, is the second largest Coca-Cola bottler in South America, with exposure to Mexico, South America and Southern USA. The company has generated excellent and consistent returns on invested capital over time, while growing revenues and earnings. The company pays dividends at what is, we feel, both an attractive and sustainable level.

Bank Rakyat Indonesia is an Indonesian state-owned commercial bank which has particular expertise in the small/medium and micro lending segments. The bank has a history of high returns on equity which, after a three-year decline through the covid period have now returned to historical levels. The bank is trading on a trailing yield of over 6% and the dividend has grown by 20% a year over the past five years. The share price has been weaker this year on asset quality concerns that we see as having been largely worked through, and this gave us our opportunity.

Disposals

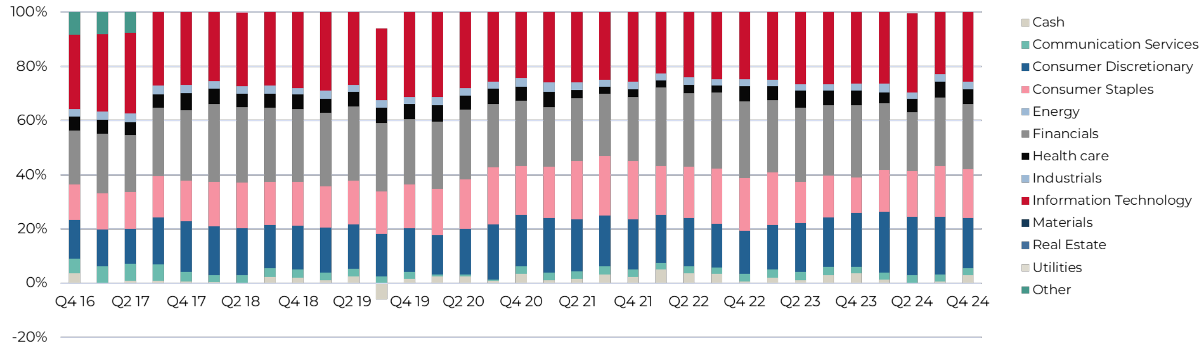
We sold our position in **Banco Davivienda**, taking advantage of a modest bounce in the stock price. The stock had a difficult 2023, on weaker macroeconomic activity in Colombia. The bank saw an increase in cost of risk and a rise in funding costs last year, which exerted a drag on net interest margins. The outcome was reflected in sharp earnings downgrades over the latter part of 2023. The company's dividend had recovered after the covid period, but growth had stalled.

We also sold our position in **Johannesburg Stock Exchange**. JSE has seen its market cap continue to drift lower as investors has soured on prospects for South Africa's economy and equity markets. While underlying company performance was satisfactory, ultimately negative country level sentiment has dominated in this case. With the sale of the position during the period, we now have no exposure to South Africa in the fund.

Hanon Systems is a Korean stock that gives exposure to the electric vehicle market. While the company has good engine cooling technology (supported by a high-profile customer list), the outlook for sector darkened, and many of the European OEMs in particular have struggled of late. The company's returns deteriorated and their recovery had been pushed out. For those reasons, we took the decision sell the holding.

PORTFOLIO POSITIONING

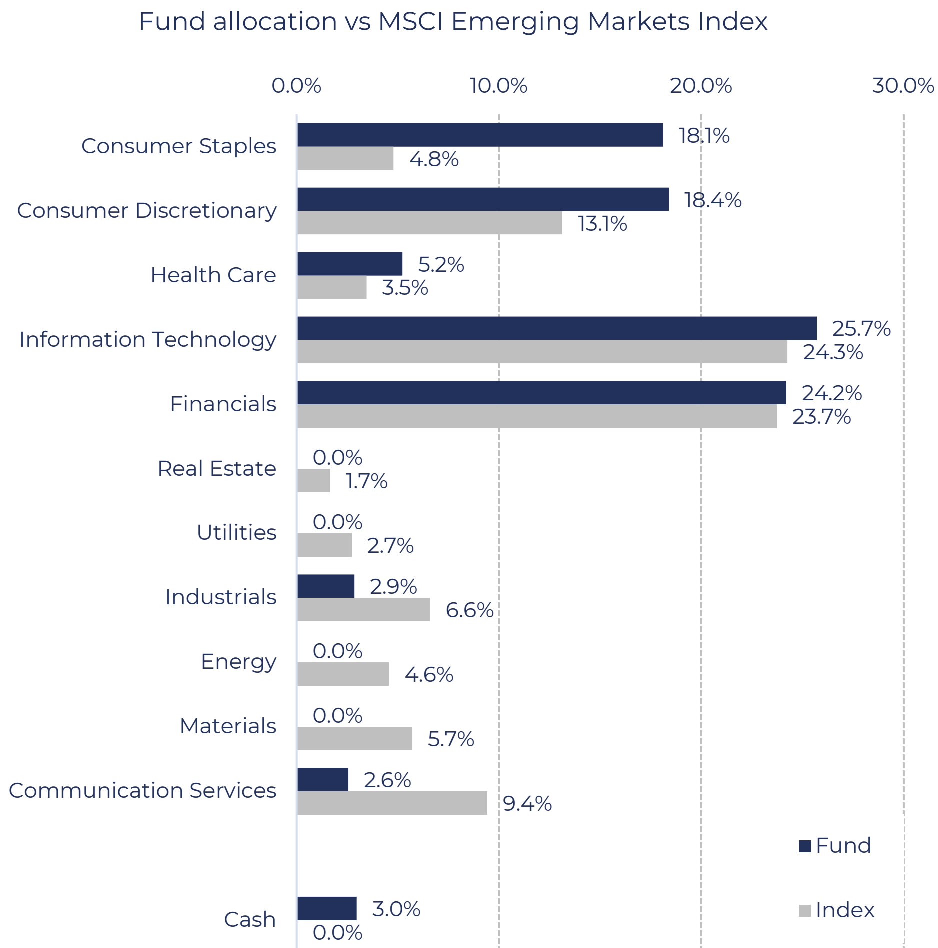
Fund breakdown by sector:



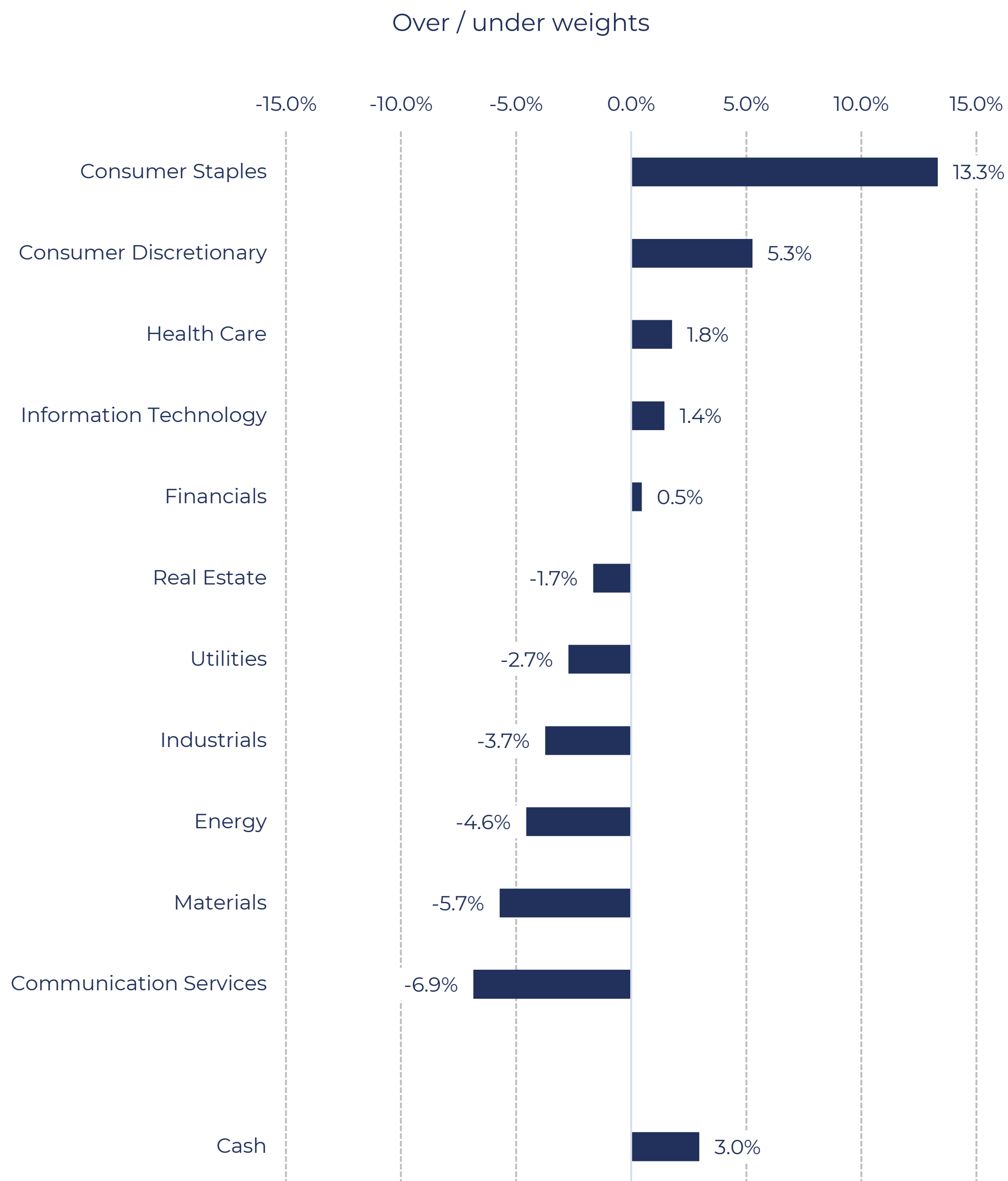
Source: Bloomberg. Data as of 31.12.2024

(Other category refers to an India ETF held for the first six months of the Fund's life which was replaced by direct Indian holdings once local market access was granted.)

Benchmark relative weights are as follows:



Source: Bloomberg. Data as of 31.12.2024



Source: Bloomberg. Data as of 31.12.2024

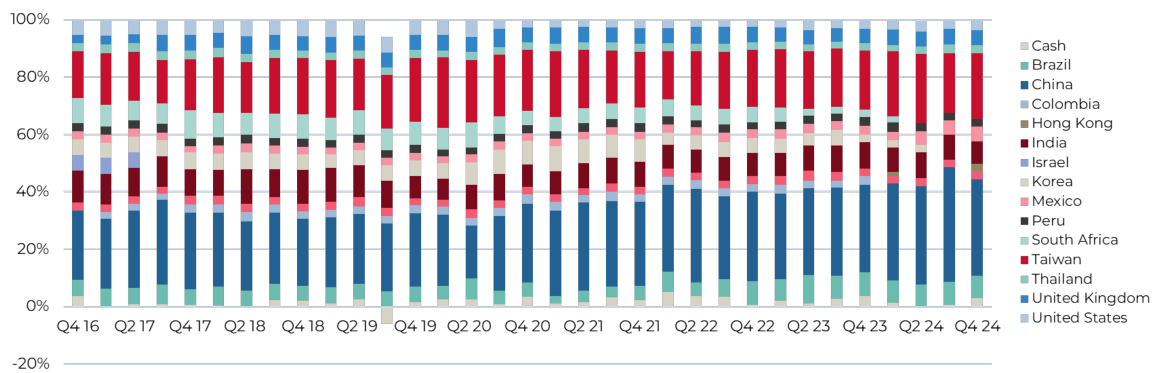
The fund is significantly overweight Consumer Staples, as well as the Consumer Discretionary, Health Care, Information Technology and Financials sectors. The fund has no holdings in the materials, energy, utilities or real estate sectors, and is also underweight communication services and industrials.

By *number* of companies, our exposure at the end of 2024 and the preceding seven years was as follows:

	2024	2023	2022	2021	2020	2019	2018	2017
Financials	9	10	10	9	9	9	10	9
Information Technology	9	9	9	9	9	11	10	11
Consumer Discretionary	7	7	6	7	7	6	6	6
Consumer Staples	7	5	7	8	7	6	6	6
Health care	2	2	2	1	2	2	2	2
Communication Services	1	1	1	1	1	1	1	1
Industrials	1	1	1	1	1	1	1	1
Energy	0	0	0	0	0	0	0	0
Materials	0	0	0	0	0	0	0	0
Real Estate	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0
Total	36	35	36	36	36	36	36	36

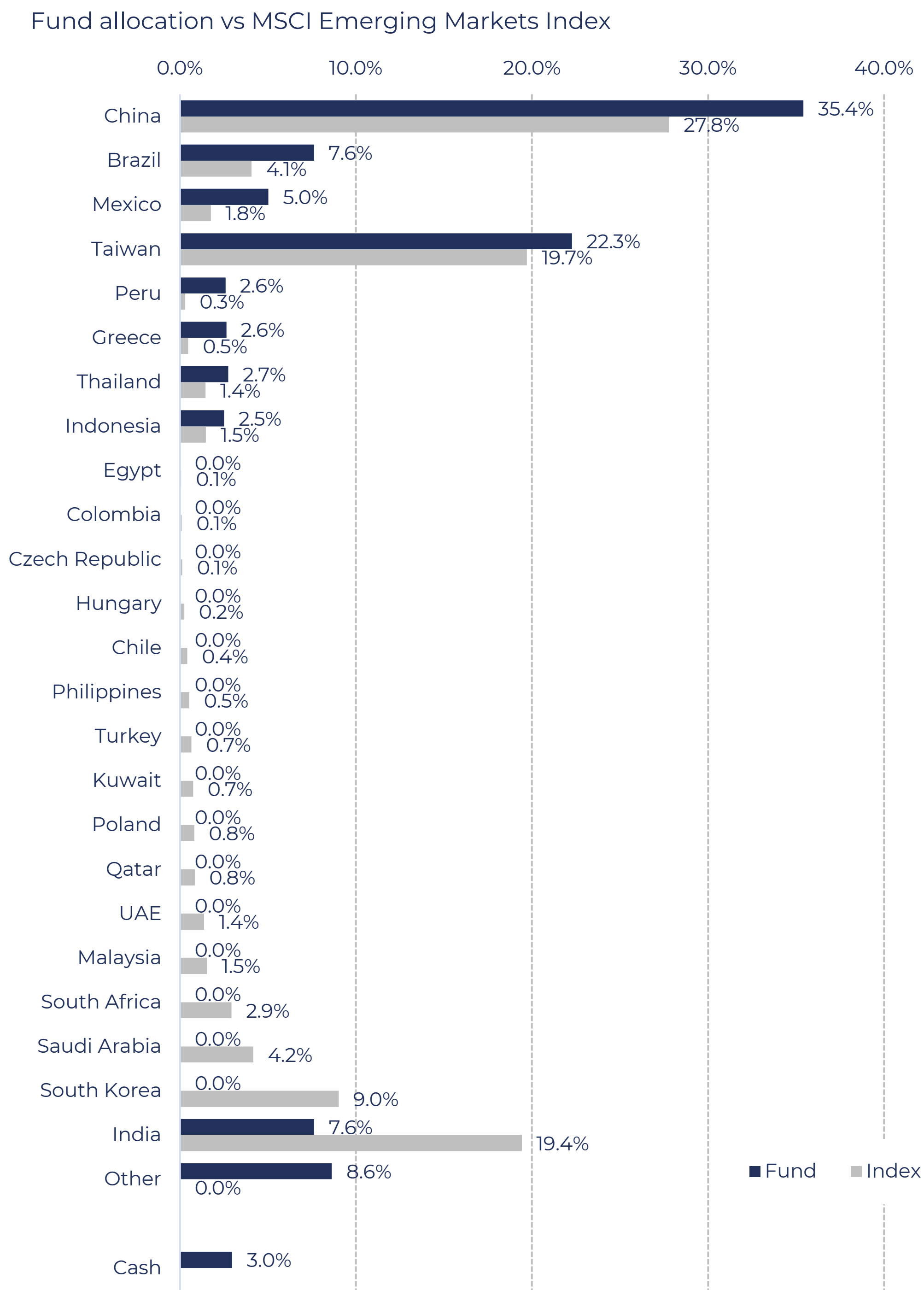
The effect of the switches during the year was to increase exposure to Consumer Staples by two positions (2.75% at neutral weight) and to decrease exposure to Financials by one position.

Fund breakdown by country:

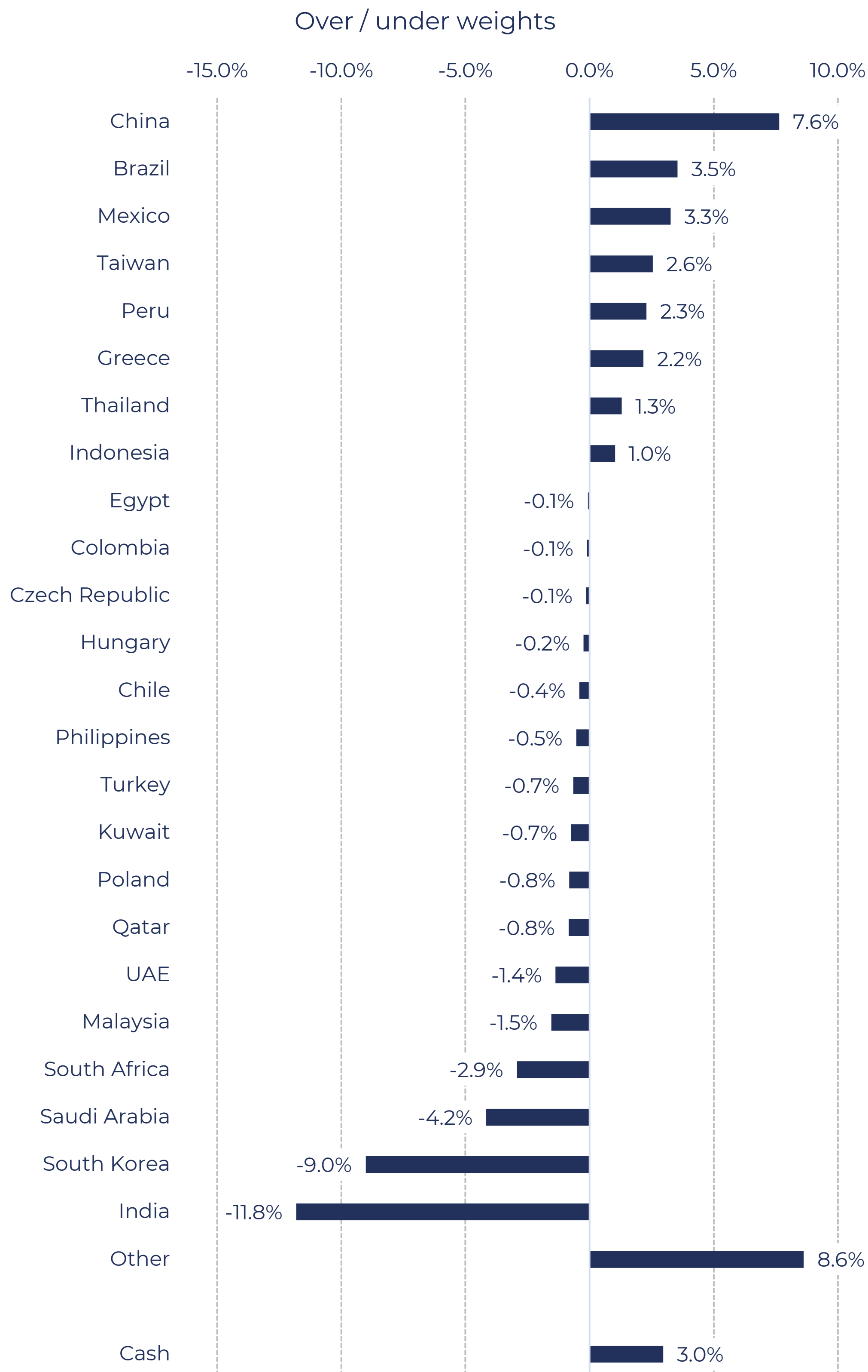


Source: Bloomberg. Data as of 31.12.2024

Benchmark relative weights are as follows:



Source: Bloomberg. Data as of 31.12.2024



Source: Bloomberg. Data as of 31.12.2024

The fund's biggest overweights are to China, Brazil, Mexico, Taiwan, and the 'other' category – this reflects the fund's two UK holdings and one US holding that all derive more than 50% of their revenue from emerging markets. The biggest underweights are to India, South Korea and Saudi Arabia.

Again, by *number* of companies, our exposure at year-end 2024 and the preceding seven years was as follows:

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
China	13	12	11	11	10	9	9	9
Taiwan	8	7	7	7	8	8	7	7
India	3	3	3	3	3	3	4	4
Brazil	3	3	3	2	2	2	2	2
Mexico	2	1	1	1	1	1	1	1
Greece	1	1	1	1	1	1	1	1
Peru	1	1	1	1	1	1	1	1
Thailand	1	1	1	1	1	1	1	1
Indonesia	1	0	0	0	0	0	0	0
Korea	0	1	2	3	3	2	2	2
South Africa	0	1	2	2	2	3	3	3
Colombia	0	1	1	1	1	1	1	1
Other	3	3	3	3	3	4	4	4
Total	36	35	36	36	36	36	36	36

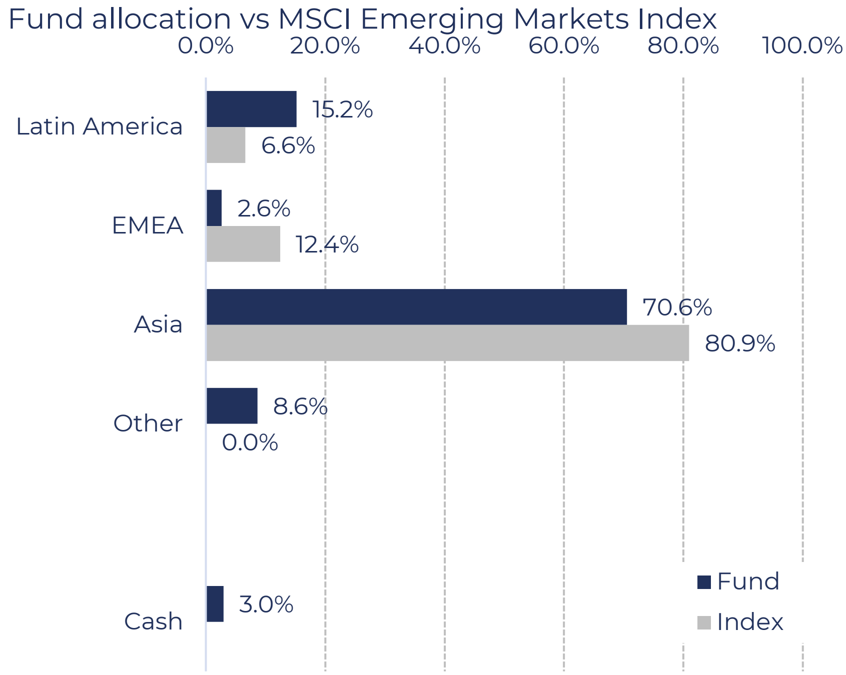
Geographic exposures shifted marginally over the course of the year. The effect of the switches during the year was to increase exposure to China, Taiwan and Mexico by one position each and reduce exposure to Korea, South Africa and Colombia by one position each.

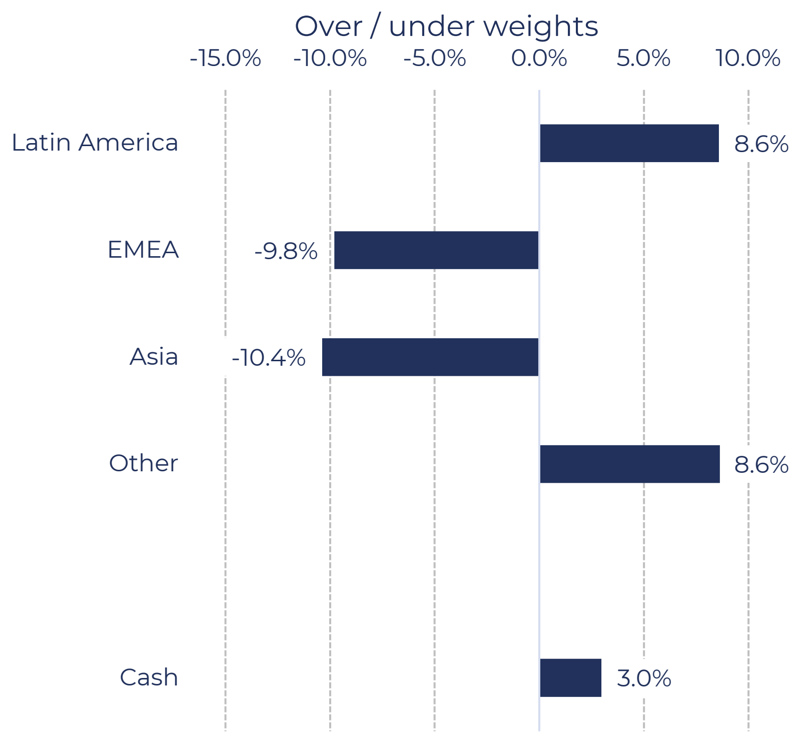
From a regional perspective, the position at year-end was as follows:

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Asia	26	24	24	25	25	23	23	23
Latin America	6	6	6	5	5	5	5	5
EMEA	1	2	3	3	3	4	4	4
Other	3	3	3	3	3	4	4	4
Total	36	35	36	36	36	36	36	36

The net effect of the switches was to increase exposure to Asia by two positions and reduce the exposure to EMEA by one position.

Benchmark relative weights are as follows:





Source: Bloomberg. Data as of 31.12.2024

OUTLOOK

Our overriding comment is that our outlook for global emerging markets contends with many diverse economies – all with their own strengths and challenges. Nevertheless, we think the fund's focus on quality, dividend-paying companies at attractive valuations will be supportive of long-term returns to shareholders.

Following the outcome of the US election in November, we remain focused on the impact of a Tump presidency on emerging markets, with the direct effects likely to be centered around the US-China relationship and the policy towards China, and also the trading relationship between the US and Mexico.

On China, the stimulus measures that we saw announced in 2024 are likely to continue to have a positive effect, and the direction of travel in terms of further stimulus seems almost inevitable. We sense that more details will be made clear once policymakers have had a chance to gauge the future US-China relationship under Trump.

This time around, China has had time to adjust and adapt to a more uncertain environment in trade relations. One area we will continue to watch is expansion of production capacity overseas, which is particularly relevant in the electric vehicle industry, where China has rapidly developed cars of a quality that can rival western manufacturers at lower prices.

Within China, we think that low valuations provide opportunities to invest in quality businesses – those that have a track record of generating strong returns on capital, persistently overtime.

India's stock market has attracted higher stock valuations, although there are early signs that the economy has started to lose steam, which could cause valuations to correct downwards. Our value discipline helps to ensure that we will not overpay for anticipated future growth, which has meant we have until recently found relatively few opportunities to invest in India – although this could start to change.

In Latin America, the outlook in Brazil is impacted by the fiscal situation there, and the impact begin felt though the weaker currency. The fund's holdings in Brazil have mainly domestic exposure, so the impact is felt mostly at the stock return level. We are hopeful that the market reaction will prompt a reworking of plans to curb spending.

And our holdings listed in Mexico have diversified consumer exposure across Latin America, and so are relatively well-insulated from the cross-border trade that is likely to be the subject of any future tariffs by the US.

Given the multiple uncertainties that we face at this juncture, and the ability for multiple different scenarios to unfold, we believe that a focus on individual companies and their ability to sustain strong operating and financial results is now more important than ever.

The emphasis we place on the underlying quality of a business, earning high returns on capital and generating cash, provides the underpinning for rewarding shareholders with dividends while seeking to compound their earnings over the long term. It is this combination, embedded in an equally-weighted portfolio, that we believe works particularly well in an emerging market context, and provides investors with access to a disciplined strategy with which they can navigate an uncertain environment.

Portfolio Managers

Edmund Harriss
Mark Hammonds

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - FUND FACTS

Fund size	$10.3m
Fund launch	23.12.2016
OCF	0.89%
Benchmark	MSCI Emerging Markets TR
Historic yield	3.8% (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.

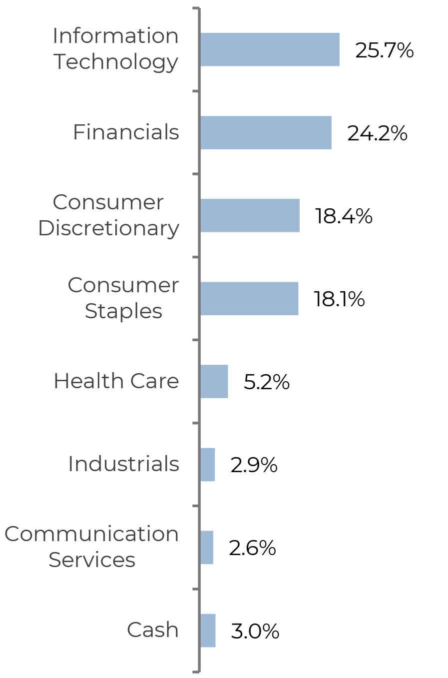
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

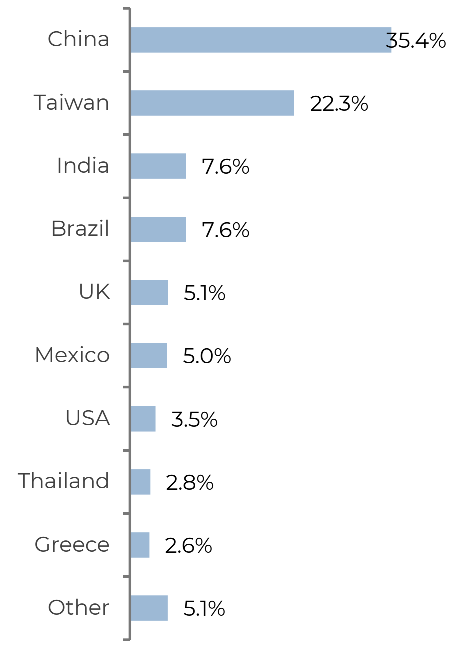
Broadcom	3.5%
Elite Material	3.1%
ICBC	3.0%
Largan Precision	2.9%
China Merchants Bank	2.9%
Haitian International Holdings	2.9%
Catcher Technology	2.8%
Shenzhou International	2.8%
Novatek Microelectronics	2.8%
Taiwan Semiconductor	2.8%

Top 10 holdings	29.5%
Number of holdings	36

Sector



Country



Past performance does not predict future returns.

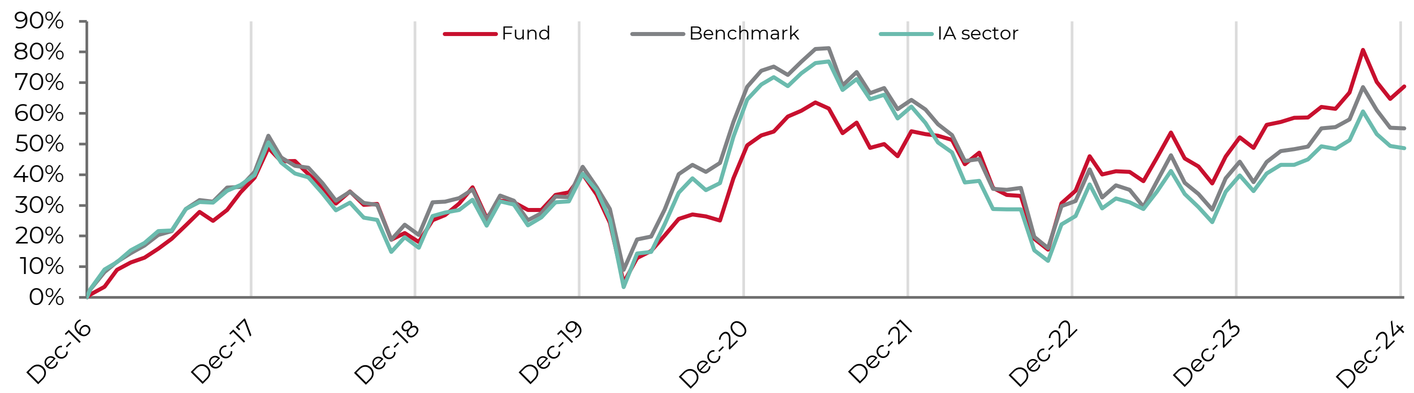
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.0%	+12.9%	+12.9%	+18.4%	+27.3%	-
MSCI Emerging Markets TR	+1.4%	+9.4%	+9.4%	+2.0%	+15.1%	-
IA Global Emerging Markets TR	+1.0%	+8.2%	+8.2%	-0.9%	+12.1%	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.5%	+10.9%	+10.9%	+9.5%	+20.4%	-
MSCI Emerging Markets TR	-0.1%	+7.5%	+7.5%	-5.7%	+8.8%	-
IA Global Emerging Markets TR	-0.5%	+6.3%	+6.3%	-8.4%	+6.0%	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+4.6%	+18.3%	+18.3%	+20.3%	+30.4%	-
MSCI Emerging Markets TR	+1.9%	+14.7%	+14.7%	+3.6%	+17.9%	-
IA Global Emerging Markets TR	+1.5%	+13.4%	+13.4%	+0.7%	+14.9%	-

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+12.9%	+6.6%	-1.6%	+4.0%	+3.4%	+14.2%	-9.8%	+25.8%	-	-
MSCI Emerging Markets TR	+9.4%	+3.6%	-10.0%	-1.6%	+14.7%	+13.9%	-9.3%	+25.4%	-	-
IA Global Emerging Markets TR	+8.2%	+4.3%	-12.2%	-0.5%	+13.7%	+16.0%	-11.8%	+24.4%	-	-
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+10.9%	+12.9%	-12.6%	+3.1%	+6.7%	+18.8%	-15.1%	+37.7%	-	-
MSCI Emerging Markets TR	+7.5%	+9.8%	-20.1%	-2.5%	+18.3%	+18.4%	-14.6%	+37.3%	-	-
IA Global Emerging Markets TR	+6.3%	+10.5%	-22.0%	-1.4%	+17.3%	+20.7%	-16.9%	+36.2%	-	-
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+18.3%	+9.1%	-6.8%	+10.9%	-2.2%	+20.9%	-10.8%	+20.9%	-	-
MSCI Emerging Markets TR	+14.7%	+6.1%	-14.9%	+4.9%	+8.5%	+20.6%	-10.3%	+20.6%	-	-
IA Global Emerging Markets TR	+13.4%	+6.8%	-16.9%	+6.1%	+7.6%	+22.9%	-12.8%	+19.7%	-	-

GUINNESS EMERGING MARKETS EQUITY INCOME 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 0.89%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

IMPORTANT INFORMATION

Issued by Guinness Global Investors, 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 equities and equity markets invested in by the Guinness Emerging Markets Equity Income 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.

Documentation
The documentation needed to make an investment, including the Prospectus, Supplement, 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.

Telephone calls will be recorded and monitored