Guinness Global Equity Income

Investment Commentary – February 2025

RISK

This is a marketing communication. Please refer to the prospectus, 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

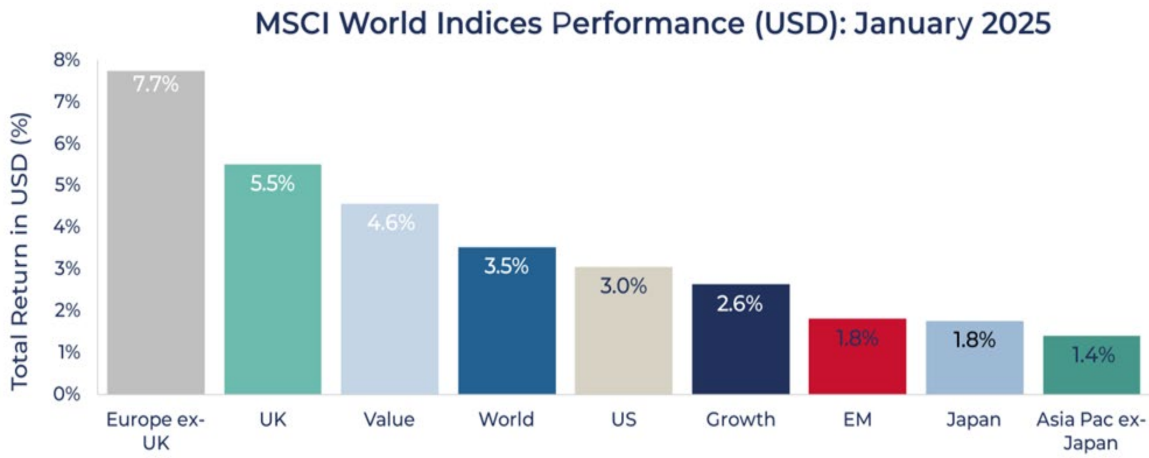
COMMENTARY

In January, the Guinness Global Equity Income Fund returned 3.9% (in GBP), the MSCI World Index returned 4.4%, and the IA Global Equity Income sector average return was 5.0%. The Fund therefore underperformed the Index by 0.5 percentage points and underperformed its peer group by 1.1 percentage points.

Markets had an eventful start to the year with the inauguration of President Trump, a jolt to the technology sector following the emergence of Chinese AI company DeepSeek, and the looming threat of tariffs on global trade. Against this backdrop of uncertainty, equities produced broadly positive returns and markets rotated away from Growth (+2.6% in USD) towards more Value-oriented areas of the market (+4.6%), the latter outperforming by 2% over the month.

Ending a streak of underperformance, European equities were best performing market globally (+7.7% in USD) thanks to improving macroeconomic data and strength in the Financials and Consumer Discretionary sectors. US equity markets continued to deliver positive performance (+3.0%), buoyed by President Trump's promises of deregulation and tax cuts. However, with the large concentration in the IT sector, the sell-off in large-cap tech companies following DeepSeek's announcement weighed heavily on the main indices towards the end of the month. Given the significance of this event, this commentary delves into the DeepSeek LLM, explains the technological breakthroughs in greater detail and outlines the implications for the AI market. We will also look at the changing investor narratives, the associated winners and losers and, finally, what this meant for the Fund.

PERFORMANCE



Source: Bloomberg; as of 31st January 2025

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

- From an asset allocation perspective, the Fund's overweight to Consumer Staples acted as a headwind, as the sector underperformed the benchmark by 0.6%. Additionally, weaker performance from the Fund's Consumer Staples was also a drag as Diageo (-5.4% USD) and Mondelez (-2.9% USD) saw weaker performance, given ongoing supply chain issues and the looming threat of tariffs.

- Further, the Fund's underweight allocation to Communication Services acted as a detractor to performance as the sector was the top performer, returning +8.8% over the month.

- However, the Fund benefited from an underweight allocation to IT as the sector saw weaker performance, largely a result of the DeepSeek announcement. The Fund also benefited from positive stock selection as off-benchmark name TSMC returned +6.0% vs -1.5% for the broader IT sector.

It is pleasing to see that the Fund has outperformed the IA Global Equity Income sector 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 31.01.2025	YTD	1 year	3 years	5 years	10 years*	Launch*
Guinness Global Equity Income Y Dis GBP	3.9	18.2	37.3	76.9	198.7	363.2
MSCI World	4.4	24.4	41.9	87.6	229.0	389.7
IA Global Equity Income (average)	5.0	15.6	29.7	54.8	130.8	228.3
IA Global Equity Income (ranking)	^	16/53	11/50	9/45	6/31	2/13
IA Global Equity Income (quartile)	^	2	1	1	1	1

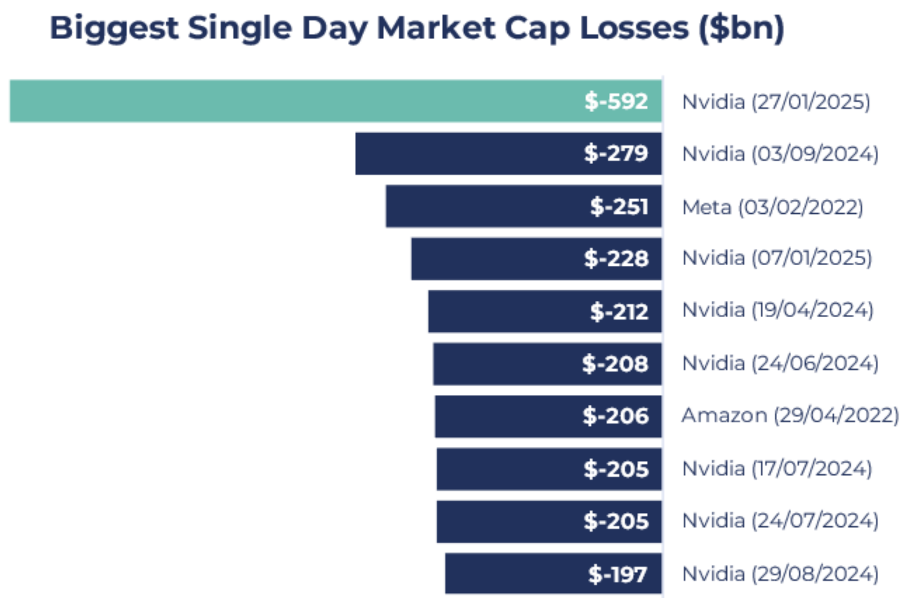
Source: FE fundinfo. Fund launched on 31st December 2010. Performance prior to the launch date of the Class Y class (11.03.15) is a composite simulation for Class Y performance based on the actual performance of the Fund's E class (1.24% OCF), which has existed since the Fund's launch on 31.12.10. The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

JANUARY IN REVIEW

DeepSeek: a Primer

DeepSeek is an AI start-up founded in 2023 by Liang Wenfeng, employing just c.150 people and backed by 'High-Flyer', a Chinese quant hedge fund. DeepSeek previously released a base Large Language Model (LLM), called V3, in December 2024, but the big news that rocked markets came towards the end of January when it published its latest 'R1' reasoning model. This model took a big step forward from a technical perspective, displaying performance on par with the cutting-edge US models, but (supposedly) costing just a fraction of the amount to train. This sent shockwaves through equity markets, wiping out nearly a trillion dollars in US technology value and Nvidia losing close to $600bn in market cap, the largest single-day loss in history. Whilst equities have since recouped some of these losses, the news raised questions about the future trajectory of AI and caused investors to weigh up several potential investment implications.



Source: Bloomberg; as of 31st January 2025

Models: Base vs Reasoning

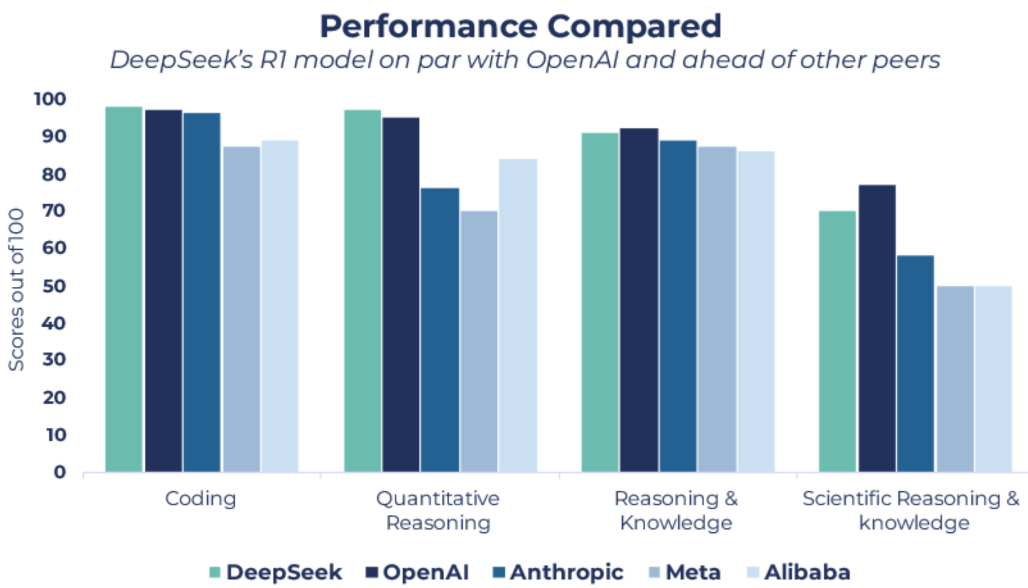
DeepSeek claims its base model (V3) was trained on a mere 2,000 H800 Nvidia chips at a cost of just $5.6m, an order of magnitude less than current leading US models. DeepSeek achieved this by using efficient algorithms, optimised hardware, strategic graphical processing unit (GPU) allocation, and an AI training technique called Mixture of Experts that substantially improves computational efficiency. Some speculation suggests DeepSeek used more compute than they claim, possibly even export-restricted H100s, but there is no hard evidence for this. Nonetheless, it's important to stress that the $5.6m figure has been slightly misunderstood, as it simply refers to the cost of the final model training run (and doesn't include the cost of buying the compute cluster, prior research costs, staff salaries, data processing, etc). Even so, the model was still far cheaper than the existing US competitors.

DeepSeek also released an updated R1 'reasoning model' in January – a distilled, more efficient version of its V3 base model. In this process, knowledge from the complex V3 is transferred to a smaller model that retains key functionality but lowers computational demands. While DeepSeek did not disclose R1's cost, it is also believed to be an order of magnitude cheaper than its counterpart's reasoning model (OpenAI's o1). Crucially, DeepSeek models are all open-sourced, granting developers and researchers free access to modify and use them. Currently, only Meta (Llama) and Alibaba (Qwen) offer open-source models, while most leading providers (OpenAI, Gemini, Anthropic, Perplexity AI) remain closed-source and behind a paywall.

What was the breakthrough?

DeepSeek addressed a significant AI challenge: enabling models to reason step-by-step. Traditionally, LLMs have been trained on a very compute-intensive process called supervised learning, where models are fed immense quantities of labelled data and then match inputs to correctly labelled outputs. In contrast, DeepSeek's reasoning model was accomplished using a technique called reinforcement learning, where responses are fine-tuned by rewarding accurate outputs and penalising mistakes. This approach mimics human reasoning by breaking tasks into intuitive, process-driven steps and giving feedback at each step of the way. In simplified terms, it's like teaching someone how to write intuitively via feedback instead of getting them to memorise every single word ever written.

Although OpenAI introduced a reasoning model in September 2024, DeepSeek became only the second firm to do so, matching OpenAI's performance (see chart below) at a fraction of the cost. It also surprised many that a Chinese competitor had made such a big leap forward in LLM technology, when it was widely held that China was years behind the US.



Source: Guinness Global Investors, Artificial Analysis; as of 31st January 2025

Note: Models used OpenAI (o1), Alibaba (Qwen 2.5 72B), Meta (Llama 3.1 405B), Anthropic (Claude 3.5). Tests used are HumanEval, MATH-500, MMLU, GPQA Diamond.

What are the implications: training vs inference?

Training is the process where an AI model learns by analysing massive amounts of data and adjusting its internal parameters, while inferencing refers to the trained model applying that knowledge to make real-time and real-world predictions on new, unseen data. If DeepSeek has pioneered a way to create lower-cost models, increased training competition from upstarts could emerge. Because of the huge demand for the latest chips used in cutting-edge AI training (primarily Nvidia GPUs), the waiting list can often extend to many months. If LLMs can now be trained using fewer GPUs and at a lower cost, this may enable a wider range of market participants to access these chips, leading to greater model creation and perhaps even the commoditisation of LLMs. This is especially the case if open-source models (like DeepSeek) can provide similar performance without sitting behind a closed-source paywall. It may be the case that companies will differentiate themselves at the application-layer (that which is built on top of LLMs), instead of the pure LLM technology itself.

Source: MSCI, Bloomberg; as of 31st January 2025

Lower training costs and more efficient models might accelerate the uptake in demand for inference, a process that is Lower training costs and more efficient models might accelerate the shift from training to inference, a process that is already underway. Inference is widely believed to have a far larger total addressable market over the long term as it includes a wider range of use cases. These include asking an LLM simple questions to getting autonomous vehicles to process live data in real time. LLMs that are less power-hungry will be able to operate on a greater number of so-called 'edge devices' (devices that process data near the source such as phones, cars, or wearable accessories) and will aid the move to inference. As a result, we may see value creation shift away from the 'AI enablers' (those that provide the foundational AI infrastructure) towards the 'AI integrators' (those that provide software, applications and services built on top of that infrastructure). The chart above shows the January performance of these two groups and in particular the sharp divergence after the DeepSeek announcement. While the initial market reaction suggests Integrators may emerge as a beneficiary of cheaper and more efficient models, there is clearly still a wide range of opportunities at many stages of the AI value chain.

What does this mean for AI capital expenditure?

Despite the DeepSeek news, hyperscalers continue to spend heavily on AI infrastructure (at least for the time being). Microsoft are leading the charge, forecasting $80bn of capital expenditure (capex) in 2025, with Meta calling for $60-$65bn this year, and Oracle, Softbank, and OpenAI recently announcing long-term investments of up to $500bn via the Stargate Project. This capex is generally split between compute (e.g. buying Nvidia GPUs or Broadcom ASICs) and infrastructure (the physical data centres that store, process, and distribute the data). If training and inference are becoming more efficient, then some argue that hyperscalers will reduce their overall capex spend and right-size their infrastructure footprint. However, we believe it is more likely that a huge uptake in inferencing will more than offset any potential fall in training (see above). This view has been corroborated by recent earnings releases which indicate a continued commitment to large-scale capex spend:

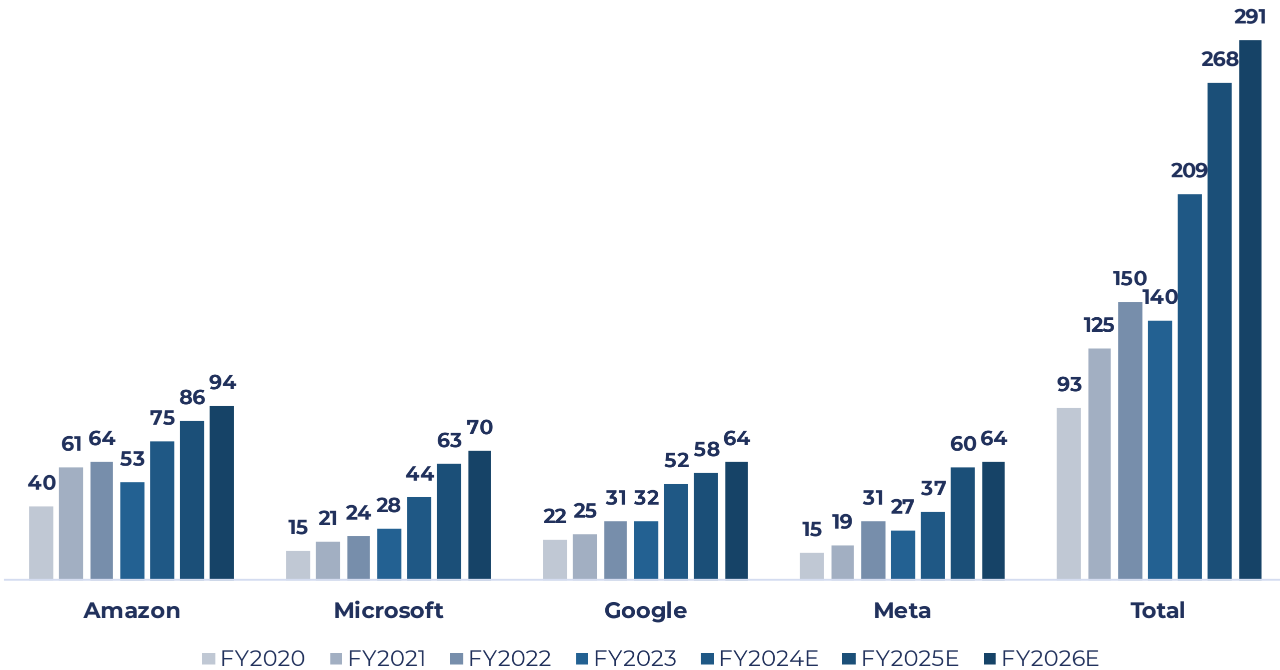
Meta CEO, Mark Zuckerberg: "We continue to believe heavily investing in the company's AI infrastructure will be a strategic advantage… It's possible that we'll learn otherwise at some point, but I just think it's way too early to call that."

Meta

Microsoft CEO, Satya Nadella commented on their balanced approach to building infrastructure: "We are building a pretty fungible fleet … and making sure that there's the right balance between training and inference." He also noted that their capex spend will be enduring: "You don't want to buy too much of anything at one time… you want to continuously upgrade the fleet, modernize the fleet, age the fleet and, at the end of the day, have the right ratio [of capex to demand]"

Moreover, whilst DeepSeek does point to a step change in the efficiency of models, there has been an ongoing optimisation cycle in the world of LLMs. Initially, firms were in a rush to get models to market with no focus on cost. However, over the past year, OpenAI has refined its models and optimised training cost (GPT4 cost less than GPT3.5 which in turn cost less than GPT3). Some estimates suggest that algorithmic progress improves fourfold each year, meaning that with each passing year, achieving the same capabilities requires only a quarter of the compute previously needed. The market was already aware of this optimisation cycle and yet the hyperscalers continue to increase their capex (see chart below). This should give investors some solace (or concern) that large-scale capex is likely to continue for the foreseeable future, even if there is some rationalisation of spend at the margins.

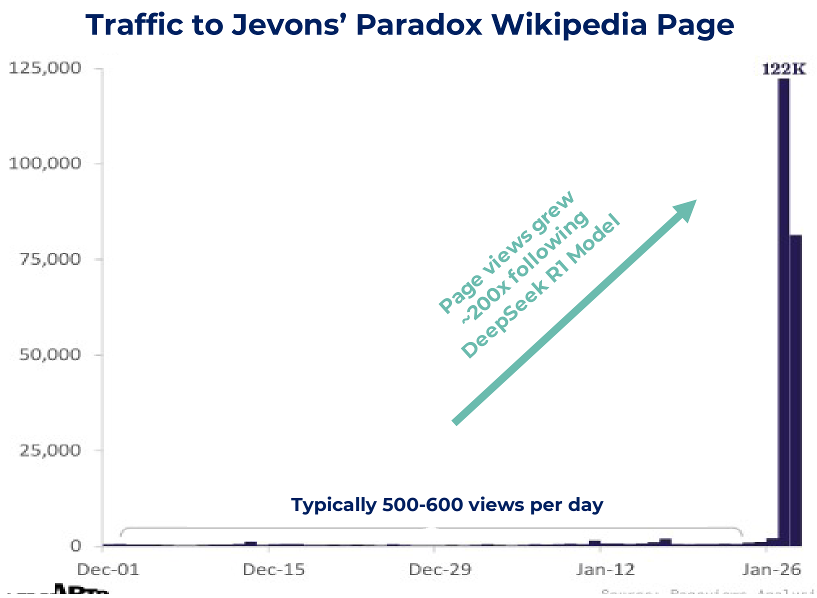
Hyperscalers' Capex ($bn)



Source: Bloomberg; as of 31st January 2025

Note: Data takes consensus estimates until the end of January 2025. Expectations have shifted at time of writing given earnings reports in early February

What does this mean for the long-term AI story?

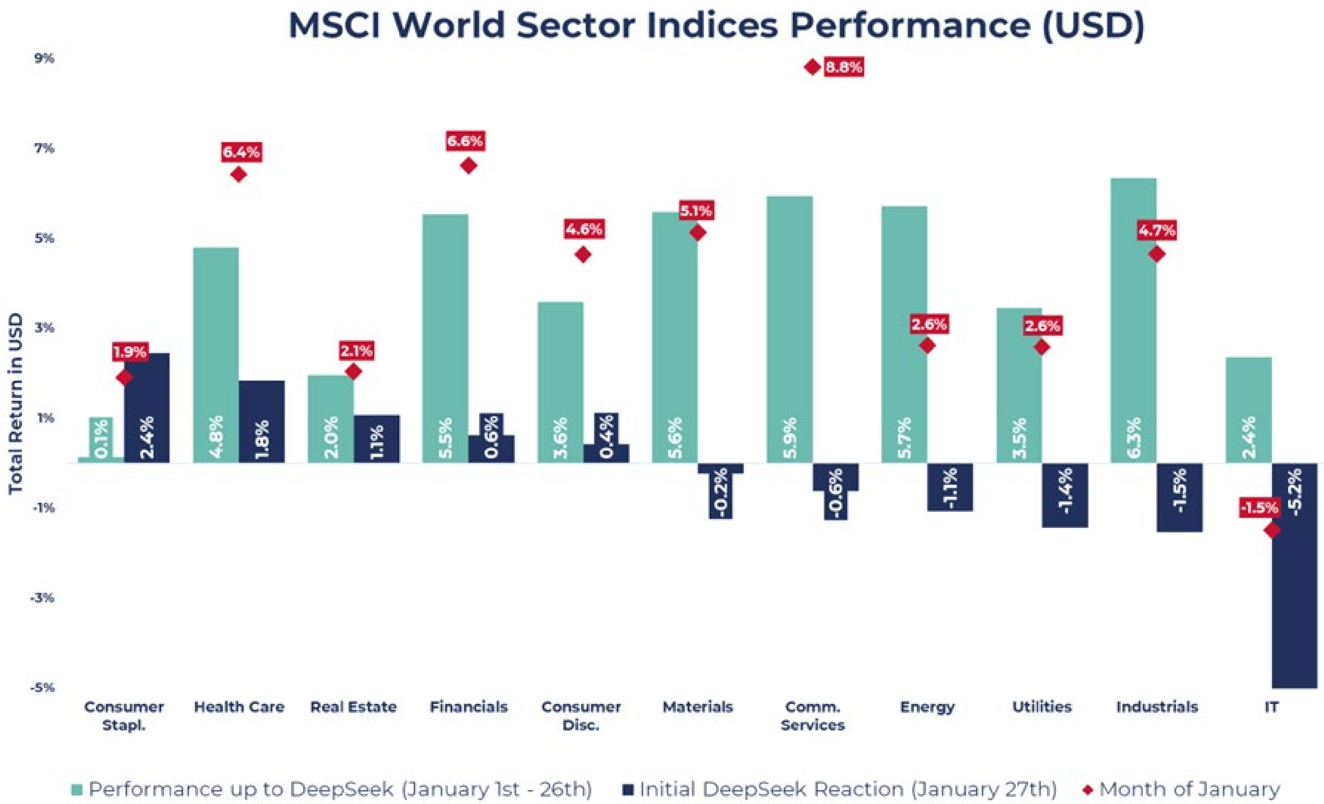


Sources: Chartr, PageViews Analysis, SemiAnalysis; as of 31st January 2025

The long-term implications of the DeepSeek model are far from certain and, given the pace of AI developments, will likely play out in ways that can't be foreseen. This has allowed both pessimists and optimists to enlist the DeepSeek news in support of their positions. For those that thought the AI theme was overhyped, the market news over January reinforced their viewpoint. Conversely, many have sought to strengthen the bull case by citing Jevons' Paradox, which states that increased efficiency in resource use can lead to higher overall consumption (not a reduction) because lower costs will drive more use cases and therefore greater overall demand. With regards to compute, the argument here is that more efficient AI models will lead to a cheaper cost of use, and therefore more organisations can run AI (largely through inferencing), which will lead to a steeper adoption curve. Looking back over 50 years and further, ever since the advent of the microprocessor, there has never been a lack of demand for compute. More powerful machines (and therefore more abundant compute) have always been used to innovate and benefit the end consumer across a wide range of use cases. The chart above shows the growing popularity in Jevons' Paradox, and this may yet continue to hold true.

Market Reaction: who were the winners and losers?

The chart below shows MSCI World Index returns over January by sector. The bars in green show performance from the start of the month until the DeepSeek announcement and the bar in blue shows the market reaction on the day of the R1 model release (January 24th). As shown, stocks generally performed well over the first part of the month with fairly broad-based gains and positive returns from all sectors. However, on the DeepSeek announcement, performance was much more varied.



Source: Bloomberg, MSCI; as of 31st January 2025

- **Consumer Staples** rallied on the news, largely thanks to a clear rotation away from Growth (-2.8% on the day) to Value (+0.7% on the day). The defensive merits of the sector were clear, particularly given Staples' relatively limited exposure to the AI theme. The strong outperformance from the sector helped the Fund mitigate the broader sell-off.

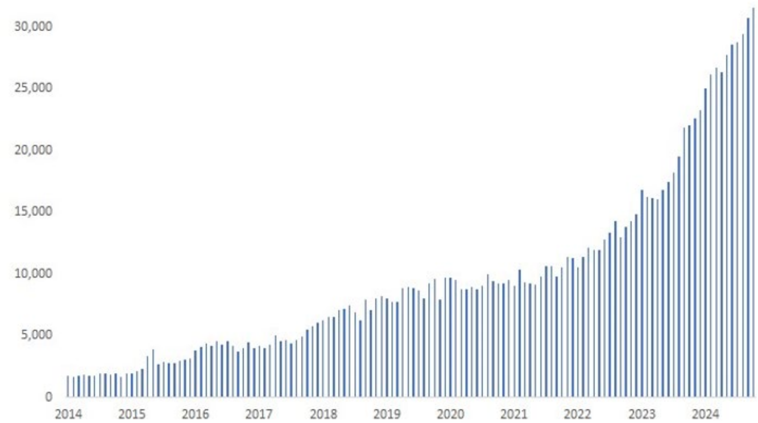
- **Healthcare** was the second-best performing sector on the day and performed well over the rest of January. As a reminder, the Fund remains overweight Healthcare (16.1% allocation vs 10.5% for the index) and this supported performance given the stylistic rotation away from Growth towards Value, particularly later in the month.

- **IT**, unsurprisingly, sold off the most, falling -5.2% on the day and ending the month as the only sector in negative territory. However, within IT there was a very wide spread of winners and losers. Areas that fared worst included semiconductor stocks (with Nvidia falling over -17%) as well as some of the hyperscalers and other IT infrastructure names with exposure to the AI build-out. However, there were also clear winners, with the AI integrators (described above) benefiting from a world where the cost of compute might potentially fall.

- **Industrials** fell -1.5% on the DeepSeek news, but companies with exposure to the electrification build-out fared notably worse as lofty forward growth expectations were repriced. The majority of the Fund's nine Industrial names avoided the worst of the sell-off, but Eaton and Schneider Electric fell -15.6% (USD) and -9.7% (USD) respectively given their higher data centre exposure. That said, both names recovered most of this performance and Schneider ended January in positive territory. While there may be some volatility as we write, we are encouraged that both firms have diversified end markets beyond any one theme and healthy backlogs, which gives us confidence into the forward demand picture. Looking at the industry more broadly, there remains a real need to build out energy infrastructure and avoid power bottlenecks that could hamper AI advancement. The chart below shows long-term US data centre construction activity, which has grown over 20 times in the past decade. Even if there are some capex changes at the margins, it seems very premature to assume a significant pullback in long-term infrastructure spend.

US data centre construction activity ($m)

2014-2024, seasonally adjusted annual rate

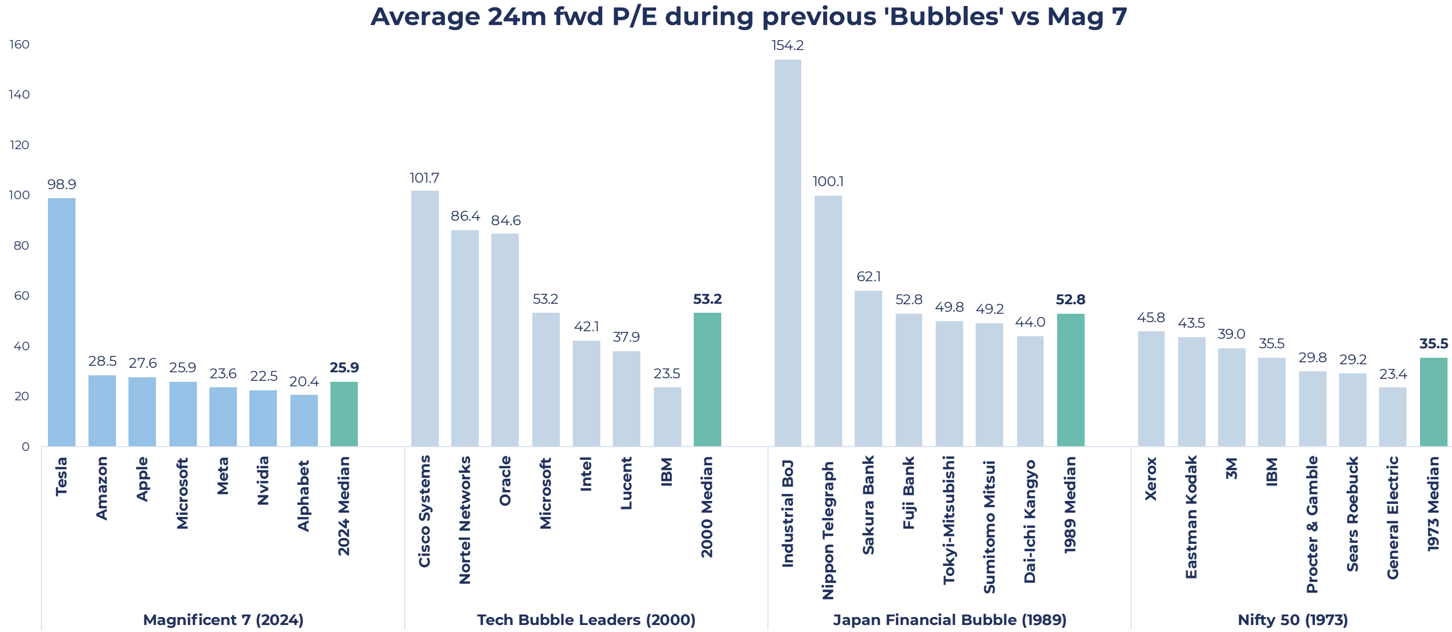


Source: Morgan Stanley Research, Factset; as of 31st January 2025

Is this the bursting of the AI bubble?

Some fear that the sell-off in January could lead to a further unwinding of the AI-exposed tech names and impact Growth stocks more broadly. While there may well be a repricing of forward growth expectations, we would note that the AI-associated growth outlook still remains healthy. Take for example, the much-discussed Magnificent 7. We have shown the chart below in a previous commentary, but the updated version demonstrates that these businesses still look reasonably priced on a 2-year forward basis given a strong earnings growth pipeline. Their current 2-year forward median price-earnings ratio (P/E) stands at 25.9, far below the previous three market bubbles, giving us confidence that despite their run up, valuations are not excessive. Their strong recent performance has therefore been driven largely by fundamentals (revenue growth, margin expansion, free cash flow improvements) as opposed to pure multiple expansion, as was the case in previous bubble environments.

Average 24m fwd P/E during previous 'Bubbles' vs Mag 7



Source: Guinness Global Investors, Goldman Sachs, Bloomberg as of 31st January 2025

FUND AI EXPOSURE

The table below displays the Fund's revenue exposure by sector to the wider AI theme. In some cases, an overweight exposure to AI was a headwind during the January sell-off, particularly for some IT and Industrial names. However, in many cases, the news also presents a large opportunity, such as for US chip giant Broadcom, which sells ASICs, a custom networking and broadband chip that powers data centres and cloud infrastructure. Many believe that lower compute models may allow more inferencing workloads to run on ASICs, potentially boosting demand for Broadcom's products. Additionally, some of the Fund's AI-exposed names fit into the AI integrators category which (described above) which may benefit from cheaper, open-sourced models. Some less well-known names in the portfolio include Publicis, the French media & advertising agency, which is leveraging AI across its digital marketing and advertising platforms to improve ad engagement and better leverage its vast proprietary data sets. This highlights the Fund's diversified exposure to the AI theme across both across sectors and by exposure type (enablers vs integrators). We would point out that these companies make up only a portion of the overall portfolio.

Holdings	Exposure	Description
Semiconductors		
Texas Instruments		Texas Instruments designs and manufactures semiconductors, including analog and embedded processors which incorporate AI into end uses, i.e. AI-enabled radar sensors.
Broadcom Inc		Broadcom provides semiconductor solutions that are critical for high-speed networking, storage, and computing, enabling data centres to handle AI workloads efficiently.
TSMC		TSMC manufactures advanced chips essential for AI acceleration and data centre hardware. Its cutting-edge semiconductor technology supports high-performance computing needs.
Data centre infrastructure		
Emerson Electric		Emerson provides environmental monitoring and power solutions to support the infrastructure needed for high-density AI workloads in data centres.
ABB Ltd		ABB supports AI data centres through its automation and energy management systems, ensuring reliable operation and optimized resource use.
Eaton Corp		Eaton provides power management and uninterruptible power supply (UPS) systems designed to ensure energy efficiency and reliability in AI-intensive data centre environments.
Schneider Electric		Schneider Electric delivers electrical infrastructure solutions, including power distribution and cooling systems, tailored to enhance AI data centre performance.
Networking		
Cisco Systems		Cisco offers networking hardware, software, and solutions designed for high-speed data transfer and low-latency performance in AI-enabled data centres and cloud environments.
Hyperscaler		
Microsoft		Microsoft operates hyperscale data centres that power its Azure cloud platform, a cornerstone for hosting AI workloads and providing scalable computing for machine learning models.
Application		
Publicis		Publicis leverages AI in its advertising and marketing platforms, relying on hyperscale data centres for analytics and targeted campaign execution.

Source: Guinness Global Investors; as of 31st January 2025

On a final note, it is worth reiterating that the equal-weight approach taken in the Guinness Global Equity Income Fund allows us to balance 'letting our winners run' against the prospect of higher stock-specific risk. In practice, this means that we trim stocks that have relatively outperformed and top up positions that have underperformed. We do not do this mechanically, but instead seek to use this principle as a 'guiderail' to prompt discussions, improve decision making, and reduce behavioural biases. This process led us to take profits during the strong run up in many of the IT and Industrial names over the past few years. Although stocks such as TSMC, Broadcom, and Eaton saw large negative moves following the DeepSeek news, due to our ongoing rebalancing, we have roughly the same exposure to these stocks as we did a year ago. This has helped to insulate the Fund from the more pronounced volatility we have seen in markets recently.

PORTFOLIO HOLDINGS

Medtronic, the global MedTech company, ended the month as the Fund's top performer (+13.7% USD). The stock has faced weak investor sentiment in recent years due to a range of headwinds, including supply chain issues and past operational issues. However, the company has seemingly restored faith with a consistent track record of mid-single-digit organic sales growth over the past eight quarters and positive updates in progress. Over the month, at the JP Morgan Annual Healthcare conference, CEO Geoff Martha appeared enthusiastic about the company's pipeline opportunities, citing a positive customer response and physician demand for its PFA (Pulse Field Ablation) therapies. A key announcement was that CMS, an American national health coverage provider, was looking into national coverage for renal denervation, which could expand patient access for Medtronic's products. We were encouraged by Martha's comments, which highlight a focus on improving margins and operational efficiencies, reinforcing our confidence in Medtronic's quality and growth potential.

Roche, the Swiss pharmaceutical and diagnostics firm, performed well (+11.7% USD) over January and posted strong quarterly earnings towards the end of the month. The company had a solid beat of 2% on fourth quarter revenues, (CHF 30.7m vs CHF 30.4m, representing 6% year-on-year growth). Furthermore, FY2024 operating profits grew 14%, showing solid improvement in the firm's core operations. This was driven by strength in its pharma division, with notable strength in the flagship haemophilia drug Hemlibra, arthritis drug Actemra and allergy therapy Xolair. We also note that Roche has emerged from a tougher environment following COVID comparisons, competitive pressures and foreign exchange headwinds. However, Roche's underlying quality in its innovative and diversified portfolio and pipeline are beginning to shine through. Both existing drug sales and new launches should support Roche in achieving its 2025 top-line guidance of mid-single-digit sales growth and high-single digits earnings growth. Alongside this, Roche demonstrated ongoing strength in its diagnostics business, and it remains the market leader, with an exciting range of new instruments and immunoassays in the pipeline, which combine to create an encouraging outlook.

Broadcom, the US semiconductor and infrastructure software & products giant, returned -4.6% (USD) over the month. The stock sold-off c.17% in one day following the emergence of DeepSeek and its R1 model. In the AI race, Broadcom has solidified itself as a key player, providing high-performance semiconductors that support AI infrastructure, networking and data processing. DeepSeek's R1 model, which has emerged as a rival to Open AI's ChatGPT at lower cost, brought fears that future generative AI infrastructure spending could decline as models become cheaper, reducing demand for Broadcom's products. However, the sell-off was arguably overdone and may reflect more general uncertainty around AI stocks rather than idiosyncratic risks for Broadcom itself. Whilst efficiency improvements should bring down costs, investment in hardware AI infrastructure is unlikely to diminish particularly in the near term. Furthermore, Broadcom is a leader in ASICs (application-specific integrated circuits), which are more specialised for a particular task or application compared to a GPU. The commoditisation of AI models driven by lower cost could in fact create upside for ASIC demand. As the focus moves from training models to inferencing, ASICs could be used in tandem with GPUs, accelerating demand for Broadcom products. All in all, the stock's performance this month does not alter our thesis. Broadcom remains well positioned to benefit from AI and broader digitalisation as a market leader in semiconductors and networking.

Diageo had a challenging month declining -4.7% (USD). The world's leading producer of premium spirits continues to grapple with persistent headwinds. The company faces unfavourable consumer trends, including a shift towards lower alcohol consumption driven by health-conscious lifestyles and a weaker discretionary spending environment, which have fuelled investor concerns about the medium-term growth outlook. Over 2024, Diageo's earnings fell short of consensus estimates, with underperformance in the vodka and rum categories more specifically. However, its premiumisation strategy and laddered pricing scheme has encouraged consumers to trade up to more premium brands, helping margins, but also encouraging further brand loyalty. However, the firm's near-term outlook remains uncertain. In January, market speculation emerged of the potential sale of its Guinness brand and stake in Moët Hennessy, though it strongly denied the rumour. In addition, the threat of tariffs under President Trump poses a risk, given that nearly half of US spirits are imported from Mexico and Canada. These challenges have created a tough operating environment, but we have confidence in Diageo's resilience. Its strong track record in navigating tariff increases, coupled with its leading market share across regions and product categories, reinforces its ability to navigate market volatility over the long term.

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
Eric Santa Menargues

GUINNESS GLOBAL EQUITY INCOME FUND - FUND FACTS

Fund size	$6856.7m
Fund launch	31.12.2010
OCF	0.77%
Benchmark	MSCI World TR
Historic yield	2.0% (Y GBP Dist)

Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the latest month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

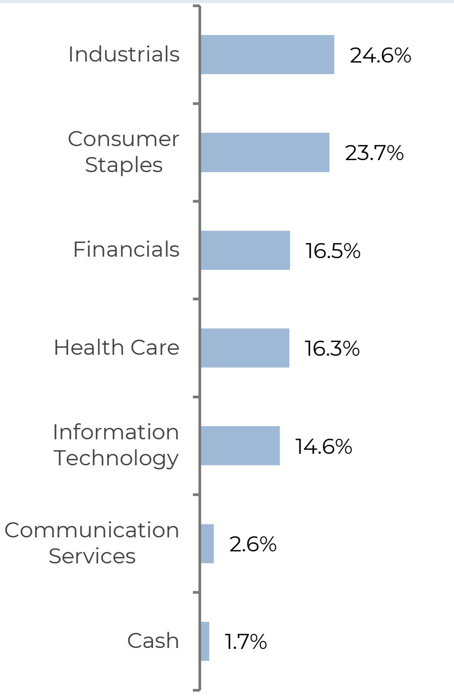
GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

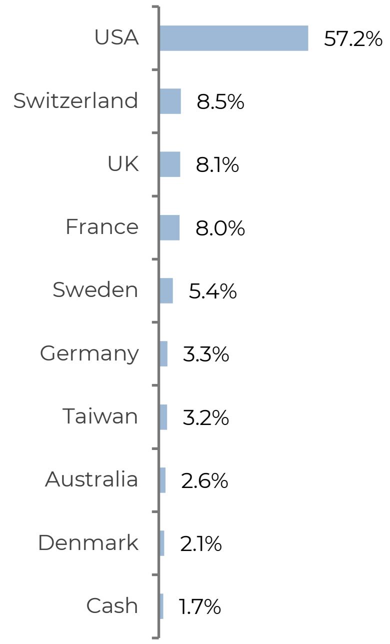
BlackRock	3.6%
Cisco Systems	3.4%
Deutsche Boerse	3.3%
Gallagher, Arthur J	3.3%
Emerson Electric Co	3.2%
Aflac	3.2%
Roche Holding	3.2%
Taiwan Semiconductor	3.2%
Reckitt Benckiser Group	3.2%
CME Group	3.1%

Top 10 holdings	32.8%
Number of holdings	35

Sector



Country



Past performance does not predict future returns.

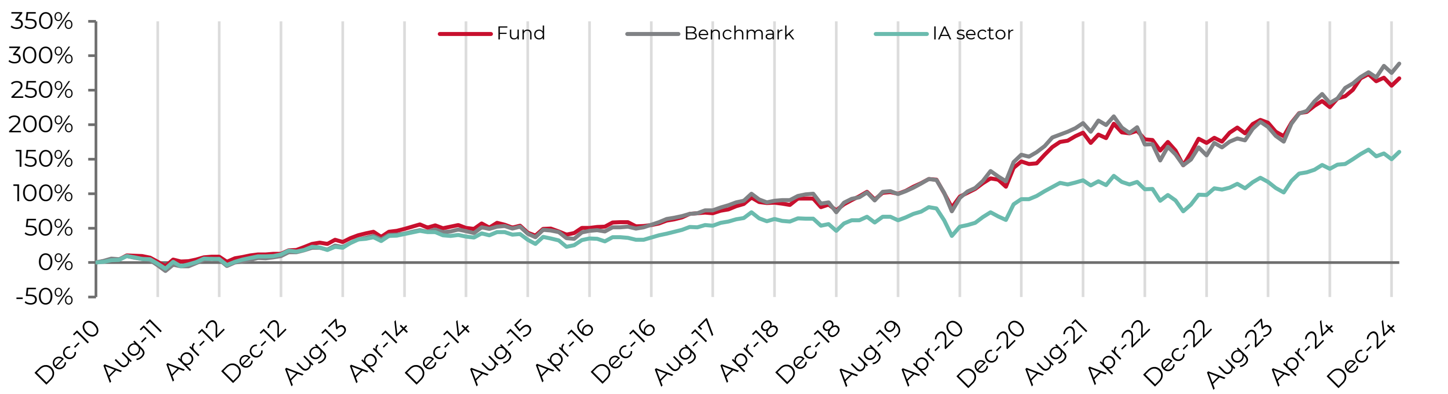
GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.9%	+3.9%	+18.2%	+37.3%	+76.8%	+198.6%
MSCI World TR	+4.4%	+4.4%	+24.4%	+41.9%	+87.6%	+229.0%
IA Global Equity Income TR	+5.0%	+5.0%	+15.6%	+29.7%	+54.8%	+130.8%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+3.1%	+3.1%	+15.3%	+27.2%	+66.7%	+147.1%
MSCI World TR	+3.5%	+3.5%	+21.4%	+31.5%	+76.9%	+172.2%
IA Global Equity Income TR	+4.2%	+4.2%	+12.8%	+20.2%	+45.9%	+90.9%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.7%	+2.7%	+20.5%	+37.1%	+77.7%	+168.6%
MSCI World TR	+3.1%	+3.1%	+26.9%	+41.8%	+88.5%	+195.4%
IA Global Equity Income TR	+3.8%	+3.8%	+17.9%	+29.6%	+55.5%	+107.3%

GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+14.6%	+9.2%	+2.1%	+23.3%	+8.1%	+21.2%	+0.7%	+9.6%	+26.9%	+2.2%
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%
IA Global Equity Income TR	+11.0%	+9.2%	-1.2%	+18.7%	+3.3%	+18.6%	-5.8%	+10.4%	+23.2%	+1.5%
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+12.6%	+15.8%	-9.3%	+22.2%	+11.5%	+26.0%	-5.2%	+20.0%	+6.4%	-3.4%
MSCI World TR	+18.7%	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%
IA Global Equity Income TR	+9.1%	+15.8%	-12.3%	+17.6%	+6.5%	+23.4%	-11.3%	+20.8%	+3.3%	-4.0%
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+20.1%	+11.9%	-3.4%	+31.5%	+2.3%	+28.3%	-0.4%	+5.4%	+9.6%	+7.7%
MSCI World TR	+26.6%	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%
IA Global Equity Income TR	+16.4%	+11.8%	-6.5%	+26.6%	-2.3%	+25.7%	-6.9%	+6.1%	+6.4%	+6.9%

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 31.01.25. 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	£251.4m
Fund launch	09.11.2020
OCF	0.79%
Benchmark	MSCI World TR
Historic yield	2.0% (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.

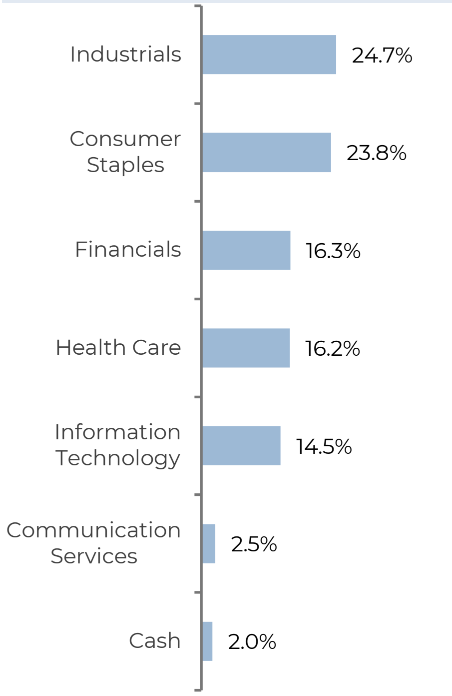
WS GUINNESS GLOBAL EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

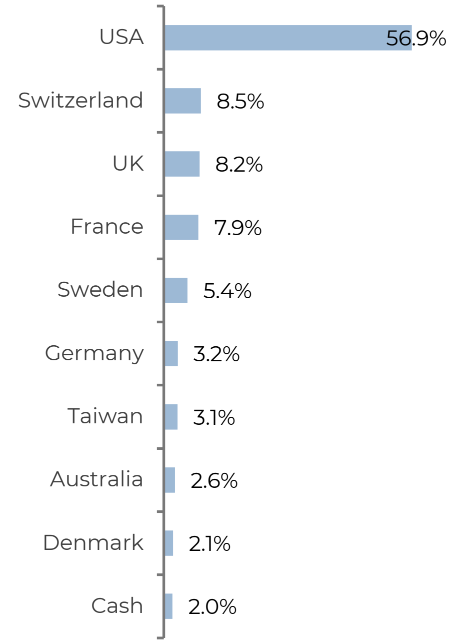
BlackRock	3.6%
Cisco Systems	3.5%
Reckitt Benckiser Group	3.2%
Roche Holding	3.2%
Deutsche Boerse	3.2%
Aflac	3.2%
Gallagher, Arthur J	3.2%
Emerson Electric Co	3.2%
Paychex Inc	3.1%
CME Group	3.1%

Top 10 holdings	32.5%
Number of holdings	35

Sector



Country



GUINNESS GLOBAL INVESTORS

Past performance does not predict future returns.

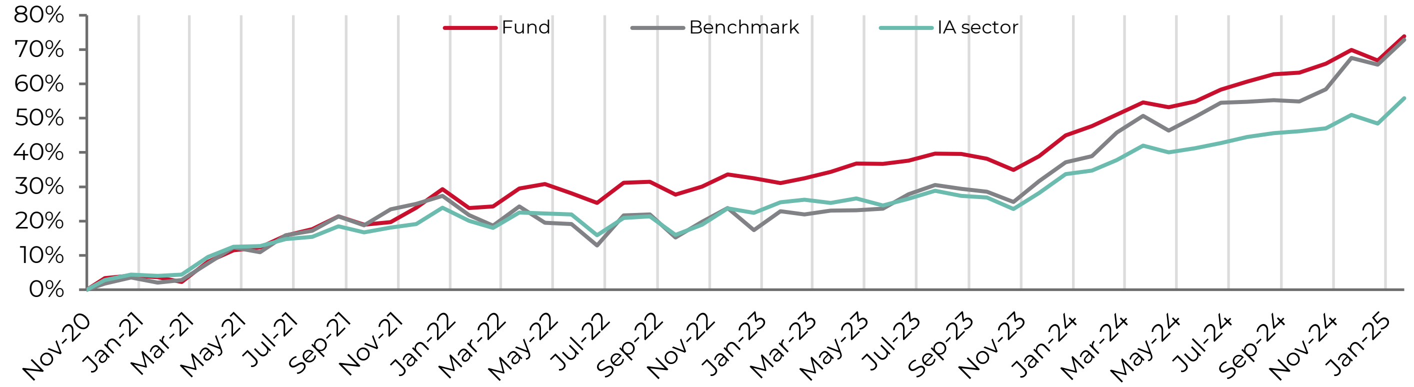
WS GUINNESS GLOBAL EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.2%	+4.2%	+17.8%	+40.4%	-	-
MSCI World TR	+4.4%	+4.4%	+24.4%	+41.9%	-	-
IA Global Equity Income TR	+5.0%	+5.0%	+15.6%	+29.7%	-	-

WS GUINNESS GLOBAL EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+15.1%	+9.5%	+2.4%	+24.3%	-	-	-	-	-	-
MSCI World TR	+20.8%	+16.8%	-7.8%	+22.9%	-	-	-	-	-	-
IA Global Equity Income TR	+11.0%	+9.2%	-1.2%	+18.7%	-	-	-	-	-	-

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



Source: FE fundinfo to 31.01.25. 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.

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

GUINNESS GLOBAL EQUITY INCOME FUND

Documentation

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