Guinness Global Quality Mid Cap

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 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 Funds' documentation, available on our website.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	15.12.2020
Sector	IA Global
Managers	Sagar Thanki, CFA Joseph Stephens, CFA
EU Domiciled	Guinness Global Quality Mid Cap Fund
UK Domiciled	WS Guinness Sustainable Global Equity Fund

INVESTMENT POLICY

The Guinness Global Quality Mid Cap Fund & WS Guinness Sustainable Global Equity Fund are designed to provide exposure to high-quality growth companies benefiting from the transition to a more sustainable economy. The Funds hold a concentrated portfolio of mid-cap companies in any industry and in any region. The Funds are actively managed and use the MSCI World Mid Cap Index & MSCI World Index respectively as comparator benchmarks only.

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COMMENTARY

Over January the Guinness Global Quality Mid Cap Fund returned +3.7% (in USD) whilst the MSCI World Mid Cap Index returned +4.2%, and the MSCI World Index returned +3.5%. The Fund therefore underperformed the MSCI World Mid Cap Index by 0.5 percentage points but outperformed the MSCI World Index by 0.2 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.

MSCI Index Performances: 31/12/24 - 31/01/25 (USD)										
Industry Group		Sectors		Regions		Factors		Market Cap		
Media	9.7%	Communication Services	8.8%	Europe ex-UK	7.4%	Value	4.5%	Mid	4.2%	
Heath Care Equipment & Servi	9.2%	Financials	6.6%	UK	5.5%	MSCI World Equal-Weight	4.0%	Large	3.5%	
Bank	8.2%	Health Care	6.4%	MSCI World	3.5%	Quality	3.9%	Small	3.5%	
Consumer Durables & Apparel	7.6%	Materials	5.1%	North American	3.0%	GS Unprofitable Index	3.8%	Magnificent 7	2.5%	
Diverse Financials	7.1%	Industrials	4.7%	Emerging Markets	1.8%	MSCI World	3.5%			
Retailing	6.9%	Consumer Discretionary	4.6%	Japan	1.6%	Growth	2.6%			
Commercial&Professional Servi	5.2%	MSCI World	3.5%	Asia ex-Japan	1.4%					
Materials	5.1%	Energy	2.6%							
Capital Goods	5.0%	Utilities	2.5%							
Food & Staples Retail	4.9%	Real Estate	2.0%							
Pharma Biotech	4.9%	Consumer Staples	1.9%							
Telecom Services	4.2%	IT	-1.5%							
MSCI World	3.5%									
Software	3.1%									
Consumer Services	2.9%									
Insurance	2.7%									
Energy	2.6%									
Utilities	2.6%									
Transportation	2.4%									
Real Estate	2.1%									
Food Beverage & Tobacco	0.7%									
House & Personal Products	0.5%									
Auto & Components	0.0%									
Technology Hardware	-3.4%									
Semiconductors	-5.0%									

Source: Bloomberg as of 31st January 2025

In January, the Fund's underperformance versus the MSCI World Mid Cap Index can be attributed to the following:

The marginal underperformance versus the benchmark primarily came as a result of the market sell-off on the DeepSeek announcement. On the day, our overweight position to IT and Industrial holdings most exposed to the data centre/AI build-out fell materially. Stocks most affected were Vertiv and Arista Networks. Moving forward, we have seen hyperscalers continue to upgrade capital expenditure guidance for 2025, and believe the sell-off was predominantly a resetting of some of the valuation expansion as opposed to a deterioration in earnings potential.

From an asset allocation perspective, the Fund's underweight allocation to Financials, the second-best performing sector over the month, was a drag on performance.

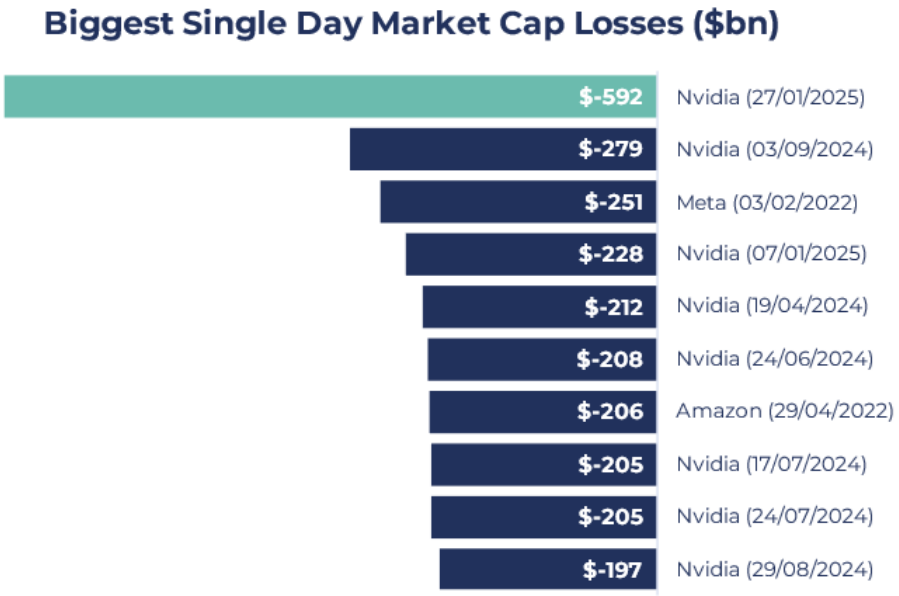
Positively, our exposure to the Healthcare sector was beneficial from both an asset allocation and stock selection perspective. This overweight positioning provided good protection when markets fell on the DeepSeek announcement.

Finally, having zero exposure to four of the five weakest-performing sectors, Staples, Real Estate, Utilities, and Energy, contributed positively to Fund performance.

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

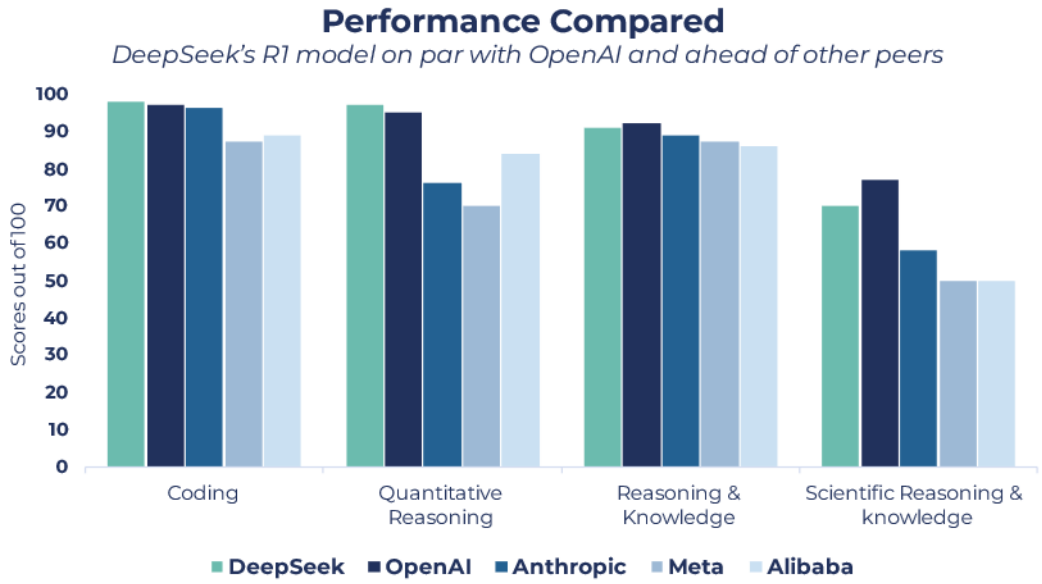
DeepSeek claims its base model (V3) was trained on a mere 2,000 H800 Nvidia chips at a cost of just $5.6m, an order of magnitude less than current leading US models. DeepSeek achieved this by using efficient algorithms, optimised hardware, strategic graphical processing unit (GPU) allocation, and an 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.

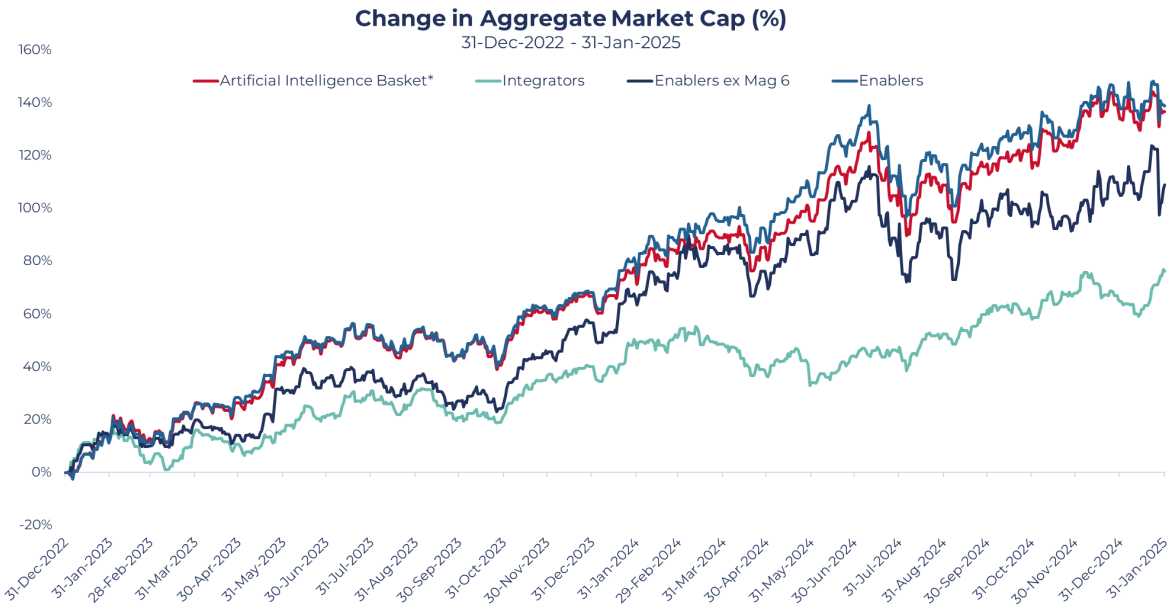
Although OpenAI introduced a reasoning model in September 2024, DeepSeek became only the second firm to do so, matching OpenAI's performance (see chart below) at a fraction of the cost. It also surprised many that a Chinese competitor had made such a big leap forward in LLM technology, when it was widely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

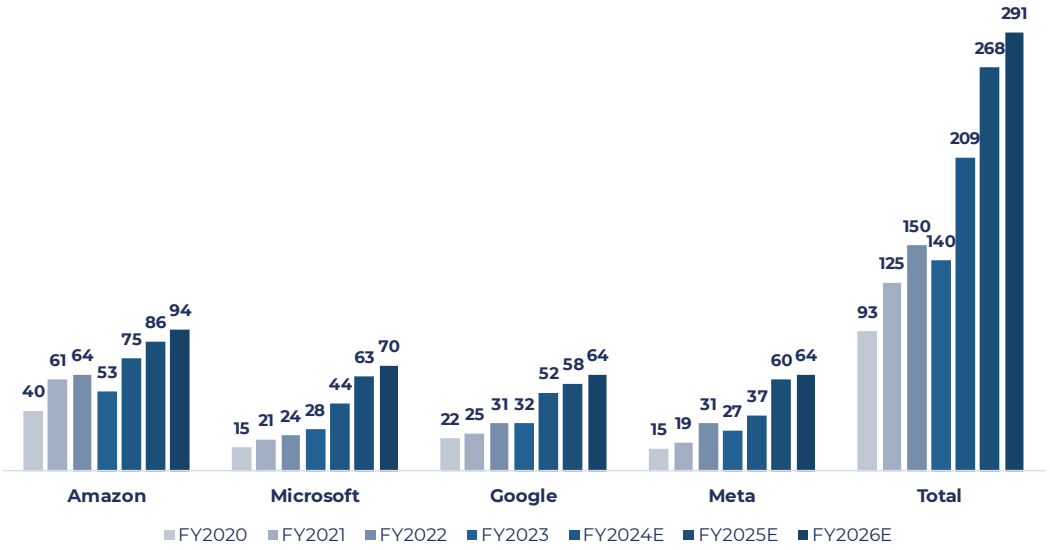
Meta CEO, Mark Zuckerberg: "We continue to believe heavily investing in the company's AI infrastructure will be a strategic advantage... It's possible that we'll learn otherwise at some point, but I just think it's way too early to call that."

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)

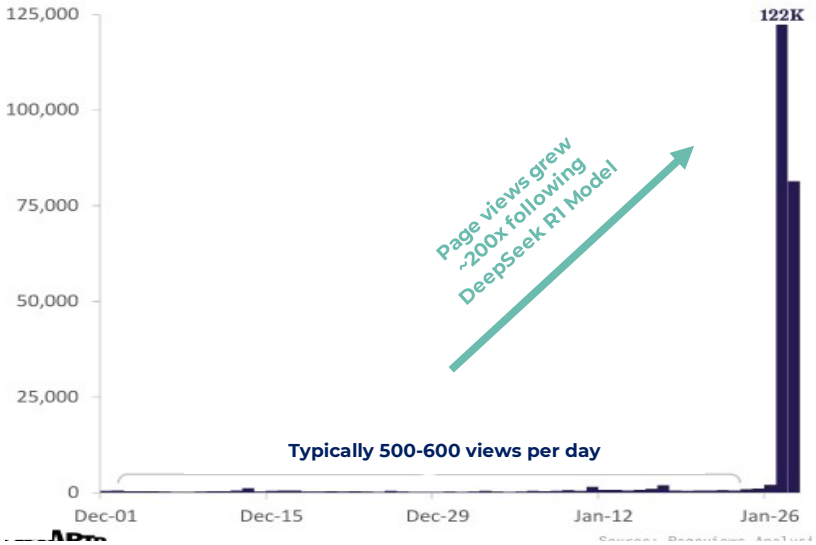


Source: Bloomberg; as of 31st January 2025

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?

Traffic to Jevons' Paradox Wikipedia Page



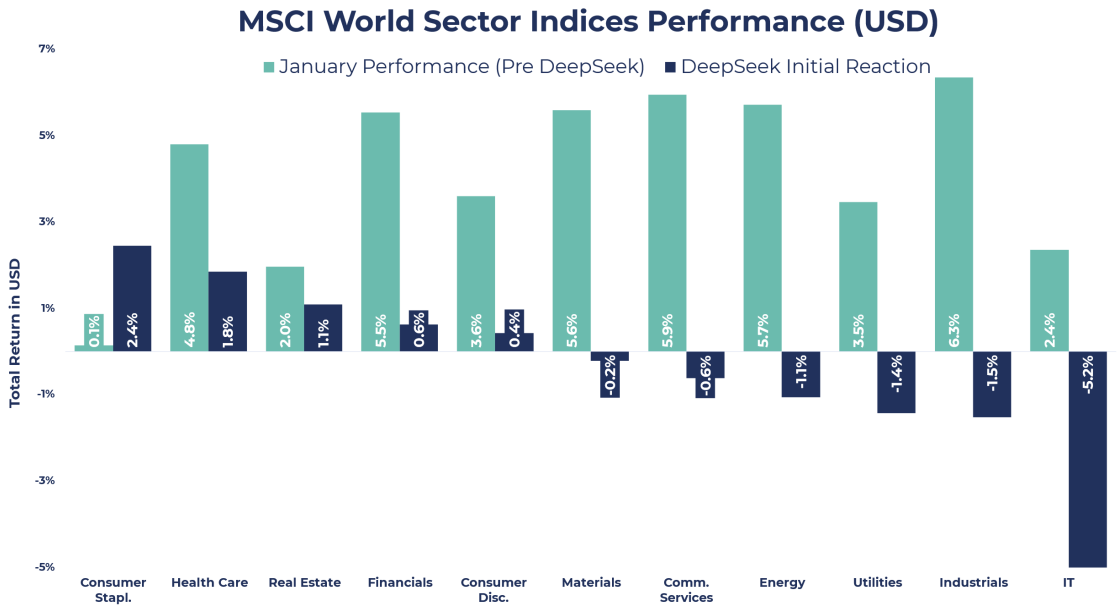
Sources: Chartr, PageViews Analysis, SemiAnalysis; as of 31st January 2025

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, arising from its relatively limited exposure to the AI theme.

- **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, and this supported performance.

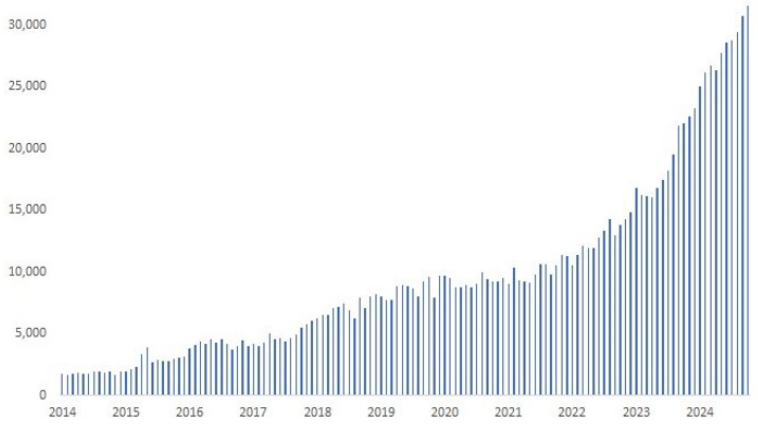
- **Information Technology**, unsurprisingly, sold off the most, falling -5.2% on the day and ending the month as the only sector in negative territory. However, within IT there was a very wide spread of winners and losers. Areas that fared worst included semiconductor stocks (with Nvidia falling over -17%) as well as some of the hyperscalers and other IT infrastructure names with exposure to the AI build-out.

- **Industrials** fell -1.5% on the DeepSeek news but companies with exposure to electrification fared worse. These included Fund holdings Vertiv and Hubbell, which support the electrification infrastructure development. While there may be some ongoing volatility we are encouraged that both firms have healthy backlogs, which gives us confidence into the forward demand picture (supported by the ongoing increases in hyperscalers' capex guidance). 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 far too 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

Fund AI Exposure

The graphic 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, although AI is a key tailwind for many of these companies, it should be noted that the end-market exposures are much more diversified often driven by multiple structural growth themes. Overall, we are comfortable with our data centre/AI exposure, with the holdings below displaying high-quality credentials alongside high growth potential that should enable them to translate sales growth into free cash flow growth, and compound this over time.

Holdings	Data Centres & Artificial Intelligence	
	Exposure	Description
Semiconductor		
Cadence		Cadence is exposed to both AI and data centres through its electronic design automation (EDA) tools, which are essential for designing advanced semiconductors that power AI workloads and data centre infrastructure. Its software enables the optimisation of chips used in high-performance computing, networking, and AI applications.
Entegris		Entegris supports AI and data centres indirectly by providing advanced materials and filtration solutions used in semiconductor manufacturing, which are critical for producing the high-performance chips needed for AI processing and data centre servers. Its technologies help maintain chip quality and reliability at scale.
Monolithic Power Systems		Monolithic Power Systems provides high-efficiency power management solutions that support both AI hardware and data centre infrastructure, optimising power delivery for AI accelerators, GPUs, and servers. Its products enhance energy efficiency and thermal performance in large-scale computing environments.
Teradyne		Teradyne is exposed to AI and data centres through its semiconductor testing equipment, which ensures the performance and reliability of AI processors and data centre chips. Additionally, its industrial automation and robotics solutions are increasingly integrated with AI-driven manufacturing processes.
Inficon		Inficon supports AI and data centres indirectly through its advanced vacuum instrumentation, gas leak detection, and process control solutions used in semiconductor manufacturing. Its products are critical in ensuring the quality and efficiency of semiconductor fabrication, which underpins AI hardware and data centre technologies.
Industrial Electrical Infrastructure		
Vertiv		Vertiv provides critical infrastructure solutions for data centres and AI environments, including power management, cooling systems, and IT infrastructure that support high-density AI workloads. Its technologies ensure the reliability, scalability, and efficiency required for modern data centre operations.
Hubbell		Hubbell's exposure to AI and data centres comes through its electrical and power products, such as cabling, connectors, and power distribution systems, which are essential for supporting reliable electrical infrastructure in AI data centres and cloud environments.
Delta Electronics		Delta Electronics supports AI and data centres with energy-efficient power and thermal management solutions, including UPS systems and cooling technologies designed for high-performance computing environments. Its products help optimise energy usage in AI-intensive data centres.
Legrand		Legrand has direct exposure to data centres through its electrical infrastructure solutions, including power distribution units, cooling systems, and cable management products that ensure reliable power and connectivity in data centre environments. Its exposure to AI comes from supporting the infrastructure that powers AI workloads, particularly through energy-efficient solutions in high-density computing environments.
Networking		
Arista Networks		Arista Networks provides high-performance networking solutions that are critical for data centres and AI workloads, offering scalable, low-latency Ethernet switches and software-defined networking technologies. Its products facilitate rapid data movement and processing needed for AI model training and large-scale cloud environments.

Source: Guinness Global Investors as of 31st January 2025

CHANGES TO THE PORTFOLIO

We made three changes to the Fund's holdings in January.

We bought positions in Hubbell, Inficon and Vertiv, and sold positions in A.O. Smith, Jack Henry, and Skyworks Solutions.

Hubbell is a US manufacturer of electrical and electronic products serving a wide range of markets including construction, utilities, industrial, and communications. These industries tend to experience steady demand throughout a business cycle, and with over 75 brands, Hubbell is well diversified across various end-markets.

The company has also shown strong financial performance with a history of consistent mid-to-high single-digit revenue growth, peer-leading profit margins, and persistently high return on capital. Strategic acquisitions have also expanded product lines and contributed to inorganic growth, whilst increased government and private-sector spending on infrastructure and utilities supports long-term organic growth. Hubbell benefits from structural tailwinds from the expansion of renewable energy, smart grid technologies, data centre growth, and the electrification of transportation. We believe the high-quality and growth-compounding characteristics of Hubbell make it an attractive investment when that the stock currently trades at a c.10% discount to its peer average, and a c.20% discount to closest peer Eaton.

Inficon is a Swiss-based company specialising in the development and manufacture of instruments for gas analysis, measurement and control. Its products are integral to ensuring quality control in various industries, including semiconductor manufacturing, vacuum coating, refrigeration, air conditioning, automotive, and security applications.

Some of Inficon's key offerings include:

1. Leak Detectors, essential for finding small leaks in systems like refrigeration, air conditioning, and vacuum systems.

2. Gas Analysers used to measure and analyse gases in industrial processes, helping to maintain the desired chemical compositions or ensuring air quality in controlled environments.

3. Vacuum Gauges and Controllers for industries where precise vacuum environments are necessary.

4. Process Control Instruments crucial in semiconductor manufacturing and similar high-tech fields where processes must be controlled to the smallest margins.

Overall, Inficon's products are vital in industries that require precision, high performance, and safety in their operations. The "Semiconductor and Vacuum Coating" segment contributes most to overall revenues (around 50%) and strong demand for memory and microchips, coupled with investments in latest-generation production capacities, especially in Asia, have been a major growth driver. The company has grown revenue at 9% annually for the last 10 years and invests c.8% of its sales into R&D. Gross margins of c.50% are amongst the highest vs peers and the company maintains a strong balance sheet with a net cash position.

Vertiv is a leading provider of critical digital infrastructure and continuity solutions for data centres, communication networks and industrial applications. In 2015, Vertiv spun out of Emerson Electric, with the new company specialising primarily in power management (c.35% of revenue) and thermal management (30% of revenue). With the rapid expansion of AI, cloud computing, 5G, and IoT, demand for high-reliability infrastructure is expected to grow significantly; management has guided for revenue growth of 12-15% a year for the next five years, with most of that driven by the data centre vertical. This, alongside operating margin guidance of c.25% in 2029 (from 19% in 2024), translates into expectations of double-digit growth in operating profit.

Vertiv's solutions, unlike those of other companies involved in the data centre build-out, command a premium due to their mission-critical nature. With rising thermal and power requirements needed to support growing rack densities, Vertiv is not only positioned to benefit from data centre capacity growth but also from more dollar value of Vertiv's solutions per gigawatt

of energy deployed. The company also reported a strong backlog indicating continued demand for products, and hyper-scalers announcing increasing capex spend bodes well for Vertiv's future growth.

A.O. Smith manufactures a range of water heaters, boilers, and water treatment products. The company has two reporting segments: North America (75% of sales) and rest of world (25% of sales). A.O. Smith is the leading manufacturer of water heaters in North America for the residential and commercial markets, with approximately 37% and 54% market share respectively. Residential water heaters account for most of North American sales and are distributed equally through wholesale and retail channels. Most of A.O. Smith's international revenue is from China, a market the company entered in the mid-1990s.

Our decision to sell our position come amid concerns regarding further margin expansion and slowing growth driven by increasing competition from Chinese competitors, and a slower water heater and boiler market that initially anticipated.

Jack Henry is a leading financial technology company that provides a wide range of solutions and services to almost 1000 community banks, over 700 credit unions, and other financial institutions. Its offerings encompass core processing systems, digital banking solutions, payment processing services, and risk management tools. In recent years, Jack Henry has focused on modernising banking technology by developing a cloud-native platform designed to integrate and streamline banking operations, enhancing efficiency, security and scalability.

Whilst Jack Henry's business is quite stable, with much of its revenue recurring under long-term contracts and related to essential services for banks and credit unions, in recent times the company has seen growth stall as banks have reduced spending. The company also seems to have a very strong balance sheet but is seen to be quite conservative in pursuing new growth opportunities. We therefore sold our position in the company mindful that there are more compelling opportunities for us to invest in.

Skyworks Solutions manufactures analogue semiconductors for use in radio frequency (RF) and mobile communications systems. The majority of its revenue comes from the mobile segment (73%) and this includes mobile products which switch, filter and amplify wireless signals in smartphones. Given the rise of advanced 4g and 5g-enabled devices (which use a wider variety of wireless spectrum and frequency bands than earlier devices), the RF content per phone has grown exponentially. The remaining 27% of revenue comes from its broad markets segment. This encompasses a range of end markets including automotive, home & factory automation, data centres, electric vehicles, solar, wireless infrastructure, aerospace and defence, medical, smart energy, and wireless networking. Despite the growing focus on the broad markets segment, mobile is still the core business, and within mobile, it is heavily concentrated towards one customer, Apple. Whilst our thesis was that the 'cash cow' mobile business could drive investments into the broad markets segment, diversifying exposure into higher-growth, higher-margin end-markets, the growth in broad markets has slowed materially, resulting in an increasingly concentrated revenue stream from Apple. Combined with potential losses in upcoming iPhones, we felt the risks outweighed the reward from this business and saw more compelling propositions elsewhere.

We look forward to keeping you informed on the Guinness Global Quality Mid Cap strategy and thank you for your support.

Portfolio Managers

Sagar Thanki
Joseph Stephens

GUINNESS GLOBAL QUALITY MID CAP FUND - FUND FACTS

Fund size	$14.2m
Fund launch	15.12.2020
OCF	0.89%
Benchmark	MSCI World Mid Cap TR

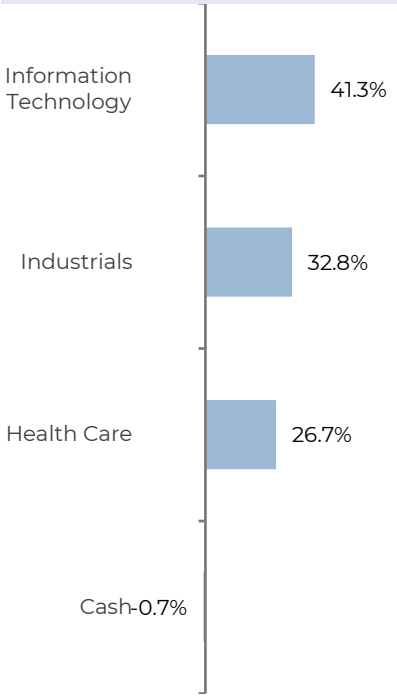
GUINNESS GLOBAL QUALITY MID CAP FUND - PORTFOLIO

Top 10 holdings

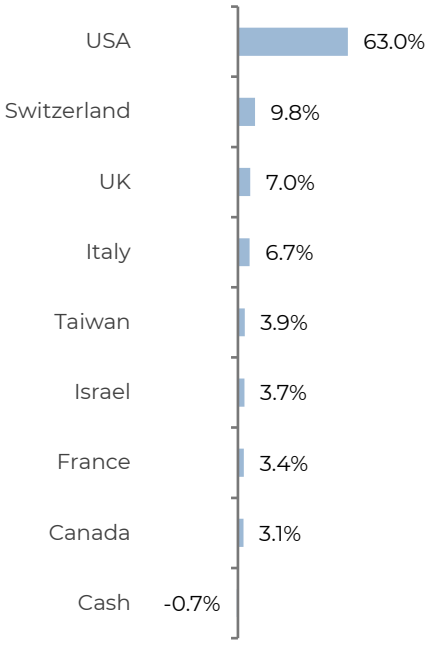
Delta Electronics	3.9%
Check Point Software	3.7%
Arista Networks	3.6%
Halma	3.6%
Monolithic Power Systems	3.5%
Keysight Technologies	3.5%
Spirax-Sarco Engineering	3.5%
Vertiv Holdings	3.5%
Edwards Lifesciences	3.4%
Jazz Pharmaceuticals	3.4%

Top 10 holdings	35.5%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

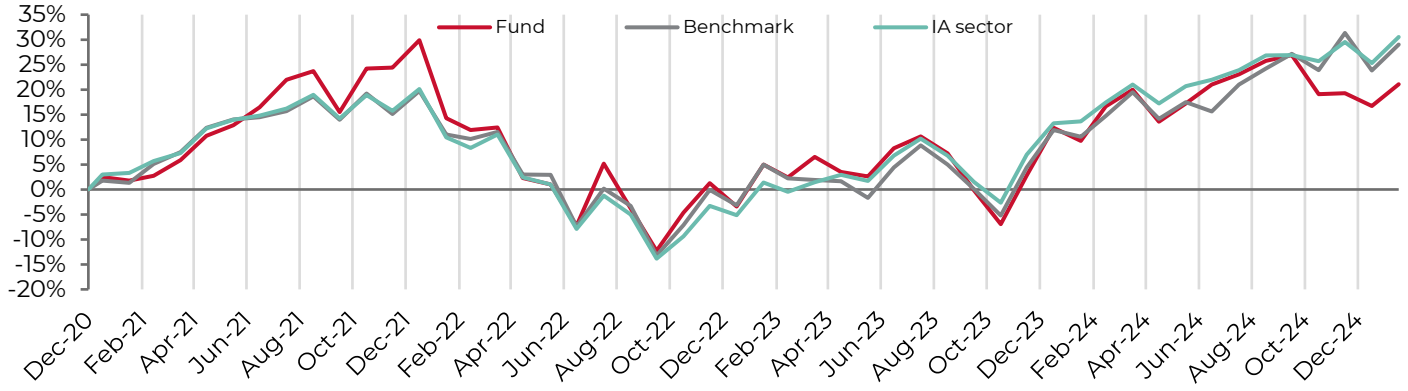
GUINNESS GLOBAL QUALITY MID CAP FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.5%	+4.5%	+13.1%	+14.4%	-	-
MSCI World Mid Cap TR	+5.0%	+5.0%	+19.6%	+25.5%	-	-
IA Global TR	+5.0%	+5.0%	+17.7%	+27.6%	-	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+3.7%	+3.7%	+10.3%	+5.9%	-	-
MSCI World Mid Cap TR	+4.2%	+4.2%	+16.7%	+16.2%	-	-
IA Global TR	+4.2%	+4.2%	+14.9%	+18.2%	-	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+3.3%	+3.3%	+15.3%	+14.2%	-	-
MSCI World Mid Cap TR	+3.8%	+3.8%	+21.9%	+25.4%	-	-
IA Global TR	+3.8%	+3.8%	+20.0%	+27.4%	-	-

GUINNESS GLOBAL QUALITY MID CAP FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+5.7%	+9.8%	-16.3%	+27.9%	-	-	-	-	-	-
MSCI World Mid Cap TR	+12.7%	+9.0%	-8.9%	+18.7%	-	-	-	-	-	-
IA Global TR	+12.6%	+12.7%	-11.1%	+17.7%	-	-	-	-	-	-
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+3.9%	+16.4%	-25.7%	+26.7%	-	-	-	-	-	-
MSCI World Mid Cap TR	+10.7%	+15.5%	-19.1%	+17.6%	-	-	-	-	-	-
IA Global TR	+10.6%	+19.4%	-21.0%	+16.6%	-	-	-	-	-	-
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+10.8%	+12.4%	-20.8%	+36.4%	-	-	-	-	-	-
MSCI World Mid Cap TR	+18.1%	+11.6%	-13.8%	+26.6%	-	-	-	-	-	-
IA Global TR	+18.0%	+15.4%	-15.8%	+25.5%	-	-	-	-	-	-

GUINNESS GLOBAL QUALITY MID CAP FUND - PERFORMANCE SINCE LAUNCH (USD)



Source: FE fundinfo to 31.01.25.
Until 1 January 2025 the MSCI World Index was the benchmark for the Fund. All figures shown here are based on the new benchmark, the MSCI World Mid Cap Index which is considered more suitable for comparative purposes given the Fund;s mid cap focus.
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. Graph data is in USD.

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - FUND FACTS

Fund size	£0.6m
Fund launch	30.12.2022
OCF	0.89%
Benchmark	MSCI World TR

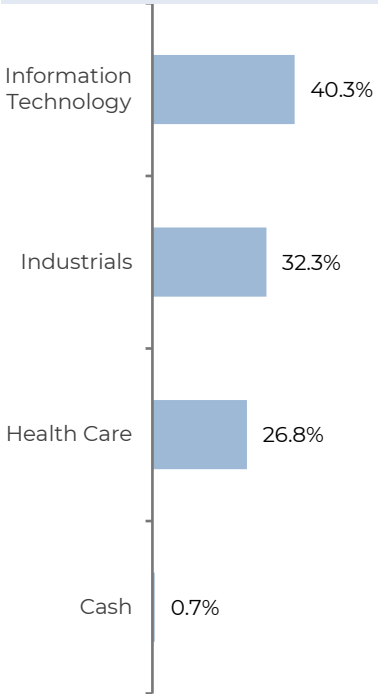
WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - PORTFOLIO

Top 10 holdings

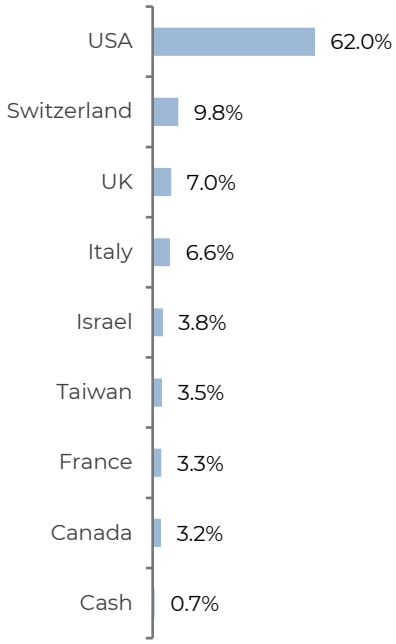
Check Point Software	3.8%
Spirax-Sarco Engineering	3.5%
Delta Electronics	3.5%
Arista Networks	3.5%
Revvity	3.5%
Halma	3.5%
Monolithic Power Systems	3.4%
Sonova	3.4%
Fortive Corp	3.4%
Edwards Lifesciences	3.4%

Top 10 holdings	35.1%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

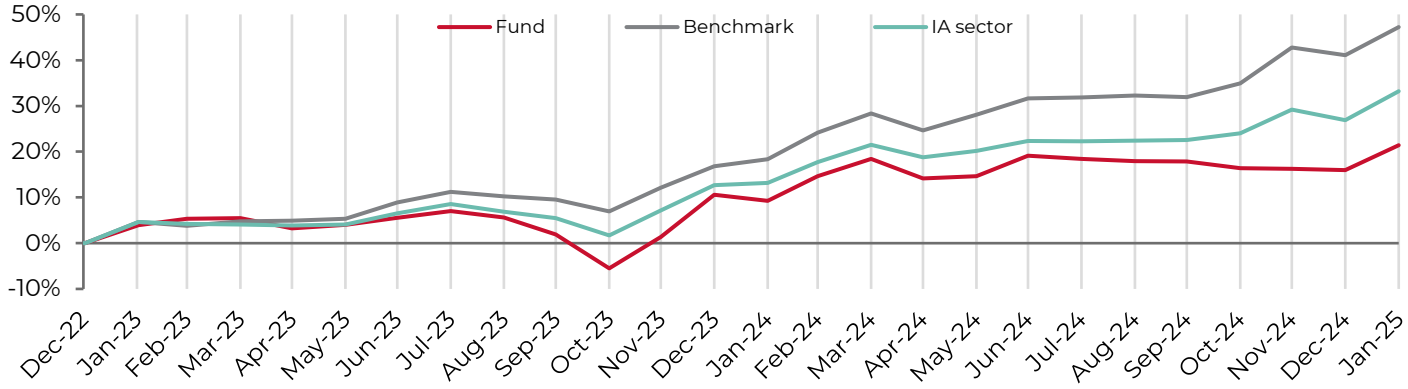
WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.7%	+4.7%	+11.2%	-	-	-
MSCI World TR	+4.4%	+4.4%	+24.4%	-	-	-
IA Global TR	+5.0%	+5.0%	+17.7%	-	-	-

WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+4.9%	+10.6%	-	-	-	-	-	-	-	-
MSCI World TR	+20.8%	+16.8%	-	-	-	-	-	-	-	-
IA Global TR	+12.6%	+12.7%	-	-	-	-	-	-	-	-

WS GUINNESS SUSTAINABLE GLOBAL EQUITY 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 0.89%. 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 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 Quality Mid Cap Fund and the WS Guinness Sustainable Global Equity 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 QUALITY MID CAP 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 SUSTAINABLE GLOBAL EQUITY 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.