Guinness European Equity Income

Investment Commentary – August 2025

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and KIIDs for the Funds (available on our website), which contain detailed information on their characteristics and objectives and full information on the risks, 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.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	19.12.2013
Index	MSCI Europe ex UK
Sector	IA Europe Excluding UK
Managers	Nick Edwards Will James
EU Domiciled	Guinness European Equity Income Fund
UK Domiciled	WS Guinness European Equity Income Fund

OBJECTIVE

The Guinness European Equity Income Funds are designed to provide investors with exposure to high-quality dividend-paying companies in the Europe ex UK region. The Funds aim to provide capital appreciation and a source of income that has the potential to grow over time. The Funds are actively managed and use the MSCI Europe ex UK Index as a comparator benchmark only.

CONTENTS

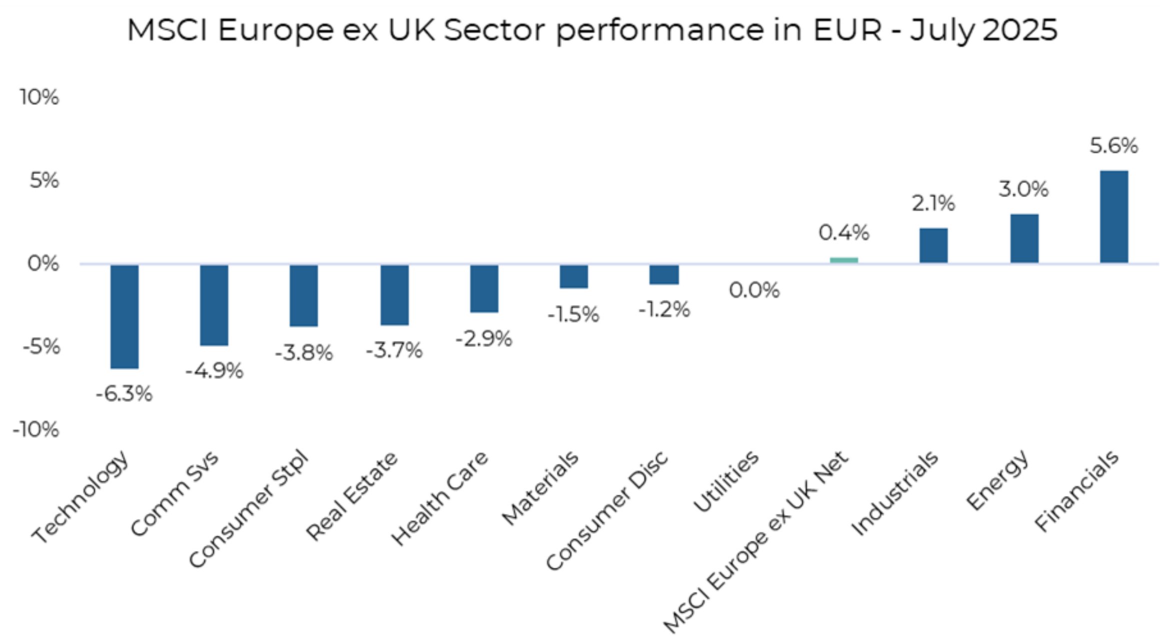
COMMENTARY

The Guinness European Equity Income Fund was down -0.4% (Y class, in GBP) in July, underperforming the MSCI Europe ex UK Index, which rose 0.9%, by 1.4 percentage points.

July was a busy month in terms of earnings reports and the strategy had a mixed month with some strong standout numbers offset by disappointment in other areas. There was strong performance from Essilor Luxottica, Legrand and Danone, while Amundi, Deutsche Boerse and Novo Nordisk delivered disappointing updates and returns. In sector terms, the most significant performance came from Financials and Industrials, where the strategy's overweight positions relative to the benchmark proved advantageous. On the other hand, the Strategy's overweight exposure to Consumer Staples and Communications Services (but not owning Telecoms) impacted relative performance negatively.

PERFORMANCE

In what was a lacklustre month for markets (MSCI Europe ex UK returned 0.0% in EUR), sector performance was driven by Financials, Energy and Industrials, with Technology, Communications Services and Consumer Staples the weakest sectors.

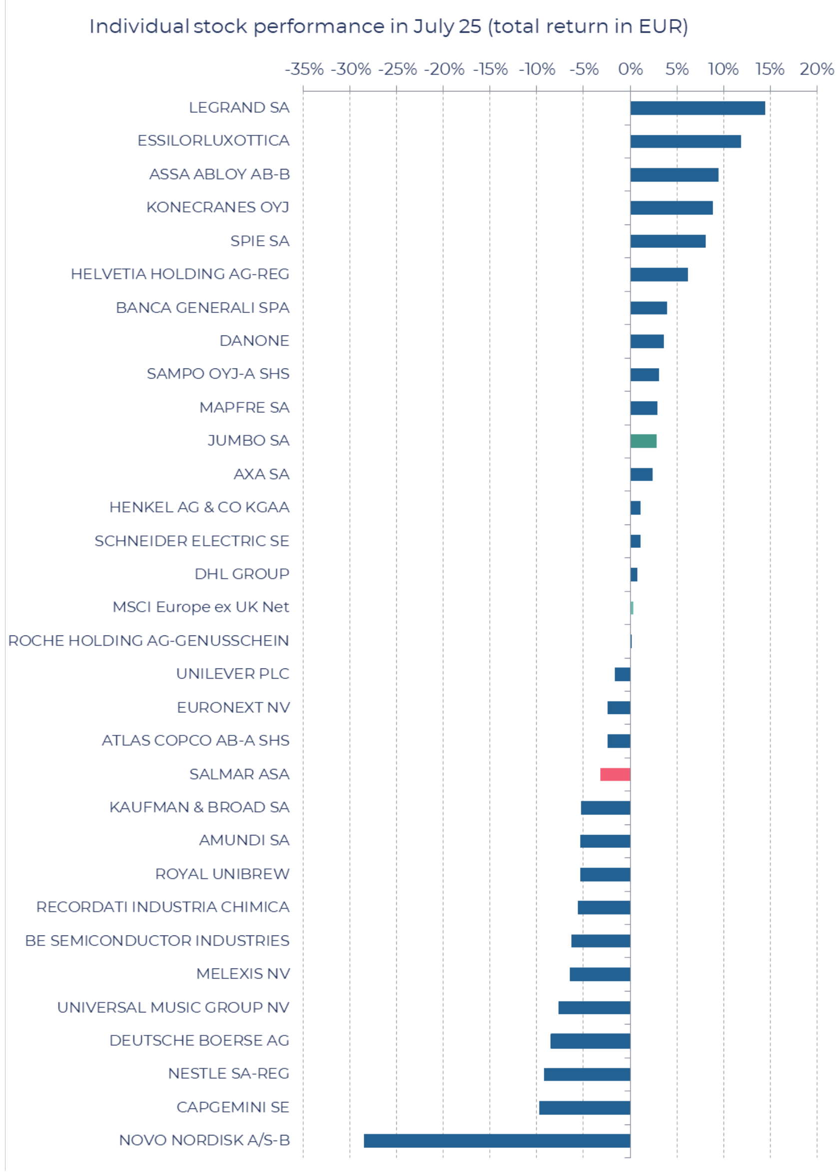


Source: Bloomberg, July 2025

Financials performance was driven by a combination of ongoing yield curve steepening in the US as the market continues to worry about long-term inflation pressures. In addition, the sector delivered strong earnings reports, which, in the context of a weaker picture elsewhere, were taken well by the market. Energy saw support from temporary relief in oil markets, while Industrials, for the most part, delivered better than expected earnings.

Technology suffered from profit taking after a better-than-expected earnings season. In addition, Software in particular came under pressure due to speculation that AI may be a disruptive force for certain business models. Communication Services was impacted, amongst other things, by cautious comments from Publicis (despite an excellent set of numbers) about the prospects for the second half of 2025, given questions over the trajectory of the US economy. Consumer Staples performance was driven by the same dynamic as Financials – rising long bond yields, which in the short term the market sees as negative for longer-duration assets.

STOCK PERFORMANCE



Source: Bloomberg, July 2025

Contributors

Legrand (+14.5% in EUR), the French industrial company, delivered very strong numbers during the month including 9% organic revenue growth alongside a large surprise on operating margin, which reached 21% despite its exposure to still subdued construction markets. In the meantime, Legrand is benefiting from ongoing strong demand from the growth in datacentres. In addition, based on the first half delivery, it appears that management is keeping something in the tank for the second half of the year.

EssilorLuxottica (+11.9%), the French-Italian eyewear manufacturer, delivered better than expected results. There had been concerns that its USD revenue exposure (over 50%) and the potential impact of tariffs would crimp both growth and margins. In fact, management appears to have navigated the headwinds very well, and the tailwinds the business is experiencing, such as smart glasses (Meta Ray-Ban) and Stellest (lens for childhood myopia), leave the business well placed. The only wrinkle is the premium valuation that the stock is trading on.

Assa Abloy (+9.5%), the Swedish industrial company, delivered a solid quarter of organic revenue growth as well as decent margins of 16.2%. Again, consensus expectations had adjusted for the weaker USD, which were more than offset by pricing and operational leverage as Assa experienced a recovery in demand in the US. Europe, however, continued to struggle as we await a tangible recovery in demand.

Detractors

Novo Nordisk (-28.5%) was unfortunately disappointing with the share price falling sharply at the end of the month on revised guidance and the announcement of a new CEO. It is worth outlining what Novo (and we) got wrong:

1. Novo had been without a CEO for a number of months after the previous imcumbent took the blame for the previous share price fall and poor drug data (from Cagrisema). A new internal appointment was announced on 29 July. Many had hoped for an outsider with experience in the US, where Novo has been struggling of late. Instead, they appointed Mike Doustdar, a Novo lifer who was previously running the International business. This was a typical Novo move which the market did not to have like; it would have preferred a sign that Novo was looking for a quick fix in the US.

2. This was closely followed by a downward revision to its guidance given the ongoing and underappreciated competitive pressures on Novo. The revision left investors wondering whether the new CEO was trying to get bad news out early or whether it was a sign of worse to come. We and they had known competition had been fierce, but the admission and revision was a shock to the market.

    i. What had gone so wrong? The main issue appears to be around 'compounders' in the US and the competitive dynamic in the US. Since Wegovy (Novo's drug) and specifically semaglutide (its key component) was in short supply and on allocation to the most in need (something Novo prided itself on), compounders were allowed to step in to fill the gap with their product (an idiosyncrasy of the US market). Compounders were then told to stop when the FDA deemed that Wegovy shortages were resolved. They haven't done so. To illustrate the difference in approach, Eli Lilly launched LillyDirect in 2024 and then started offering direct-to-consumer single-dose low-dose vials (i.e. to be used with a syringe, like the compounded drugs, in place of an autoinjector, as is the usual presentation for branded subcutaneous GLP-1s) of Zepbound (tirzepatide); this essentially was a head-on move to counter compounding.

    ii. Some slower growth in China, questions over the drug pipeline, and the focused nature of Novo's portfolio, which is now exacerbated.

3. The quantum of the downgrade (-10%) was less than the share price fall on the day of around 20%, suggesting both significant capitulation and perhaps more rationally a view that Novo's dominant market position is now properly challenged. In our view, it is likely to be somewhere in between.

4. It has been quite a fall from grace, given the share price was at all-time highs just over 12 months ago. For some investors it has been a matter of 'shoot first, ask questions later'.

5. Novo does have form in this regard: back in 2016, Novo misread the competitive dynamic in the US, suffered pricing pressure, changed the CEO, gave a profit warning (indeed, a big one), sorted out its problems and went again. The times and the environment are certainly different nine years on, but we would argue Novo's DNA isn't.

We will wait for the dust to settle, as it surely will, and update on any action we decide to take.

Cap Gemini (-9.8%), the French IT services firm, delivered better than expected numbers and gave a constructive outlook for the second half of the year. However, the shares were caught up in the concerns around AI agents (software programs designed to interact with their environment, and, for example, perform tasks), disrupting the wider software space.

Nestlé (-9.2%), numbers were just not as good as those of other companies in the space. Despite better margins, the organic sales growth was not good enough in the eyes of the market and so suffered as a result. Nestlé is taking its time to turn its supertanker of a business in the right direction. In the meantime, patience will be required while the valuation and dividend provide support.

PORTFOLIO CHANGES

We made one change in the month, selling Salmar, the Norwegian salmon farmer, and buying Jumbo, the Greek retail store operator.

Salmar has been a longstanding holding in the portfolio, but it has become clear in the last 12 months that the business is starting to lose its advantage over its peers as the scope to outgrow the market (mainly through market consolidation) has become more challenging. While we have been patient, results have continued to be volatile, which suggests that Salmar is less able to offset the vagaries of the salmon market (pricing, biologics, supply demand balance, etc.) than before – it has become more like its peers and less differentiated within the industry. This is also against a backdrop of a levered balance sheet because of both the acquisitions it has made and the more challenging salmon market, impacting revenues and profit. The balance sheet is manageable, given the cash generation of the business, but suboptimal, and raises a further question mark over the quality of the business. As ever in these cases, dividend investors are junior in the capital structure, and we prefer to 'immunise' the portfolio from the risk of further disappointment when companies that have a high debt burden have to prioritise (which they always do) bond holders over equity holders when it comes to cash returns.

Jumbo is a hypermarket low-cost concept without food, fashion or electronics operating in Greece, Cyprus, Romania and Bulgaria with franchise agreements across the Balkan (non-Euro) states. Jumbo operates 89 stores: 53 in Greece, 6 in Cyprus, 10 in Bulgaria and 20 in Romania. After beginning by selling mainly toys, the company has diversified into other low-cost products. Home products make up 39% of sales, Seasonal 24%, Toys 19%, Snacks and candles (etc) 8%, Stationery 6%, and Baby products 3%.

Returns are very attractive with a company-calculated ROCE of 30% (average last two years). In addition, the balance sheet is rock solid with net cash on the balance sheet, with the Chairman vowing that Jumbo will never leverage the balance sheet for the sake of growth (he points to the Greek crisis as evidence of the pitfalls of too much debt). Capital allocation is prudent with a vision to add one store every three years in Greece, an additional two in Cyprus over the next five years, one in Bulgaria in the next 2-3 years, with the main growth coming from Romania, which they believe could be a similar size to Greece within 10 years. The franchise stores are essentially a 'riskless' option for Jumbo. They generate fees with limited country risk but have a buyout option should one of the franchisee countries, e.g. Serbia, join the Euro. Interestingly, one of their franchise partners has also just decided to launch the Jumbo concept in Canada.

In addition, the company returns cash to shareholders regularly via share buybacks (when the share price/valuation is low) and dividends. They have recently switched off the buyback and will return more cash via dividends.

The combination of a unique concept in a part of Continental Europe that is growing faster than the established core, a prudent and diligent management team, high returns, a low valuation and an attractive dividend made Jumbo the ideal replacement for Salmar.

As a result of the switch, all three characteristics by which we assess our holdings across the portfolio have improved: Quality, through the prism of Return on Capital of 14.9% (JUMBO) vs 9% (Salmar) and leverage (Debt/Equity) of 5% vs 105%; Valuation with a price/earnings ratio of 11.8x next 12m vs 18.8x; and Dividend with the stock yielding 6% vs 4%.

OUTLOOK

As we look into August and the rest of the year, it is hard to discern exactly how things will evolve. With a confirmed 15% tariff on European exports to the US, at least the Europeans now know what they are dealing with – for as long as President Trump doesn't change his mind again. While it is somewhat disappointing that Europe chose to take the tariffs on the chin, it reflects the pragmatic approach they are having to take. It is clear that Europe has to become less dependent on the outside world and tackle its own structural inefficiencies, but in the short term, it needs the US for weapons and energy. The investment that Europe needs to make will take time and effort, so while the announcements from Germany on loosening the debt brake earlier in the year are long overdue and welcome, Europe has had to swallow its pride and accede to President Trump's demands. In the meantime, the debate rages about US growth, the dollar, and US interest rates, and in the lower liquidity of the summer months, markets and sectors are swinging around. It would be foolish to try and predict what will happen in this sort of environment, so we are happy to stick to our philosophy and process with a focus on quality companies that generate persistent high cash returns supported by strong balance sheets and are able to compound returns through their own endeavours. We believe that investing in these types of companies will serve investors well in the long term. We believe the Strategy is equipped for all weathers, being well balanced across quality and value, with a focus on globally leading European companies supported by strong structural growth drivers and a solid and growing dividend stream.

We thank you for your continued support.

Portfolio Managers
Nick Edwards
Will James

GUINNESS EUROPEAN EQUITY INCOME FUND - FUND FACTS

Fund size	$105.2m
Fund launch	19.12.2013
OCF	0.89%
Benchmark	MSCI Europe ex UK TR
Historic yield	3.1% (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.

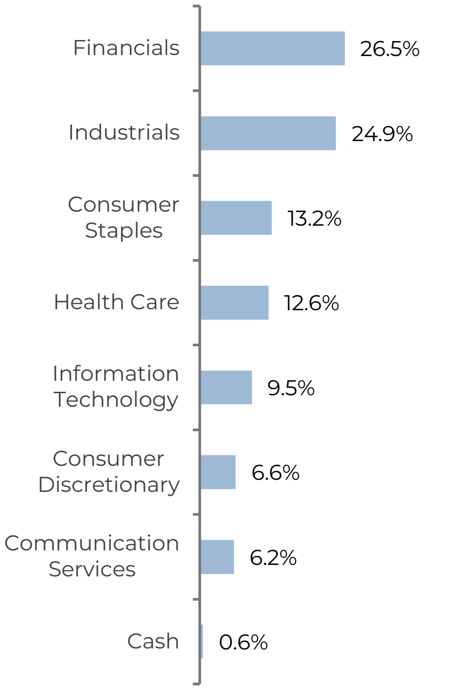
GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

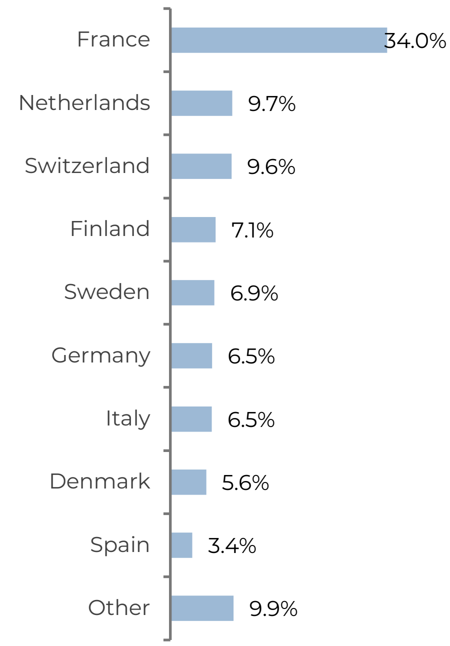
Legrand SA	3.8%
SPIE SA	3.7%
Konecranes	3.7%
Assa Abloy AB	3.6%
Danone	3.6%
EssilorLuxotica	3.6%
AXA	3.5%
Mapfre	3.4%
Sampo	3.4%
Schneider Electric	3.4%

Top 10 holdings	35.7%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

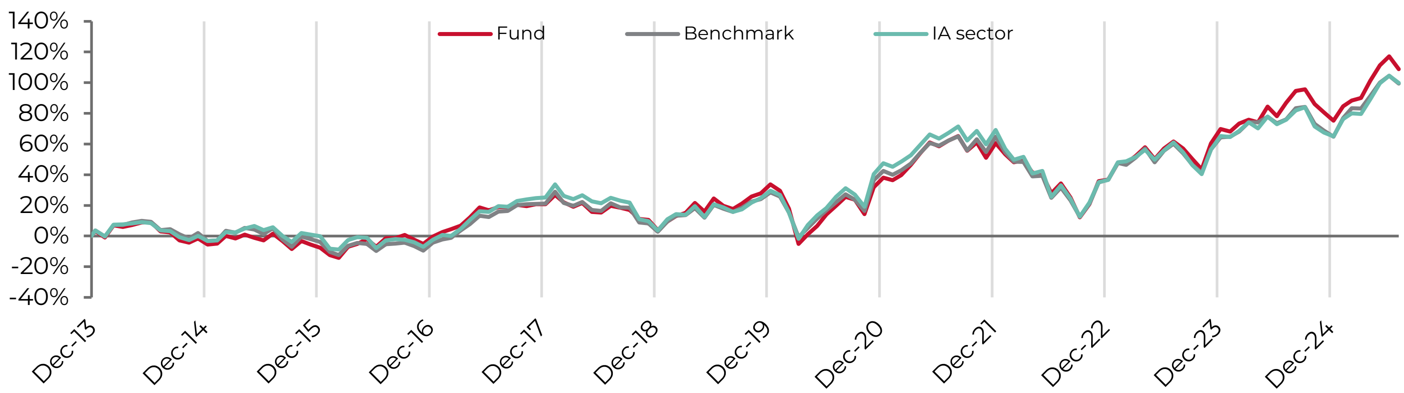
GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.4%	+12.8%	+8.4%	+43.1%	+72.9%	+142.2%
MSCI Europe ex UK TR	+0.9%	+14.6%	+9.8%	+39.3%	+62.0%	+123.7%
IA Europe Excluding UK TR	+1.1%	+14.6%	+10.2%	+38.1%	+57.8%	+122.8%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-3.9%	+19.2%	+11.7%	+55.6%	+74.4%	+105.7%
MSCI Europe ex UK TR	-2.5%	+21.0%	+13.2%	+51.5%	+63.4%	+89.7%
IA Europe Excluding UK TR	-2.3%	+21.1%	+13.6%	+50.2%	+59.1%	+89.0%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	-1.4%	+7.9%	+5.6%	+38.6%	+80.2%	+98.1%
MSCI Europe ex UK TR	+0.0%	+9.5%	+7.0%	+34.9%	+68.8%	+83.1%
IA Europe Excluding UK TR	+0.2%	+9.5%	+7.4%	+33.8%	+64.4%	+82.4%

GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+5.0%	+17.2%	-4.2%	+17.5%	+0.1%	+23.7%	-8.8%	+10.7%	+28.5%	+3.6%
MSCI Europe ex UK TR	+1.9%	+14.8%	-7.6%	+16.7%	+7.5%	+20.0%	-9.9%	+15.8%	+18.6%	+5.1%
IA Europe Excluding UK TR	+1.7%	+14.0%	-9.0%	+15.8%	+10.3%	+20.3%	-12.2%	+17.3%	+16.4%	+9.3%
(USD)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+3.1%	+24.2%	-14.9%	+16.4%	+3.3%	+28.6%	-14.0%	+21.2%	+7.8%	-2.0%
MSCI Europe ex UK TR	+0.2%	+21.7%	-18.0%	+15.7%	+10.9%	+24.8%	-15.1%	+26.8%	-0.6%	-0.7%
IA Europe Excluding UK TR	-0.1%	+20.8%	-19.2%	+14.7%	+13.8%	+25.2%	-17.3%	+28.4%	-2.4%	+3.3%
(EUR)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Fund	+10.0%	+20.0%	-9.3%	+25.2%	-5.2%	+31.1%	-9.8%	+6.4%	+10.9%	+9.0%
MSCI Europe ex UK TR	+6.8%	+17.6%	-12.6%	+24.4%	+1.8%	+27.1%	-10.9%	+11.4%	+2.4%	+10.7%
IA Europe Excluding UK TR	+6.6%	+16.7%	-13.9%	+23.4%	+4.4%	+27.5%	-13.1%	+12.8%	+0.5%	+15.1%

GUINNESS EUROPEAN EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



Source: FE fundinfo net of fees to 31.07.2025. 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 OCF used for the Fund performance returns is 0.89%. which was the OCF over the calendar year 2024. 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 EUROPEAN EQUITY INCOME FUND - FUND FACTS

Fund size	£1.3m
Fund launch	30.12.2022
OCF	0.89%
Benchmark	MSCI Europe ex UK TR
Historic yield	2.7% (Y 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.

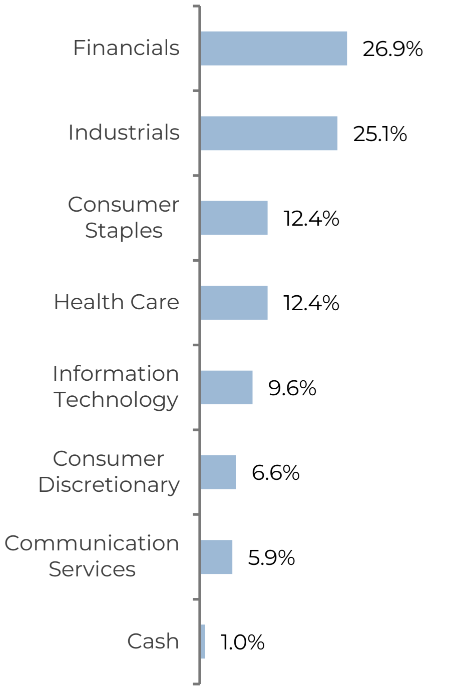
WS GUINNESS EUROPEAN EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings

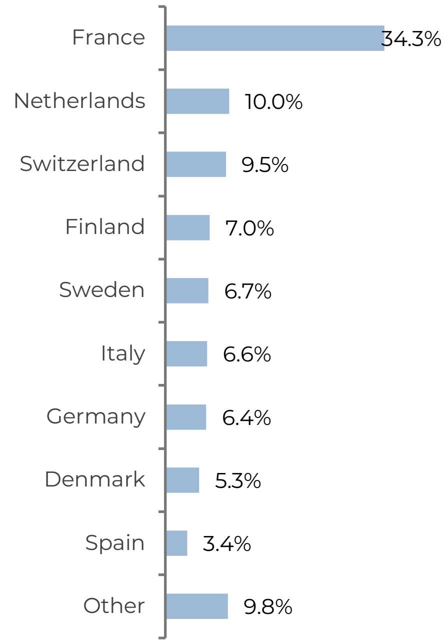
Legrand SA	4.1%
SPIE SA	3.9%
EssilorLuxotica	3.7%
Konecranes	3.6%
Schneider Electric	3.6%
Assa Abloy AB	3.6%
Besi	3.5%
AXA	3.5%
Mapfre	3.4%
Banca Generali	3.4%

Top 10 holdings	36.2%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

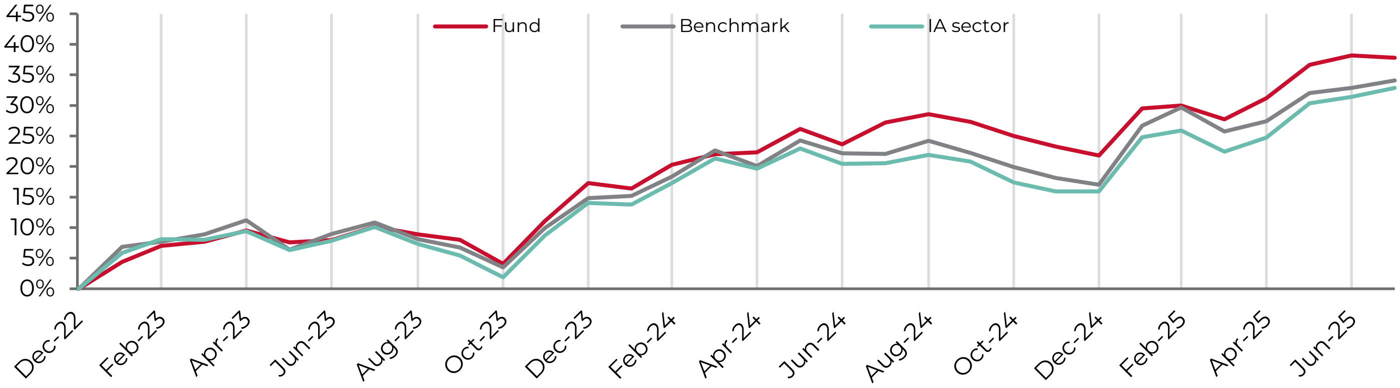
WS GUINNESS EUROPEAN EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.3%	+13.1%	+8.3%	-	-	-
MSCI Europe ex UK TR	+0.9%	+14.6%	+9.8%	-	-	-
IA Europe Excluding UK TR	+1.1%	+14.6%	+10.2%	-	-	-

WS GUINNESS EUROPEAN EQUITY INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+3.9%	+17.3%	-	-	-	-	-	-	-	-
MSCI Europe ex UK TR	+1.9%	+14.8%	-	-	-	-	-	-	-	-
IA Europe Excluding UK TR	+1.7%	+14.0%	-	-	-	-	-	-	-	-

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



Source: FE fundinfo net of fees to 31.07.25. 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 OCF for the calendar year 2024 for the share class used for the fund performance returns was 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 European Equity Income Fund and the WS Guinness European 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.If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

GUINNESS EUROPEAN EQUITY INCOME FUND

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, including collective redress mechanisms, 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 EUROPEAN 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.

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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.