

RISK

This is a marketing communication. Please refer to the Prospectus, supplement and KID/KIID (available on our website), which contain detailed information on the Fund's characteristics and objectives and full information on the risks, before making any final investment decisions.

The Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movements, and you may not get back the amount originally invested.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	23.12.2016
Index	MSCI Emerging Markets
Sector	IA Global Emerging Markets
Managers	Edmund Harriss Mark Hammonds CFA
EU Domiciled	Guinness Emerging Markets Equity Income Fund

OBJECTIVE

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

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COMMENTARY

Emerging markets declined during August in sterling terms. The MSCI Emerging Markets Net Total Return Index fell 0.8% (all performance figures in GBP unless stated otherwise). The Guinness Emerging Markets Equity Income Fund outperformed, being flat on the month. For the year-to-date, the fund is up 10.7% versus the benchmark up 10.3%.

Emerging markets underperformed developed markets in the month, as the MSCI World gained 0.4%. The US was a laggard, with the S&P 500 Index down 0.1%. Latin America was the best performing region, rising 5.9%. Asia and EMEA (Europe, Middle East and Africa) were both weak, declining 1.4% and 1.2% respectively. Growth was the outperformer during the month, up 0.1% versus value, down 1.9%.

Among the largest countries, the best performers were Brazil (+7.9%), South Africa (+4.5%) and China (+2.7%). The worst performing countries were UAE (-6.3%), India (-5.2%) and Korea (-4.0%).

The strongest performing stocks in the portfolio were Hon Hai (+9.4%), Bank Rakyat (+7.3%) and Elite Material (+7.0%). The weakest performers were Catcher Technology (-14.9%), Novatek (-12.4%) and China Construction Bank (-8.0%).

Analysis continued overleaf

AUGUST IN REVIEW

Over August, Europe and the US announced a preliminary trade deal. Goods from the EU will be subject to a 15% import tariff, and the EU will also ease tariffs on a range of US imports, including cars, and is committed to purchasing US energy products, including liquified natural gas (LNG) and oil. South Korea also reached a trade deal with the US, agreeing to tariffs of 15% on goods (a reduction from the 25% threatened).

On the other hand, tensions between the US and India have increased, as Trump imposed an additional 25% tariffs (on top of the existing 25%) on Indian imports. The rise was in retaliation for India's continued purchase of Russian oil. China and the US agreed to extend the suspension of higher tariffs for a further 90 days.

US GDP grew at 3% annualised in the second quarter, better than consensus expectations. China announced export growth of 7.2% in July. The Bank of England lowered interest rates to 4%. The Federal Reserve held rates unchanged, at 4.25% to 4.5%. Crude oil prices weakened amid concerns for weaker demand, with Brent down 6.1% in the month. Copper (+3.8%) and precious metals (silver +9.5%, gold 4.8%) both saw strong gains over the month, boosting the materials sector. Continuing its march weaker, the Dollar index (DXY) fell 2.2% in August. Emerging market currencies gained 1.2%.

PORTFOLIO UPDATE

Updates came in during the month for several of the portfolio holdings:

Unilever reported results for the second quarter that were marginally ahead of expectations, with underlying sales growth of 3.8%. Growth was driven by pricing at +2.0% and volume/mix at +1.8%. Strong performance came from the Asia Pacific and Africa region, while Latin America was weaker. Underlying EBIT margin also came in ahead of expectations at 19.3%, driven by strong gross margins (at 45.7%). Guidance for the full year remains at 3-5% underlying sales growth and operating margins of 'at least 18.5%'. The Magnum Ice Cream demerger is expected to be completed by mid-November.

Bank Rakyat Indonesia reported results for the first half that were below expectations, driven by higher-than-expected credit cost. While some signs of improvement have been seen in the micro lending segment recently, asset quality remains a concern that management is working to address. Guidance was lower than that previously issued, driven by weakening loan growth and higher credit cost.

British American Tobacco reported results for the first half that came in moderately ahead of expectations. Organic revenues grew by 1.8%, helped by robust growth in the modern oral segment, which offset weakness in the US vapour business (the business has been negatively impacted by unauthorised vapes in the marketplace). EBIT growth was also ahead of expectations at 1.9%.

Novatek reported second-quarter results that missed expectations due to a strengthening Taiwan dollar and an increase in the gold price. The stronger demand seen at the beginning of the year, stemming from orders that were pulled in ahead of tariffs, has started to subside. Compounding this is the rolling over of the subsidy programmes in China. However, new products that launched in the second quarter should help to drive future growth in the smartphone segment.

Bajaj Auto reported results for the first fiscal quarter (March year-end) that were in line with expectations. The domestic urban market has continued to be challenged by aggressive pricing from competitors. International markets have continued to be strong overall, with Latin America and Asian markets offsetting a weaker environment in Nigeria. Shortages of rare earths are expected to impact production over the near term in the electric two-wheeler and three-wheeler segments.

Hypera reported second-quarter results, with sell-out growth of 5.5% disappointing some analysts. The main positive from the report is the end of the company's process to reduce working capital, with accounts receivable essentially halved to 60 days. For the full year, the company is expected to achieve 6% sell-out growth. (From May to July, sales have increased to above 8% year on year.) Anti-flu drugs have been one of the drivers of demand, after a cold summer. While the pain relief

business has contracted on a relative basis, with some customers moving to generic equivalents, Hypera has still managed to increase market share.

Kweichow Moutai reported results for the first half that were in line with expectations, with sales up 9.1% and net profits up 8.9% year-on-year. Results were driven by growth in direct sales (up 17% year-on-year), while wholesale channel sales were marginally higher. The anti-extravagance policy has had some impact on sales; however, the company has offset this with product mix.

OUTLOOK

Recently, we have been arguing that China has been pursuing a twin strategy:

1. Reducing its reliance on other countries
2. Ensuring other countries become increasingly dependent on China

For the first element, one of the main outcomes of the extensive investment under the Made in China 2025 programme (launched in 2015), has been a drive towards self-sufficiency in areas of advanced technology. In some fields, China is yet to reach the cutting edge (such as in semiconductor foundry), but it's clear that they are quickly catching up.

Increasing dependency on China can be seen in the case of the recent squeeze on the rare earths supply chain. By controlling nearly the entire supply of certain materials, China has put pressure on the US and Europe in the midst of trade negotiations. However, this is a card that must be played carefully – in some cases, concessions to these controls have been offered to European customers in critical need. The resistance to this latter trend of increased dependence has promoted efforts to reshore production, and/or to relocate outside of China. However, we argue that this is a reaction to what we expect to be a dominant long-term trend.

The Economist recently discussed the pursuit of these twin aims, reflecting the deliberate nature of this strategy under Xi Jinping:

"In 2020, [Xi] called for China to create asymmetric dependencies by ridding its own supply chains of foreign inputs, while also seeking to 'tighten international production chains' dependence on China" [...] It wants other countries to depend on it without it depending on them."

The development of these dependencies is clearly an area to watch, both in the short term as China negotiates on trade with the US, but also over the long term as a framework for understanding the landscape surrounding China's continued economic development.

For parts of the market in which the fund invests, a company's performance results are expected to be the dominant driver of returns. Provided we believe the underlying business performance will be sound, the turbulence in stock prices can therefore present opportunities.

Our focus is on the cash-based return on capital a business generates; the business must therefore be profitable, and management must allocate capital rationally. The requirement that companies must have strong balance sheets generally makes them less dependent on capital markets (they do not have large debt burdens to refinance). And by looking at companies' performance over a long time horizon (at least eight years), we gain increased confidence that the business is likely to continue to perform well when handling challenging circumstances in future.

Portfolio Managers

Edmund Harriss
Mark Hammonds

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - FUND FACTS

Fund size	\$14.3m
Fund launch	23.12.2016
OCF	0.89%
Benchmark	MSCI Emerging Markets
Historic yield	4.2% (Y GBP Dist)

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PORTFOLIO

Top 10 holdings		Sector	Country
Elite Material	3.5%	Financials	China
China Medical System	3.4%	Information Technology	Taiwan
Hon Hai Precision Industry	3.2%	Consumer Discretionary	India
British American Tobacco	3.2%	Consumer Staples	Brazil
Credicorp	3.2%	Health Care	UK
Shenzhou International	3.1%	Industrials	Mexico
Haitian International Holdings	3.1%	Communication Services	Peru
Haier Smart Home	3.1%	Cash	Greece
Ping An Insurance	3.0%		Indonesia
Nien Made Enterprise	2.8%		Other
Top 10 holdings	31.5%		
Number of holdings	35		

Guinness Emerging Markets Equity Income Fund

Past performance does not predict future returns.

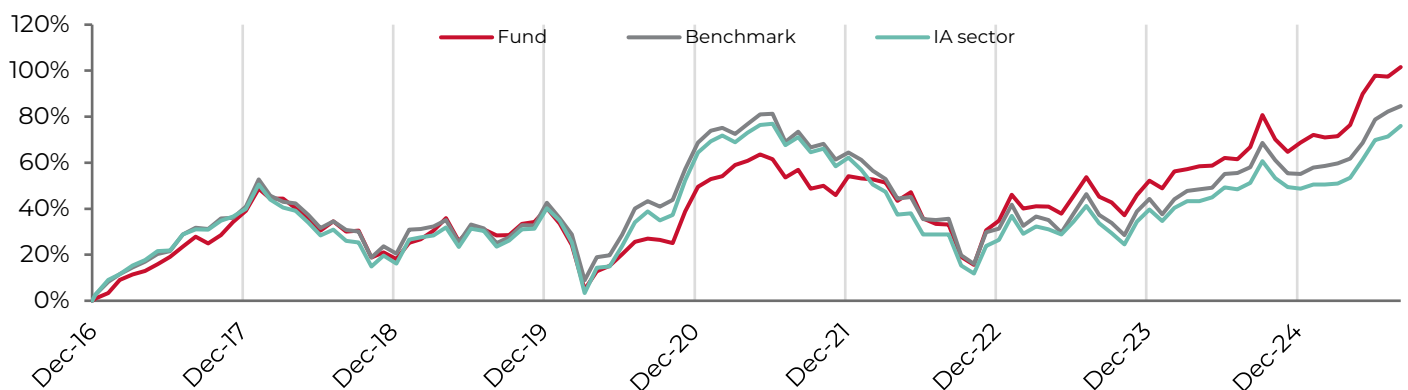
GUINNESS EMERGING MARKETS EQUITY INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.0%	+10.7%	+17.5%	+30.4%	+57.3%	-
MSCI Emerging Markets	-0.8%	+10.3%	+13.6%	+17.2%	+27.7%	-
IA Global Emerging Markets TR	+0.6%	+9.8%	+13.2%	+17.7%	+25.7%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.1%	+19.4%	+20.8%	+51.4%	+58.7%	-
MSCI Emerging Markets	+1.3%	+19.0%	+16.8%	+36.1%	+28.9%	-
IA Global Emerging Markets TR	+2.7%	+18.4%	+16.4%	+36.7%	+26.8%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.2%	+5.7%	+14.3%	+30.1%	+62.1%	-
MSCI Emerging Markets	-1.0%	+5.3%	+10.5%	+16.9%	+31.7%	-
IA Global Emerging Markets TR	+0.4%	+4.7%	+10.0%	+17.4%	+29.6%	-

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - ANNUAL PERFORMANCE

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

GUINNESS EMERGING MARKETS EQUITY INCOME FUND - PERFORMANCE SINCE LAUNCH (USD)



Source: FE fundinfo net of fees to 31.08.25. 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 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. 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.

IMPORTANT INFORMATION

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

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

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

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'Île, 1204 Geneva, Switzerland.

Singapore

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

Telephone calls will be recorded and monitored