

Guinness Emerging Markets Equity Income

Responsible Investment Factsheet

31.12.2023

This is a marketing communication. Please refer to the prospectus and KID/KIID for the Fund, which contain detailed information on the Fund's characteristics and objectives, before making any final investment decisions. All data as at above date, unless otherwise stated. Past performance is not a reliable indicator of future results.

Fund ESG Ratings

MSCI ESG Rating™:

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Produced by MSCI ESG Research as of 26.01.24.

SFDR Classification

Please see the fund's [Sustainability-related disclosures](#) and [SFDR Pre-contractual Disclosures](#), available on our website, for more information. [Periodic Reports](#) are also available.



Fund Profile

Benchmark

MSCI Emerging Markets Index

Investment Objective

An equity fund investing primarily in dividend paying companies that derive at least 50% of their revenues from business activities primarily in emerging markets countries.

The Fund is actively managed and uses the MSCI Emerging Markets Index as a comparator benchmark only.

Investment Case

Provides exposure to dividend paying companies in Emerging Markets world-wide. Developing countries often offer faster growth due to factors including demographics, industrialisation, productivity gains and consumer spending. Value can be found in companies that have turned these themes into returns on capital above the cost of capital on a sustained basis.

Domicile

Ireland

Other Documents

Corporate Documents

- Responsible Investment Policy
- Stewardship Code Report
- Good Governance Policy

Strategy Documents

- Approach to Responsible Investment and ESG

Fund Approach to Responsible Investment

ESG Integration



Exclusions¹



Controversial weapons²



Thermal coal³



Voting



Engagement



¹Further details can be found in our corporate [Exclusion Policy](#), available on our website.

²Cluster munitions, landmines and biological and chemical weapons.

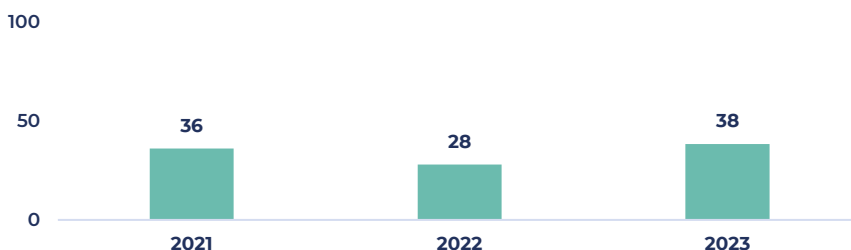
³Companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

ESG Integration Summary

ESG analysis is incorporated into investment decision-making on an ongoing basis, accompanied by a detailed review of each company. The review considers the Environmental, Social and Governance risks facing the company, the ways in which management mitigates them and their progress in doing so. The company's business is first assessed for the material risks posed by the industry and by the company's operations. The review consists of company-specific analysis of these material and relevant Environmental and Social risks. Regardless of industry, each company is assessed on carbon risk and employee relations, as well as Governance. Further information is available in the investment team's Approach to Responsible Investment and ESG paper, available [here](#).

Fund Weighted Average Carbon Intensity (WACI)* in tCO₂e/\$M revenue

The fund's carbon intensity is measured and reported over time.



Source: Guinness Global Investors, CDP; Coverage: 100% (2021), 95% (2022), 97% (2023).

*The Weighted Average Carbon Intensity (WACI) metric is calculated by multiplying the carbon intensity (emissions relative to revenue in millions USD) of each fund holding by its portfolio weight (the value of the holding relative to the total value of the portfolio, excluding cash). Carbon intensity is based on Scope 1 and 2 emissions. Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the company. Scope 2 emissions are indirect greenhouse gas emissions from the generation of energy purchased by the company (Reference: GHG Protocol). Coverage refers to the percentage of the carbon intensity data available at the date of publication for underlying fund holdings (as a percentage of total assets excluding cash).

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Stewardship

Stewardship activities are integral to the investment process applied by the team. We believe that resourcing our stewardship activities with the investment team itself, with dedicated assistance as required, is the best way to ensure effective stewardship. The investment team's ESG incorporation approach often informs their proxy voting and engagement activity. In a spirit of transparency, we disclose fund-level voting and engagement statistics and case studies for calendar year 2023 below.

Voting

The investment team make their own voting decisions based on their own research, supported by proxy voting research from Glass Lewis. All voting is undertaken by the investment team, with oversight provided by our Responsible Investment Committee. In order to vote, some markets require shares to be temporarily immobilised from trading until after the shareholder meeting has taken place (referred to as 'share blocking'). Some other markets require a local representative to be hired, under a Power-of-Attorney (POA), to attend the meeting and vote on our behalf. In such instances, it may sometimes be in clients' best interests to refrain from voting. But in all other circumstances we endeavour to exercise our voting responsibilities on clients' behalf. For more information, please see our Voting Policy, available on our website.

Voting Overview*	
Number of available proposals	455
% voted	100%
% did not vote	0%
% votes in line with management	85%
% votes against management	15%



Votes against management by topic (%)**

● Audit/Financials	9%
● Board Related	49%
● Capital allocation	13%
● Compensation	14%
● Other	16%

**May not sum to 100% due to rounding.

*1st January 2023 to 31st December 2023

Source: Glass Lewis; Guinness Global Investors (31.01.24)

Voting Case Studies



Inner Mongolia Yili Industrial Group is one of China's leading dairy products producers. In August 2023, we voted against proposals to approve the company's employee stock ownership plan (ESOP) and approve management rules for the 2023 stock ownership plan. The respective plans did not disclose the purchase price or discount rate of stocks granted to employees as long-term incentives, and we were concerned the price could be set at a significant discount, which we felt was not in the best interest of shareholders.



Bajaj Auto is an Indian manufacturer and seller of two- and three-wheel vehicles. In July 2023, we voted against election of Niraj Bajaj due to his membership of both the nomination and remuneration committees. We believe this leads to insufficient independence between the two committees, as required by the Securities and Exchange Board of India. We also voted against the election of Sanjiv Bajaj due to overboarding concerns. Alongside his directorship at Bajaj Auto, he held two other executive positions and chaired two other businesses, calling into question whether he could devote sufficient time to meet his responsibilities as a director.

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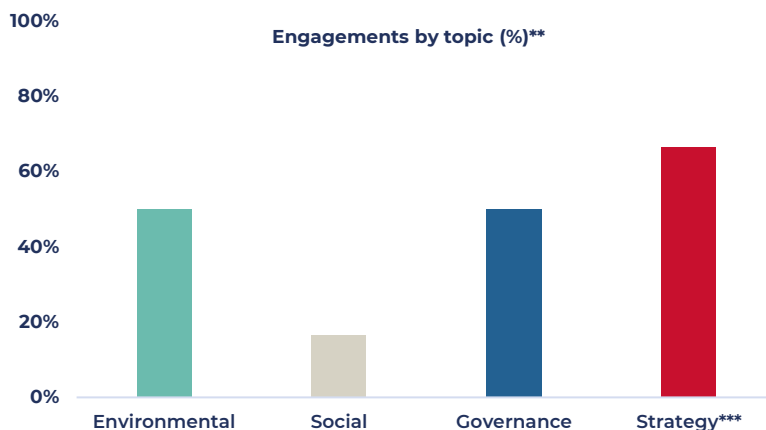
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Engagement

The investment team focused their engagements in 2023 around seeking improved disclosures from portfolio companies.

Engagement Overview*	
Number of company interactions	7
Number of engagements	6
Engagements by topic	
Environment	50%
Social	17%
Governance	50%
Strategy***	67%



Source (table/graph): Glass Lewis; Guinness Global Investors (31.01.24)

*1st January 2023 to 31st December 2023

**In some cases, multiple topics are covered in a single meeting and the totals do not add up to 100%.

***Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

Engagement Case Studies

SUPOR 苏泊尔

Zhejiang Supor manufactures and sells cookware and home appliances across Asia and Europe. We contacted the company's Board Secretary in 2023, acting as a 'lead signatory' on behalf of the 2023 CDP Non-Disclosure Campaign, to encourage them to disclose to the CDP Climate Change questionnaire. We await a response from the management team and plan on contacting the company again during a scheduled trip to China in 2024.



China Medical System ("CMS") is a Chinese healthcare company which deals primarily in the marketing and sales of domestic pharmaceutical products. During 2023, we visited CMS in China, and suggested they improve disclosures on their human capital management practices, use a 10% limit when issuing shares without pre-emptive rights, and provide a maximum discount rate when issuing repurchased shares. We await the publication of CMS's next ESG report, and plan on contacting management ahead of a scheduled trip to China in 2024.

Collaborative engagement



We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the **CDP Non-Disclosure Campaign (NDC)**. The NDC aims to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure requests. In 2023, we joined the **CDP Science-Based Targets (SBT) Campaign**, to encourage portfolio companies to commit to and set 1.5°C-aligned science-based targets.

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Initiatives

We participate in relevant industry initiatives to promote the proper functioning of markets, responsible investing, and the management of market-wide and systemic risk. Where appropriate, members of the investment team will use initiatives to engage collaboratively with portfolio companies.

External company ratings

Signatory of:



We became signatories to the United Nations Principles for Responsible Investment (UN PRI) in 2019, which provides external assurance on our stewardship approach broken down by activity.

In our latest Assessment Report, published in 2023, we received the following scores:



Policy Governance and Strategy



Direct - Listed Equity - Active Fundamental



Confidence Building Measures

Industry Initiatives



CFA UK's mission is to build a better investment profession by serving the public interest by educating investment professionals, by promoting and enforcing ethical and professional standards and by explaining what is happening in the profession to regulators, policymakers, and the media. A member of the investment team at Guinness is part of the Sustainability Community Champions group.



As the trade body for the UK investment management industry, the **Investment Association (IA)** seeks to represent the industry interests, improve the investment landscape through thematic initiatives, which highlight topics such as diversity and inclusion, and by improving standards and best practice.



The **Independent Investment Management Initiative (IIMI)** aims to contribute effective financial regulation and promote client-centred models of investment management. Our CEO, Edward Guinness sits on the board of IIMI.



We are public supporters of the **Task Force on Climate-Related Financial Disclosures (TCFD)**, and we seek to improved climate-related financial disclosure that is consistent, comparable, reliable, and clear to enhance our investment processes.



The **UK Stewardship Code 2020** sets high stewardship standards for those investing money on behalf of UK savers and pensioners. It comprises a set of 12 'apply and explain' Principles for asset managers and asset owners to demonstrate their stewardship role and performance.



The **UK Sustainable Investment and Finance Association (UKSIF)** aims to support its members to grow sustainable and responsible finance in the UK. It also seeks to influence policymaking that promotes the growth of sustainable finance. Our Responsible Investment Lead is a member of the Industry Development Committee, and another member of investment team serves on the Membership Committee.

Guinness Global Equity Income

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MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when buy or sell them. The Information is provided 'as is' and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The information contained herein: (1) is proprietary to MSCI ESG and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither MSCI ESG nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Documentation The documentation needed to make an investment, including the Prospectus, the Key Information Documents (KIDs), Key Investor Information Document (KIIDs) and the Application Form, is available in English from www.guinnessgi.com or free of charge from: - the Manager: Waystone Management Company (IE) 4th Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 A4E, Ireland; or the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ. Waystone Management Company (IE) as UCITS Man Co, 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/waystonepolicies/>

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 KIID 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.