

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™:



CCC | B | BB | BBB | **A** | AA | AAA

Produced by MSCI ESG Research as of 26.01.24.

### SFDR Classification



### Fund Profile

#### Benchmark

MSCI World Energy Index

#### Investment Objective

An equity fund investing primarily in globally based companies principally engaged in the production, exploration or discovery, or distribution of energy derived from fossil fuels and the research and development of production of alternative energy sources. The Fund is actively managed and uses the MSCI World Energy Index as a comparator benchmark only.

#### Investment Case

Provides exposure to growth opportunities in energy equities. Global population growth, industrialisation and diminishing fossil fuel supplies, pushing energy prices higher, and creating a favourable environment for energy companies. Energy equities can be a long-term hedge against inflation.

#### 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



#### Exclusions<sup>1</sup>



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



#### Voting



#### Engagement



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

<sup>2</sup>Cluster munitions, landmines and biological and chemical weapons.

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

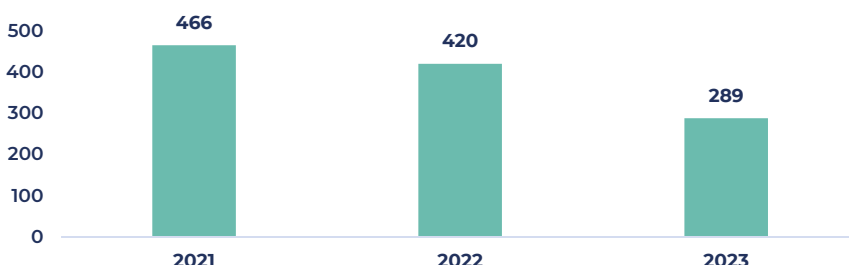
### ESG Integration Summary

The investment team think about 'top-down' and 'bottom-up' ESG. 'Top-down' ESG is viewed as the various short and long-term trends associated with the evolution of global energy markets. 'Top-down' ESG factors considered in the team's models include government incentives and subsidies; urban pollution; energy security; the geopolitics of OPEC; and carbon taxation.

'Bottom-up' ESG focuses on ESG factors at a company-by-company level. The investment team can flex model assumptions to allow for the effect of 'bottom-up' ESG issues. For example, good ESG behaviours from our companies (e.g., robust risk management and long-term planning; allocating capital wisely; or integrating well with the communities in which they operate) are important components in defining future return on capital employed and future equity valuation. Further information is available in the team's Approach to Responsible Investment and ESG paper, available [here](#).

### Fund Weighted Average Carbon Intensity (WACI)\* in tCO<sub>2</sub>e/\$M revenue

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



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

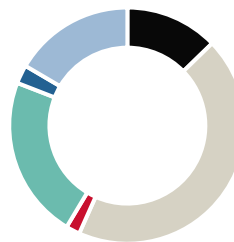
## Stewardship

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	597
% voted	100%
% did not vote	0%
% votes in line with management	74%
% votes against management	26%



Votes against management by topic (%)\*\*

	Audit/Financials	13%
	Board Related	44%
	Capital allocation	2%
	Compensation	22%
	Shareholder proposals	17%
	Other	3%

\*\*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



### PetroChina

**PetroChina** is a major oil and gas producer and distributor in China. At the 2023 AGM, we voted against the company's Chair, Dai Houliang. Dai was the Chair of the Nomination Committee, which we believe should be served by an independent director to ensure fair and objective oversight. We also had gender diversity concerns – only one of the board's eleven members is female (9%), and we would like this figure to move towards 30%.

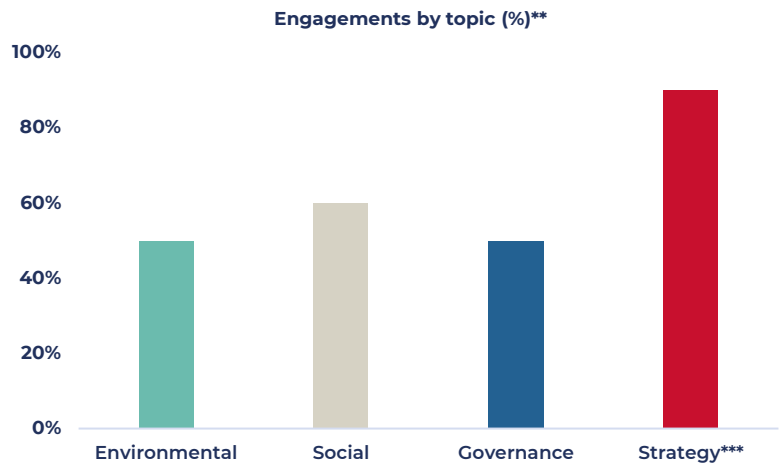


**enQuest** is an independent energy company focusing on mature late-life assets. In June 2023 we voted against its Remuneration Report due to concerns with the short-term incentivisation of production and the structure of long-term incentives. We typically do not support executive remuneration at oil and gas companies which incentivise production and would rather see return on capital metrics and/or emissions reduction incorporated.

### Engagement

The investment team's 2023 engagement included discussions with portfolio holdings around their respective opportunities in sustainable products, as well as ongoing global regulatory developments. Over the period, the team shifted their Climate Action 100+ related engagement from Devon Energy to Imperial Oil, after the former was removed from the initiative's focus list of companies.

Engagement Overview*	
Number of company interactions	22
Number of engagements	10
Engagements by topic	
Environment	50%
Social	60%
Governance	50%
Strategy***	90%



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



**Imperial Oil** is an integrated Canadian energy producer. We engaged with Imperial in 2020 and 2021 around its scope 1 and 2 emissions. Since then, we were pleased to see the company set a medium-term emissions intensity reduction goal and long-term net zero target. In 2023, we joined Imperial's CA100+ group as a contributing investor and look forward to engaging with the company both directly and collaboratively in 2024.



**Devon Energy** is a US-based oil and gas producer focusing on five onshore operations across the US. We participated in several meetings and discussions with Climate Action 100+ ("CA100+") collaborators and Devon from 2020 to 2023, when it was removed from the initiative's focus list. Over that time, Devon first disclosed its Scope 3 emissions, set a long-term net zero target for its Scope 1 and 2 emissions, and joined the Oil and Gas Methane Partnership (OGMP) 2.0. We had specifically requested the company split out emissions as a target in remuneration, and were therefore pleased to see Devon introduce a 15% weighted standalone emissions reduction target into its annual incentive plan in 2022, which it retained in 2023.

### 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.



Since 2019, we have been members of **Climate Action 100+**, the world's largest-ever investor engagement initiative on climate change. We collectively engaged with a US-listed oil & gas producer, across a wide range of topics including remuneration and methane reduction.

## 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 improve 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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**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](http://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.