Guinness European Equity Income

Responsible Investment Factsheet
31.12.2024

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™:

Produced by MSCI ESG Research as of 23.01.25.

Fund Approach to Responsible Investment	
ESG Integration	✓
Exclusions[1]	✓
Controversial weapons[2]	✓
Thermal coal[3]	✓
Voting	✓
Engagement	✓

[1]Further details can be found our corporate Exclusion Policy, available on our website.
[2]Cluster munitions, landmines, and biological and chemical weapons.
[3]Companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

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.

ESG Integration Summary

The team use a bottom-up ESG framework, developed in-house, to assess quantitatively the sustainability risk associated with current and potential underlying investments. Using the SASB materiality framework, the team have developed a scorecard that is used to evaluate a company based on various industry-specific ESG criteria. 'Materiality' and 'transparency' are two key components of the scorecard: the materiality component ensures the key risk factors to a company's operations are assessed, and the transparency component informs the team of the drivers of ESG scores at a granular level.

The team supplement this with a rigorous qualitative review, which features assessments of material risks and opportunities, good governance, executive remuneration, carbon transition, and exposure to negative externalities. Further information is available in the fund's Approach to Responsible Investment and ESG paper, available here.

Fund Profile

Benchmark

MSCI Europe ex UK

Investment Objective

An equity fund investing primarily in European Ex UK companies. Primarily the companies invested in will pay dividends.

Investment Case

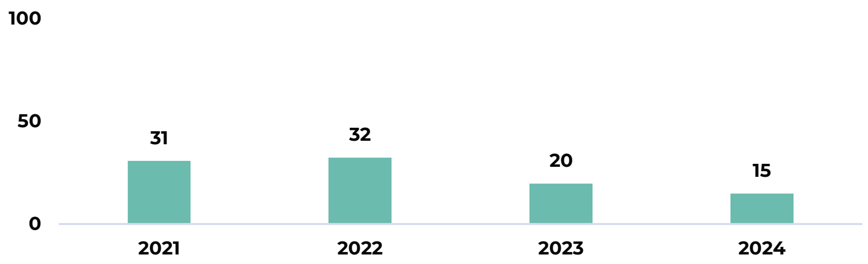
Provides exposure to European (ex UK) dividend paying companies. Dividend payers outperform in the long term, dividend growers even more so. Dividend paying companies can protect against inflation over the long term.

Domicile

Ireland

Fund Weighted Average Carbon Intensity (WACI)* in tCO_2e/$M revenue

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



Source: Guinness Global Investors, CDP; Coverage: 100% (2023, 2024), 99% (2021), 97% (2022).

*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).

Risks

Guinness European Equity Income 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 movement; you may not get back the amount originally invested. For full information on the risks, please refer to the Prospectus, Supplement, and KID/KIID for the Fund, which are available on our website.

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Stewardship

Stewardship activities form part of the investment process applied by the team. We believe that resourcing our stewardship activities within 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 2024 below.

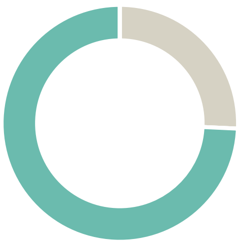
Voting

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 companies available to vote	29
Number of available proposals	583
% voted	77%
% did not vote** (**5** companies)	23%
% votes in line with management	92%
% votes against management	8%

**1st January 2024 to 31st December 2024*
Source: Glass Lewis; Guinness Global Investors 31.12.24

***This includes where we do not vote in jurisdictions where share blocking is in effect or power of attorney requirements apply*



Votes against management by topic (%)

Board Related	26%
Compensation	74%

Voting Case Studies

EssilorLuxottica

EssilorLuxottica is a global leader in the design, manufacture, and distribution of eyewear. At the 2024 AGM, we voted against the re-election of Andrew Zappia, Chair of the Nomination Committee, due to concerns over governance practices. Specifically, we were concerned that the roles of CEO and Chair of the Board are not separated, and the company lacks an independent lead/presiding director. We believe an independent Chair is crucial for overseeing executives and setting a pro-shareholder agenda without the management conflicts that a CEO or other executive insider often faces. While the company has appointed Jean-Luc Biamonti as lead director, we do not consider him independent, as he chairs a company (Covivo SA) that has an ongoing related party transaction with EssilorLuxottica. We hold Zappia accountable for this governance structure, as chair of the Nomination Committee. This proposal received 12% votes against, reflecting shareholder concern over the company's leadership and governance practices.

DANONE

Danone is a global leader in the food and beverage industry, focusing on health-focused products, including dairy, plant-based, and water brands. At their 2024 AGM, we failed to support Danone's Executive Remuneration Policy, alongside 8% of other shareholders. Our concerns stemmed from limited disclosures of targets within their Short-Term Incentive Plan (STIP) and the absence of a 'clawback' mechanism. Despite prior engagement where Danone explained competitor sensitivity as the reason for the limited STIP disclosure, and noted that clawback mechanisms are uncommon in their industry, we still believe full transparency is essential for shareholders to understand how remuneration is calculated and whether there is a reasonable balance between total pay and company performance. Clear disclosure introduces accountability and ensures that good performance is rewarded. As a result, we continue to vote against the policy and maintain an open dialogue with the company in hopes of seeing improvements in future disclosures.

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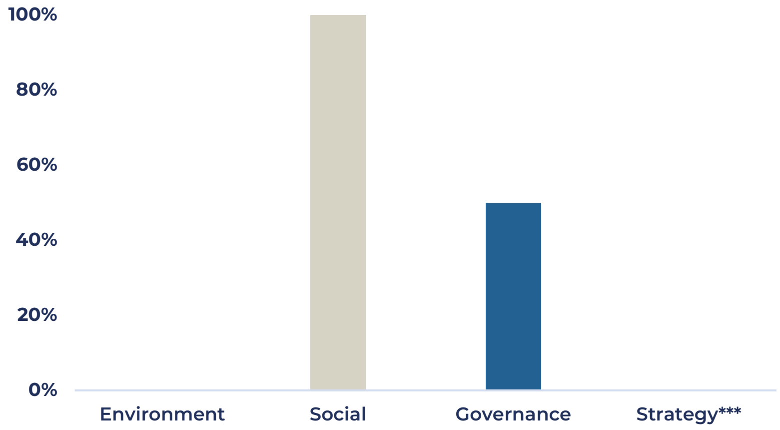
Engagement

The investment team focused their efforts in 2024 on meeting prospective portfolio companies. Engagement work covered executive remuneration, seeking to ensure management are incentivised appropriately to deliver high long-term returns on capital. For more information, please see the team's Approach to Remuneration Paper.

Engagement Overview*	
Number of company interactions	20
Number of engagements	2
Engagements by topic	
Environment	0%
Social	100%
Governance	50%
Strategy***	0%

*1st January 2024 to 31st December 2024
Source: Glass Lewis; Guinness Global Investors (31.12.24)

Engagements by topic (%)**



***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

Roche

Roche is a global leader in pharmaceuticals and diagnostics, with a strong focus on innovation in healthcare. We have been engaging with Roche since 2021 regarding the company's decision to discontinue submitting carbon data to CDP (formerly the Carbon Disclosure Project). Roche had previously reported to CDP from 2011 to 2018, receiving very satisfactory ratings. However, the company stopped reporting in 2019 due to the significant increase in reporting requirements. In our ongoing engagement, we highlighted that in 2024, CDP had aligned its requirements with other major frameworks, including the TCFD, thereby reducing duplication for companies already reporting under these standards. We emphasized that CDP participation could streamline efforts, consolidate disclosures, and be less resource intensive. As one of the most recognised platforms for environmental data, we believe that CDP reporting would enhance Roche's visibility and credibility with investors and stakeholders increasingly focused on climate and environmental performance. We continue to engage with Roche in the hope that they will reconsider and begin reporting to CDP again in the near future.

Schneider Electric

Schneider Electric is a global leader in digital transformation, providing energy management and automation solutions. Since 2022, we have had open dialogue with Schneider Electric, primarily focused on their Remuneration Policy. Recently, the company has made positive changes, such as incorporating an ESG metric into their Long-Term Incentive Plan (LTIP), specifically targeting carbon emissions reductions. However, we remain concerned about certain aspects of the plan. In 2024, we engaged with the company about the lack of full disclosure for the Short-Term Incentive (STI) and LTIP targets. We believe full transparency is crucial for shareholders to understand how remuneration is calculated and whether there is an appropriate balance between pay and company performance. Additionally, we are concerned about the overemphasis on Earnings Per Share (EPS, 40%) and Total Shareholder Return (TSR, 35%) in the LTIP. We believe EPS can distort long-term thinking by encouraging short-term actions like buybacks, and TSR may reflect external factors beyond management's control. We will continue to engage with Schneider to address these concerns.

Collaborative engagement

CDP

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.

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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:

PRI Principles for Responsible Investment

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 2024, we received the following scores:

★★★★☆	★★★★★	★★★★★
Policy Governance and Strategy	**Direct – Listed Equity – Active Fundamental**	**Confidence Building Measures**

Industry Initiatives

CFA Society United Kingdom

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.

THE INVESTMENT ASSOCIATION

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.

IIMI

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.

Signatory of: UK STEWARDSHIP CODE | 2021

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.

UKSIF

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.

Other Documents

Corporate Documents

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

Strategy Documents

- Approach to Responsible Investment and ESG
- Europe – a destination for income

Guinness Global Equity Income