Guinness Global Equity Income Fund

INVESTMENT COMMENTARY – October 2021

About the Fund

The Guinness Global Equity Income Fund is designed to provide investors with global exposure to dividend-paying companies. The Fund is managed for income and capital growth and invests in profitable companies that have generated persistently high return on capital over the last decade, and that are well placed to pay a sustainable dividend into the future.

Fund size	£1546m
Launch date	31.12.10
Historic OCF (Y Class)	0.82%
Current OCF (at fund size)	0.81%
Historic Yield** (Y Class)	2.4%
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
Analysts	Sagar Thanki Joseph Stephens Will van der Weyden

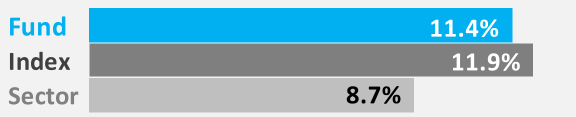
This is a marketing communication. Please refer to the prospectus and KIID for the Fund before making any final investment decisions.

Performance* **30.09.21**

Past performance does not predict future returns

	1 Yr	3 Yrs	5 Yrs	Launch
Fund	19.1	37.3	66.5	217.9
Index	23.5	40.1	83.4	236.4
Sector	21.6	25.0	50.3	145.9

Annualised % total return from launch (GBP)



Benchmark index	MSCI World Index
IA sector	Global Equity Income

The value of this investment and any income arising from it can fall as well as rise as a result of market and currency fluctuations.

Source: FE, bid to bid, total return. Y Class 0.81% OCF.
***Composite simulated performance. Please refer to ‘Performance data notes’ on the last page of this document for full details on performance and yield calculation.**
****Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charges. Investors may be subject to tax on the distribution**

Summary

In the third quarter of 2021 the Fund was up 1.41% (in GBP) whilst the MSCI World Index benchmark was up 2.45% (in GBP). The Fund therefore underperformed the Index by 1.04%.

In Q3 the main drag on the Fund’s relative performance vs the Index was our overweight to Consumer Staples (c.20% overweight vs benchmark) as the sector underperformed the MSCI World Index over the quarter – although this was partially offset by good stock selection, with P&G, Diageo, and Pepsi all having total returns above the index in the quarter.

- Our overweight to Industrials (c.10%) – which lagged the market – and underweight to IT (c.6%) – which led – were also a small drag on relative Fund performance.

- Materials was the worst-performing sector in the quarter (down -4.8% in USD). The Fund continues to have a zero weighting to this sector and therefore this added to relative performance in the quarter.

- Equally, the Fund has an underweight to Consumer Discretionary (c. 9%) which also aided relative performance as this sector lagged the market over the period.

Year-to-date the Fund is up 12.50% (in GBP), whilst the MSCI World Index benchmark is up 14.60% (in GBP). The Fund has therefore underperformed the Index by 2.10%.

2021 has seen 3 broad trends in terms of style/rotation:

- (1) the start of the year to mid-May, when value outperformed growth on the back of the ‘reflation/reopening trade’ that started

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in November 2020 when the vaccine news was released and both economic growth-sensitive value stocks (such as Industrials and rate-sensitive value stocks [like Banks] did well). The Fund outperformed the benchmark by 0.77% (in GBP) over this period (year-to-date till 14th May) with our holdings in Industrials (ABB, Eaton, Raytheon) and Financials (Aflac, CME, Arthur Gallagher, Blackrock) performing well.

- (2) mid-May (14th) to late September (21st) when this 'reflation' trend reversed and growth outperformed value as the Delta variant came to prominence, and we started to see a slowdown in the economy and a coincident fall in rates with US 10yr treasury yields dropping from 1.7% back to 1.2%. The Fund underperformed the benchmark by 2.92% (in GBP) in this period (as we might expect in a growth-led rally), but 'quality' companies also performed well as the market focused on a slower growth outlook and increased market uncertainty – this aided Fund performance. IT companies held such as Microsoft, Broadcom, and Paychex performed strongly as did Healthcare stocks such as Novo Nordisk, Sonic Healthcare, and Roche. Over the period 14th May 2021 to 21st September 2021 the MSCI World Growth Index beat its value counterpart by 13.57%.

- (3) late September (21st) to quarter end – although this is a short period to assess – value once again took the lead above growth, and sharply too, as the market began to price in a more hawkish Fed taper and future rate rises, alongside increased worries around China and global growth in general, and continued uncertainty around the prospects for inflation. However, in contrast to period (1) above it was only the rate-sensitive value stocks (and Energy on the back of oil price rises) that led gains with economic growth-sensitive value stocks lagging. Despite owning no Banks or Energy stocks (two sectors that had particularly positive performance over this period) the Fund held up well, performing in line with the benchmark with our exchange group stocks such as CME benefitting from rate volatility.

It is pleasing to see that the Fund has navigated these different market environments well – generally outperforming the MSCI World High Dividend Yield Index and IA Global Equity Income peers. Our quality approach (high return on capital consistently over 10 years and strong balance sheets) has been rewarded particularly in Q3 as markets re-assessed the economic outlook and steady, reliable earnings were sought, although some of this was given back in the last week of September.

Over the longer term, it is pleasing to see that the Fund has outperformed the IA Global Equity Income sector over 3-years, 5-years, 10-years and over the period since launch.

Cumulative % total return, in GBP, to 30/09/2021	YTD	1 year	3 years	5 years	10 Years	Launch*
Guinness Global Equity Income	12.5	19.1	37.3	66.5	234.0	218.0
MSCI World Index	14.6	23.5	40.1	83.4	281.2	236.4
MSCI AC World Index	12.7	22.2	38.0	79.0	255.8	209.1
IA Global Equity Income sector average	11.8	21.6	25.0	50.3	168.7	145.9
IA Global Equity Income sector ranking	26/52	29/51	7/46	9/40	2/17	1/13
IA Global Equity Income sector quartile	2	3	1	1	1	1

Source: Financial Express. Cumulative Total Return % in GBP, as of 30th September 2021

**Fund launched on 31st December 2010*

Over the period since launch at the end of 2010, the Fund ranks 1st out of 13 funds in the IA Global Equity Income sector.

Summary: Dividend

So far, in 2021, we have had dividend updates from 32 of our 35 holdings:

- 28 companies announced growth for their 2021 dividend vs 2020
- 3 companies have announced a flat dividend
- 1 company has announced a modest cut to its dividend
- 0 companies have announced dividend cancellations

- We await the dividend announcements of the 3 remaining companies: Broadcom, Microsoft, and VF Corp.

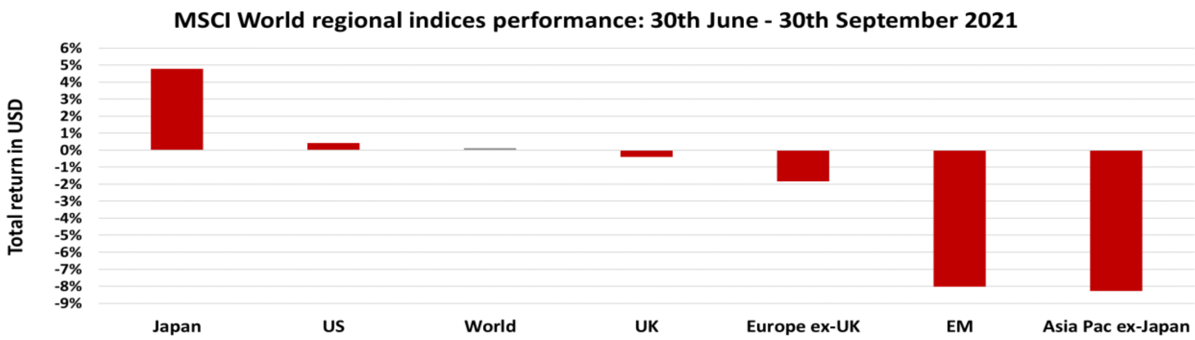
The dividend yield of the Fund, at the end of the month, was 2.5%* (net of withholding tax) vs the MSCI World Index 1.8% (gross of withholding tax). **Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charges. Investors may be subject to tax on the distribution.*

The moderate dividend yield – albeit much higher than the Index – is characteristic of the Fund given that our focus is not on simply finding the highest yielding companies, but instead on finding high-quality, cash generative businesses which can consistently grow their dividend stream year-on-year.

Explicitly screening for persistently profitable companies also means that many industries – e.g. regulated sectors such as Utilities, Telecommunications and Banks, and commodity-led sectors such as Energy and Materials – typically do not show up much in our investible universe. These excluded industries often contain companies that exhibit the highest dividend yields, though we believe these same companies have a relatively greater risk of dividend cuts and are less likely to grow their dividend over time.

Quarter Review

After a strong start to the quarter in July and August, September lived up to its reputation of being seasonally the worst-performing month for equity markets. The MSCI World Index fell 4.15% (in USD) in September, after advancing +4.32% across July and August, as several risks surfaced, and volatility spiked towards the end of the quarter. This was down to numerous factors including increasing Delta-variant Covid cases, ongoing debt ceiling negotiations, fiscal and monetary policy uncertainty, global supply chain bottlenecks, slowing economic and earnings growth projections, ongoing inflation fears, and regulatory uncertainty in China.



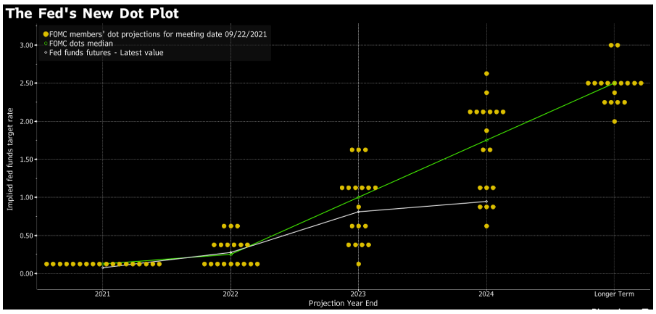
Source: Bloomberg. As of 30th September 2021

The MSCI World Index ended flat for the quarter, whilst the Asia-Pac ex Japan and EM markets were markedly the worst performing after negative news from China weighed heavily on performance. First, China's announcement of a new regulatory framework for its education sector – turning private tutoring companies into non-profit organisations – went far further than markets had anticipated, and this was the main catalyst for the sell-off. Investors became concerned that regulatory investigations, which previously only impacted the internet sector, could intensify and/or be widened to other industries. This was followed by more regulations on the technology sector, including a ban on children playing computer games for more than three hours per week. Further, investors were also spooked by the potential default of Evergrande, a large Chinese property developer with over $300bn in liabilities. The company warned it may not have enough cash to pay its debt and would need to raise new debt or sell assets. Fears of contagion increased after Evergrande missed a bond coupon payment for the first time, and the Chinese government's silence and lack of bailout hinted that the company was not 'too big to fail'. Subsequently, this raised questions regarding the potential spill-over effects for the Chinese – and potentially worldwide – financial system. In the Fund, Evergrande screens out of our investment universe given its high level of debt and lack of persistently high profitability.

Overall, the Fund benefitted from its very limited exposure to Chinese stocks in the quarter. Within the Asia-Pacific region, we have one company listed in Taiwan (Taiwan Semiconductor Manufacturing) and one company listed in Australia (Sonic Healthcare). We had one company listed in Hong Kong (Anta Sports), which we sold early in the quarter. Anta Sports was not caught in the regulatory crossfire and our decision to sell was based on valuation; we detail more on this stock later in this commentary.

Japan was the best-performing region in the quarter as a faster rate of vaccinations contributed to a decline in Covid cases, raising optimism for an economic reopening. This coincided with Prime Minister, Yoshihide Suga – whose popularity had declined – announcing he would not lead the Liberal Democratic Party (LDP) into the November general election. His successor, Fumio Kishida, is now seen as likely to lead the LDP to victory in the election, and Japanese equities rallied to 30-year highs on hopes of further fiscal stimulus. In the Fund, having no exposure to Japanese companies was a negative for relative performance in the quarter.

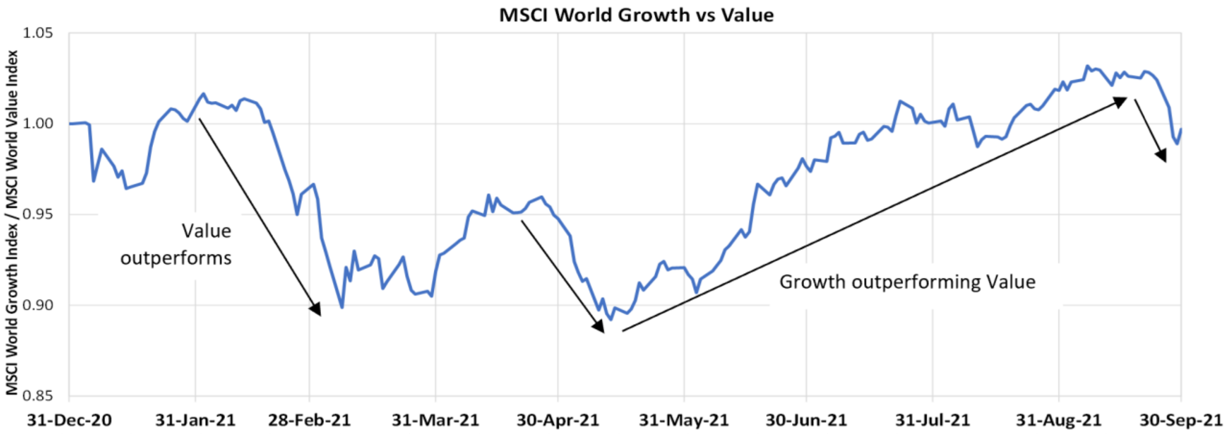
In the US, equities notched up a small positive return in Q3: strong earnings had lifted US stocks in the run up to August, when the Federal Reserve (Fed) seemed to strike a dovish tone, confirming its hesitance to tighten policy too fast. However, growth and inflation concerns late in the quarter meant US equities retraced their steps in September. This was exacerbated late in the month after the Fed stated that tapering of quantitative easing (i.e. a slowdown in the pace of asset purchases) will be announced at the November meeting, as expected, and will finish by mid-2022. Meanwhile, the fed funds rate projections now show a faster rate hiking schedule than they did in June. Fed officials were evenly split 9-9 on a rate hike in 2022, whilst the median rate expectation for 2023 moved up to three hikes from two in June.



Source: Bloomberg. As of 22nd September 2021

The shift comes in the context of revised real GDP growth – down to 5.9% for 2021 from the 7% growth estimated in the last meeting – while inflation has risen: the Fed now sees inflation running to 4.2% this year, above its previous estimate of 3.4%.

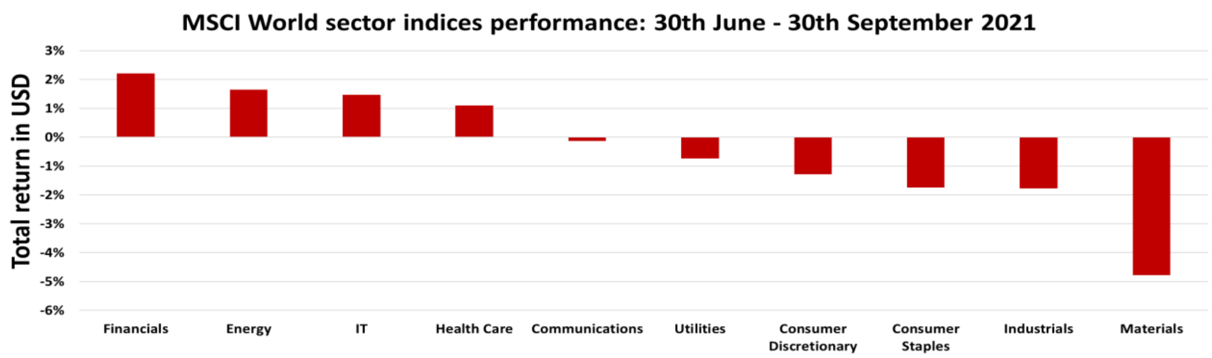
The above resulted in a sharp style rotation at the end of the quarter, away from growth stocks and towards value:



Source: Bloomberg. As of 30th September 2021

Value's outperformance coincided with rate-sensitive stocks leading the gains, as the Financials sector fared best over the quarter. Energy also had a strong quarter after being the only sector up over September, after faring poorly in July and August. This was driven by the surge in natural gas prices and the sharp rise in WTI oil which rose above $75/barrel – its highest level since 2014 – after OPEC+ decided to keep supplies tight.

No exposure to the Energy and Banking sectors benefitted the Fund in July and August, though dragged on performance in September (and resultantly overall in the quarter) when both sectors revived.

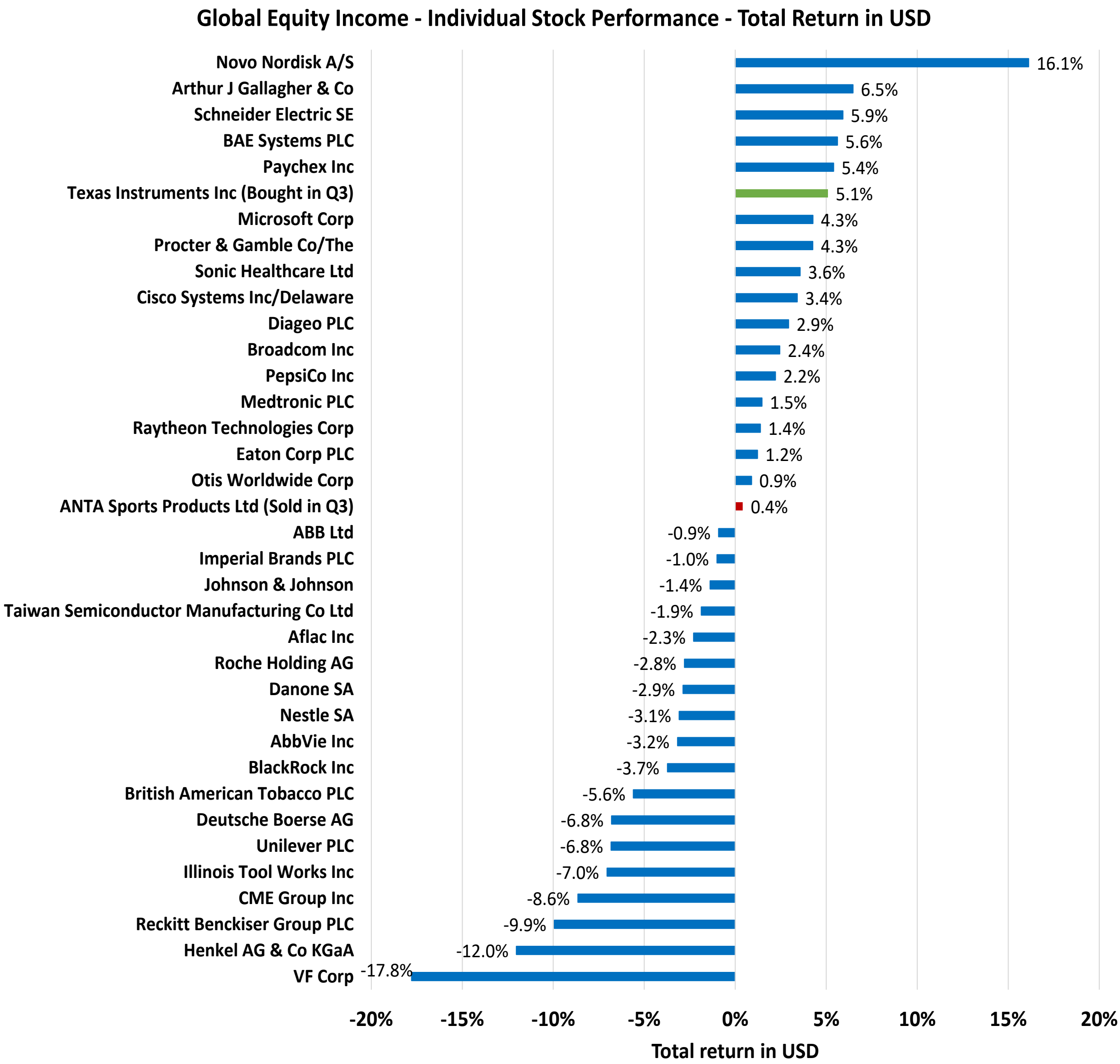


Source: Bloomberg. As of 30th September 2021

Being overweight Industrials and Consumer Staples was also unfavourable in the quarter, though offset by particularly good stock selection within Consumer Staples. Positive stock selection in the IT sector aided relative performance too.

Our largest overweight in the Fund is to the Consumer Staples sector, with approximately 29% of holdings. Whilst this proved a drag on performance in the third quarter, we believe that most developed global markets have now likely passed through the 'recovery phase' of the economic cycle, where companies that see the fastest recovery in their earnings outperform. We continue to see many high-quality Consumer Staples companies trading at valuations around their 5- or 10-year average, which we do not necessarily see in other sectors.

Stock Selection over the quarter (30th June – 30th September 2021)



Source: Bloomberg. As of 30th September 2021

Novo Nordisk was the best performer in the quarter (+16.1% in USD). The Danish pharmaceutical company is a leader in the $20bn global insulin market – with 50% market share – and has maintained a concentrated, yet market-leading, portfolio of drugs targeting diabetes and obesity. The company recently received a boost after gaining US FDA approval for its weight loss injection, namely Wegovy, which will be available to obese adults. In four late-stage clinical trials, most patients taking Wegovy, alongside interventions like diet and exercise, lost at least 5% of their body weight, with an average reduction of about

15%. This news came alongside encouraging quarterly earnings results which showed better-than-expected earnings and sales growth, with management also increasing 2021 guidance to 10-13% top line growth (from 6-10%). Novo Nordisk's strong pipeline of patent-protected drugs and intellectual intangibles give it a wide moat and provide a high barrier to entry for competitors. Hence gross and operating margins are very high, and the company has a very strong balance sheet with very little debt.

Arthur J Gallagher, one of the world's largest insurance brokerage and risk management services firm, also performed well in the quarter (+6.5% in USD). The company posted stronger-than-expected Q2 earnings and revenues. "We're off to an excellent start in 2021," said CEO J. Patrick Gallagher, Jr. "We posted strong total revenue growth, including excellent organic revenue growth and continued growth from our tuck-in M&A strategy. Combined with our expense discipline, we once again delivered fantastic growth in net earnings". The market also reacted positively to news of Arthur J Gallagher's proposed acquisition of Wills Re's treaty reinsurance brokerage.

BAE Systems performed well in the quarter too (+5.6% in USD). The largest defence contractor in Europe is well-positioned to benefit from modernisation efforts by militaries worldwide amid ever-present geopolitical uncertainty. The maker of 500 Typhoon fighter jets, combat vehicles, warfare ships and Astute Class nuclear-powered attack submarines, said its defence business, which accounts for 90% of group revenues, was close to being back to pre-pandemic levels. Recent contract wins in the Middle East and Germany can sustain Typhoon fighter jet production into the 2030s, and BAE continues to demand a leading market share in key defence markets (UK, US, Saudi Arabia, Australia). 45% of sales are derived from services and support, 35% from major programmes such as the F-35 Lightning II and Eurofighter Typhoon fighter jets, with the balance derived from electronic systems & cyber intelligence.

VF Corp (-17.8% in USD) was the worst performer in the quarter. The global clothing manufacturer, whose line-up of high-profile brands includes Vans, The North Face, Timberland, and Dickies, reported Q1 2022 results that missed gross margin expectations, citing that air freight costs had a bigger impact than expected. Also there was some disappointment with Vans' sales; whilst revenues were modestly higher globally vs the prior year, they were down in North America. The market took this negatively given that Vans makes up 40% of revenue, is VF Corp's fastest growing brand, and the US is the largest revenue region (60%). Behind the headline numbers, however, the lower Vans sales growth was a function of low inventory levels rather than soft demand. As such, we still have confidence in VF Corp's long-term prospects, and this was echoed by management in that guidance for Vans' full-year growth was raised to 9-10% (from 7-9%).

Looking forward, VF Corp, which is a dividend aristocrat with 49 years of consecutive years of dividend growth, once again announced growth in its dividend this year and also lifted full-year 2022 guidance. The company expects 30% revenue growth (up from its previous estimate of 28%) and 144% earnings growth in the next year, with growth from all regions and particular strength in direct-to-consumer sales channels.

Henkel (-12.0% in USD) also performed poorly in the quarter. Henkel manufactures chemical products, used in various industries: laundry and homecare (Persil, All, Pril); cosmetics and toiletries (Schwarzkopf, Dial, Syoss); adhesives (Loctite, Pritt, UniBond).

Henkel's business is centred in Europe, with a growing presence in developing economies. The company has a diversified revenue stream with Adhesive Technologies accounting for around 45% of sales, Laundry and Homecare makes up around 35%, and Beauty Care accounts for about 20%. Recent underperformance comes after first half results warned that supply-side issues and raw material costs may negatively impact the bottom line for the second half of the year. Despite reducing EBIT margin guidance to 13.5%-14.5% (from 14.0%-15.0%), the firm increased their full year sales guidance to 6%-8% growth (from 4%-6%), with revenues already back above pre-pandemic levels. We see supply constraints as potentially transient in nature, and believe over the medium-term the company will be able to pass on costs; we remain confident that the firm's scale, brand strength and portfolio optimisation strategy will support the share price into the long term.

Reckitt Benckiser (-9.9% in USD) also had weak performance over the quarter. The global consumer goods producer is a leader in the health and hygiene & home products markets, with 20 "powerbrands" making up 70% of total revenue. These include Dettol, Strepsils, Veet, Gaviscon, Mead Johnson, Air Wick, Durex, Lysol and Vanish. Greater cautiousness around hygiene/health over the last year has benefitted Reckitt Benckiser, and weaker recent performance comes after its latest earnings release was weaker than expected. Management revealed lower margin guidance – given rising raw material prices – and a slowdown in demand for many of its products: sales in its health unit fell 5.6% in the second quarter, whilst the hygiene division saw revenue growth of 7.8% (markedly lower vs the 21% growth clocked in Q1 2021). Whilst the share price fall reflects short-term concerns, we are optimistic over Reckitt Benckiser's long-term prospects. Reckitt Benckiser's first-half sales for 2021 were still up 13% compared to the same pre-Covid period in 2019 and the company continues to have a strong balance sheet and steady cashflows. Further, as part of its growth initiative, Reckitt Benckiser has invested more than £1bn into its supply chain, innovation, and marketing budgets over the past 18 months to improve future sales growth and operating margins.

Changes to the Portfolio

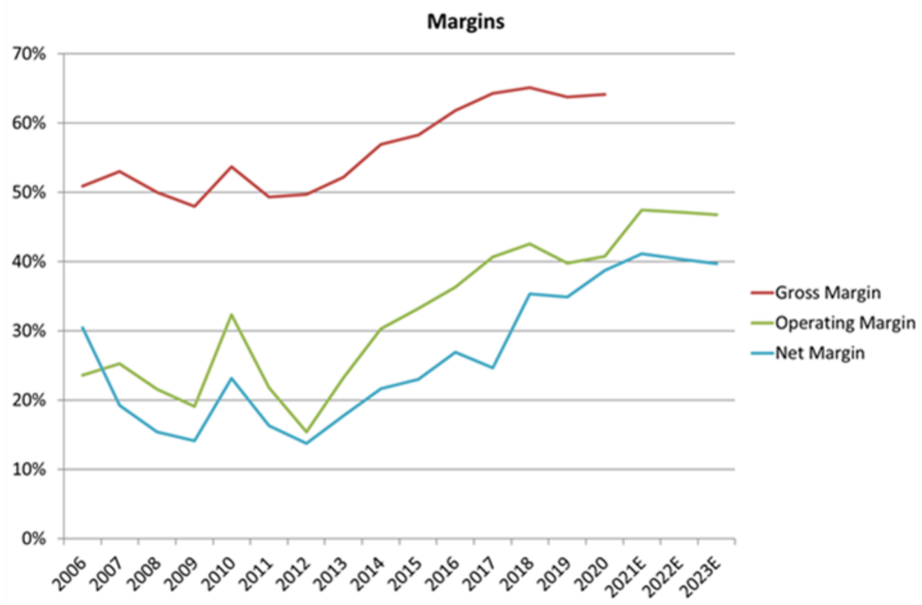
We made one change to the portfolio in the quarter. We bought a new position in Texas Instruments and sold our holding of Anta Sports Products.

Anta Sports, the leading Chinese sportswear brand has ~15% domestic market and generates revenue through the manufacture of sporting goods, including footwear, apparel, and accessories. This includes their namesake products under the ANTA brand and other popular brands such as Fila and Descente, as well as Salomon and Arc'teryx – both owned by Amer Sports, who ANTA acquired in 2019. Whilst the business continues to have a high revenue growth runway, we decided to sell our full position and take profits given the steeper valuation the company now carries.

We originally bought ANTA Sports in June 2017 when it offered a dividend yield of 3.5% and was trading on a forward P/E ratio of 20.6x. At sale, the stock traded on a dividend yield of 0.8% and a forward P/E of 47x. Since we originally bought into the company it has generated a total return of over 640%, with a significant proportion of that return generated in the last 12 months.

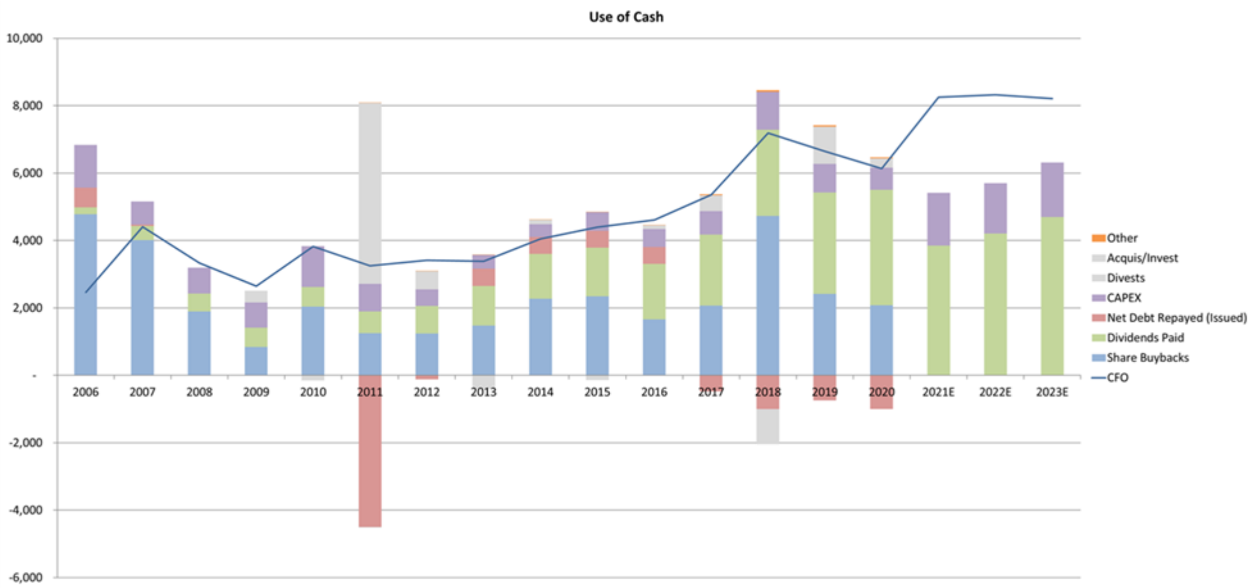
As part of our one-in-one-out process, we replaced our sold position with a new one in **Texas Instruments**, the world's largest manufacturer of analogue semiconductors (semiconductors that turn analogue inputs such as sound, temperature, etc into digital signals). The chips they make are based on "lagging edge" technology, i.e. not the "leading edge" tech being manufactured by TSMC's latest processes. Analogue semis have a strong growth outlook driven by demand from the automotive sector, industrial automation, internet of things, for example.

The company boasts several characteristics that we typically seek in the Fund: return on capital is not only well above the industry average but has been growing, driven by strong margin expansion:



Source: Bloomberg. As of 31st July 2021

Texas Instruments has a strong capital budgeting discipline, as shown in the chart below. The company tends to make small acquisitions, with the exception of National Semiconductor in 2011 (grey bars below), has consistent reinvestment in CAPEX (purple bars), and generally distributes excess cash back to shareholders in a mix of variable share buybacks (blue), and consistent dividend growth (green).



Source: Bloomberg. As of 30th September 2021

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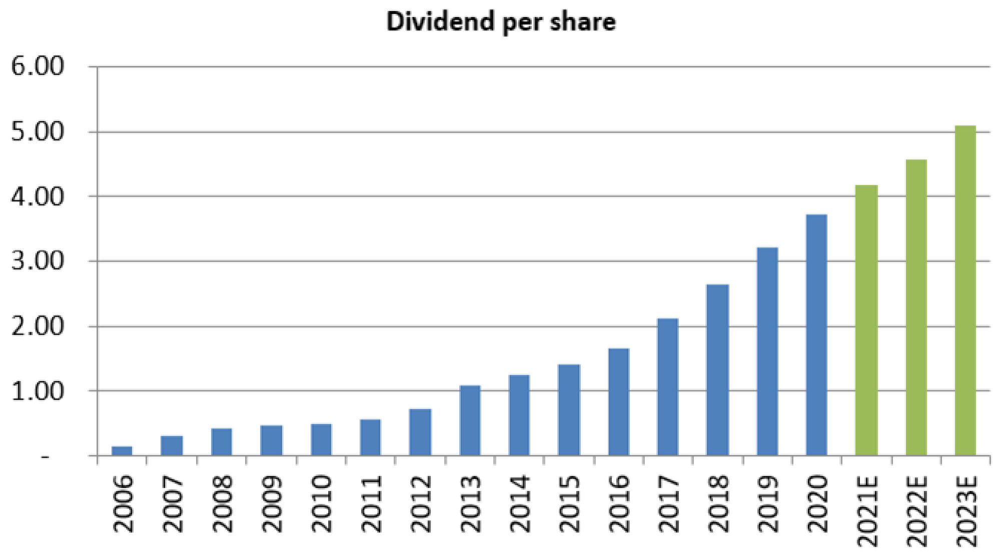
This has led to excellent levels of dividend growth which have averaged 39% per-annum over the last five years.



Dividend Growth	
1 Yr	16%
3 Yr (annualised)	21%
5 Yr (annualised)	39%

Source: Bloomberg. As of 30th September 2021

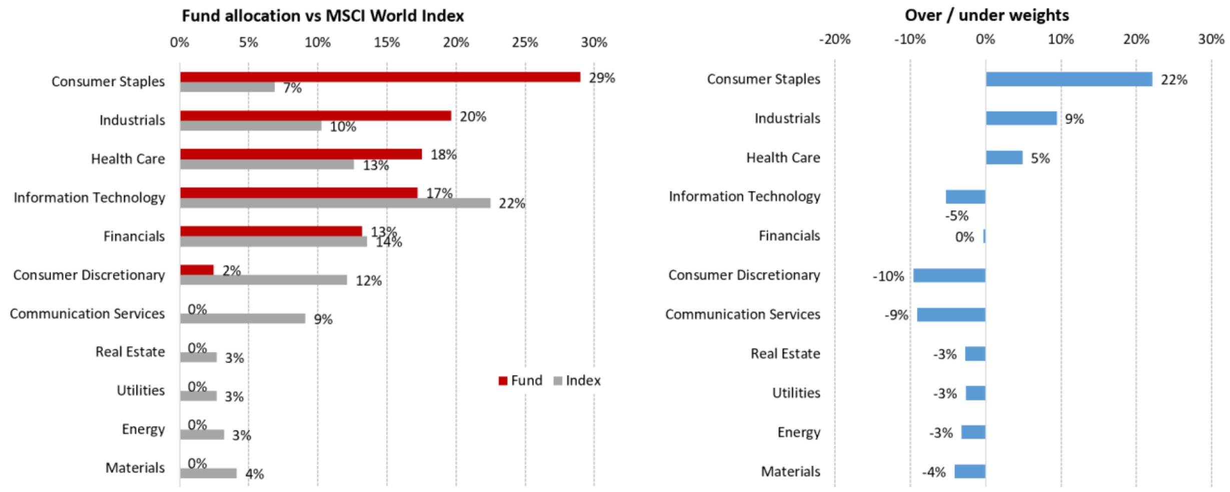
At purchase, the company traded on a forward P/E multiple of 23x and a dividend yield of 2.2%. Whilst the P/E multiple was very similar to that of the S&P 500 Index, the 2.2% dividend yield was 60% higher than the Index's figure of 1.4% (and Texas Instruments has faster dividend growth).

With the switch out of ANTA Sports and into Texas Instruments we have improved many of the metrics of the portfolio, including the valuation, dividend yield, margins, and ESG rating (MSCI ESG research rates Texas Instruments AAA, whilst rates Anta Sports BB).

Portfolio Positioning

We continue to maintain a fairly even balance between quality defensive and quality cyclical/growth companies. We have approximately 47% in quality defensive companies (e.g. Consumer Staples and Healthcare companies) and around 53% in quality cyclical or growth-oriented companies (e.g. Industrials, Financials, Consumer Discretionary, Information Technology, etc.) Within Financials, however, we do not own any Banks, which helps to dampen the cyclicality of our Financials.

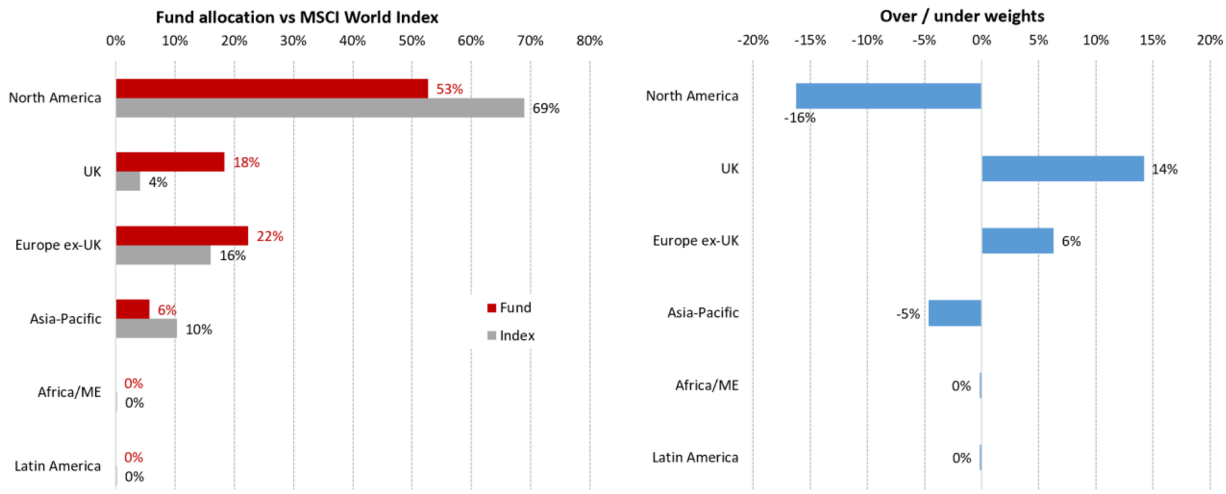
The Fund also has zero weighting to Energy, Utilities, Materials, Real Estate and Communications. The largest overweight is to Consumer Staples.



Sector breakdown of the fund versus MSCI World Index.
Source: Guinness Asset Management, Bloomberg. Data as of 30th September 2021

In terms of geographic exposure (chart below), the largest difference between the Fund and the benchmark is our exposure to the US (as measured by country of domicile). The Fund at quarter end had c.53% weighting to North America which compares to the index at c.69%. The largest geographic overweight remains Europe ex-UK and the UK.

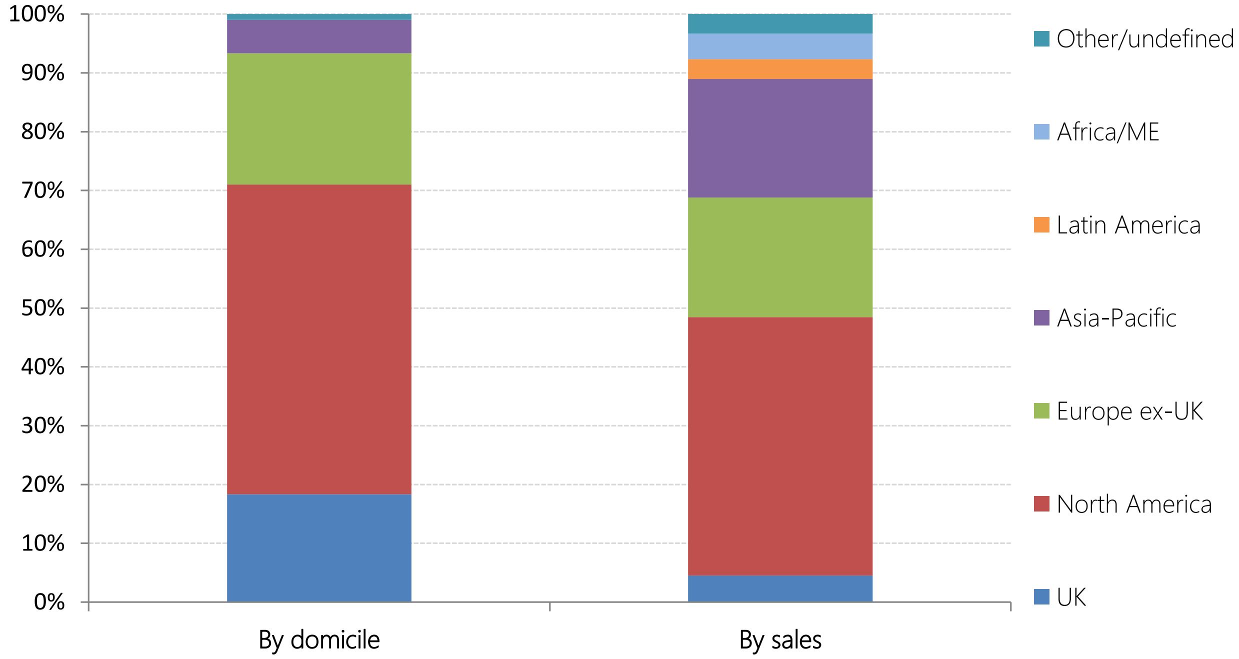
We are diversified around the world with 53% in the US, 40% in Europe and 6% in Asia-Pacific. Within the Asia-Pacific region we have one company listed in Taiwan (Taiwan Semiconductor) and one company listed in Australia (Sonic Healthcare).



Regional breakdown of the fund versus MSCI World Index.
Source: Guinness Asset Management, Bloomberg. Data as of 30th September 2021

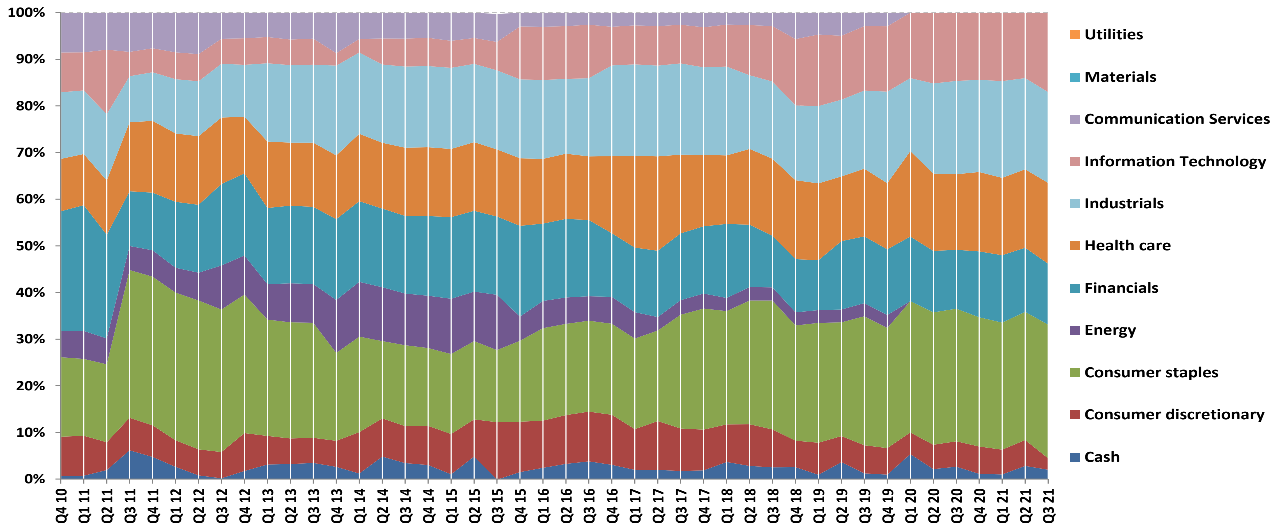
With regards to our UK exposure, we would note two main points, referring to the chart below; (i) the Fund has a lower exposure to the UK when considered in revenues (c.5%) versus by domicile (c.18%). This is because we have favoured UK-domiciled companies with a more global exposure (such as Unilever and

Imperial Brands); and (ii) there is a larger exposure to Asia-Pacific by revenues (c.20%) than the equivalent statistic as measured by domicile (c.6%).



Geographic breakdown of the fund since launch.
Source: Guinness Asset Management. Data as of 30th September 2021

The below two charts show how the exposure of the fund has evolved since we launched the strategy back in 2010.



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Source: Guinness Asset Management. Data as of 30th September 2021

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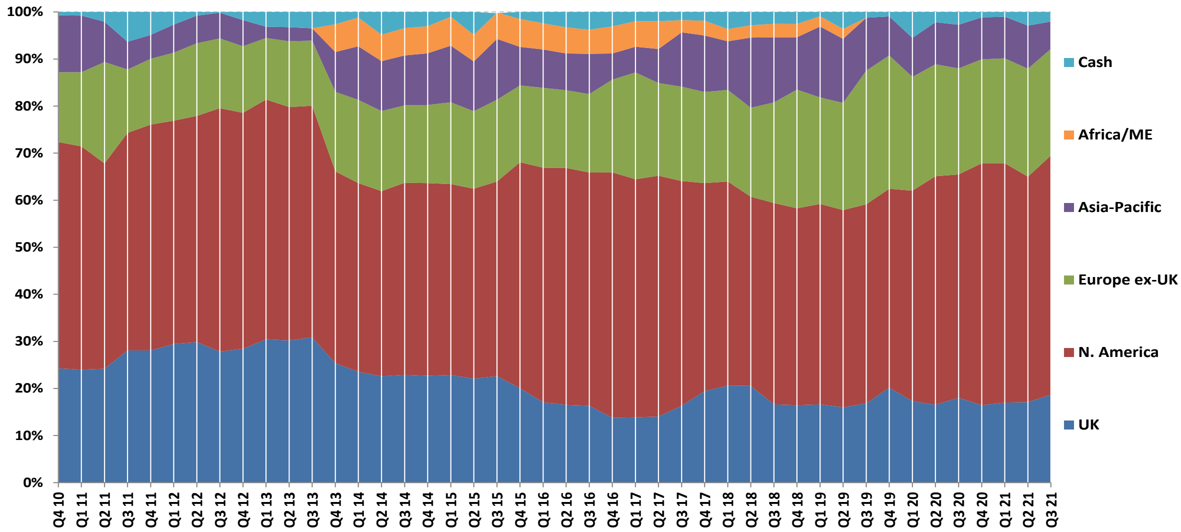


Geographic breakdown of the fund.
Source: Guinness Asset Management, Bloomberg. Data as of 30th September 2021

Outlook

The four key tenets to our approach are: quality, value, dividend, and conviction. We follow these metrics at the portfolio level to make sure we are providing what we say we will. Based on the measures, holistically, the high-conviction fund has companies which are on average better quality at better value versus the index. We are pleased to report that the portfolio continues to deliver on all four of these measures relative to the benchmark MSCI World Index.

		Fund	MSCI World Index
Quality	Average 10 year Cashflow Return on Investment	18%	8%
	Weighted median net debt / equity	58%	70%
Value	PE (2021e)	18.2	19.4
	FCF Yield (LTM)	5.8%	5.1%
Dividend	Dividend Yield (LTM)	2.5% (net)	1.8% (gross)
	Weighted average payout ratio	50%	48%
Conviction	Number of stocks	35	1650
	Active share	90%	-

Portfolio metrics versus index.
Source: Guinness Asset Management, Credit Suisse HOLT, Bloomberg. Data as of 30th September 2021

The Fund continues to offer a portfolio of consistently highly profitable companies, with strong balance sheets, and a valuation discount to the MSCI World Index. With inflation top of mind, we are also confident that the companies in the portfolio are well placed from a pricing power perspective, and we note the defensive nature of the portfolio – which has outperformed in all market corrections since launch in 2010 – gives us confidence heading into what, currently, appears more volatile markets.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA

Dr Ian Mortimer, CFA

Analysts

Joseph Stephens

Sagar Thanki

Will van der Weyden

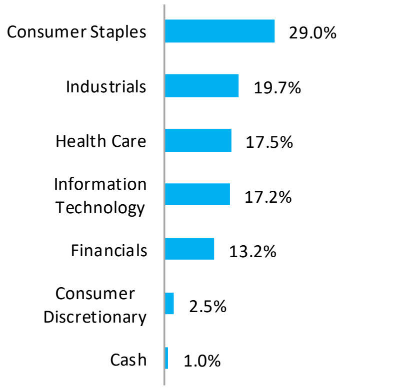
PORTFOLIO

30/09/2021

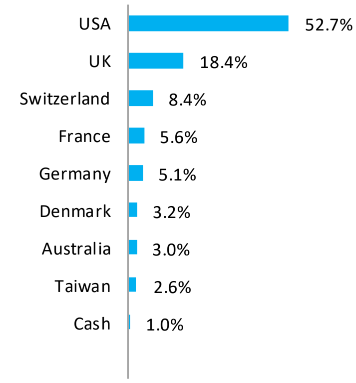
Fund top 10 holdings

British American Tobacco	3.6%
Diageo	3.4%
Novo Nordisk	3.2%
Imperial Brands	3.1%
Paychex Inc	3.1%
Sonic Healthcare	3.0%
Abbvie	3.0%
Microsoft	3.0%
Eaton	3.0%
Unilever	3.0%
% of Fund in top 10	31.4%
Total number of stocks held	35

Sector analysis



Geographic allocation



PERFORMANCE

30/09/2021

Past performance is not a guide to future returns

Annualised % total return from launch (GBP)

Fund (Y class, 0.81% OCF)	11.4%
MSCI World Index	11.9%
IA Global Equity Income sector average	8.7%

Discrete years % total return (GBP)	Sep '21	Sep '20	Sep '19	Sep '18	Sep '17
Fund (Y class, 0.81% OCF)	19.1	3.0	12.0	13.2	7.2
MSCI World Index	23.5	5.2	7.8	14.4	14.4
IA Global Equity Income sector average	21.6	-3.9	7.0	7.0	12.3
IA Global Equity Income sector ranking	30/52	10/51	11/47	6/45	38/41
IA Global Equity Income sector quartile	3rd	1st	1st	1st	4th

Cumulative % total return (GBP)	1 month	Year-to-date	1 year	3 years	5 years	From launch
Fund (Y class, 0.81% OCF)	-3.1	12.5	19.1	37.3	66.5	217.9
MSCI World Index	-2.2	14.6	23.5	40.1	83.4	236.4
IA Global Equity Income sector average	-1.5	11.8	21.6	25.0	50.3	145.9

RISK ANALYSIS

30/09/2021

Annualised, weekly, from launch on 31.12.10, in GBP	Index	Sector	Fund
Alpha	0.00	-0.41	0.98
Beta	1.00	0.77	0.86
Information ratio	0.00	-0.46	-0.13
Maximum drawdown	-24.58	-22.41	-21.78
R squared	1.00	0.80	0.89
Sharpe ratio	0.60	0.42	0.60
Tracking error	0.00	6.53	4.77
Volatility	14.36	12.34	13.07

*Composite simulated performance (see Performance data notes below) based on actual returns of E share class (available from Fund launch), calculated in GBP.

Source: Financial Express, bid to bid, total return. Fund launch date: 31.12.10. Fund Y class (0.81% OCF): Fund returns are for share classes with a current Ongoing Charges Figure (OCF) stated above; returns for share classes with a different OCF will vary accordingly.

Past performance should not be taken as an indicator of future performance. The value of investments and any income arising from them can fall as well as rise as a result of market and currency fluctuations.

Performance data notes

1) The performance numbers displayed on the previous page are calculated in GBP. Please note: The Fund's Y class was launched on 11.03.15. The performance shown is a composite simulation for Y class performance being based on the actual performance of the Fund's E class, which has an OCF of 1.24%, and has existed since the Fund's launch. Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

Important information

Issued by Guinness Asset Management Limited, authorised and regulated by the Financial Conduct Authority.

This report is primarily designed to inform you about Guinness Global 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.

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.

Risk

The Guinness Global 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, and you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on our website. Shareholders should note that all or part of the fees and expenses will be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment.

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.guinnessfunds.com or free of charge from:-

- the Manager: Link Fund Manager Solutions (Ireland) Ltd (LFMSI), 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or,the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

LFMSI, 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.linkgroup.eu/policy-statements/irish-management-company/

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, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, www.carnegie-fund-services.ch. 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.

Telephone calls will be recorded and monitored.