

RISK

This is a marketing communication. Please refer to the prospectuses, KIDs and KIIDs for the Funds, which contain detailed information on their characteristics and objectives, before making any final investment decisions.

The Funds are equity funds. Investors should be willing and able to assume the risks of equity investing. The value of an investment can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available on our website.

Past performance does not predict future returns.

ABOUT THE STRATEGY

Launch	01.05.2003
Index	MSCI World
Sector	IA Global
Managers	Dr Ian Mortimer, CFA Matthew Page, CFA
Irish Domiciled	Guinness Global Innovators Fund
UK Domiciled	WS Guinness Global Innovators Fund

INVESTMENT POLICY

The Guinness Global Innovators Funds are designed to provide investors with global exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. Innovation can take many forms, not just disruptive tech driven products. It is the intelligent application of ideas and is found in most industries and at different stages in company lifecycle. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

CONTENTS

Commentary	1
Guinness Global Innovators Fund	
Key Facts	15
Performance	16
WS Guinness Global Innovators Fund	
Key Facts	17
Performance	18
Important Information	19

COMMENTARY

In January, the Guinness Global Innovators Fund produced a total return of 2.4% (in GBP) against the MSCI World Index net total return of 1.3% and the IA Global sector average of 0.4%. Hence the Fund outperformed the benchmark by 1.1% and outperformed the IA Global Sector average by 2.0%.

Following the strong market rally seen in the final months of 2023, equity performance continued to tick up in January. A slight pullback in the first week of the year ended a nine-week bull run, but continued optimism over a 'soft landing' later lifted the S&P 500 to all-time highs. The US Federal Reserve's preferred inflation measure, Core PCE, continued to slow and came in below estimates at 2.9% year-on-year (vs 3.0% expected) during December, and economic data pointed to strength in the US economy, with retail sales better than expected for December and initial jobless claims at their lowest level since December 2022. In an even greater indication of US economic strength, however, the Commerce Department announced at the end of the month that the economy grew 3.3% (annualised) in the final quarter of 2023, well ahead of analyst expectations at 2%. While this strong economic and positive inflation data took equities higher, expectations of interest rate cuts were lowered, dampening the strength of the rally, but not enough to overturn the strong positive momentum. At the end of last year, Fed Fund Futures were implying an 84% chance of a rate cut from the Fed's 2024 March meeting. By the end of January, however, this figure was just 34%, as Federal Reserve Chair Jay Powell poured cold water on the idea, causing the MSCI World to drop nearly 1% on the final day of the month.

Guinness Global Innovators

During the month, relative performance of the Funds was driven by the following:

- The Funds benefited from significant overweight positions to the two best performing industries, semiconductors and software. The semiconductor industry's contribution to performance from an allocation perspective was supported by strong performance from Nvidia (+24.2% USD), the Funds' best performing stock over the month, and off-benchmark stock Taiwan Semiconductor Manufacturing (TSMC, +8.6%), albeit offset by weakness in Infineon (-12.5%).
- From a stock selection perspective, performance also benefited from strong stock selection within Health Care and Communication Services. In Healthcare, Novo Nordisk (+8.8% USD) was particularly strong, outperforming the MSCI World by 7.6% and the MSCI World Healthcare Index by 6.1%. Meta was the standout performer within Communication Services, delivering +10.2% and ending the month as the Funds' second top performer.
- The Funds benefited from a zero allocation to Energy, Consumer Staples, Utilities and Materials, which all underperformed the broader MSCI World Index.
- One of the biggest detractors to relative performance was stock selection within Consumer Discretionary as off-benchmark name Anta Sports (-13.4% USD) suffered, predominantly from regional headwinds as well as a slightly disappointing IPO of its subsidiary, Amer Sports.

Following the strong performance of the strategy over 2023, it is pleasing to see it rank in the top quartile versus the IA Global Sector over the longer time frames of 1, 5, 10, 15 and 20-year periods, and since the launch of the strategy in 2003.

Past performance does not predict future returns.

Cumulative % total return, in GBP, to 31 st January 2024	YTD	1 year	3 years	5 years	10 years*	15 years*	20 years*	Launch*
Guinness Global Innovators	2.4	24.9	31.9	112.8	283.7	902.0	968.9	1157.0
MSCI World Index	1.3	13.1	36.1	77.2	209.6	477.1	537.9	637.1
IA Global sector average	0.4	8.3	18.6	59.0	150.2	336.9	394.1	485.8
IA Global sector ranking	^	12/545	129/473	2/395	5/239	1/160	2/97	3/94
IA Global sector quartile	^	1	2	1	1	1	1	1

^Ranking not shown in order to comply with European Securities and Marketing Authority rules.

Annual % total return in GBP	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14*
Guinness Global Innovators	32.1	-20.7	22.6	32.1	31.3	-11.9	22.0	27.7	2.0	18.9
MSCI World Index	16.8	-7.8	22.9	12.3	22.7	-3.0	11.8	28.2	4.9	11.5
IA Global sector average	12.7	-11.1	17.7	15.3	21.9	-5.7	14.0	23.3	2.8	7.1
IA Global sector ranking	12/539	440/508	123/468	52/424	17/389	312/344	32/312	99/284	206/263	7/235
IA Global sector quartile	1	4	2	1	1	4	1	2	4	1

	Dec 13*	Dec 12*	Dec 11*	Dec 10*	Dec 09*	Dec 08*	Dec 07*	Dec 06*	Dec 05*	Dec 04*
Guinness Global Innovators	42.6	14.9	-6.0	20.7	29.3	-24.5	19.2	4.2	25.0	3.4
MSCI World Index	24.3	10.7	-4.8	15.3	15.7	-17.9	7.2	5.3	22.4	7.0
IA Global sector average	21.7	9.4	-9.3	15.8	23.0	-24.3	8.8	7.8	24.8	7.7
IA Global sector ranking	6/219	31/203	59/182	44/165	38/158	91/142	21/131	87/115	58/101	75/95
IA Global sector quartile	1	1	2	2	1	3	1	4	3	4

Source: FE fundinfo

**Simulated past performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects a US mutual fund which has the same investment process since 01/05/2003. Strategy inception 01.05.2003.*

SEMICONDUCTORS

Whilst 2023 saw a downturn in semiconductor demand, semiconductor stocks outperformed the broader market.

Following three years of very strong growth amid the covid pandemic, the semiconductor industry faced a downturn during 2023 – the seventh since 1990. Global sales fell approximately 10-12% as customers worked through inventories built up during widespread supply chain disruption following the pandemic, and a weakened macro-outlook dampened demand. Memory chips (semiconductors used for internal storage within a computer) performed particularly badly, with weak consumer demand and excess channel inventory on the whole causing prices for DRAM and NAND memory chips (which make up the majority of the segment) to fall by over 50% in the first half of the year (according to Gartner). Non-memory chips fared far better during the downturn, facing an overall decline of c.3% during the year. While they felt similar headwinds such as weakened demand and excess channel inventory, pricing held up – in fact, excluding memory, pricing per unit was up double digits. In addition, the demand for non-memory chips for artificial intelligence purposes offset most of the declines elsewhere.

Counterintuitively, the semiconductor market was the best performing industry (by Global Industry Classification Standard (GICS)) during 2023; the MSCI World Semiconductor Index rose 90% over the year vs the MSCI World's 24%. While this was in part driven by the strength of one Magnificent Seven stock in particular, Nvidia (+238% USD), broad-based gains were seen across the market, with the average semiconductor stock within the Philadelphia Semiconductor Index up 45%. The industry was also the best performing in January 2024, and as the Fund's largest overweight industry position, this acted as a material benefit to Fund performance.

The Fund's overweight position to the industry is a function of our bottom-up process.

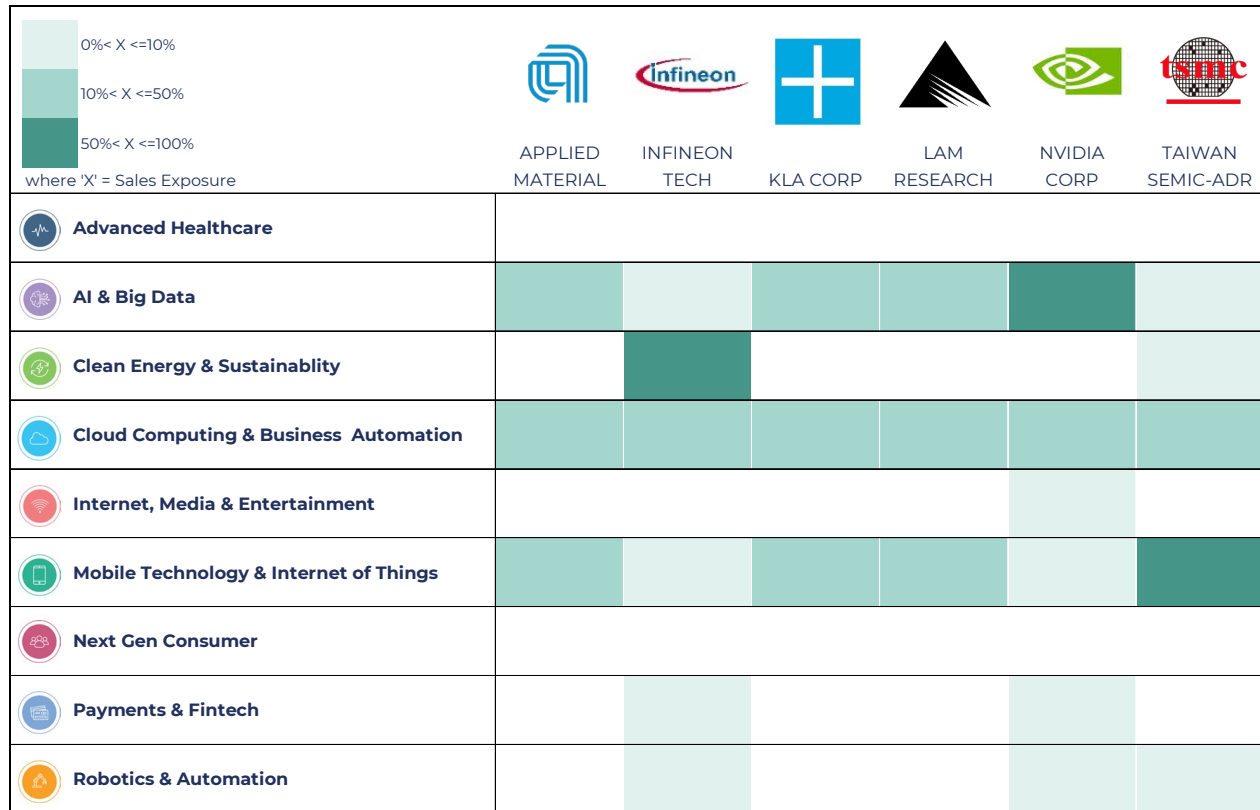
Whilst we are certainly bullish on the long-term outlook of the semiconductor industry and note its exposure to many secular growth themes, our overweight position is a result of our investment process – focusing on bottom-up stock selection rather than attempting to make top-down macro calls.

Our bottom-up approach has four key tenets: Growth, Quality, Valuation and Conviction.

- **Growth** drives long-term returns. We focus on companies with exposure to long-term secular growth themes, that are expected to grow faster than the market over time, and which may offer more predictable, sustainable growth.
- **Quality** protects against downside risks. We focus on high and consistent return on capital, balance sheet strength, and sustainable competitive advantages.
- **Valuation** is important; we aim to avoid overpaying for (uncertain) future growth.
- **Conviction** is reflected in our high active share, 30-stock, equal-target-weight portfolio, long-term, low-turnover approach.

Our six holdings in the semiconductor industry are exposed to many of the growth themes we have identified whilst also exhibiting the characteristics we seek in terms of growth, quality, and valuation.

Guinness Global Innovators



Source: Guinness Global Investors estimates from company reports and literature. February 2024

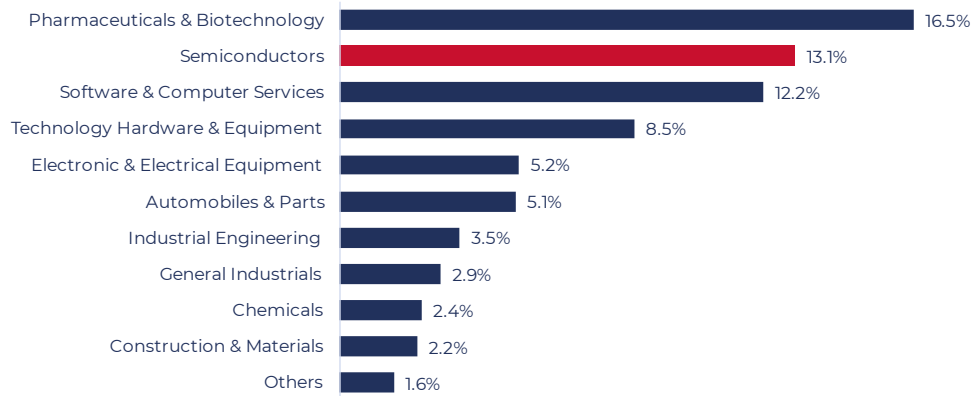
Semiconductor companies are an important driver of global innovation, and thus, need to be innovative themselves

Semiconductors act as one of the fundamental building blocks for technological advancement. Companies across end markets are continually demanding increasingly complex, high-performing and efficient chips, across an expanding number of applications and different system requirements – all to drive innovation within their own products. For semiconductors to meet these increasing demands, they need to innovate themselves. At the 'leading edge', innovation is focused on shrinking the size of the 'node', and thus increasing the number of transistors per chip. Over several decades, progress in this area has seemingly followed Moore's Law: that the number of transistors on a chip will double every two years, leading to an exponential increase in computational power and efficiency. TSMC has been at the forefront of this progress and is able to produce chips at the 3 nanometre 'node', with a 2nm node offering 30% more efficiency expected by 2025. Even at the 'trailing edge' – older, more mature semiconductor technologies – innovation is still important. Here, rather than pushing the limits of what is possible and where size may not be as important (such as in power chips), innovation is focused on improving the reliability and efficiency of chips, potentially through material science. Infineon is an example in this space, using a different architecture named 'trench' technology which has superior performance in power semiconductors, as well as investing in the innovative use of materials such as silicon carbide. To facilitate this innovation, the semiconductor industry is one of the most intense in research and development (as a proportion of sales), second only to Pharma in 2022.

Guinness Global Innovators

R&D Intensity by Industry

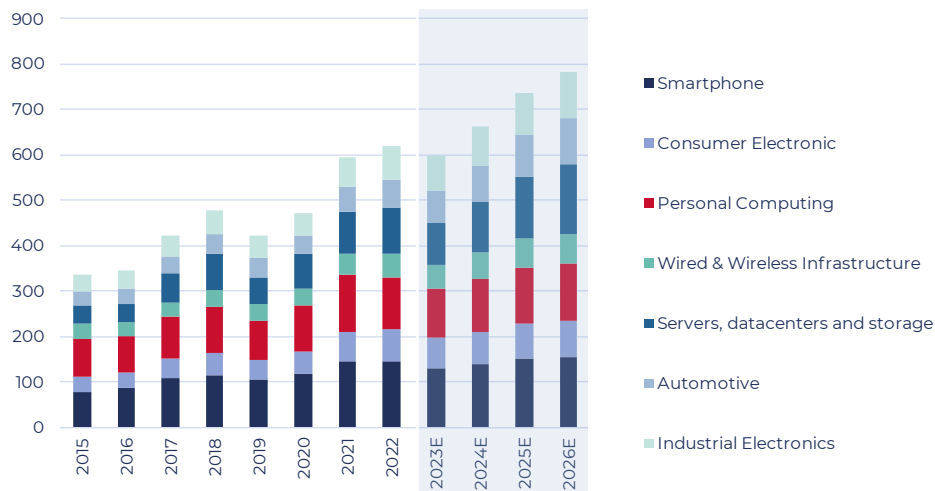
R&D as a percentage of sales, 2022



Source: EU Industrial R&D Investment Scoreboard; IC Insights; Guinness Global Investors

While this is clearly a significant cost for semiconductor companies, a high investment allocation to R&D not only creates high barriers to new entrants, but allows the industry to continue growing, not only by providing improved, more complex and powerful semiconductors, but facilitating the development of new technologies in different categories and industries – as seen with the progress made in generative artificial intelligence across sectors over the course of 2023. Consequently, the semiconductor market has grown rapidly over the past decade. The chart below shows data and estimates taken from a presentation by semiconductor equipment manufacturer ASML at the beginning of 2023, highlighting not only the significant historical growth (9.1% annually between 2015-2023) across a broad range of end markets, but the significant growth expectations for the future. Although these estimates did not reflect the c.10% decline seen in 2023 (the actual end market size ended at c.\$530bn, according to Gartner), they are also unlikely to reflect the longer-term consequence of progress made with respect to generative AI during the year. Assuming the market can reach \$1trillion by 2030-2032 (as multiple sources suggest e.g. IDC, Gartner and McKinsey), this would deliver c.7-10% annual growth (2023-2030) – broadly in line with the historical trend.

Semiconductor End-Market Size (\$,Bn)



Source: ASML Investor Day November 2022, Annual Report 2022 (released February 2023)

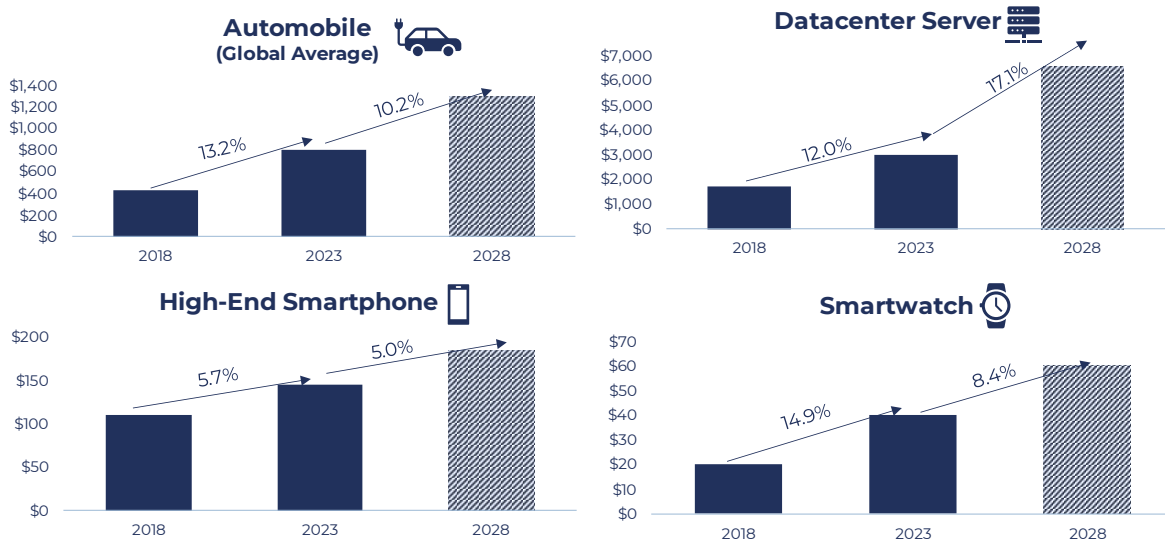
Two of the fastest growing end markets through to 2030 are expected to be Automotive and Datacentre, but growing 'Semiconductor Content Per Device' is not unique to these industries.

Guinness Global Innovators

- Automotive:** Growth in the auto semiconductor end-market (14% annually through to 2030, according to Bernstein) is expected to far outpace the broader sector, with long-term trends such as digitalisation, electrification and autonomous driving increasing the complexity and content of semiconductors within vehicles. Semiconductor content per vehicle averaged around \$600-700 in 2021, and has nearly doubled from \$320 in 2014. It is expected to reach \$2000 by 2030. Semi content roughly doubles from an internal combustion engine vehicle to a battery or plug-in hybrid electric vehicle, and the expectation that EVs (full or hybrid) will make up more than 50% of car production by 2027, a significant tailwind to demand. In addition, the increasing complexity and prevalence of infotainment systems will also drive semiconductor content within vehicles.
- Datacentre** is expected to be the second fastest growth sector over the remainder of the decade (+13% annually, Bernstein). We have seen rapidly increasing demand for cloud computing capacity across industries, not only due to more businesses and industries migrating on-premise infrastructure over to the cloud, but the rise of 'Big Data' and more data-centric analytics boosting demand for more efficient servers, and thus more complex, efficient and powerful processors. Furthermore, advances in artificial intelligence, particularly following developments in generative AI during 2023, require specialised hardware that has the ability to handle complex and energy-intensive computations, with datacentres providing the necessary infrastructure for both the training and running of AI systems.

The increasing demands and complexity of the underlying products within these two industries are resulting in greater 'semiconductor content per device/unit' (measured as the dollar amount). However, this phenomenon isn't just present within Automotive and Datacentre, but across many other use cases, as seen by the below estimates from Soitec.

Semiconductor Content Per Device (\$) 2018-2028 (Forecast)

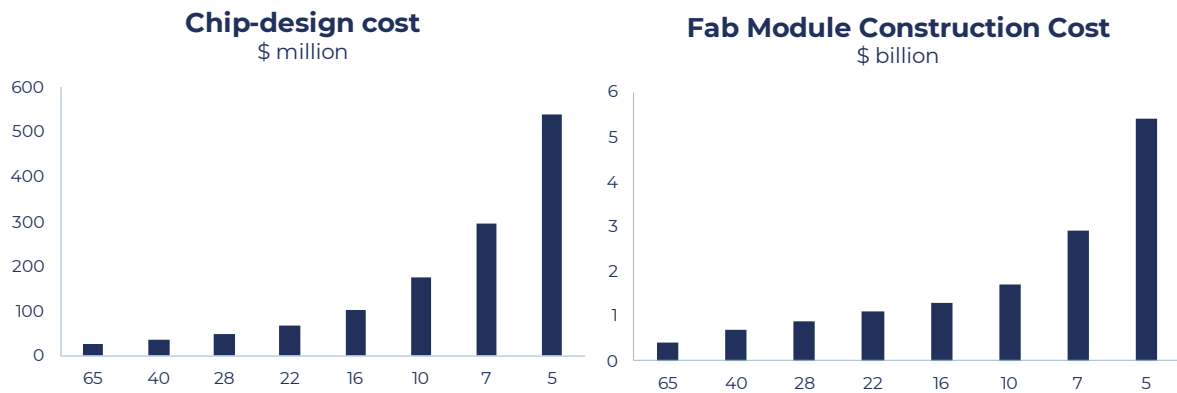


Source: Guinness Global Investors, Soitec Capital Markets Day 2023

Facilitating the development of faster, more efficient and powerful chips at the leading edge is not cheap.

We have already seen that the semiconductor industry is one of the most R&D-intensive industries, and part of the reason is the costs associated with fitting more transistors onto a given area. Advancing to smaller technologies becomes more and more complex, meaning that at each 'node' (the minimum distance between transistors on a chip) the cost increase is significant. The 'chip-design' cost can be seen below, showing an exponential rise in the development costs of each node. Whilst no data is available yet, the 3nm node is expected to be c.\$1bn. The more significant cost, however, is the cost of the fabrication module (semiconductor factory), which is expected to be c.\$5-6bn at the 5nm node. The cost of TSMC's 3nm proposed fabrication plant is estimated to be \$20bn, highlighting a significant acceleration in the costs required to progress the technology further.

Guinness Global Innovators

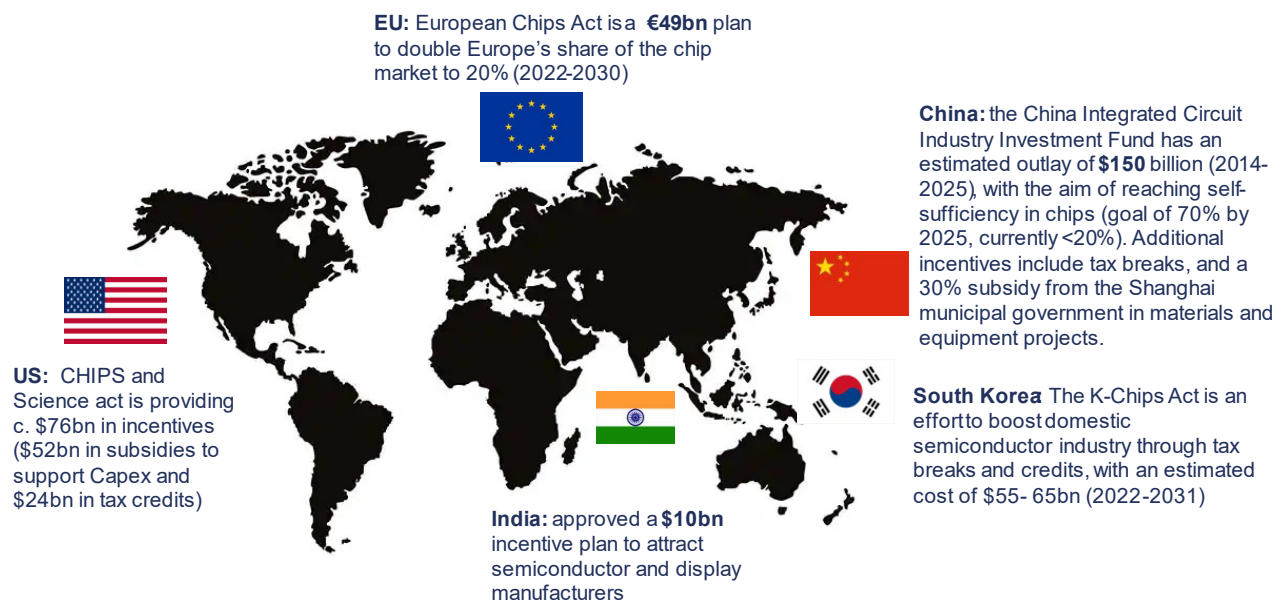


Source: McKinsey, IB, Guinness Global Investors, August 2020

Geopolitical tensions have driven governments to offer significant subsidies to accelerate the onshoring of chipmaking facilities. The covid-19 pandemic exposed vulnerabilities in the semiconductor supply chain, with varying lockdown measures across regions driving severe shortages in many areas of the chip markets. The global nature of the supply chain can be illustrated by this excerpt from Chris Miller's 2022 book *Chip War*:

"A typical chip might be designed with blueprints from the Japanese-owned, UK-based company called Arm, by a team of engineers in California and Israel, using design software from the United States. When a design is complete, it's sent to a facility in Taiwan, which buys ultrapure silicon wafers and specialised gases from Japan. The design is carved into silicon using [precision] tools produced primarily by five companies, one Dutch, one Japanese, and three Californian. [...] The chip is then packaged and tested, often in Southeast Asia, before being sent to China for assembly."

The supply chain disruption exacerbated existing underlying tensions and concerns over national security and supply chain stability. Strained relations between the US and Chinese governments have resulted in sanctions and restrictions over exports between the two countries since 2017, with the US ultimately aiming to limit China's ability to acquire and manufacture chips at advanced nodes and thus slowing efforts to gain a meaningful foothold in industry and become self-sufficient. The US's vulnerability is clear. Whilst accounting for 25% of global semiconductor demand, the US possesses just 12% of global manufacturing capacity. Other regions have also weighed in to obtain their own slice of the rapidly growing and critical industry, with the EU, Japan, Korea and India all offering additional subsidies to incentivise chipmakers to build on their shores.



Source: Guinness Global Investors, RBC Wealth Management, February 2024

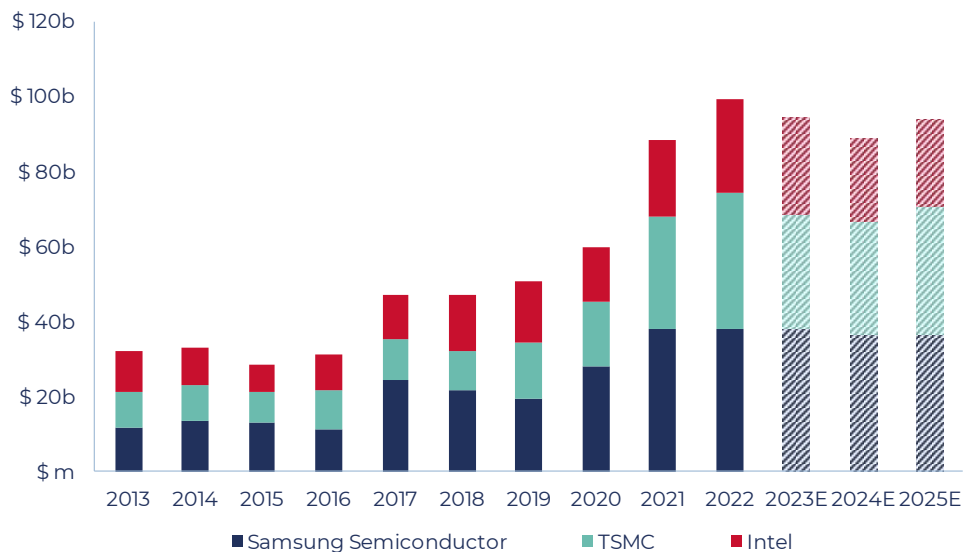
Guinness Global Innovators

One concern with government subsidies is that they typically lead to the misallocation of capital. We do not expect this to be the case for the semiconductor industry since the subsidies are coming at a time when companies need to ramp up capacity in order to service the long-term underlying growth trends. Either way, semiconductor equipment manufacturers such as Lam Research and KLA Corp stand to benefit from these long-term capex cycles.

Foundries have responded with significant ramp-ups in capex.

At the end of 2023, there were around 50 new semiconductor fabrication plants (or 'fabs') being built globally (Z2Data), and an additional 23 expansions to existing sites. 40% of builds are in the US, with the value of US-based semiconductor projects that are either announced or under consideration coming to over \$200bn through to 2030 (McKinsey, ZData). Around 16 fabs are being built that will focus on 10nm nodes or smaller. Intel committed \$100bn to capex on chip plants between 2022-2032, Samsung \$150bn in its foundry unit until 2030, and while TSMC slightly cut capex expectations to 2024, expectations remain above \$30bn annually. Although 2023 and 2024 are expected to see slight year-on-year declines among the largest chipmakers with respect to capex, this comes amid a slight semiconductor downturn and a high interest rate environment. Looking forward, in a stronger demand environment where interest rates are falling, we expect this spend to be at least stable, with the top three contributing at least \$80bn annually over 2023-2025. Even beyond the big three foundries, we have also seen integrated device manufacturers such as Infineon (\$5.5bn over the next five years towards its Malaysian Kulim plant) and Texas Instruments (\$5bn annually to 2026) continuing to commit large-scale capex despite a weakening demand environment.

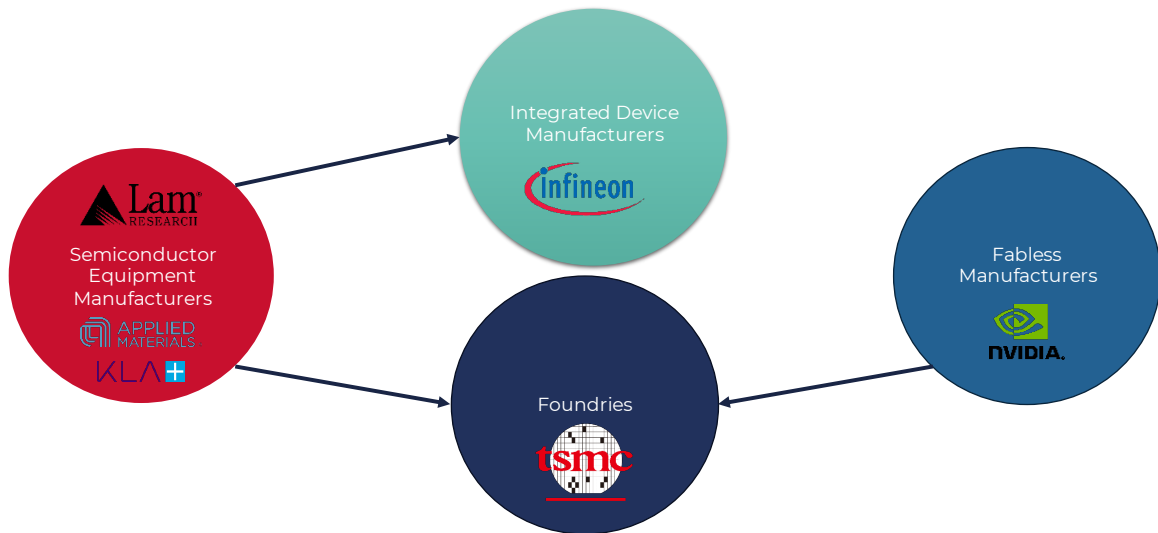
Capital Expenditure of 3 Largest Foundries



Source: Guinness Global Investors, Bloomberg, company reports. Data for 2023 onwards are estimates.

Against this backdrop, we see significant opportunity across the value chain. A simplified diagram of the Semiconductor value chain is shown below, along with Fund holdings within the sector. As a brief reminder, Semiconductor Equipment Manufacturers design, produce and sell equipment used in the fabrication of semiconductor devices, often specialising in areas such as photolithography, deposition and etching, or focusing on particular types of chips. They sell their equipment to foundries, who specialise in the physical manufacture of semiconductors. 'Fabless manufacturers' are the designers of the chip, who outsource to foundries. An Integrated Device Manufacturer is essentially a fabless manufacturer and a foundry combined – they manufacture their own chips. Within the Guinness Global Innovators portfolio, we hold a diversified set of semiconductor companies across regions and across the semiconductor value chain.

Guinness Global Innovators



Source: Guinness Global Investors

We can look at these companies through the lens of some of the strategy's key tenets.

Growth opportunity: We have already discussed the strong, underlying secular trends and growth within the industry, resulting in the expected c.7-10% annual industry growth between 2023-2030 – some of the key drivers being increasing semiconductor content per unit/device, the shift towards electric vehicles and autonomous driving solutions (and more intelligent solutions in general), big data and artificial intelligence driving growth in datacentre demand, alongside rising demand for electronic devices in general and new technologies (Internet of Things (IoT), edge computing, 5g etc). We have also discussed the significant capex requirements needed to achieve this.

Position in Value Chain	Company	Growth Thesis
Fabless Manufacturers		<p>Nvidia is positioned at the centre of exploding demand seen for artificial intelligence, possessing over 95% market share of the GPUs (graphical processing units) required for generative AI systems, establishing the firm as the dominant chipmaker for AI model training. Whilst the risk to market share is certainly to the downside, this can be more than offset by the rapid growth and demand within the industry, and we expect the firm's strong IP and technological edge to offer a strong economic moat in this instance. And whilst AI may now be the core growth driver for the firm, Nvidia is also exposed to a number of other long-term secular growth trends, including other areas of datacentre (high performance computing and edge computing/IoT), as well as the automotive industry (advanced driver assistance systems (ADAS) in particular). The firm is a natural beneficiary for the long-term secular trends discussed above.</p>
Foundries		<p>Like Nvidia, TSMC is a natural beneficiary of the strongly increasing demand for semiconductors across industries – particularly at the leading edge. The firm has been a pioneer in driving innovation at advanced nodes and is heavily investing in both fabs and R&D to maintain this reputation and drive the growth of the future. As one of three companies that can produce chips at the 3nm node (and the only pure-play foundry) and a market share of 59% (54% in Q1 2022), the firm is firmly positioned at the forefront of technological progress and will no doubt benefit from increasing demand across the semiconductor product spectrum.</p>
Integrated Device Manufacturers		<p>Infineon has positioned itself in some of the fastest growing areas of semiconductor markets, in particular within Automotive and Green Energy Transition. The firm has a leading position in Power Discrete and Modules, taking market share from 17-18% to 20% since 2016 and within the auto's power semiconductor segment, the firm has three times the share of its nearest competitor (>30%). This is also a firm which is investing heavily in innovation; it is regarded as the technological leader in silicon carbide (SiC) and is now investing heavily in capacity (via a €5bn plant in Malaysia). The firm's SiC-based chips offer higher performance within EVs and renewable energy products, in a segment of the market which is expected to undergo rapid market growth (c.30% annual growth from 2022-2028), with Infineon's superior technology (trench technology vs planar, used by STM) expecting to drive market share gains from 20% to 30% over this period.</p>

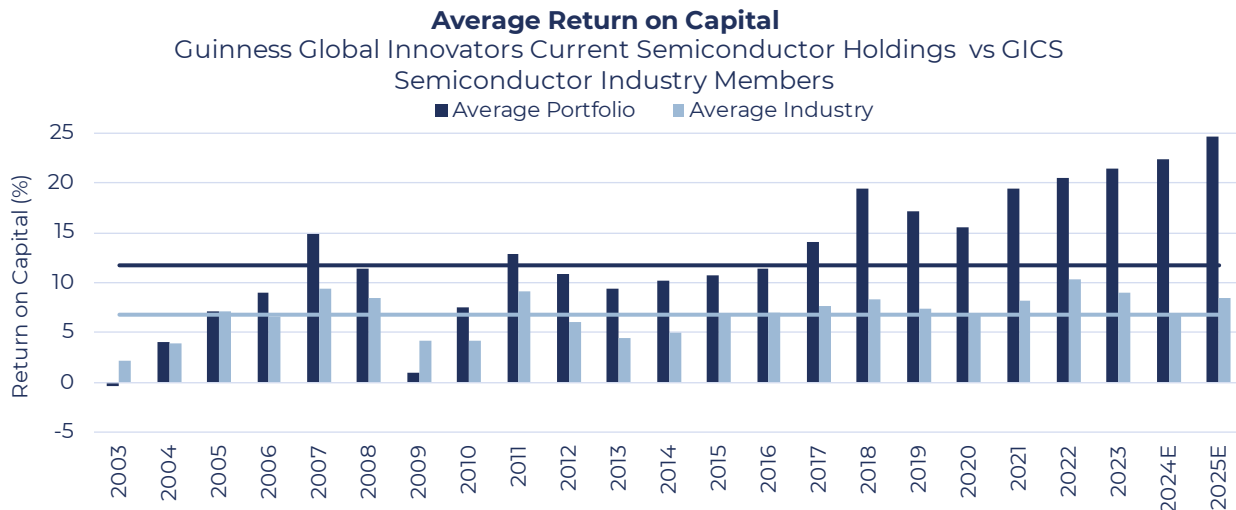


Semiconductor
Equipment
Manufacturers



We have discussed in detail the significant capex requirements for the future growth of the semiconductor industry – all supported by long-term secular growth themes (Artificial Intelligence, Cloud Computing, Energy Transition, Electric Vehicles and autonomous driving, etc) alongside the significant government subsidies on offer across regions to drive onshoring. Demand for new fabrication plants, both for technological advancement as well as capacity build-out, have resulted in significant capex commitments by firms such as TSMC, Intel, Samsung, Infineon and Texas Instruments. Together, these offer a significant tailwind for Semiconductor Equipment Manufacturers such as Applied Materials, KLA and Lam Research. Each is a market leader in some market vertical (KLA in Process Control, Lam in Etch and Applied Materials in Deposition and Epitaxy), offering significant exposure to these capacity build-outs. The ‘growth’ on offer for Semi Equipment Manufacturers is likely to be less cyclical and more consistent than the wider market, with multi-year factory build-outs allowing consistent demand – even if the underlying semiconductor market periodically weakens.

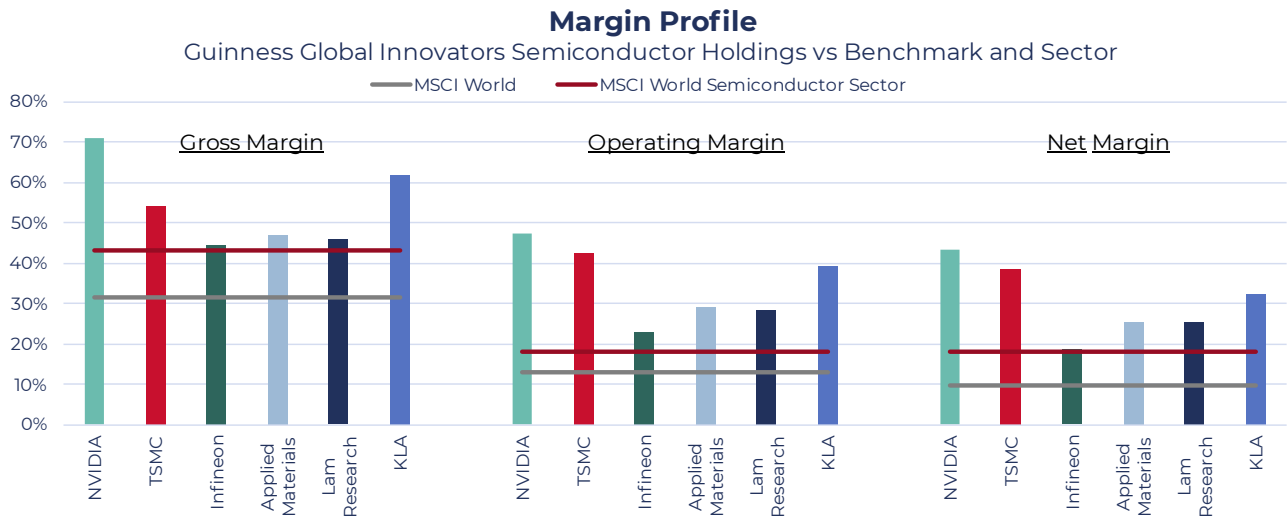
Quality: We place significant emphasis on the ‘quality’ of a firm. We believe that quality helps to mitigate against downside risks that a firm may be subject to. This is especially important in the semiconductor industry, which has grown hugely historically but has been highly cyclical. We have attempted to identify high-quality names within the industry using analysis of financial metrics such as return on capital, balance sheet strength, margin profile, and with a more qualitative perspective. Our portfolio holdings demonstrate a superior return on capital to the broader semiconductor market as seen over a 20-year history. While the market has seen declines since 2022, expected to continue next year, our average holding has shown continued growth over the same period. Over the past five years, our average holding has delivered a return on capital of 18.9% vs the average semiconductor industry member of 8.4%.



Source: Guinness Global Investors, Credit Suisse, February 2024. Data for 2024 onwards are estimates.

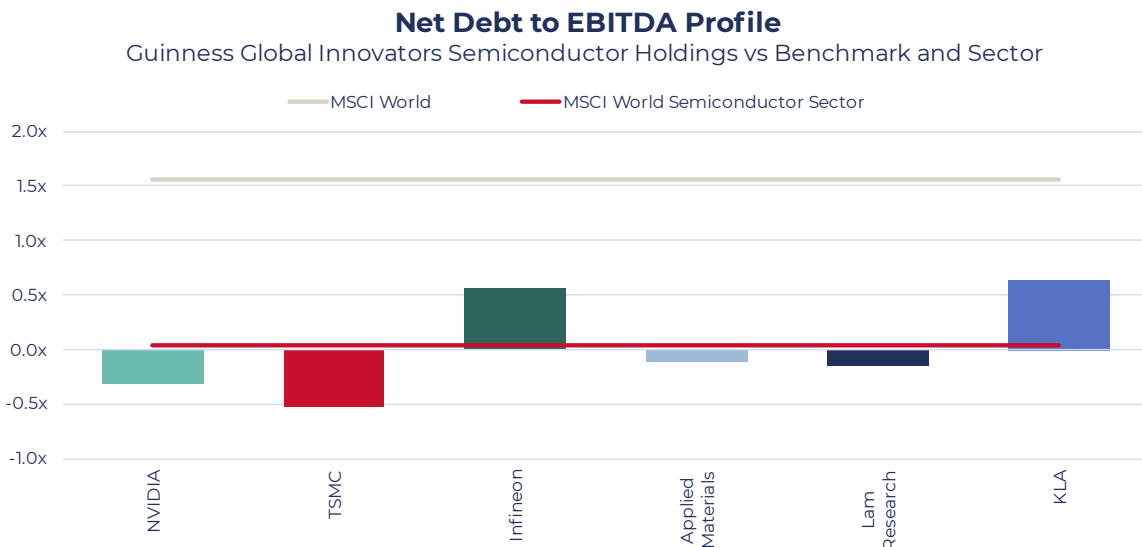
Guinness Global Innovators

Fund semiconductor holdings also offer a far superior margin to the MSCI World benchmark, and better than the MSCI World Semiconductor sector.



Source: Guinness Global Investors, MSCI, Bloomberg, company reports, February 2024

Our companies also exhibit greater balance sheet strength than the benchmark, with an average Net Debt to EBITDA of 0x (the maximum being 0.6x), in-line with the MSCI World Semiconductor sector (likely skewed by Nvidia's large weighting) but materially below the MSCI World benchmark 1.6x.



Source: Guinness Global Investors, MSCI, Bloomberg, company reports, February 2024

We also note the competitive advantages these businesses enjoy:

- **High capex requirements create high barriers to entry.** Whilst a high capex spend impacts the bottom line of the firm, it also acts as a high barrier to entry for new entrants, which are unable to fund the high up-front costs.
- **Specialisation creates economies of scale, another barrier to entry that reduces competition.** Many of our portfolio companies compete in highly specialised areas, such as Infineon in power chips. Semiconductor design and manufacturing require deep expertise, and focusing on a specific type of chip allows a company to concentrate its efforts

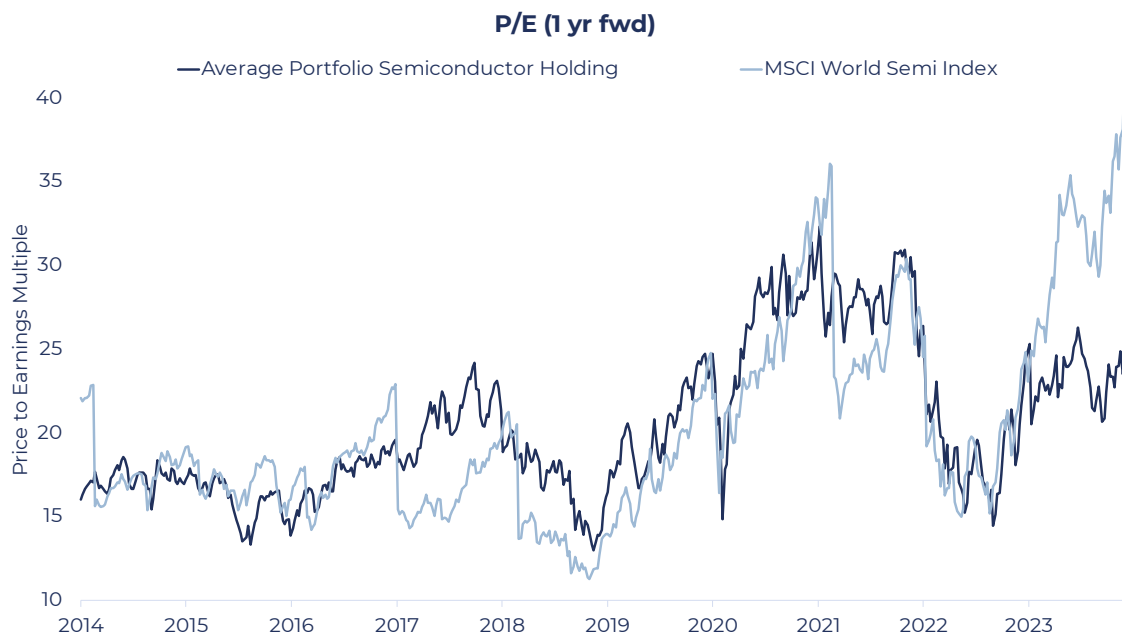
Guinness Global Innovators

and resources on mastering the intricacies of that particular technology, but also create density in demand and thus economies of scale.

- **High-IP industry.** Our portfolio companies have been operational for over 20 years, generating significant intellectual property during that period. New entrants in any vertical would need to invest heavily to develop similar economies of learning.
- **Global presence.** Whilst trade war risks are relevant to companies with Chinese exposure, they are mitigated by a diversified revenue stream. Having diversification across our semiconductor holdings with respect to both region (e.g. Infineon is European-based, TSMC is based in Taiwan), and place in the value chain (e.g. trailing edge firms such as Infineon are facing less scrutiny than leading edge firms such as Nvidia with respect to trade risks) helps reduce the overall portfolio risk.
- **Long-term secular growth trends, more stable returns.** We believe these will drive more consistent demand over the medium term, leading to lower cyclical volatility within the industry overall, and our holdings in particular.

Valuation

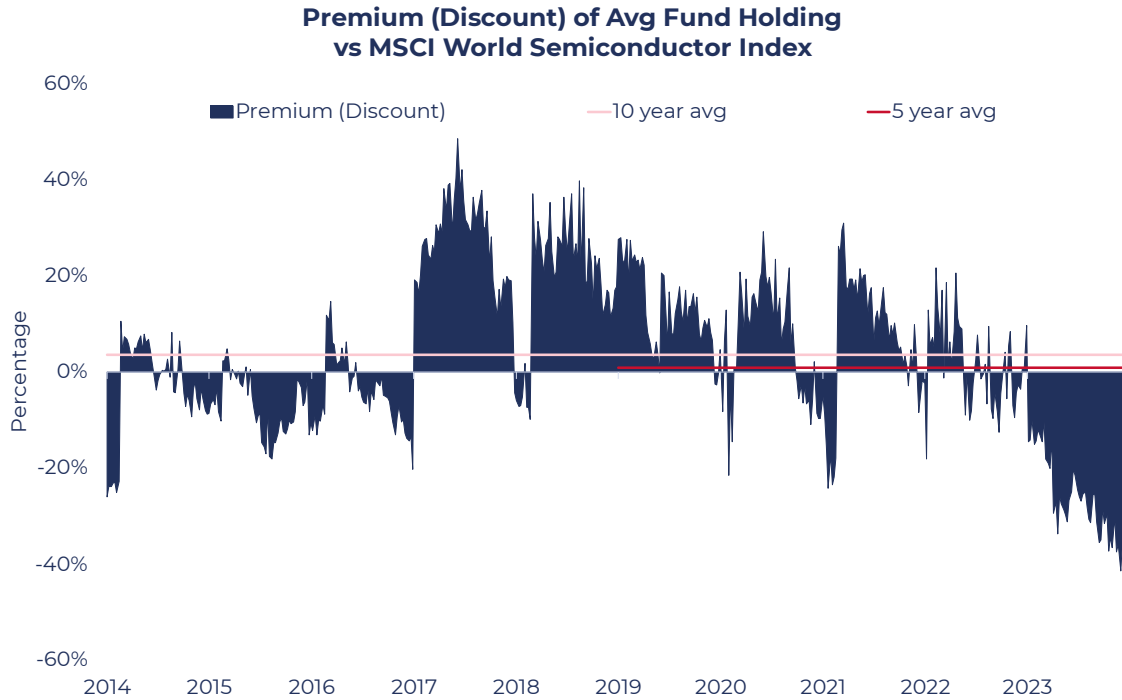
Despite their superior characteristics, our holdings have, on average, typically been in line with the MSCI World Semiconductor Index valuation on a price/earnings (P/E) basis.



Source: Guinness Global Investors, MSCI, Bloomberg, to 31.01.2024

Guinness Global Innovators

However, recently a significant discount has emerged.



Source: Guinness Global Investors, MSCI, Bloomberg, to 31.01.2024

With the exception of Nvidia, all of our holdings are at a discount to the MSCI World Information Technology Index and the MSCI World Semiconductor Index today.



Source: Guinness Global Investors, MSCI, Bloomberg, as of 31.01.2024

We therefore continue to see good opportunities for the fund holdings in the semiconductor sector and believe they continue to have good pathways for future growth, and potential outperformance.

INDIVIDUAL STOCK PERFORMANCE

Meta (+10.2% USD)

Meta ended the month as the Fund's second top performer (after Nvidia, which we have discussed above). After a tumultuous 2022, in which the stock was the Fund's bottom performer (-64.2% USD in 2022), Meta offset its negative performance with a stellar 2023 (+194.1% USD). This positive momentum continued into January, a month light on news, but with the stock benefiting from the outperformance of growth and cyclicals, and the stock outperformed the MSCI World by 8.2%. In February last year, after suffering significant criticism over spending plans related to the Metaverse in 2022, Meta shifted its focus towards its cost structure, cutting back on large-scale spending plans on Metaverse through its Reality Labs programme, alongside making significant headcount reductions. More promising from our perspective was the underlying strength in the firm's core platform. After three consecutive quarters of negative top-line growth, revenues accelerated consecutively across the year, from -4.8% in 4Q22 (released in Q1) to 23.2% in 3Q23 (released in Q4). Daily Active Users and Average Revenues per User also accelerated through the year, driving 3Q23 advertising revenues of +23.5% year-on-year in 3Q23 – surprising to the upside for the 5th successive quarter. The firm's 'reels' product has been a key driver of this improvement, proving itself to be highly effective at driving greater engagement, while Meta has proven highly successful at monetising nascent products, which should offer a continued tailwind into 2024. At its core, Meta achieved better engagement, more effective monetisation, alongside a leaner cost base over 2023, allowing operating margins to return from all time-lows at the end of last year to a level slightly ahead of the long-run average by 3Q23. This is all while enjoying a better operating environment. Positive sentiment around the stock continued in January, with multiple brokers upgrading their estimates for the firm ahead of the February earnings release. Meta's fundamental characteristics look stronger than ever, and we continue to see long-term growth for the firm.

**Anta Sports (-13.4% USD)**

Following a difficult end to 2023, negative momentum continued into January for Anta Sports, which was the bottom performer for the Funds. China (and the Chinese Consumer Discretionary sector in particular) remained under pressure during the month as international investors pulled funds from the region after losing confidence that further economic stimulus from Beijing was on its way, despite a positive economic print for 2023. A solid Q4 operational update at the beginning of the month initially stemmed declines in the stock, as Anta, Fila and 'Other' brands accelerated high-teens, 25-30% and 55-60% respectively, but it was not enough to offset a broader sell-off in the region. Momentum turned more positive after Amer Sports, a Finnish subsidiary of Anta and maker of Wilson tennis rackets, announced plans to initiate the filing process for an initial public offering (IPO) in the US, with the price range of shares at \$16-\$18, valuing the company at up to \$8.7bn. However, at the end of the month, the IPO ended up being priced well below this range pricing at \$13 a share, setting the valuation at \$6.4bn. Still, this represents a gain on the investment after a consortium led by Anta purchased Amer for \$5.2bn in 2019. While we recognise the regional risks associated with China, from a stock perspective, we remain confident in the long-term outlook for Anta Sports, which benefits from a number of long-term structural tailwinds. Beijing continues to promote exercise and sports, pouring billions into initiatives such as the "Healthy China 2030" Plan, which should serve to lift the sports industry's contribution to GDP. China's per capita spending on sportswear remains comparatively low at \$31, but as the middle class emerges, analysts expect this to rise to a similar level as Japan (\$110) by 2030 (for comparison the US figure is \$307), and the country is experiencing rising participation rates in sports. The firm has a number of meaningful growth opportunities including geographical expansions as well as forays into the premium segment of the market. We believe the fundamentals behind the company remain strong, and underlying secular trends should serve to boost Anta's revenue profile into the long term.



We thank you for your continued support.

Portfolio Managers

Matthew Page
Ian Mortimer

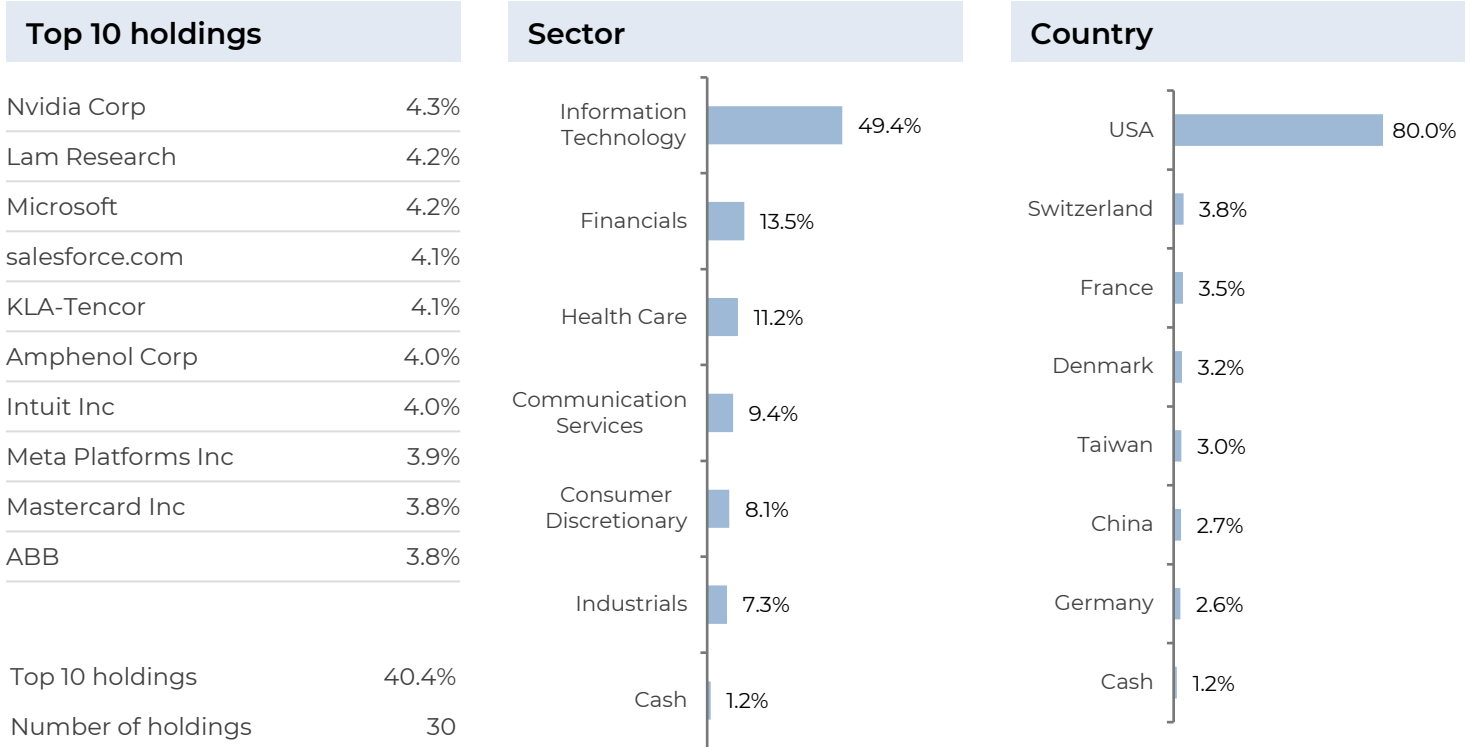
Investment Analysts

Sagar Thanki
Joseph Stephens
William van der Weyden
Jack Drew
Loshini Subendran

GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	\$895.7m
Fund launch	31.10.2014
OCF	0.83%
Benchmark	MSCI World TR

GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO



Guinness Global Innovators Fund

Past performance does not predict future returns.

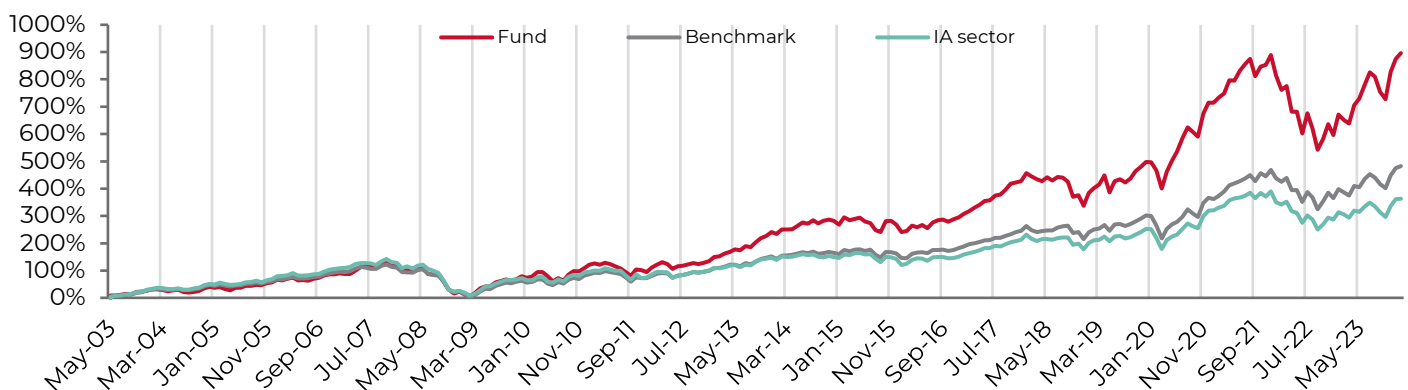
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.4%	+2.4%	+24.9%	+31.9%	+112.8%	+283.7%
MSCI World TR	+1.3%	+1.3%	+13.1%	+36.1%	+77.2%	+209.6%
IA Global TR	+0.4%	+0.4%	+8.3%	+18.6%	+59.0%	+150.2%
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+2.2%	+2.2%	+29.2%	+22.4%	+106.0%	+198.1%
MSCI World TR	+1.2%	+1.2%	+17.0%	+26.2%	+71.5%	+139.9%
IA Global TR	+0.3%	+0.3%	+12.1%	+10.0%	+53.9%	+93.8%
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.0%	+4.0%	+29.2%	+36.8%	+117.6%	+268.6%
MSCI World TR	+2.9%	+2.9%	+17.0%	+41.1%	+81.2%	+197.8%
IA Global TR	+2.0%	+2.0%	+12.0%	+23.0%	+62.6%	+140.6%

GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+32.1%	-20.7%	+22.6%	+32.1%	+31.3%	-11.9%	+22.0%	+27.7%	+2.0%	+18.9%
MSCI World TR	+16.8%	-7.8%	+22.9%	+12.3%	+22.7%	-3.0%	+11.8%	+28.2%	+4.9%	+11.5%
IA Global TR	+12.7%	-11.1%	+17.7%	+15.3%	+21.9%	-5.7%	+14.0%	+23.3%	+2.8%	+7.1%
(USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+40.0%	-29.6%	+21.5%	+36.3%	+36.6%	-17.0%	+33.6%	+7.2%	-3.5%	+11.9%
MSCI World TR	+23.8%	-18.1%	+21.8%	+15.9%	+27.7%	-8.7%	+22.4%	+7.5%	-0.9%	+4.9%
IA Global TR	+19.4%	-21.0%	+16.6%	+18.9%	+26.8%	-11.2%	+24.8%	+3.4%	-2.9%	+0.8%
(EUR)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+35.2%	-25.0%	+30.7%	+25.0%	+39.1%	-12.9%	+17.3%	+10.2%	+7.3%	+27.4%
MSCI World TR	+19.6%	-12.8%	+31.1%	+6.3%	+30.0%	-4.1%	+7.5%	+10.7%	+10.4%	+19.5%
IA Global TR	+15.4%	-15.8%	+25.5%	+9.1%	+29.2%	-6.8%	+9.6%	+6.5%	+8.2%	+14.8%

GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (USD)

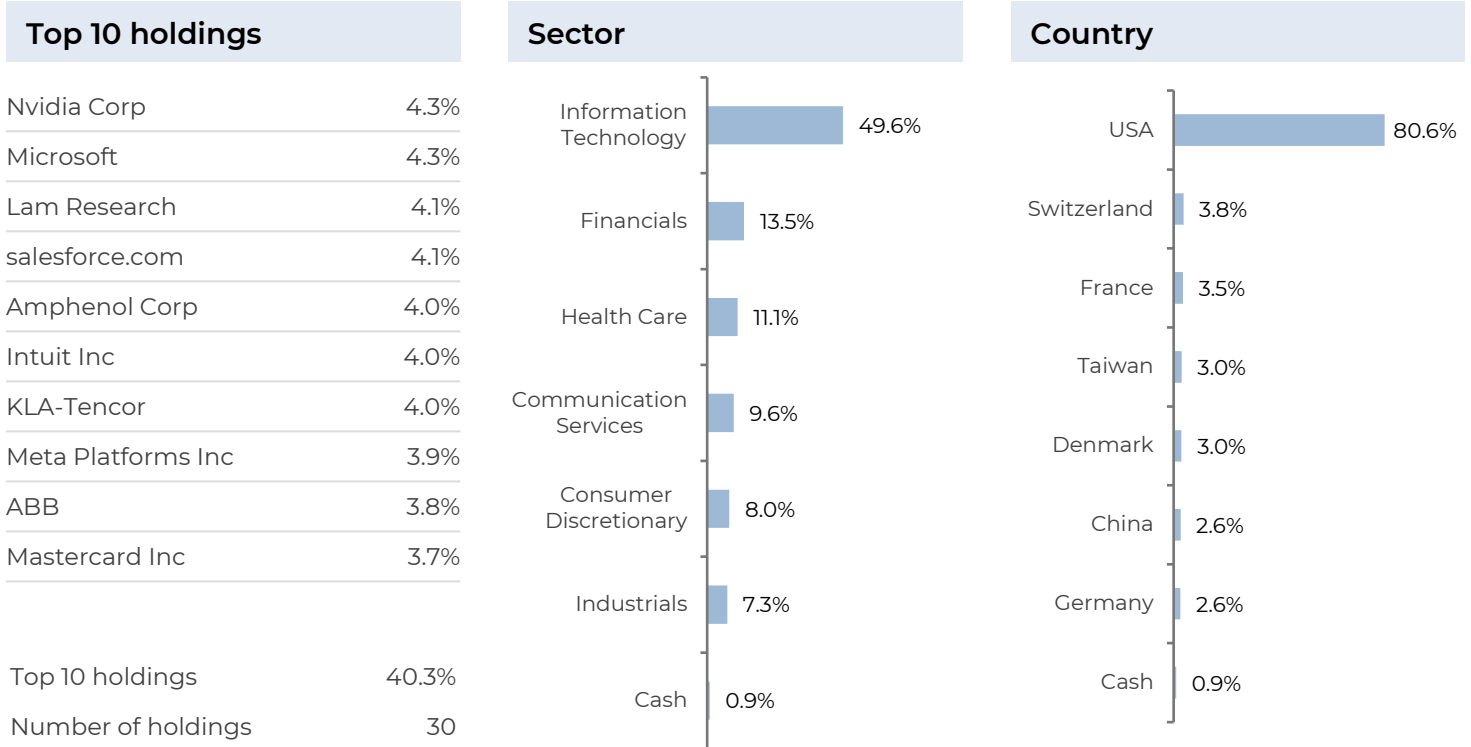


Simulated past performance in ten year and since launch figures. Performance prior to the launch of the Guinness Global innovators Fund (31.10.14) reflects a US mutual fund which has the same investment process since 01.05.03. Source: FE fundinfo to 31.01.24. Investors should note that fees and expenses 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 current OCF for the share class used for the fund performance returns is 0.83%. 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. Graph data is in USD from 01.05.03.

WS GUINNESS GLOBAL INNOVATORS FUND - FUND FACTS

Fund size	£7.0m
Fund launch	30.12.2022
OCF	0.79%
Benchmark	MSCI World TR

WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO



WS Guinness Global Innovators Fund

Past performance does not predict future returns.

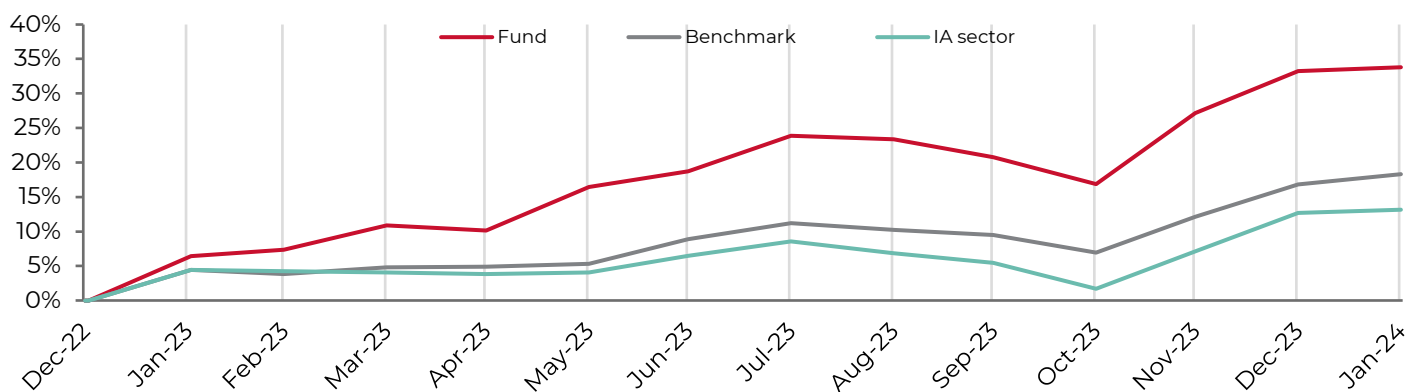
WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+4.2%	+4.2%	+30.4%	-	-	-
MSCI World TR	+1.3%	+1.3%	+13.1%	-	-	-
IA Global TR	+0.4%	+0.4%	+8.3%	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+33.3%	-	-	-	-	-	-	-	-	-
MSCI World TR	+16.8%	-	-	-	-	-	-	-	-	-
IA Global TR	+12.7%	-	-	-	-	-	-	-	-	-

WS GUINNESS GLOBAL INNOVATORS FUND - PERFORMANCE SINCE LAUNCH (GBP)



Source: FE fundinfo to 31.01.24. 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 current OCF for the share class used for the fund performance returns is 0.79%. 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.

IMPORTANT INFORMATION

Issued by Guinness Global Investors which is 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 the Guinness Global Innovators Fund and the WS Guinness Global Innovators Fund. It may provide information about the Funds' 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 Funds or to buy or sell individual securities, nor does it constitute an offer for sale.

GUINNESS GLOBAL INNOVATORS FUND

Documentation

The documentation needed to make an investment, including the Prospectus, the 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 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, 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'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.

WS GUINNESS GLOBAL INNOVATORS FUND

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 <https://www.waystone.com/our-funds/waystone-fund-services-uk-limited/> or free of charge from:-

Waystone Fund Services (UK) Limited
64 St James's Street
Nottingham
NG1 6FJ
General enquiries: 0115 988 8200
Dealing Line: 0115 988 8285
E-Mail: clientservices@waystonefs.co.uk

Waystone Fund Services (UK) Limited is authorised and regulated by the Financial Conduct Authority.

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.

Structure & regulation

The Fund is a sub-fund of WS Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.

Telephone calls will be recorded and monitored.