Guinness Global Innovators

Investment Commentary – September 2024

GUINNESS GLOBAL INVESTORS

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID/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
EU 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, and not just in disruptive tech-driven products. It is the intelligent application of ideas and is found in most industries and at different stages in the company lifecycle. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

CONTENTS

COMMENTARY

In August, the Global Innovators Fund provided a total return of 0.3% (in GBP) against the MSCI World Index net total return of 0.3% and the IA Global sector 0.1% Hence the Fund performed in-line with the benchmark and outperformed the IA Global Sector by 0.2% (in GBP).

Global equities ended August slightly above where they began, but experienced considerable volatility along the way. Early on, weak economic data fueled concerns about the health of the US economy as US payrolls revealed fewer new jobs than expected and manufacturing purchasing managers' indices (PMIs) moved further into contractionary territory. Market anxiety was then exacerbated by a one-day sell-off of 12% of the Japanese TOPIX index, as the USD/Yen 'carry trade' unwound dramatically following the shock news of a Japanese interest rate hike. Market volatility spiked, and sharp stock declines followed globally – particularly in stocks perceived to be more cyclically-oriented – as 'risk-off' sentiment dominated. An increasingly prevalent view that the Federal Reserve may have left it too late to cut interest rates meant a 'hard landing' re-emerged as a possibility, causing rate cut expectations to move markedly higher. Despite these initial market jitters, concerns were quickly soothed as positive retail sales data (up 1% in July) along with resilient corporate earnings helped to ease recession fears. The Federal Reserve's Jackson Hole symposium was also well received, as Chair Jerome Powell remarked that rate cuts were imminent and even left the door open for a 0.5 percentage point cut. Sector performance was mixed, with defensives outperforming during the sell-off, and cyclicals outperforming during a much broader market rally that followed; defensives outperformed overall. August may have closed on a less volatile note, but there are clearly nerves over the economic outlook.

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

- Although the Fund faced a slight headwind from an allocation perspective, this was offset by positive stock selection such that the Fund performed in line with the benchmark. While the Fund did underperform in the first few days of the month during the market sell-off, the tilt towards cyclical sectors drove outperformance in the subsequent market rally.
- All of our five holdings within Financials outperformed the broader industry, with London Stock Exchange (+11.1% in USD terms) and PayPal (+10.1%) the standout performers. Stock selection within Media & Entertainment had a similarly strong effect, driven by new position Netflix (+11.6%) and Meta (+9.8%).
- The Fund's overweight position to the semiconductor industry, the benchmark's worst performing industry, was the largest detractor from Fund performance from an allocation perspective. Weakness from bottom-performing stocks Lam Research (-10.9% USD) and Applied Materials (-6.9%) acted as an additional headwind from a stock selection perspective.
- The Fund's zero-allocation to the defensive Consumer Staples sector acted as a headwind to performance, offset by a zero-allocation to the weak-performing energy sector.

It is pleasing to see the see the Guinness Global Innovators Fund in the top quartile versus the IA Global Sector over all time periods below, but particularly over the longer time frames of 5, 10, 15 and 20-year periods, as well as since the launch of the strategy in 2003.

Past performance does not predict future returns.

Cumulative % total return, in GBP, to 31st August 2024	YTD	1 year	3 years	5 years	10 years	15 years	20 years	Launch
Guinness Global Innovators	16.0	23.7	25.2	106.8	282.5	789.5	1223.7	1325.1
MSCI World Index	13.2	20.0	27.9	71.6	215.3	453.8	611.7	723.8
IA Global sector average	8.6	14.5	11.7	50.7	152.2	301.1	440.8	533.7
IA Global sector ranking	^	25/545	108/488	3/414	6/251	1/162	1/97	2/92
IA Global sector quartile	^	1	1	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

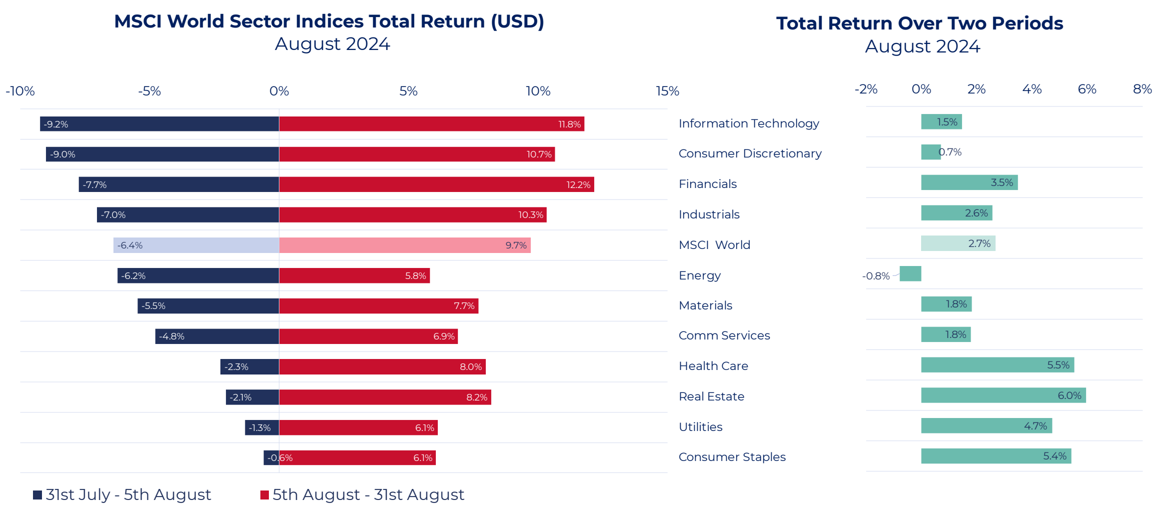
Source: FE fundinfo, as of 31.07.2024

**Simulated past performance; performance prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflects a US mutual fund which has had the same investment process since the launch of the strategy on 01.05.2003.*

MARKET COMMENTARY

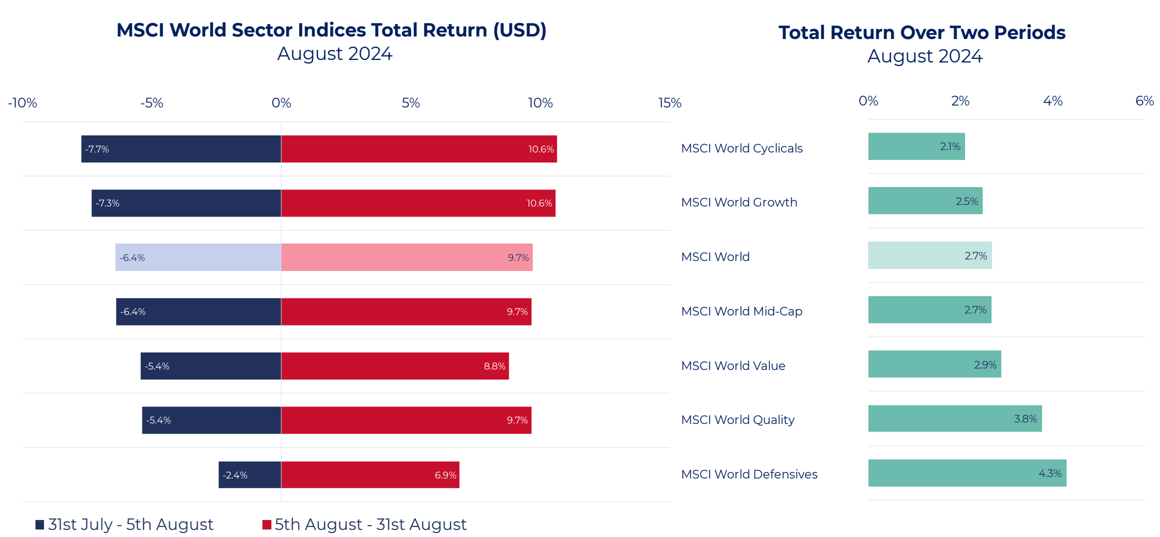
Equity Performance Over August

August was a volatile month for equity investors, with multiple market indices (including the MSCI World and the S&P 500) delivering both the best and worst days of 2024 to date. The MSCI World fell 5.9% in the first three trading days, before regaining these losses in their entirety over the remainder of the month as markets regained confidence in the economic outlook. The sectors that led the sell-off (Information Technology, Consumer Discretionary, Financials and Industrials) were the sectors that performed best over the remainder of the month – although the rally was far broader than the sell-off.



Source: Guinness Global Investors, MSCI, 31.08.2024

From a factor perspective, cyclicals fell the hardest and gained the fastest over the two respective periods, with the reverse being true for defensives. As market concerns grew over the state of the economy, 'risk-off' sentiment drove a rotation towards less economically sensitive sectors, with the likes of Consumer Staples, Utilities and Health Care falling by just low single digits, compared to the more cyclically-oriented sectors of IT and Consumer Discretionary, which both fell c.9%. The defensive sectors also performed relatively well in the subsequent cyclically-led rally, enough to ensure their outperformance vs the broader MSCI World Index over August as a whole. Following the volatility in the early stages of the month, investors were seemingly still nervous about rushing back into 'risk-on' sensitive assets, despite economic concerns settling somewhat. 'Quality' stocks performed well over both periods.

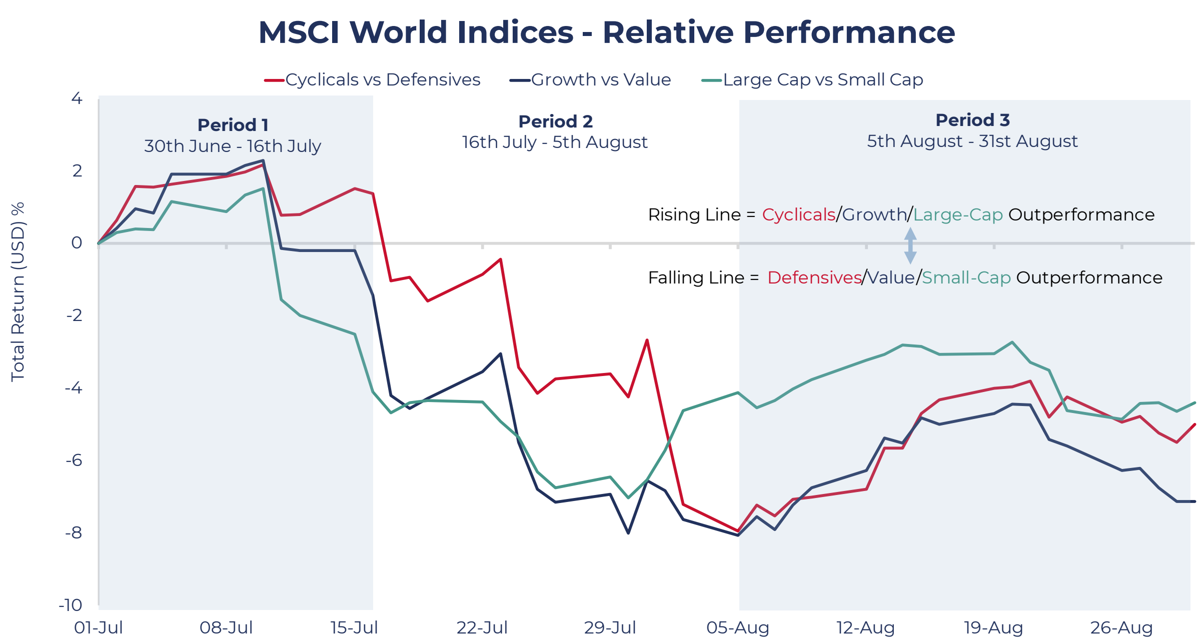


Source: Guinness Global Investors, MSCI, 31.08.2024

Equity weakness had already emerged prior to the sell-off in August...

Taking a view over a slightly longer time horizon, the sell-off in early August was not in isolation with equity weakness beginning to emerge during the previous month. Equity performance over Q3 to date can be broken into three periods. Observing through the lens of 'factor leadership' – the second of the two graphs below – can help us explain why equities performed as they did over these periods.

Source: Guinness Global Investors, MSCI, 31.08.2024



Source: Guinness Global Investors, MSCI, 31.08.2024

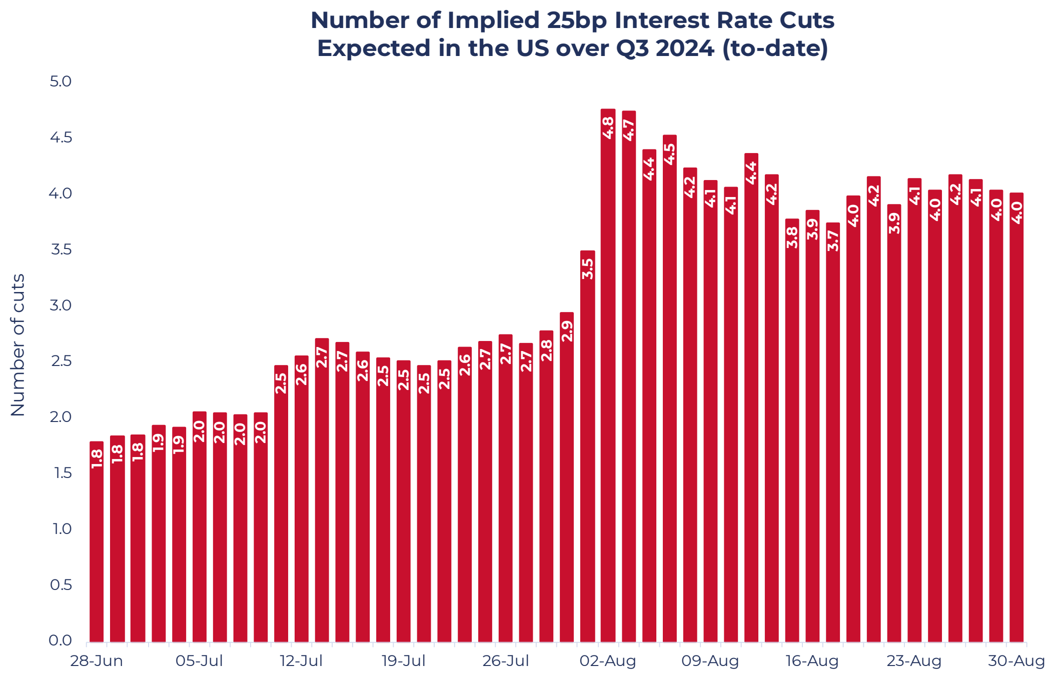
Period 1 (30th June – 16th July) – Positive equity performance, with a small-cap rotation

Equities carried positive momentum into the early weeks of Q3. Markets were initially led by the Magnificent Six (Magnificent Seven ex Tesla), which had driven the outperformance of 'growth' since the beginning of May. Large-cap stocks, however, led by the Magnificent Six, soon faltered (c.11th July) as attention shifted towards small-cap stocks. This rotation coincided with a cool inflation report, in which June's core CPI index (on a monthly basis, annualized) came in at below 1%. Small-cap equities subsequently surged, with the Russell 2000 index (US small-cap stocks) outperforming the S&P 500 by 10% from 10th July to 17th July - a reflection of 'risk-on' sentiment as future rate cut expectations grew stronger. Small-caps often carry greater debt and are therefore more sensitive to interest rate changes:the perceived increasing probability of interest rate cuts in September allowed small-caps to outperform. On the other hand, mega-cap tech names in particular sold off, with Nvidia falling 6% on the day and the remaining Magnificent Six all falling by 2% or more. Not only were investors capitalizing on the largest valuation gap between the large and small=cap indices in 15 years, but there was also evidence of small companies' profits now seemingly improving while mega-cap tech's earnings growth expectations were slowing down.

Period 2 (16th July – 5th August) – Equity weakness emerges as investors move towards more 'defensive' areas of the market.

Positive equity momentum faltered on the 17th of July as the semiconductor industry sold off by c.7%. This was sparked by fears over future policy actions from both sides of the aisle. On the Republican side, presidential nominee Donald Trump stated that Taiwan should pay for its own defence, bringing about concerns over global chip security. These concerns were deepened by rumours that the Biden-Harris administration might employ stricter trade restrictions on non-US semiconductor firms such as AMSL and Tokyo Electron if these firms continued to give Chinese firms access to advanced semiconductor technology. Falling semiconductor stocks drove the underperformance of growth and cyclical-oriented stocks in particular alongside continued weakness in large-caps. A similar magnitude of underperformance came just a week later, as some big techearnings releases underwhelmed investors. Tesla fell c.12% after announcing profits well short of expectations, bringing into question the state of the consumer. Concerns over Alphabet's level of AI investment caused a 5% slide in the share price despite a very robust set of results, an indication following a strong run of stellar earnings releases from big tech in prior quarters that anything less than 'perfection' was not enough to please investors.. In the context of the already fragile market sentiment towards large-cap stocks (and the Magnificent Seven in particular), negative read-across affected the remaining Magnificent Seven who were set to report in the weeks after. In fact, the Bloomberg Magnificent Seven index entered correction territory with a fall of 10% from its recent peak. These factors drove the continued outperformance of 'value', 'defensive' and 'small-cap' names into August.

The broadest and most pronounced sell-off during 'period 2' came in the first three trading days of August, as weak economic data suggested that tight monetary policy may not be able to cool inflation without harming the economy. On the first two days of the month, the ISM Manufacturing Index slid further into contractionary territory (the fourth consecutive month, to 46.8) and US jobs data proved disappointing as initial jobless claims were higher than expected and there was a sharp slowdown in US hiring (the smallest payrolls increase in three years). Coinciding with weakness in a number of high-profile earnings releases (Intel and Amazon), these reports brought into question the strength of the US economy, which had until then been assumed to be moving towards a soft landing. Since the Fed had announced on the final day of July that rates would be held at current levels - and did not make a firm commitment to cut them in September - concerns arose that it may have overtightened. Rate cut expectations subsequently shot upwards. The global sell-off deepened on August 5th, as Japan's TOPIX fell 12.4% (after a 5.8% fall the previous day) after the strengthening of the Yen and the shock rate hike from the Bank of Japan prompted an unwinding of the yen-dollar carry trade. Global volatility spiked as the VIX Index reached its highest level since 2020 and investors moved sharply away from risk assets as defensives and, to a lesser extent, large-caps (which are seen to be less risky) outperformed.



Source: Guinness Global Investors, Bloomberg, 31.08.2024

Period 3 (5th August – 31st August) – Economic concerns are somewhat appeased

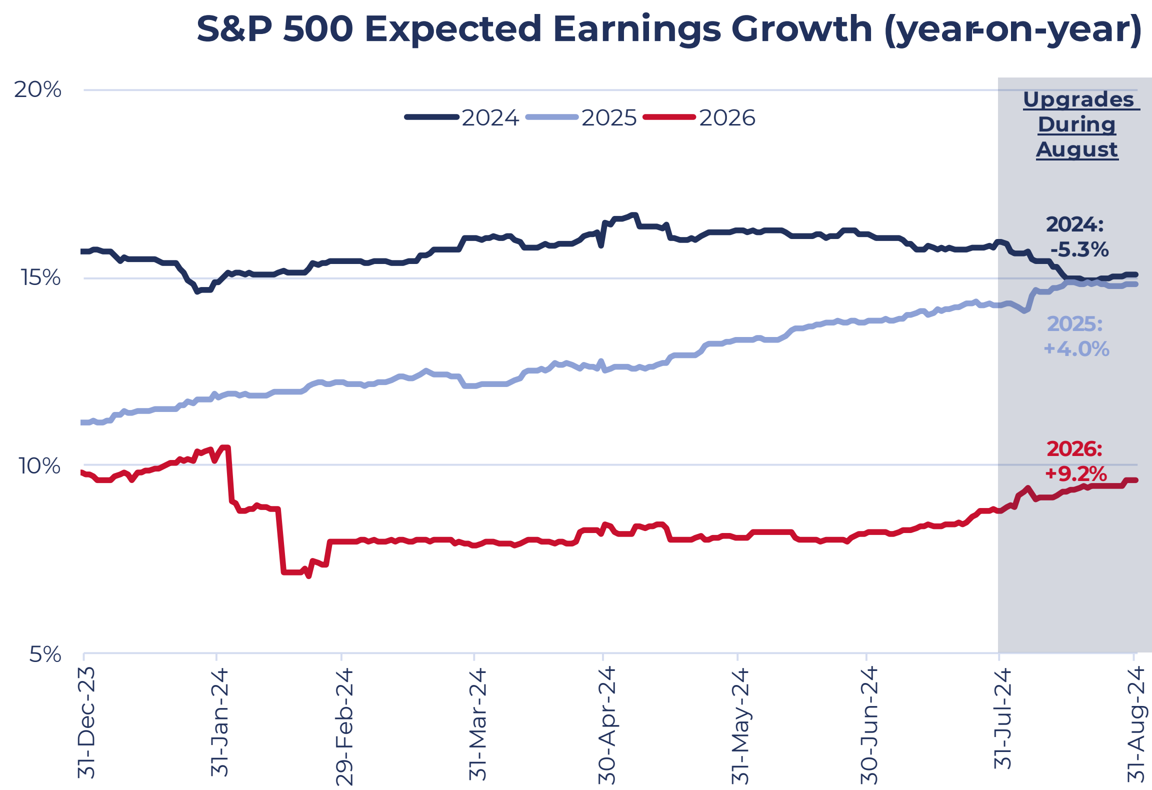
There are two key points to remember during market corrections. First, corrections are not uncommon – in fact, they have happened in every year but two (in the S&P 500) since the early 1980s. Secondly, equity markets typically bounce back swiftly from corrections. The rebound following 'period 2' was no different. In the remaining days of August, the MSCI World managed to recover the entirety of losses made in the drawdown (the S&P 500 did not quite manage the same). Some market participants mused that the equity market drawdown looked like a dramatic overreaction, and the TOPIX's 9% bounce the day following the 12% drop was certainly evidence of this. In the US, signs of a healthier-than-expected US labour market (unemployment claims fell faster than predicted) and a significant acceleration in retail sales (1% year-on-year vs 0.3% predicted) paired with robust results from Walmart boosted confidence that the US consumer remained in good shape, and reduced fears of a recession. After a few high-profile disappointments in 'period 2', earnings season generally proved to be positive for equities (discussed later). The prospect of lower rates also proved to be a boon to equities, following commentary from Fed chair Jay Powell at Jackson Hole – the loudest signal yet that rate cuts are imminent. As a result, the S&P 500 broke a four-week losing streak, closing out its strongest week in nine months.

As discussed above, the sectors that led the sell-off (Information Technology, Consumer Discretionary, Financials and Industrials) were the sectors that performed best over the remainder of August – although the rally was far broader than the sell-off, and the outperformance compared to the index was less extreme. While the rally was led by cyclicals and growth, the gains seen by these factors were not enough to offset their underperformance over the previous period, with investors seemingly reluctant to return fully to a 'risk-on' sentiment. In fact, both cyclicals and growth were once again underperforming by the end of the period.

Earnings

As at the time of writing, 493 companies of the S&P 500 have reported Q2 results. The average sales surprise of +0.8% is meaningfully below the +2.0% five-year average, and the average earnings surprise of +5.2% was far lower than the +8.6% average. However, the year-on-year *growth* figures have been very strong, with 5.2% average sales growth the highest since Q4 2022 (following post-pandemic weakness) and earnings growth of 11.9% the highest in over two years, and a significant acceleration from the +7.8% last quarter – admittedly from a lower base. All in all, this highlights the high demands that markets are currently placing on earnings season, with many companies needing to achieve near-perfection to obtain a positive share price reaction.

Looking at analyst estimates gives a good indication of what the market is currently thinking. Over the month of August, we saw 2024 earnings growth estimates fall by 5.3%, from 16.0% to 15.1%. This is still a strong growth outcome, but nonetheless reflects near-term weakness. On the other hand, over the same period both 2025 and 2026 saw growth 'upgrades' of +4.0% and +9.2% respectively. While the 2025 figure was in part due to downgrades for 2024, 2026 was a result of improved earnings expectations. Short-term expectations may have fallen slightly, but the longer-term outlook (particularly for 2026) continues to improve.



Source: Guinness Global Investors, Bloomberg, 31.08.2024

CHANGES TO THE PORTFOLIO

At the beginning of August, we made one change to the portfolio.

NETFLIX

Buy - Netflix. The streaming giant is a high-quality, fast-growing business with a solid growth runway that is being leveraged by a competent and well-run management team. Netflix transitioned to streaming well before competitors and is now the dominant streaming player. Its first-mover advantage allowed it to accrue a vast content library when capital was cheap and investors patient and it has deepened this moat with continued investment into its own original content. This includes a growing non-English catalogue, which has opened up international markets and allowed continued subscriber base growth, which now stands at 270m. Monetising ad-tier subscribers, expanding penetration in developing markets, and incremental increases in average revenue per user (ARPU) drive the growth outlook, while Gaming/Sports remains a potential growth avenue for the future. While the valuation is not overly cheap in the absolute (with a 1yr forward prive/earnings ratio ofc.34), the stock has historically traded in a wide range (40x+ in the pre-COVID growth era and troughing at c.12X in late 2021 over growth fears), although we feel the firm's current quality-growth attributes justify this premium to the market. At present, the business (and the narrative) has turned a corner following concerns over profitability, but management actions have driven both subscriber numbers and profits meaningfully in recent years, and investors look forward to the encouraging– and most importantly *profitable* – growth runway that lies ahead. Even as management shifts investor focus away from pure subscriber increases to user engagement, the growth story remains convincing with a double-digit top line forecast, c.25%+ on the bottom line, a strong improvement in margins and free cash flow all pointing to an encouraging outlook.

On this note, we were very encouraged to see strong performance from Netflix over the month of August, and the stock ended the period as the Fund's top stock contributor. The stock returned 11.6% over the month (vs the MSCI World's +2.7%), pushing it to the record highs last seen in 2021. Momentum following the market reversal was increased further by news that Disney would hike prices for its ad-free service to $16 per month, slightly above that of Netflix ($15.50), and leaving Netflix as one of the cheaper mainstream providers (Amazon Prime remains $12). Netflix already offered one of the best 'value-for-money' options when considering Price-per-Viewing-Hour, and this only improved their claim to the title. Later in the month, the firm disclosed a +150% increase in upfront ad sales commitments compared to 2023, with investors enthused by management's success at improving profitability by a combination of strong revenue generation and cost control. All in all, these events further validated our selection of this stock.

Sell – Nike. We first purchased Nike in November 2016, delivering a total return of c.60% (in USD terms) over the holding period (vs MSCI World +147%). The first five years of the holding period saw strong outperformance, particularly during the pandemic when the benefits of global lockdowns amplified the success from the firm's decision to focus on Direct-To-Consumer (DTC) and 'Online' while moving away from wholesale partners. Since then, however, it appears that these pandemic-era benefits have served to mask deeper underlying issues with the strategy – in particular a declining level of competitiveness – despite the benefits to profitability. Results in July brought many of these concerns to the fore. After seeing no growth in FY24 and guidance for negative growth in FY25, the reacceleration of revenues investors had waiting patiently for seemed to have been pushed further out once again. The slowdown had previously been attributed to a weak economic backdrop (and thus a weak consumer). Although this argument carries weight, not only do these headwinds appear stronger than expected, but there are now questions around competitiveness in light of inroads made by peers such as Adidas, Lululemon and On Running, and the multi-year decline in market share for Nike. It is likely that these firms gained share as a direct result of Nike cancelling relationships with wholesalers, which opened up shelf space for challenger brands. A marked slowdown in the 'Lifestyle' portfolio (i.e. non-performance-wear, c.60% of sales) has spurred a rethink in strategy, with a complete refresh of the portfolio set to be completed by the end of FY25 (May 2025), with significant narrowing of the product range underway. This quarter appeared to be a hard reset for Nike – a recognition that the current portfolio is not going to deliver the required growth, and a refresh and refocus towards innovation is the means to achieve it (alongside greater brand and marketing investment).

The foundations for Nike remain strong: it retains #1 market share across major markets; its brand equity is undoubtedly strong (even if diminished); the firm has a robust supply and distribution network with strong retailer relationships and broad category exposure – all while retaining a very strong balance sheet. Not only this, but Nike historically has proven its ability to drive sales growth through innovation. While we do not doubt it will be able to do this again, we see increased risk in the near-to-mid-term. Management commentary suggests that the reinvigoration of growth is not imminent, and macro trends in the meantime are not favourable. Consumer trends change often, and Nike has often repositioned to capture these trends, but relying on 'innovation' for growth appears to be a difficult sell when there is no guarantee that this will flow through to real earnings. We believe the firm's problems stem not only from a weakening consumer environment, but also from a diminished ability to compete with peers, and a blunder in strategy. This could be a 'multi-year' reset for the firm, with no quick rebound in earnings. To summarise, while we do not rule out success for Nike's new strategy, we have lost confidence that the stock will be able to reinvigorate growth from the product portfolio in the desired time frame, and see the stock as far higher-risk than before following management mis-steps.

INDIVIDUAL STOCK PERFORMANCE OVER THE MONTH

London Stock Exchange Group (11.1% USD)

London Stock Exchange Group ended the month as the Fund's second top performer, outperforming the MSCI World by +8.4%. LSEG, owner of the London Stock Exchange, provides both data solutions and infrastructure for global financial markets. The firm is vertically integrated 'across the financial market value chain', with a presence across the trade lifecycle – from pre-trading data and analytics to post-trade clearing and reporting. Until 2007, the firm's sole operations were running the London Stock Exchange, but it has made acquisitions to shift the core of the business away from exchanges towards data and analytics.

We first purchased the stock back in April, on the basis of the firm's high-quality business model, generating around 70% recurring revenues with a c.95% retention rate. Since the acquisition of Refinitiv, the business has turned from a relatively low-growth business that was exposed almost entirely to market trading cycles and listing revenues, to a high-quality, recurring-revenue cash machine with strong retention - paired with a number of promising growth drivers. Growth is underpinned by a number of levers across a diverse set of segments, including growth in Annual Subscription Value, significant spending on innovation and product improvements to drive market share growth, and a strategic partnership with Microsoft to name a few. The firm is also exposed to a number of secular growth drivers (shift from active to passive benefiting the index business, regulation demanding greater disclosure, shift from OTC to on-exchange). The firm's high recurring revenue stream makes it relatively resilient across all market conditions, while trading fees will improve during market volatility, offering a sort of 'hedge' in any market downturn and potentially helping it outperform.

LSEG's first-half results were well received with the stock rising 2.2% on the day, despite the market sell-off beginning the same day (August 1st). The headline was an improvement in Annual Subscription Value (ASV) for 2Q23, which accelerated to 6.4% (vs 6.0% the quarter prior), just 1.2 percentage points below the firm's peak ASV growth in 1Q23. This compares to close peer FactSet, which has seen organic ASV growth continually fall, by 4.1 points in total (from 9.1% to 5.0%), over the same period. With LSEG continuing to drive pricing while maintaining further client wins and improved retention metrics, this not only points to a growing market share, but is a strong indicator of the success LSEG has had at investing to improve the competitiveness of its product offerings. News that the firm was also nearing the roll-out of the first tranche of products developed through its partnership with Microsoft (signed in 2022) – including a generative AI offering – created enthusiasm for a further top-line improvement over H2. Cost and Capex discipline was also on display with a +0.5 point year-on-year margin improvement and with management commentary stating that consensus expectations for a 1.0 point margin expansion over each of the next couple of years drove further confidence of future profitability. Particularly pleasing to see was the outperformance of the stock over this period of significant market volatility. While the earnings release 'muddied the waters' with respect to what was driving performance on the first day of the sell-off, the stock continued to outperform the market during the subsequent two days (and ticked up nicely during the rebound too), highlighting the defensive attributes and hedging properties that the stock offers – a key element of the thesis discussed above.

Lam Research (-10.9%) and Applied Materials (-6.9%)

Lam Research and Applied Materials ended August as the Fund's two bottom-performing stocks. Semiconductor stocks entered August already with negative equity momentum, ending July as the bottom-performing industry following indications of stricter US trade restrictions in China. Lam Research (42% of 2024 sales in China) and Applied Materials (27%) both have significant exposure to the region, and hence suffered some of the largest declines. Neither of these firms was able to shake this negative momentum over August, as further news emerged that the US was considering additional unilateral restrictions. The focus would be on China's access to the chips required to run AI accelerators, High Bandwidth Memory (HBM) chips, and the tools required to make them. Lam Research have 100% market share in tools for etch/plating for HBM as well as a greater exposure to the Chinese region than its peers. Applied Materials also has meaningful exposure, but a more diverse product focus and regional exposures meant the equity impact was not as significant. Both firms reported solid Q4 results during the month (both delivered sales and earnings 'beats') although this did little to appease negative sentiment towards both stocks. Lam Research reiterated its FY 2024 wafer fab equipment (WFE) market outlook, voiced optimism on a rebound to NAND flash memory, and delivered guidance in line with expectations, although a minor slowdown in China and softness in the outlook for gross margins were slight detractors. In the case of Applied Materials, the firm gave an optimistic outlook for leading-edge logic and advanced packaging, as well as steady growth in its Services business. While a slowdown of sequential Chinese sales acted as a headwind to margins, management suggested this was a more 'normalised' level of sales to the region, and also served to de-risk the firm from the region. Although both Lam Research and Applied Materials suffered valuation contraction as a result of concerns relating to incremental export restrictions, our final semiconductor equipment manufacturer, KLA, did not. KLA also holds significant Chinese exposure (43% of FY24 sales), but the firm's niche focus on process control meant it was relatively insulated from the worst of these industry pressures. All in all, we see recent news on export controls as slightly increasing the risk profiles of these firms, but our long-term growth thesis for each of these stocks remains in place, and we will continue to monitor the situation closely.

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	$1131.1m
Fund launch	31.10.2014
OCF	0.82%
Benchmark	MSCI World TR

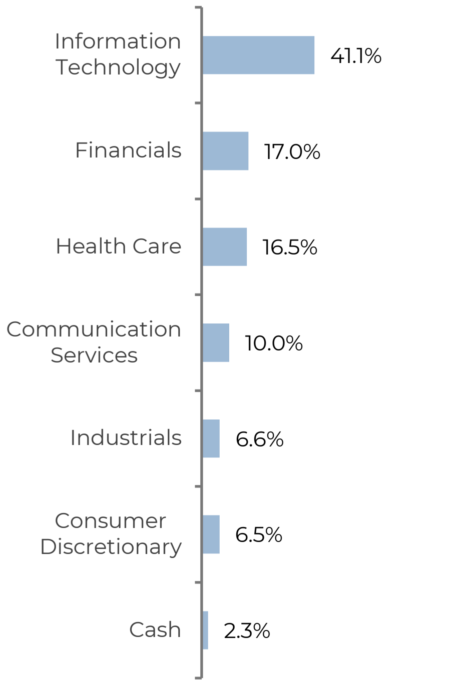
GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

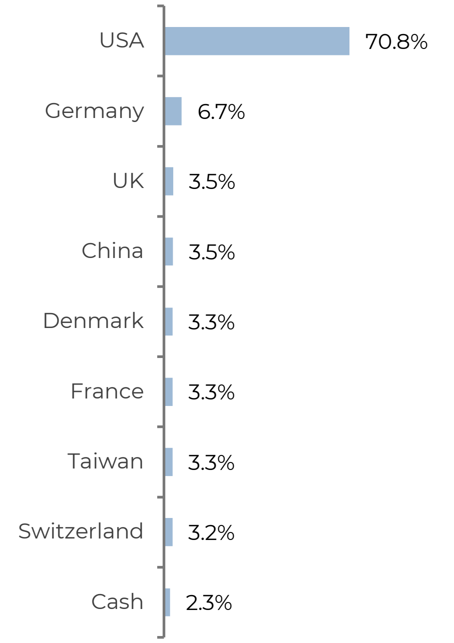
Netflix	3.5%
London Stock Exchange Group	3.5%
Intercontinental Exchange	3.5%
Mastercard	3.5%
Medtronic	3.5%
Paypal	3.5%
Meta Platforms	3.5%
Anta Sports Products	3.5%
Siemens Healthineers	3.4%
Intuit	3.4%

Top 10 holdings	34.7%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

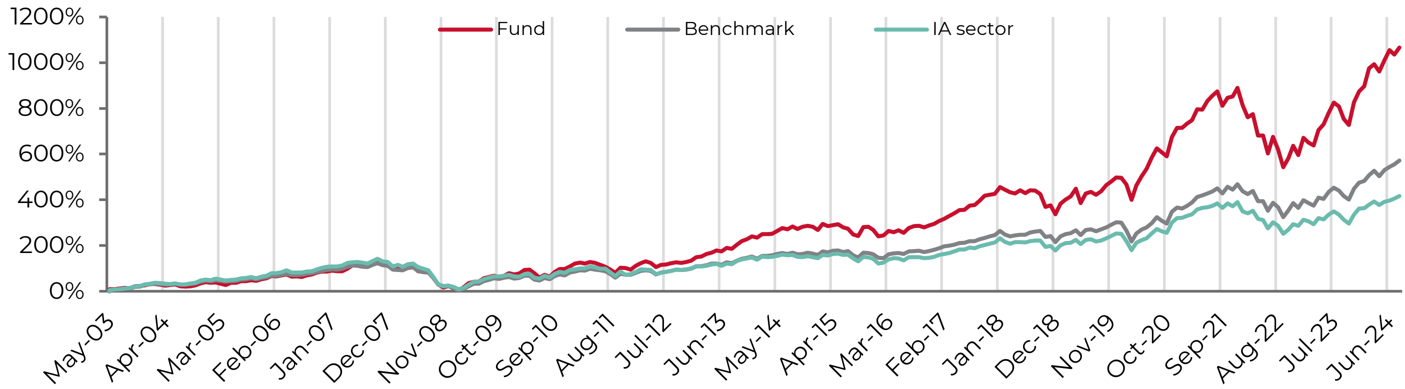
GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.3%	+16.0%	+23.7%	+25.2%	+106.8%	+282.5%
MSCI World TR	+0.3%	+13.2%	+20.0%	+27.9%	+71.6%	+215.3%
IA Global TR	+0.1%	+8.6%	+14.5%	+11.7%	+50.7%	+152.2%
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.7%	+19.6%	+28.3%	+19.6%	+123.2%	+203.5%
MSCI World TR	+2.6%	+16.7%	+24.4%	+22.2%	+85.1%	+149.5%
IA Global TR	+2.4%	+12.0%	+18.8%	+6.6%	+62.6%	+99.6%
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.4%	+19.4%	+25.8%	+27.5%	+122.0%	+259.8%
MSCI World TR	+0.3%	+16.5%	+22.0%	+30.3%	+84.2%	+196.9%
IA Global TR	+0.1%	+11.8%	+16.5%	+13.7%	+61.8%	+137.5%

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 prior to the launch of the Guinness Global Innovators Fund (31.10.14) reflecting a US mutual fund which has the same investment process since the strategy's launch on 01.05.03.
Source: FE fundinfo to 31.08.24. 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 0.82%. 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	£19.4m
Fund launch	30.12.2022
OCF	0.79%
Benchmark	MSCI World TR

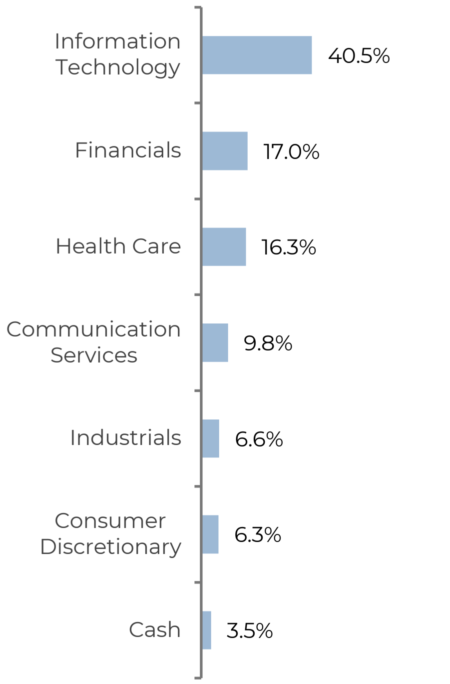
WS GUINNESS GLOBAL INNOVATORS FUND - PORTFOLIO

Top 10 holdings

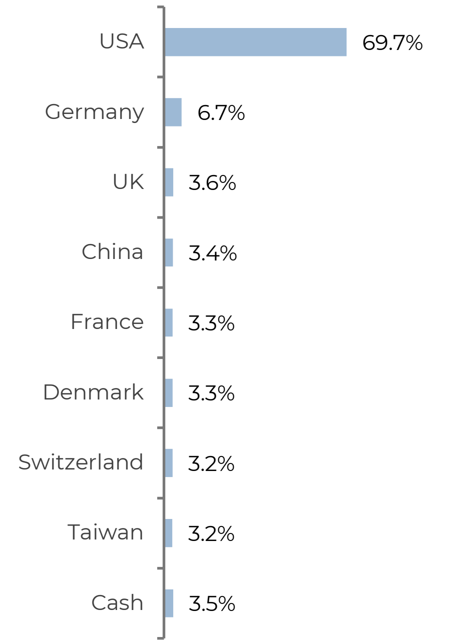
London Stock Exchange Group	3.6%
Paypal	3.5%
Intercontinental Exchange	3.5%
Medtronic	3.4%
Anta Sports Products	3.4%
Siemens Healthineers	3.4%
Meta Platforms	3.4%
Mastercard Inc	3.4%
Nvidia Corp	3.3%
Netflix	3.3%

Top 10 holdings	34.3%
Number of holdings	30

Sector



Country



Past performance does not predict future returns.

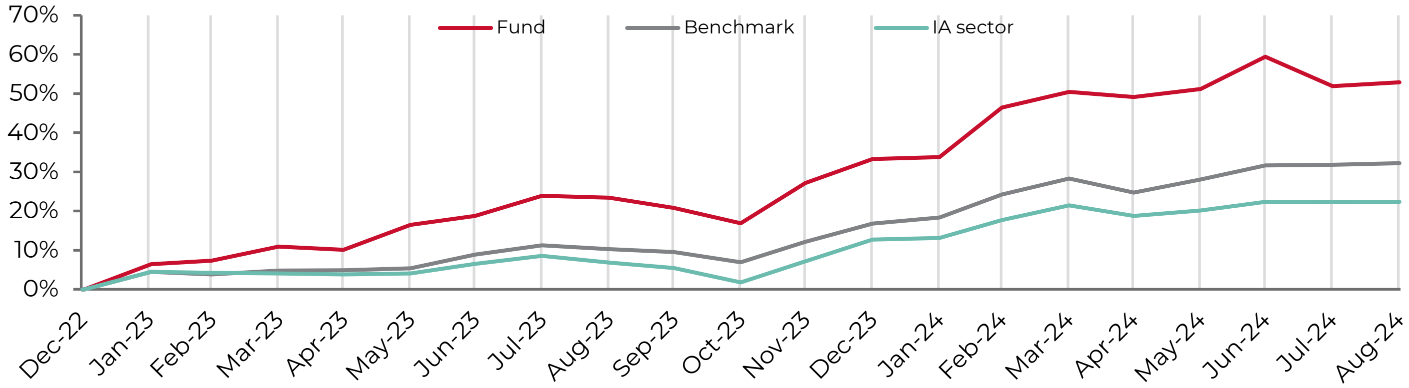
WS GUINNESS GLOBAL INNOVATORS FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.7%	+14.7%	+23.9%	-	-	-
MSCI World TR	+0.3%	+13.2%	+20.0%	-	-	-
IA Global TR	+0.1%	+8.6%	+14.5%	-	-	-

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 31.08.24. 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, Supplement, tKey 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, REYL & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. 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.

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 www.fundsolutions.net/uk/guinness-global-investors/ or free of charge from:-

Waystone Management (UK) Limited
PO Box 389
Darlington
DL1 9UF
General Enquiries: 0345 922 0044
E-Mail: investorservices@linkgroup.co.uk

Waystone Management (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.
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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.