

## 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 Funds' documentation, available on our website.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	15.12.2020
<b>Index</b>	MSCI World
<b>Sector</b>	IA Global
<b>Managers</b>	Sagar Thanki, CFA Joseph Stephens, CFA
<b>EU Domiciled</b>	Guinness Sustainable Global Equity Fund
<b>UK Domiciled</b>	WS Guinness Sustainable Global Equity Fund

## INVESTMENT POLICY

The Guinness Sustainable Global Equity Funds are designed to provide exposure to high-quality growth companies benefiting from the transition to a more sustainable economy. The Funds hold a concentrated portfolio of mid-cap companies in any industry and in any region. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

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## PERFORMANCE

In May, the Guinness Sustainable Global Equity Fund returned 3.2% (in USD), the MSCI World Index returned 4.5%, and the MSCI World Mid Cap Index (which we consider for context given the Fund's mid-cap focus) returned 2.9%. The Fund therefore underperformed the MSCI World Index by 1.3% but outperformed MSCI World Mid Cap Index by 0.3%.

May was a good month for global equity markets as renewed investor optimism about the state of the global economy supported a fairly broad rally. Despite an eventful month which included the surprise announcement of a UK general election in July, the conviction of a former US President, historic election results in South Africa, and an intensification of the conflict in the Middle East, markets remained positive. Europe was the best performing region (+5.5% in USD) whilst the US (+4.8%) and UK (+3.7%) also saw solid gains. Expectations of falling interest rates favoured growth stocks (+5.7%) more than value (+3.3%). Corporate earnings season drew to a close after generally strong results and a particularly good showing from certain large-cap names which helped buoy investor sentiment and pointed to a fairly healthy economic environment.

## Guinness Sustainable Global Equity

Past performance does not predict future returns.

MSCI Index Performances: 30/04/24 - 31/05/24 (USD)												
Industry Group	Sectors			Regions			Factors			Market Cap		
Semiconductors	15.6%	IT	8.6%	Europe ex-UK	5.2%	Quality	6.1%	Magnificent 7	9.1%			
Technology Hardware	10.4%	Utilities	7.6%	North American	4.7%	Growth	5.7%	Small	4.6%			
Utilities	7.8%	Communication Services	6.4%	MSCI World	4.5%	MSCI World	4.5%	Large	4.5%			
Food & Staples Retail	6.8%	Financials	4.6%	UK	3.7%	CS Unprofitable Index	4.1%	Mid	2.9%			
Media	6.6%	MSCI World	4.5%	Asia ex-Japan	1.9%	Value	3.2%					
Insurance	6.0%	Real Estate	3.7%	Japan	1.3%							
Bank	5.6%	Materials	3.1%	Emerging Markets	0.6%							
Telecom Services	5.2%	Consumer Staples	2.8%									
MSCI World	4.5%	Industrials	2.8%									
Real Estate	3.7%	Health Care	2.7%									
Commercial&Professional Servi	3.6%	Consumer Discretionary	0.4%									
Pharma Biotech	3.5%	Energy	0.3%									
Capital Goods	3.3%											
Diverse Financials	3.2%											
Materials	3.0%											
Consumer Durables & Apparel	2.0%											
Retailing	1.8%											
House & Personal Products	1.6%											
Software	1.5%											
Food Beverage & Tobacco	1.3%											
Health Care Equipment & Servi	1.2%											
Transportation	0.5%											
Energy	0.4%											
Auto & Components	-1.5%											
Consumer Services	-1.7%											

Source: Bloomberg; as of 31<sup>st</sup> May 2024

The Fund's relative performance to the benchmark can be attributed to the following:

- Exposure to IT was the Fund's largest sector drag. While asset allocation was positive, stock selection was negative. Here, *not* owning Nvidia (+26.9% over the month), contributed almost 1% of the Fund's underperformance.
- While our overweight exposure to Healthcare was a drag, positive stock selection more than offset this, with healthcare equipment and service stocks Addus Homecare and Sonova performing strongly (up 19.4% and 13.5% respectively).
- Mid-cap stocks underperformed small and large-caps, which was a drag on performance. In particular, the Magnificent 7 ex-Tesla continued to perform well. However, positive stock selection within mid-cap stocks enabled the Fund to outperform the MSCI World Mid Cap Index.

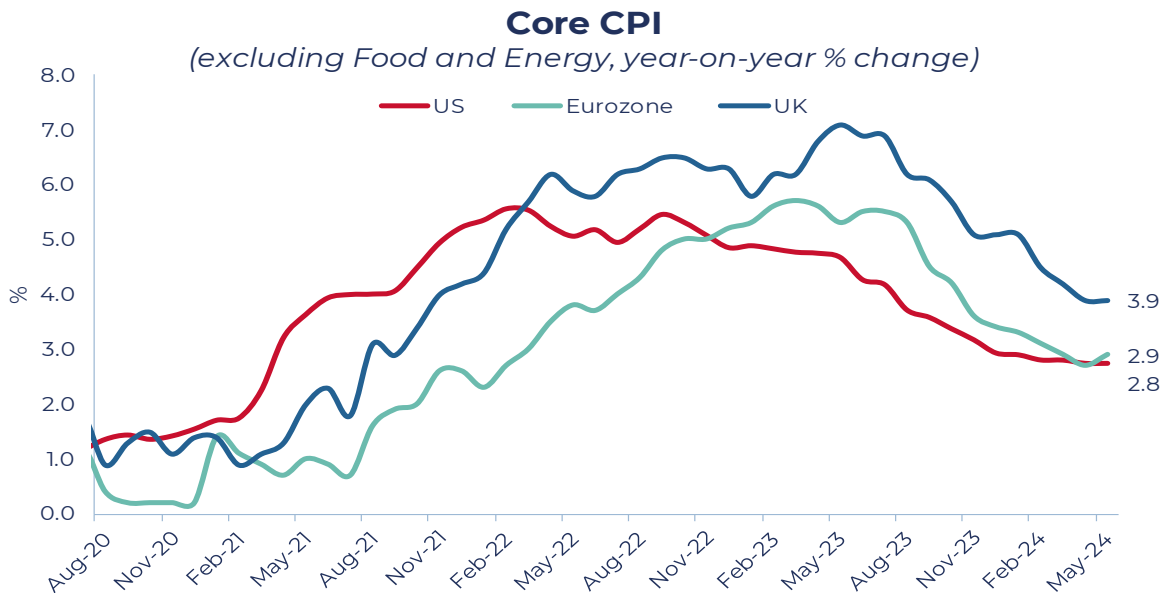
Returns in USD	YTD	Rank (Quartile)	Since launch	Rank (Quartile)	2023	Rank (Quartile)	2022	Rank (Quartile)	2021	Rank (Quartile)
<b>Fund</b>	<b>4.3%</b>		<b>18.8%</b>		<b>16.4%</b>		<b>-25.7%</b>		<b>26.7%</b>	
<b>MSCI World</b>	<b>9.5%</b>		<b>37.6%</b>		<b>23.8%</b>		<b>-18.1%</b>		<b>21.8%</b>	
<b>MSCI World Mid Cap</b>	<b>5.0%</b>		<b>17.5%</b>		<b>15.5%</b>		<b>-19.1%</b>		<b>17.6%</b>	
<b>IA Global Sector</b>	<b>6.5%</b>	^	<b>18.2%</b>	<b>289/469 (3rd)</b>	<b>19.4%</b>	<b>274/542 (3rd)</b>	<b>-21.0%</b>	<b>392/511 (4th)</b>	<b>16.6%</b>	<b>15/473 (1st)</b>
<b>Avg. ESG peer fund*</b>	<b>5.8%</b>	^	<b>20.7%</b>	<b>32/63 (3rd)</b>	<b>14.9%</b>	<b>47/81 (3rd)</b>	<b>-22.5%</b>	<b>50/69 (3rd)</b>	<b>18.2%</b>	<b>3/58 (1st)</b>

Source: Guinness Global Investors, FE fundinfo, as of 31.05.2024. Fund launched 15.12.2020. \*A custom universe of funds created by screening the IA Global Sector for all Responsible, Sustainable and Impact Funds which have similar investment policies and risk profiles to the Guinness Sustainable Global Equity Fund. The Fund's benchmark Index is the MSCI World; we include the MSCI World Mid Cap for useful context given the Fund's mid-cap focus. ^Ranking not shown in order to comply with European Securities and Marketing Authority rules.

MAY IN REVIEW

Inflation

2024 has been a good year for equity markets so far, with the MSCI World up close to 10% in GBP terms and strong performance across a range of geographies. As investors continue to focus on every piece of available economic data, it can also be helpful to step back and consider the trends beneath the monthly noise. In this commentary, we discuss the data released in May, but also put it in context to understand the underlying direction and what this can tell us about the future.



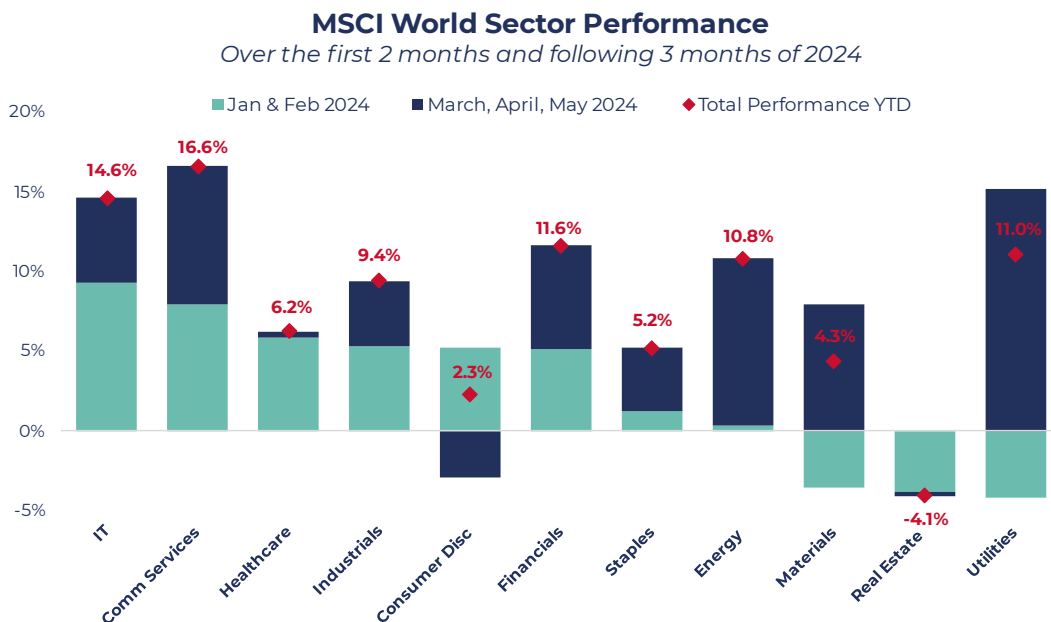
Source: Bloomberg; as of 31<sup>st</sup> May 2024

In the US, disinflationary trends are seemingly starting to stall. May data showed a modest slowing of headline inflation (3.6%, down from 3.8% the month before). However, when looking at core Personal Consumption Expenditures (PCE), which is the Fed's preferred measure and includes a wider range of consumer expenses, the figure has remained static at 2.8% for the last three months. Once again, this is explained by stubborn services inflation, which remains above 5% as tight labour markets and high wage inflation continue.

Taking a step back, much progress has been made on reducing inflation, and the rate cutting cycle has already begun in some countries; the Swiss National Bank cut rates in March and Sweden's Riksbank followed in May. The European Central Bank is widely expected to cut rates in its early June meeting, with the Bank of England expected soon to follow. With rates looking likely to be cut across the board in late 2024 and in 2025, high inflation seems firmly in the rear-view mirror.

**Market Gains**

Global stock markets have performed well in 2024. The US is the best performing geography year-to-date (+10.6%) and its three major indexes continue to push all-time highs: the S&P500 broke through 5,300, the Nasdaq crossed 17,000, and the Dow Jones hit 40,000. Elsewhere, European markets posted solid gains and UK and Japanese equities also performed well.



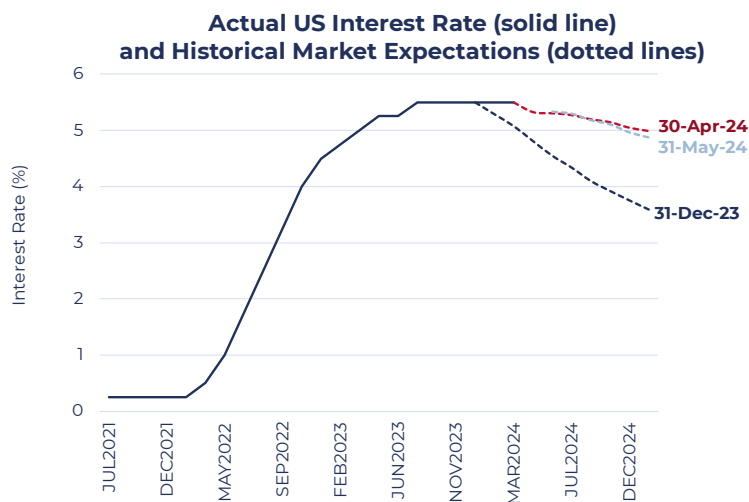
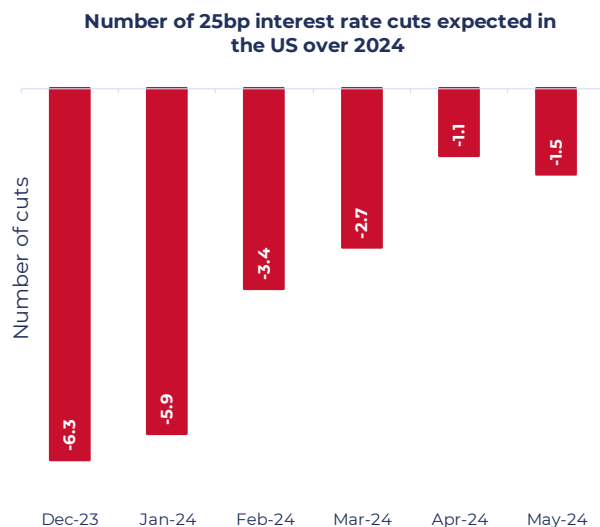
Source: Bloomberg; as of 31<sup>st</sup> May 2024

The chart above compares sector performance over the first two months of 2024 (green) with the preceding three months (blue). While IT and Communication Services have shown consistently robust performance this year, the last three months have seen strong rallies from almost all other parts of the market (excluding Real Estate and Consumer Discretionary). Utilities, Energy and Materials have been driven by expectations of rising power demand and input material needs from artificial intelligence. Alongside this, solid earnings momentum from Financials, Industrials, and Consumer Staples (among others) has helped drive broad-based gains across sectors. The S&P 500 excluding the ‘Magnificent 7’ (i.e. the ‘S&P 493’) posted the first quarter of positive year-on-year earnings growth since Q4 2022, highlighting the widening rally over the past three months.

**Interest rate expectations**

With inflation continually surprising to the upside in the US over the year, expectations over how many rate cuts the Fed would undertake have already shifted significantly over 2024 – with markets expecting between 6-7 cuts of 25 basis points (0.25%) at the beginning of the year, to around 1 at the end of April. There were even some returning concerns that the Fed may need to tighten policy even further at some point during the year – almost an unthinkable proposition as 2024 began. In May, we saw this downward trend end, with a slight uptick in the number of expected rate cuts – from 1.1 to 1.5. While this change in expectations was marginal (see the right hand chart below), this served to once again reduce fears of any potential rate hike.

## Guinness Sustainable Global Equity



Source: Guinness Global Investors, Bloomberg; 31<sup>st</sup> May 2024

These thoughts were largely echoed by the Fed itself. In mid-May, its chair Jay Powell stated that although the Fed was likely to be “keeping policy at the current rate for a longer time than had been thought” due to a notable “lack of progress”, there was only a “very small probability” that the Fed’s next move would be a rate hike. The fact that the US economy, and the jobs market in particular, has remained so strong whilst disinflation has started to stagnate has afforded the Fed far more manoeuvrability with respect to monetary policy – with headroom to maintain rates at potentially higher levels than they otherwise could, had a weakening in the economy or jobs market also been present.

In contrast to the US, price pressures in Europe have diminished much more over 2024, and hence, unlike for the Fed, there is a strong consensus that the European Central Bank (ECB) will cut rates at its June meeting. Money markets imply a 98% chance of an interest rate cut in June from the ECB, following the Swiss and Swedish central banks. Whilst not totally unheard of, divergence from the Fed is uncommon because of the impact on exchange rates and thus import costs, which may in turn lead to further inflation. Hence, expectations of the number of rate cuts have fallen dramatically over 2024 in most regions. However, the ECB highlights that inflationary pressures and dynamics are different in Europe to that of the US. The fact that Europe is not seeing the same level of economic growth than the US means the ECB is more likely to make the first move – especially when inflation is far closer to target levels.

## PORTFOLIO HOLDINGS

**Teradyne (+21.3% in USD)** was the best performing stock over the month. The maker of semiconductor testing equipment alongside collaborative robotics reported strong results at the end of April that drove the stock price higher into May. While other semiconductor stocks have been propelled by incoming AI investment, Teradyne’s AI fortunes have been tempered by higher customer concentration and varying end-market exposures. However, the recent earnings point to an improving picture, with the company beating quarterly expectations and raising forward guidance. Teradyne is set to benefit from AI in two ways: 1) demand for High Bandwidth Memory (HBM), which is more complex than traditional memory chips and thus requires more sophisticated testing equipment; and 2) longer-term custom application specific integrated circuits (ASIC), particularly from big tech businesses building out their internal capabilities, expanding Teradyne’s client base.

**Skyworks (-12.4%)** was the Fund’s weakest performing stock over the month. While the semiconductor industry was the best performing industry over the month, Skyworks, the maker of radio frequency chips for communications and broader markets, struggled after the loss of a socket at their largest customer in this year’s flagship phone release. The company was able to partially offset this with content gains elsewhere, but the total loss in the phone is expected to be 10% on a net basis. While obviously a loss for Skyworks, and a risk we acknowledged upon initiating our position in a company with material customer concentration, we continue to feel a 1-year forward price-to-earnings ratio of 15x and profit margins of 21% is an

## Guinness Sustainable Global Equity

attractive investment opportunity. Moving forward, whilst not a direct AI beneficiary, we expect Skyworks to benefit from smartphone refresh cycles driven by new AI-enabled smartphones, alongside steady 10% content gains, a diversifying customer base, and expanding broader market exposure which yields higher margins.

### Portfolio Managers

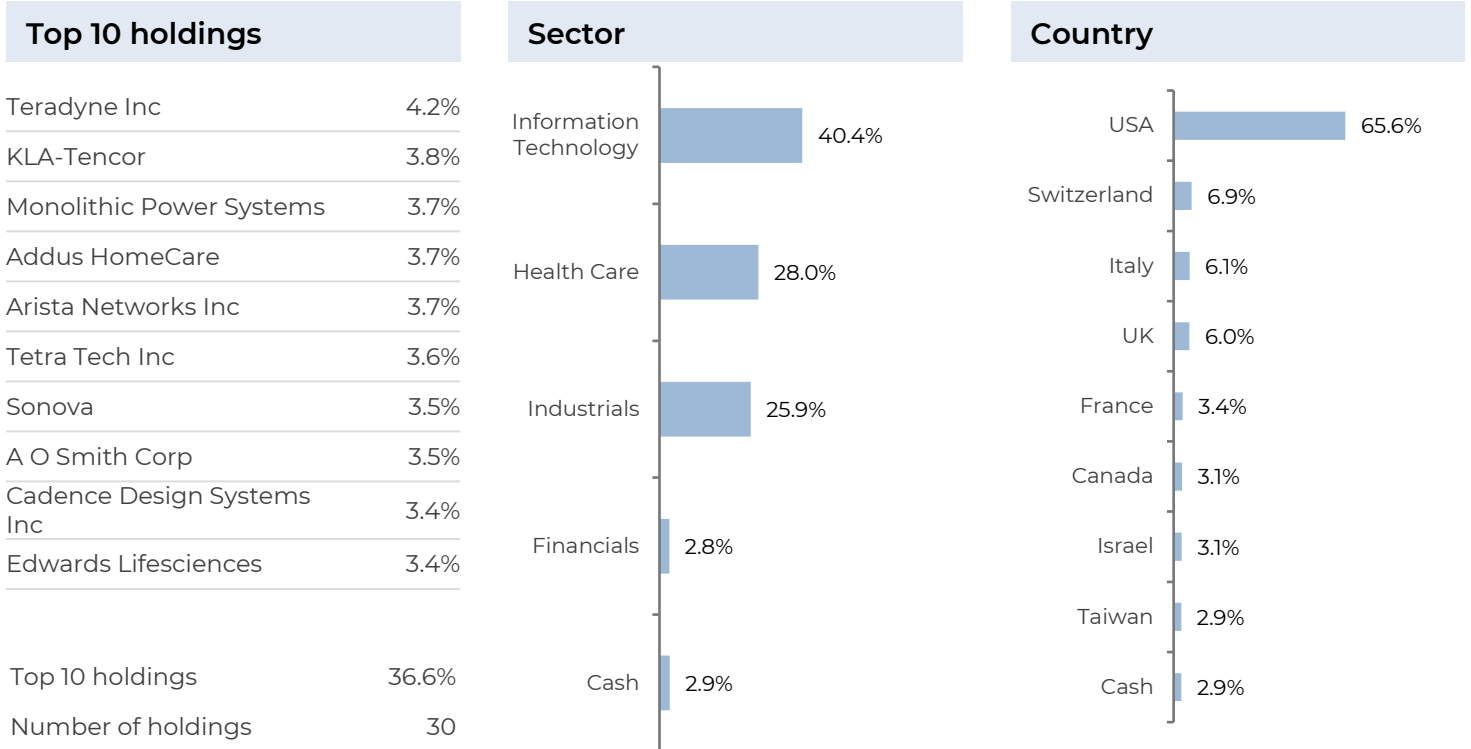
Sagar Thanki

Joseph Stephens

**GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - FUND FACTS**

Fund size	\$14.2m
Fund launch	15.12.2020
OCF	0.89%
Benchmark	MSCI World TR

**GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - PORTFOLIO**



## Guinness Sustainable Global Equity Fund

Past performance does not predict future returns.

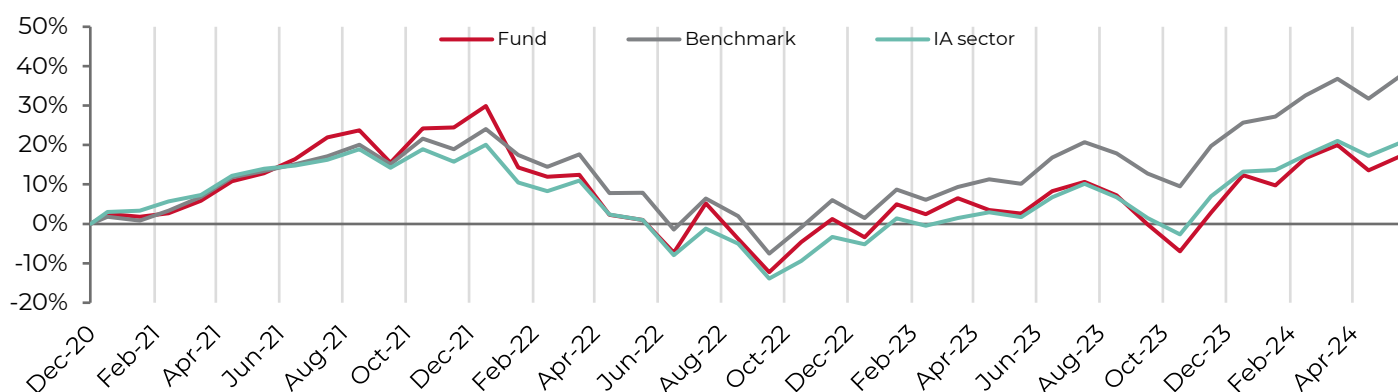
### GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.5%	+4.4%	+11.2%	+15.7%	-	-
MSCI World TR	+2.7%	+9.7%	+21.6%	+35.5%	-	-
IA Global TR	+1.2%	+6.7%	+15.5%	+18.2%	-	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.2%	+4.3%	+14.3%	+3.9%	-	-
MSCI World TR	+4.5%	+9.5%	+24.9%	+21.4%	-	-
IA Global TR	+2.9%	+6.5%	+18.7%	+5.9%	-	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+1.7%	+6.1%	+12.2%	+16.5%	-	-
MSCI World TR	+2.9%	+11.4%	+22.7%	+36.7%	-	-
IA Global TR	+1.4%	+8.4%	+16.5%	+19.2%	-	-

### GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+9.8%	-16.3%	+27.9%	-	-	-	-	-	-	-
MSCI World TR	+16.8%	-7.8%	+22.9%	-	-	-	-	-	-	-
IA Global TR	+12.7%	-11.1%	+17.7%	-	-	-	-	-	-	-
(USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+16.4%	-25.7%	+26.7%	-	-	-	-	-	-	-
MSCI World TR	+23.8%	-18.1%	+21.8%	-	-	-	-	-	-	-
IA Global TR	+19.4%	-21.0%	+16.6%	-	-	-	-	-	-	-
(EUR)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+12.4%	-20.8%	+36.4%	-	-	-	-	-	-	-
MSCI World TR	+19.6%	-12.8%	+31.1%	-	-	-	-	-	-	-
IA Global TR	+15.4%	-15.8%	+25.5%	-	-	-	-	-	-	-

### GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - PERFORMANCE SINCE LAUNCH (USD)



Source: FE fundinfo to 31.05.24. 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 0.89%. 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.



**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - FUND FACTS**

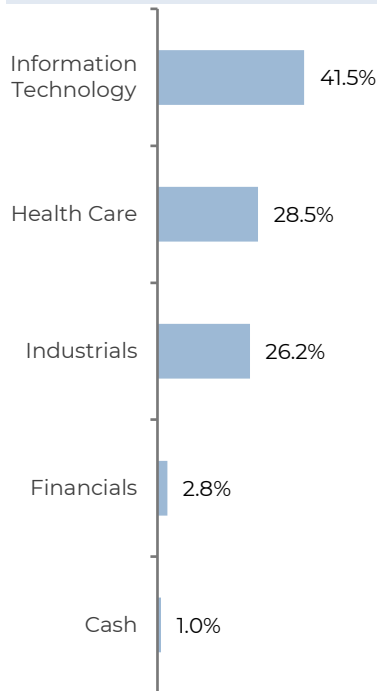
Fund size	£0.6m
Fund launch	30.12.2022
OCF	0.89%
Benchmark	MSCI World TR

**WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - PORTFOLIO**

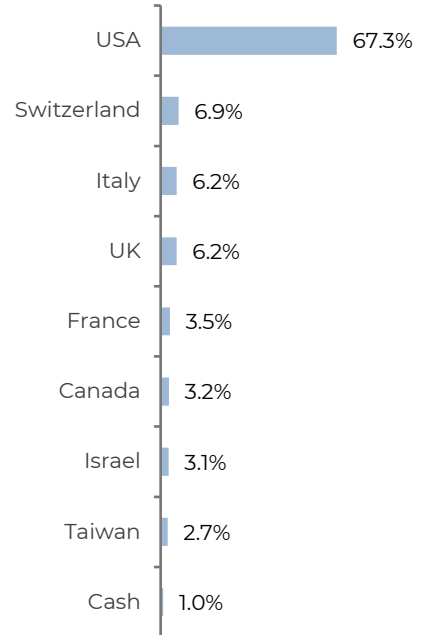
**Top 10 holdings**

Teradyne Inc	4.3%
KLA-Tencor	4.0%
Arista Networks	3.9%
Monolithic Power Systems	3.8%
Addus HomeCare	3.7%
Cadence Design Systems	3.7%
Tetra Tech	3.6%
A O Smith Corp	3.6%
Edwards Lifesciences	3.5%
Entegris	3.5%
<b>Top 10 holdings</b>	<b>37.7%</b>
<b>Number of holdings</b>	<b>30</b>

**Sector**



**Country**



## WS Guinness Sustainable Global Equity Fund

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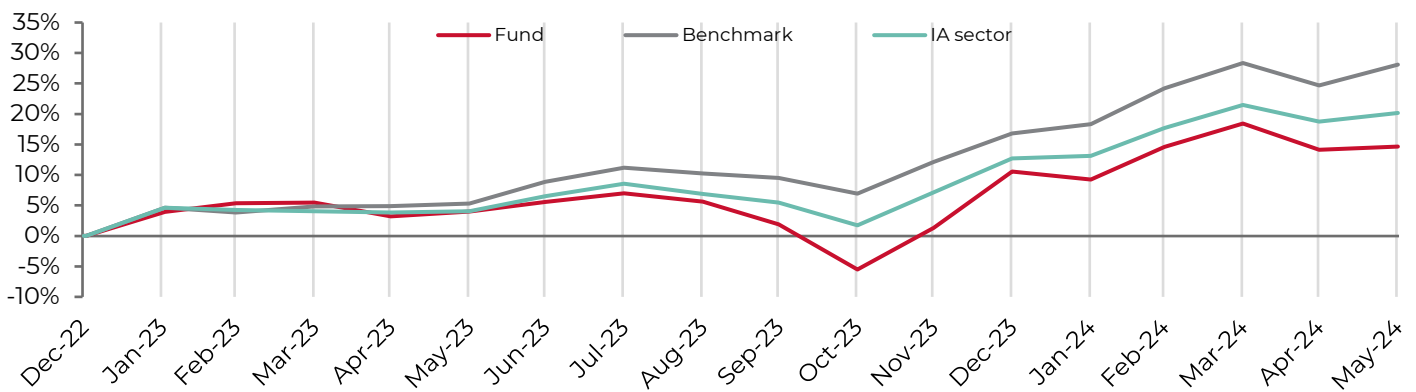
### WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+0.5%	+3.7%	+10.2%	-	-	-
MSCI World TR	+2.7%	+9.7%	+21.6%	-	-	-
IA Global TR	+1.2%	+6.7%	+15.5%	-	-	-

### WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	+10.6%	-	-	-	-	-	-	-	-	-
MSCI World TR	+16.8%	-	-	-	-	-	-	-	-	-
IA Global TR	+12.7%	-	-	-	-	-	-	-	-	-

### WS GUINNESS SUSTAINABLE GLOBAL EQUITY FUND - PERFORMANCE SINCE LAUNCH (GBP)



Source: FE fundinfo to 31.05.24. 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 0.89%. 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 Sustainable Global Equity Fund and the WS Guinness Sustainable Global Equity 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](http://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 SUSTAINABLE GLOBAL EQUITY 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](http://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'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 SUSTAINABLE GLOBAL EQUITY 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/](http://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](mailto: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.

#### 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.