Guinness China RMB Income

Investment Commentary – October 2026

RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and KIIDs for the Fund (available on our website), which contain detailed information on its characteristics and objectives and full information on the risks, before making any final investment decisions.

The Guinness China RMB Income Fund is a bond fund. Investors should be willing and able to assume the risks of bond and fixed income investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested.

The Fund may invest more than 35% of its assets in transferable securities and money market instruments issued or guaranteed by certain government or public issuers. The Investment Manager currently expects that any such exposure above 35% would only be considered in respect of securities issued or guaranteed by the Government of the People's Republic of China.

Past performance does not predict future returns.

The Guinness China RMB Income Fund aims to provide investors with a combination of capital appreciation and income. The Fund invests in a range of bonds and fixed income investments, which will be denominated or hedged back to Renminbi (Renminbi or RMB being the official currency of China). The Fund buys government and quasi-sovereign bonds in the onshore China bond market and supranational and high-grade corporate credit in the offshore bond market. The Fund is actively managed without reference to a benchmark.

ABOUT THE STRATEGY

Launch	09.03.2023
Sector	IA Specialist Bond

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COMMENTARY

China's August activity data, published in September, showed the same split as in recent months. Industrial output grew 5.2% year-on-year, 0.7 percentage points faster than in July, and high-tech manufacturing rose 16.7%. Retail sales grew 0.4%, the slowest pace since May. Fixed-asset investment fell 7.2% in the first eight months, and new home prices were 3.0% lower than a year earlier. External demand carried the economy again: exports rose 25.0% in August, and the trade surplus reached USD 119.1 bn.

Prices firmed, for reasons that say little about domestic demand. Consumer prices rose 0.8% on the year and producer prices 3.8%, largely on the back of international commodity prices. Core inflation was 1.0%. Factory-gate inflation driven by imported energy costs is not the reflation policymakers have been seeking, and we do not treat it as such.

The People's Bank of China (PBoC) left its benchmark rates unchanged, holding the loan prime rates for a sixteenth month. On 29 September it announced a package of targeted measures led by a 25 basis point cut, to 1.50%, in the rate on pledged supplementary lending, the facility that funds policy banks' lending to priority projects, together with larger relending quotas for technology, agriculture and small businesses. This is a directed-credit tool rather than the policy rate, and we read it as support for investment. Governor Pan restated the moderately loose stance on 21 September.

In the US, the Federal Reserve raised its target range by 25 basis points to 3.75-4.00% on 16 September, its first increase since 2023, and the median Open Market Committee member expects one more increase this year.

The Chinese government bond curve barely moved. The two-year closed September at 1.26% and the ten-year at 1.69%, each within a basis point of its August close. The US ten-year rose from 4.75% to 5.29%, widening the gap over Chinese ten-year yields from 306bp to 360bp.

The dollar was strong across the board in September, and the renminbi outpaced it. On the Fund's valuation rates the offshore renminbi rose 0.26% against the dollar, 2.58% against the euro and 2.45% against sterling. On the PBoC's central parity it also gained 2.66% against the Canadian dollar, 3.09% against the Australian dollar and 3.72% against the Swiss franc. Markets usually expect a wider rate gap to pull money towards the higher-yielding dollar; the renminbi firmed anyway.

IN FOCUS – THE RENMINBI AND THE RATE GAP

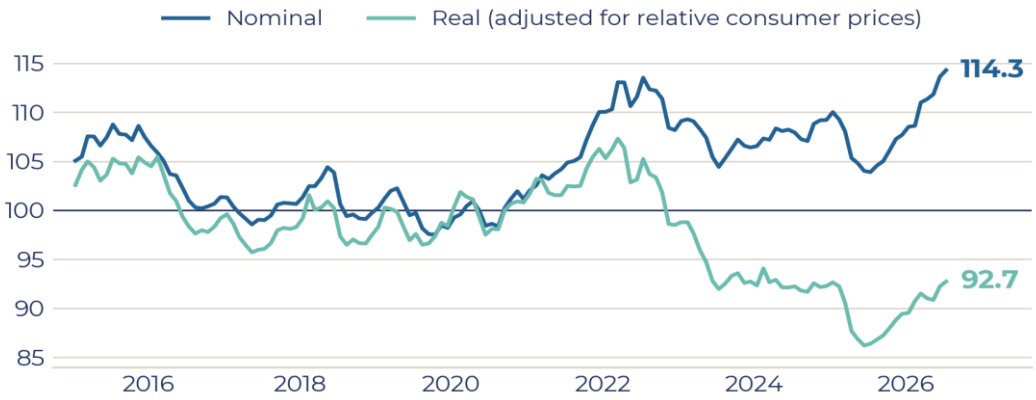
September put a familiar assumption to the test. The Fed raised rates, the gap between US and Chinese ten-year yields widened by more than 50 basis points, and the dollar rose against the other major currencies. On that combination, markets would usually expect the renminbi to weaken. It rose against the dollar, by more against the euro and sterling, and the CFETS index of its value against China's trading partners rose 1.31% to 103.20.

Our reading is that the rate differential has not been the main driver of the currency this year, and September is evidence for that view, though one month cannot prove it. The trade surplus, the PBoC's management of the daily fixing and the authorities' push for wider international use explain more of its path. A wider gap also makes the renminbi cheaper to borrow, and every foreign issuer in the offshore market takes on a renminbi liability that has to be serviced and repaid in the currency.

The longer view supports this. On the Bank for International Settlements' broad measure, the renminbi's trade-weighted value reached a record in July in nominal terms. In real terms, adjusted for China's much lower inflation, it remains below its 2020 level and 14% below its 2022 peak. Low inflation lowers the real exchange rate even as the nominal rate rises, and in our view low Chinese interest rates are the counterpart of that low inflation, not a sign of a weak currency.

Nominal Strength, Real Competitiveness

BIS broad effective exchange rates for the renminbi, 2020 = 100. Monthly averages, 2015 to July 2026.



The currency has not added to returns in every year: the dollar class lost 0.6% in 2024 and the euro class 5.8% in 2025. We set out the argument, and what would show it to be wrong, in The Renminbi and the Rate Gap, available on request.

PORTFOLIO REVIEW

Past performance does not predict future returns.

Over September, the Fund's US dollar class returned +0.19% and the euro class +2.50%. The CNH base class returned −0.07% and the sterling class +2.37%. The renminbi's rise against all three currencies accounts for the difference between the classes; each class's return equals the base class return plus its currency move, to within a basis point.

Over the twelve months to 30 September, the US dollar class returned +7.1%, the euro class +10.8% and the sterling class +8.5%, against +0.8% for the CNH class. The gap to the CNH class is the currency's contribution, net of fees.

In the base currency, the Fund slipped 0.07%, as accrued income was more than offset by slightly lower bond prices. The two-year China Government Bond rose 0.8 basis points to 1.26%.

On a weighted average rating factor basis, the portfolio is rated A1, using the best available agency rating for each holding. It yields 1.67% to worst and has a modified duration to worst of 1.30 years, both weighted over net assets.

There was no trading in the month; the Fund held the same fourteen bonds at the end of September as at the end of August.

OUTLOOK

At the end of August, it appeared that the picture for the renminbi had changed more significantly, no longer being as obviously cheap against the dollar as it had been a year previously, and that in the near term, further appreciation may depend as much on the direction of the dollar as on developments within China itself.

September tested that directly. The dollar rose against the other major currencies, and the renminbi still firmed against it. One month does not settle the question, but it is the result we would expect if the drivers described above are setting the currency's direction. We would revise that view if the PBoC's fixing again leaned against strength, as it did in June, or if the trade surplus began to narrow.

Against the dollar, the renminbi is less cheap than it was a year ago, but that is a single bilateral rate. Against its trading partners, adjusted for inflation, it is still cheap: the BIS real effective exchange rate stood at 92.7 in July, about 5% below its average since 2015 and 14% below its 2022 peak. That leaves room for further appreciation without eroding the competitiveness that supports it.

We also expected incremental easing rather than a decisive policy turn. The end-September measures fit that description: support directed through the policy banks and relending, with benchmark rates unchanged. A firm currency and positive producer-price inflation give the PBoC little reason for a broad cut, while weak credit demand gives it reason to keep directing support where it wants it. That keeps the front end of the curve anchored, which suits a short-dated portfolio.

We see no reason to change positioning. The portfolio remains short in duration, high in credit quality and invested entirely offshore.

PORTFOLIO HOLDINGS

Holdings (as of 30/09/26)	% of NAV
China Government Bond 3.60% 2028/06	8.2%
Hong Kong Government International Bond 3.30% 2028/01	8.1%
China Government Bond 2.52% 2028/08	8.1%
China Government Bond 2.39% 2029/03	8.1%
China Government Bond 1.88% 2028/04	8.0%
China Government Bond 1.80% 2028/02	7.9%
China Government Bond 1.42% 2029/06	7.9%
China Government Bond 2.28% 2027/03	7.9%
China Government Bond 1.75% 2027/02	7.9%
Export-Import Bank of China 4.15% 2027/06	6.5%
Kreditanstalt fuer Wiederaufbau 2.75% 2027/04	6.4%
Agricultural Bank of China 2.80% 2027/07	4.8%
GACI First Investment 5.00% 2027/10	4.3%
Abu Dhabi Government 1.62% 2028/06	4.0%
Cash	2.0%

All holdings are offshore renminbi bonds, settled in Hong Kong or through Euroclear. Weights include accrued interest. Weights may not sum to 100% because of rounding.

GUINNESS CHINA RMB INCOME FUND - FUND FACTS

Fund size	¥31.8m
Fund launch	09.03.2023
OCF	0.60%
Benchmark	N/A
Historic yield	2.3% (Y CNH Dist)

Historic yield reflects the distributions declared over the past 12 months expressed as a percentage of the mid-market price, as at the latest month end. It does not include any preliminary charges. Investors may be subject to tax on the distribution.

GUINNESS CHINA RMB INCOME FUND - PORTFOLIO

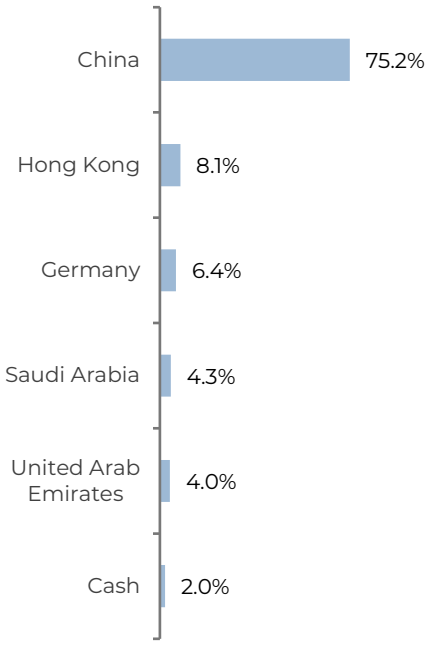
Top 10 holdings

China Govt Bond 3.60% 27/06/2028	8.2%
H K Govt Bond 3.30% 11/01/2028	8.1%
China Govt Bond 2.52% 04/08/2028	8.1%
China Govt Bond 2.39% 15/03/2029	8.1%
China Govt Bond 1.88% 10/04/2028	8.0%
China Govt Bond 1.80% 21/02/2028	7.9%
China Govt Bond 1.42% 04/06/2029	7.9%
China Govt Bond 2.28% 15/03/2027	7.9%
China Govt Bond 1.75% 21/02/2027	7.9%
China Exim Bank 4.15% 18/06/2027	6.5%
Top 10 holdings	78.6%
Number of holdings	14

Sector

AAA	6.4%
AA	16.4%
A	75.2%
Cash	2.0%

Country



Past performance does not predict future returns.

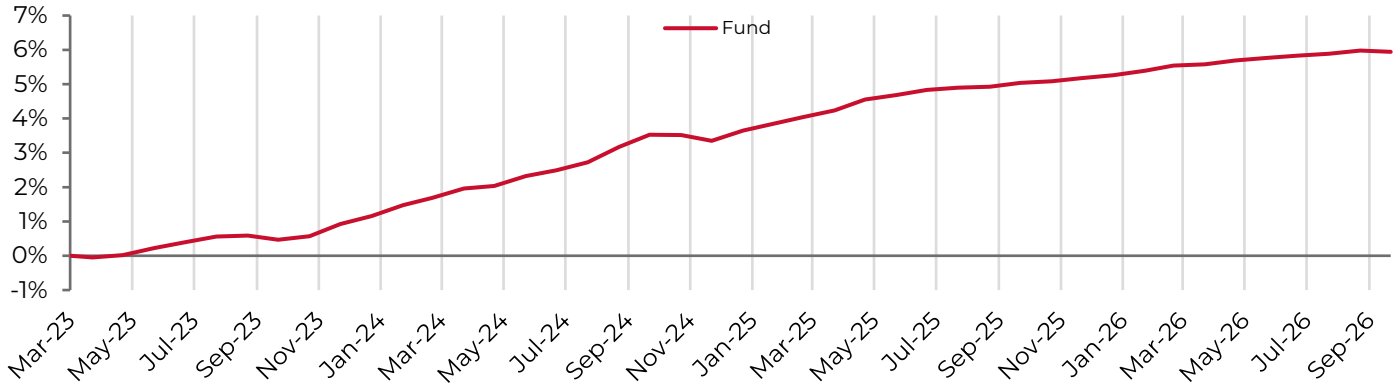
GUINNESS CHINA RMB INCOME FUND - CUMULATIVE PERFORMANCE

(CNH)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.1%	+0.6%	+0.8%	+5.4%	-	-
(GBP)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.4%	+6.0%	+8.5%	+5.3%	-	-
(USD)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+0.2%	+4.7%	+7.1%	+14.7%	-	-
(EUR)	**1 Month**	**YTD**	**1 yr**	**3 yr**	**5 yr**	**10 yr**
Fund	+2.5%	+8.3%	+10.8%	+6.7%	-	-

GUINNESS CHINA RMB INCOME FUND - ANNUAL PERFORMANCE

(CNH)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+1.5%	+2.5%	-	-	-	-	-	-	-	-
(GBP)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	-0.6%	+1.2%	-	-	-	-	-	-	-	-
(USD)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	+6.8%	-0.6%	-	-	-	-	-	-	-	-
(EUR)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	-5.8%	+6.0%	-	-	-	-	-	-	-	-

GUINNESS CHINA RMB INCOME FUND - PERFORMANCE SINCE LAUNCH (CNH)



Source: FE fundinfo net of fees to 30.09.26. Graph is in CNH. 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 is 0.60%. 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, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority and registered as an Investment Adviser with the Securities and Exchange Commission ("SEC"). SEC registration does not imply a certain level of skill or training.

This report is primarily designed to inform you about fixed interest securities and equity and fixed interest markets invested in by the Guinness China RMB Income Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. 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 Fund or to buy or sell individual securities, nor does it constitute an offer for sale.If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

Documentation
The documentation needed to make an investment, including the Prospectus, Supplement, 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, including collective redress mechanisms, 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.

For UK Investors The Fund is recognised in the UK under the Overseas Funds Regime (OFR) but it is not a UK-authorised Fund. UK investors should be aware that they may not be able to refer a complaint against the fund's Management Company or its Depositary to the UK's Financial Ombudsman Service. Any claims for losses relating to the Management Company or its Depositary will not be covered by the Financial Services Compensation Scheme, if either entity should become unable to meet its liabilities to investors. For more information, please see the Country Supplement for this Fund on www.guinnessgi.com.

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 Intesa Sanpaolo Wealth Management S.., 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.

Glossary of Terms: A glossary explaining key investment terms used in our marketing materials is available here: https://www.guinnessgi.com/glossary

Telephone calls will be recorded and monitored