

RISK

This is a marketing communication. Please refer to the prospectus, KIDs and KIID for the Fund, which contain detailed information on its characteristics and objectives, before making any final investment decisions.

The Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. The Fund invests only in stocks of companies that are based in, or with significant business activities in China; it is therefore susceptible to the performance of that region. In addition, at least 80% of the assets will be in China A shares, which have a greater participation by retail investors than other markets, so its performance may be more volatile. 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	09.03.2023
Index	MSCI China A Onshore Index
Sector	IA China / Greater China
Managers	Sharukh Malik Edmund Harriss
EU Domiciled	Guinness China A Share Fund

OBJECTIVE

The Fund invests in quality, profitable companies exposed to the structural growth themes we have identified in the China A share market. These themes are built upon changes we have seen in incomes, demographics, production advances and the application of technology in consumer, industrial and infrastructure settings. The Fund is actively managed and uses the MSCI China A Onshore Index as a comparator benchmark only.

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COMMENTARY

In November, the benchmark, the MSCI China A Onshore Net Return Index (MSCI China A Onshore Index) fell by 2.6% in GBP.

Contributors to Fund performance were stock selection in Materials (Shandong Sinocera and Shenzhen Capchem) and Healthcare (Shenzhen Mindray and Amoy Diagnostics). Detractors from Fund performance were stock selection in Consumer Staples (not holding Kweichow Moutai and holding Juewei Food), Information Technology (Hangzhou First Applied Material and Xiamen Faratronic) and Financials (Ping An Insurance Group and not holding banks).

Based on analysts' consensus estimates, the Fund is trading on a price to earnings ratio of 19.4x on 2023 earnings and 15.6x on 2024 earnings. The current set of holdings is trading at one of the lowest levels seen in the past decade.

Over the past 10 years, our holdings have in aggregate grown earnings by 15% a year. Based on consensus analyst estimates, the Fund is expected to grow earnings by 15% in 2023, 24% in 2024 and 19% in 2025. At current valuations, we believe the Fund represents good value to investors for the growth on offer.

MACRO COMMENTARY

The manufacturing Purchasing Managers Index (PMI) data again came in mixed. For November, the National Bureau of Statistics manufacturing PMI, which is more geared towards domestic facing firms, fell by 0.1 to 49.4 (a reading below 50 indicates weakening activity). The Caixin manufacturing PMI (which has more representation from private, export facing firms) rose notably by 1.2 to 50.7 (a reading above 50 indicates strengthening activity).

Reports suggest the People’s Bank of China may supply more than CNY 1 trillion (\$141bn) for low-cost financing for affordable housing and renovation of villages. According to estimates from JP Morgan, this would fund renovation of villages for one or two years.

Reports also indicate up to 50 large property developers may be eligible for cheaper financing, with banks potentially offering non-secured lending (i.e. not backed by collateral).

Against the US dollar, the onshore Renminbi strengthened by 2.5% in November to end the month at a rate of USDCNY 7.14.

Influenza and broader respiratory cases are increasing in Northern China, as apparently many people have not built up immunity due to China’s lockdowns over the past few years. The search index for Baidu (China’s largest search engine) shows the number of searches for “influenza” has increased rapidly over the past month. In southern China, where it is much warmer than the north, while we see an increase in influenza cases, the jump is not as strong as in the north.

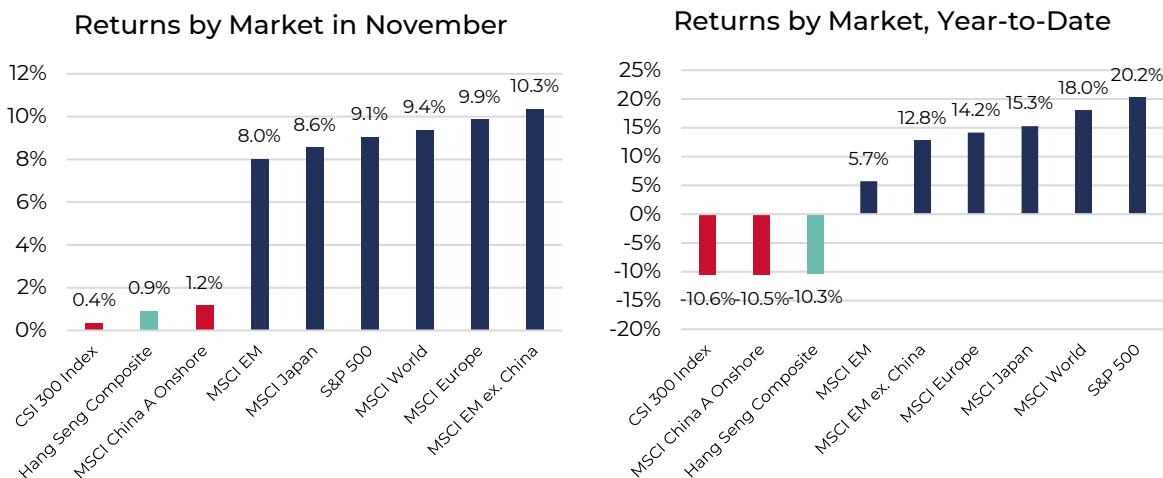
Xi Jinping met Joe Biden in San Francisco. While there were no major announcements, the fact that both sides are engaging is a positive sign from an investment perspective.

China is becoming more active on the foreign policy front. Australian Prime Minister Anthony Albanese met Xi in Beijing, with both sides aiming to improve relations after years of rising tensions. The Foreign Ministers of China, South Korea and Japan met for the first time in nearly four years.

In Taiwan, the opposition parties KMT and TPP failed to agree who would lead a joint campaign, resulting in them each nominating their own candidates for the upcoming presidential elections in January. This is likely to boost the prospects for the DPP’s candidate Lai Ching-te.

MARKET COMMENTARY

(Performance data in the section in USD terms unless otherwise stated)

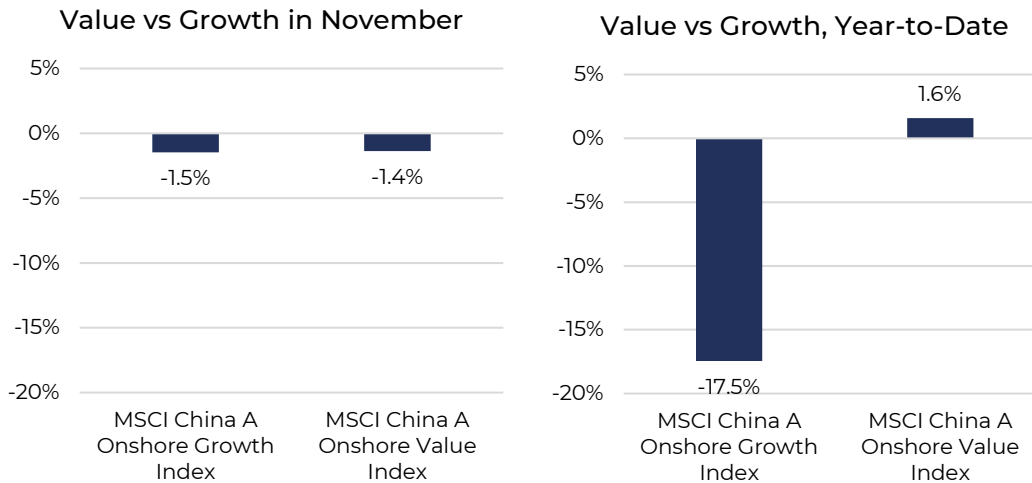


(Left chart: data from 31/10/23 to 30/11/23, right chart: data from 31/12/22 to 30/11/23 returns in USD, source: Bloomberg, Guinness Global Investors calculations)

Guinness China A Share

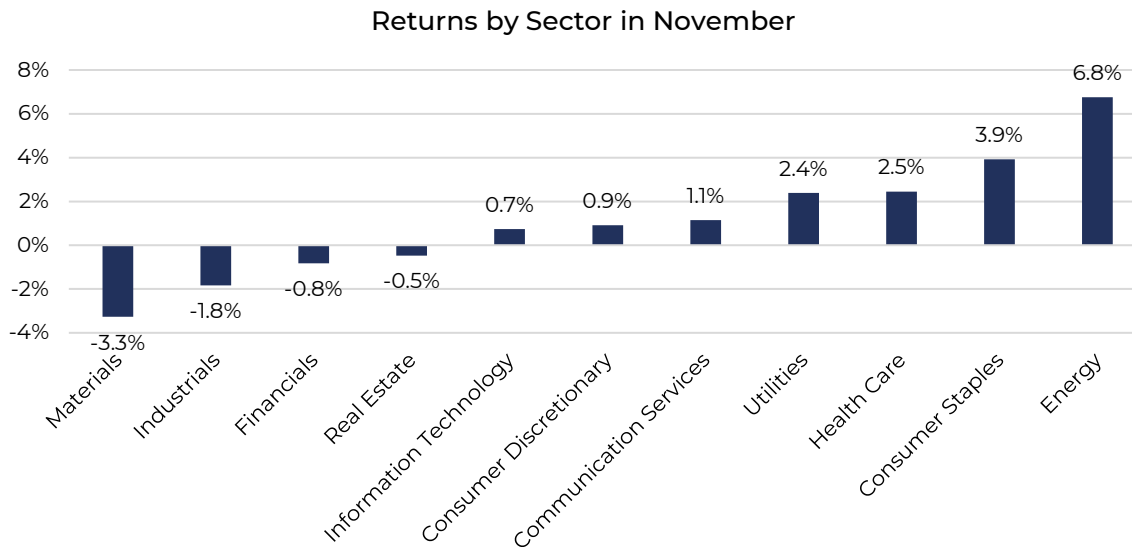
In November, the MSCI China A Onshore Index rose by 1.2% compared to the MSCI World Index which rose by 9.4%. Globally, markets rallied on growing expectations of cuts to interest rates in the US. China also rallied in the first half of the month. But in the second half of November, Chinese markets gave back some of the gains due to disappointing results from some of the large offshore tech names such as Alibaba and Meituan, along with mixed macroeconomic data.

From a year-to-date perspective, the MSCI China A Onshore Index has fallen 10.5% while the Hang Seng Composite Index has fallen 10.3%.



(Left chart: data from 31/10/23 to 30/11/23, right chart: data from 31/12/22 to 30/11/23 returns in USD, source: Bloomberg, Guinness Global Investors calculations)

Growth stocks, as measured by the MSCI China A Onshore Growth Index, fell by 1.5% in November compared to the 1.4% decline for the value index. Year-to-date, the growth index has fallen 17.5% compared to the value index which has risen 1.6%.



(Data from 31/10/23 to 30/11/23, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

In November, the best performing sectors were Energy (total return +6.8%), Consumer Staples (+3.9%) and Health Care (+2.5%). Higher coal prices led to strength for the Energy sector. Strong names in Consumer Staples were Kweichow Moutai, Muyuan Foods and Wens Foodstuff. Healthcare equipment names such as Shenzhen Mindray rallied, likely related to rising respiratory infections in China.

Guinness China A Share

The weakest sectors were Materials (total return -3.3%), Industrials (-1.8%) and Financials (-0.8%). Within Materials the weaker names were linked to building materials, chemicals and lithium. Within Financials, the risk of insurers' buying stakes in property developers led to weakness for Ping An Insurance Group.

PORTFOLIO HOLDINGS

In November, the benchmark, the MSCI China A Onshore Index rose by 1.2%. Relative to the benchmark, areas which helped the Fund's performance were:

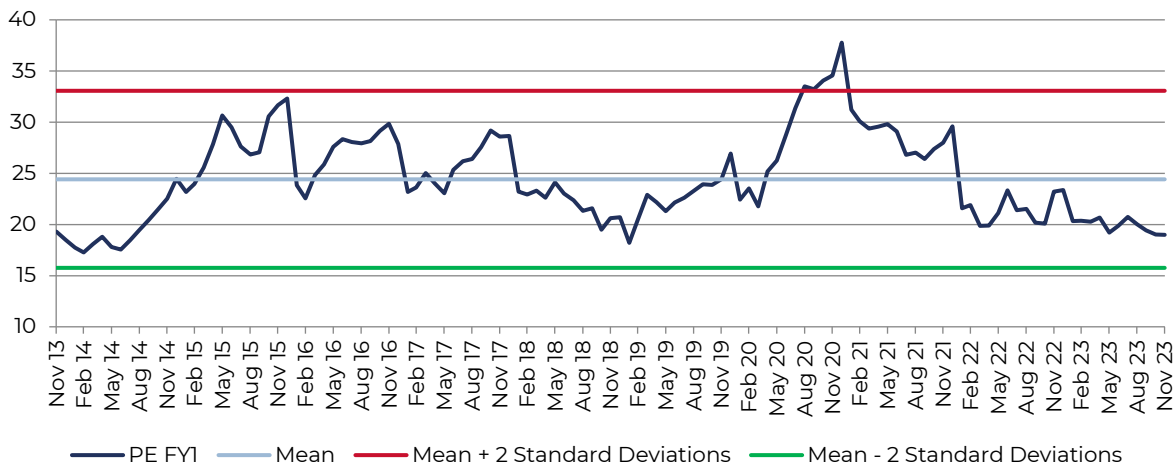
- Stock selection in Materials, driven by Shandong Sinocera and Shenzhen Capchem. Sinocera is a manufacturer of advanced ceramic materials used in electronic products, catalytics, dental prosthetics and construction. It is the first Chinese company in the advanced ceramic industry which can compete with the world leaders (Japan, Taiwan and Korea). We expect Sinocera to increase its market share domestically as it benefits from the import substitution trend. Capchem is a manufacturer of battery electrolytes, organic fluorine chemicals and capacitor chemicals. As one of China's largest manufacturers of electrolytes used in batteries, Capchem gives exposure to rising demand for EVs. Its customers are amongst the largest manufacturers in the world, meaning Capchem is likely do well despite it being difficult to predict which specific battery manufacturers will come out on top. Capchem's fluorine segment is more stable than its electrolyte segment, which gives the business stability when electrolyte prices are depressed. This means that historically Capchem has been able to earn a much more stable return on capital than its larger rival Guangzhou Tinci Materials.
- Stock selection in Healthcare, driven by Shenzhen Mindray and Amoy Diagnostics. Mindray is a manufacturer of healthcare equipment and diagnostic tests. As China continues to build out its healthcare infrastructure, we expect Mindray to benefit from continued sales growth. China's in vitro diagnostics (IVD) market is also expected to grow at a faster rate than the global market while at the same time, Mindray is moving up the value chain. Amoy Diagnostics provides diagnostic services for a range of cancers in China. As the number of elderly people increases in China, we expect the number of cancer cases to increase. This will require more testing, which should drive volume growth for Amoy. We also expect Amoy to expand overseas into countries such as Japan and Korea.

Areas which detracted from the Fund's relative performance were:

- Stock selection in Consumer Staples, driven by the underweight in Kweichow Moutai (not held) and Juewei Food. Juewei Food sells braised foods snacks including ducks and vegetables. It uses the franchise model, with most stores in central, eastern and southern China.
- Stock selection in Information Technology, driven by Hangzhou First Applied and Xiamen Faratronic. First Applied Material is the world's largest supplier of solar film, which is used to protect solar modules. Faratronic is the world's largest manufacturer of film capacitors, with global market share of 21% in 2022 (a capacitor stores electrical energy and is designed to discharge energy very quickly). Its products are used in the solar, wind, electric vehicle and industrial sectors.
- Stock selection in Financials, driven by Ping An Insurance Group and not holding any banks. Reports (which have been denied) that Ping An was to acquire a stake in Country Garden, led to weakness in Ping An's share price. The Fund also did not benefit from the outperformance of the large state-owned banks where the Fund has no exposure.

OUTLOOK

Historic Forward Year Price/Earnings Ratio for Current Holdings



(Data from 29/11/13 to 30/11/23, source: Bloomberg, Guinness Global Investors calculations, assuming an equally weighted portfolio.)

Assuming an equally weighted portfolio, the Guinness China A Share Fund is trading on a forward year price earnings ratio of 19.0x which is well below the current holdings' 10-year historic average. This valuation does not appear often for the high-quality, compounding stocks we hold in the Fund. Over the past decade, our holdings in aggregate have grown earnings by 15% a year. Based on consensus analyst estimates, the Fund's holdings in aggregate are expected to grow earnings by 15% in 2023, 24% in 2024 and 19% in 2025. At current valuations, we believe this represents good value to investors for the growth on offer.

Portfolio Managers

Sharukh Malik
Edmund Harriss

GUINNESS CHINA A SHARE FUND - FUND FACTS

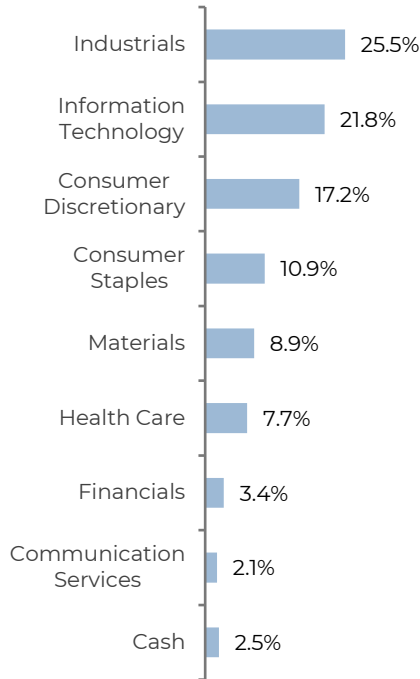
Fund size	\$0.5m
Fund launch	09.03.2023
OCF	0.89%
Benchmark	MSCI China A Onshore TR

GUINNESS CHINA A SHARE FUND - PORTFOLIO

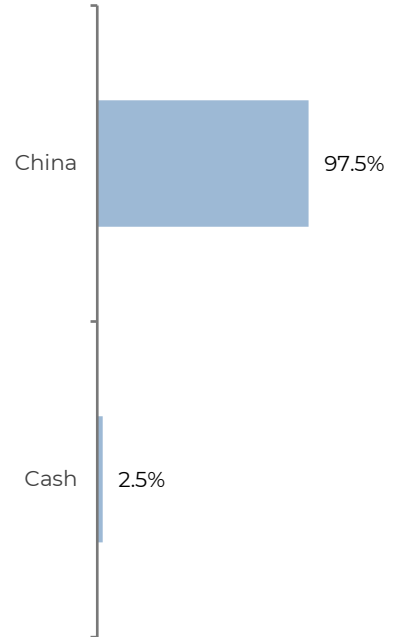
Top 10 holdings

Shengyi Technology	4.5%
Shenzhen Mindray Bio-Medical	4.1%
Zhejiang Supor	4.0%
Haier Smart Home Co Ltd	3.8%
Suofeiya Home Collection	3.8%
Inner Mongolia Yili Industrial	3.8%
Shandong Sinocera Functional	3.8%
Shenzhen Inovance Technology	3.8%
Amoy Diagnostics Co Ltd	3.7%
Juewei Food Co Ltd	3.7%
Top 10 holdings	39.0%
Number of holdings	30

Sector



Country



Guinness China A Share Fund

Past performance does not predict future returns.

GUINNESS CHINA A SHARE FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
IA China/Greater China TR	-	-	-	-	-	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
IA China/Greater China TR	-	-	-	-	-	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
IA China/Greater China TR	-	-	-	-	-	-

GUINNESS CHINA A SHARE FUND - ANNUAL PERFORMANCE

(GBP)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
IA China/Greater China TR	-	-	-	-	-	-	-	-	-	-
(USD)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
IA China/Greater China TR	-	-	-	-	-	-	-	-	-	-
(EUR)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
IA China/Greater China TR	-	-	-	-	-	-	-	-	-	-

GUINNESS CHINA A SHARE FUND - PERFORMANCE SINCE LAUNCH (USD)

For regulatory reasons, we are unable to provide performance information where the track record is less than 12 months.

Source: FE fundinfo to 30.11.23. 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, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

This report is designed to inform you about Guinness China A Share 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.

Documentation

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

Telephone calls will be recorded and monitored.