

RISK

This is a marketing communication. Please refer to the prospectus, KIDs and KIIDs 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 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	15.12.2015
Index	MSCI Golden Dragon
Sector	IA China & Greater China
Managers	Sharukh Malik CFA Edmund Harriss
EU Domiciled	Guinness Greater China Fund

OBJECTIVE

The Guinness Greater China Fund is designed to provide investors with exposure to economic expansion and demographic trends in China and Taiwan. The Fund is managed for capital growth and invests in profitable companies generating persistently high return on capital over the business cycle. The Fund is actively managed with the MSCI Golden Dragon used as a comparator benchmark only.

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COMMENTARY

In November, the Guinness Greater China Fund (Y class, GBP) fell by 1.2%, while the benchmark, the MSCI Golden Dragon Net Total Return Index (MSCI Golden Dragon Index) rose by 1.1%, and the MSCI China Net Total Return Index (MSCI China Index) fell by 1.3%.

The MSCI Golden Dragon Index is a weighted average of the MSCI China, Taiwan and Hong Kong indexes. As of 31/10/23, Taiwan's weight in the Golden Dragon Index was c.30%. In the Fund, we hold two positions in Taiwan which collectively have a weight of c.6.5%. As MSCI Taiwan rose significantly in the month, the MSCI Golden Dragon Index captured much more of the rally in Taiwan than the Fund.

Contributors to Fund performance were stock selection in Healthcare, Consumer Staples and Information Technology. Detractors from Fund performance were the structural underweight to Tencent and stock selection in Financials, where the Fund does not own the large state-owned banks which were outperformers.

Based on analysts' consensus estimates, the Fund is trading on a price to earnings ratio of 13.4x on 2023 earnings and 11.3x 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 9% a year. Based on consensus analyst estimates, the Fund is expected to grow earnings by 20% in 2023, 18% in 2024 and 15% in 2025. At current valuations, we believe the Fund represents outstanding value to investors for the growth on offer.

MACRO REVIEW

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 CNY1 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 it is in the north.

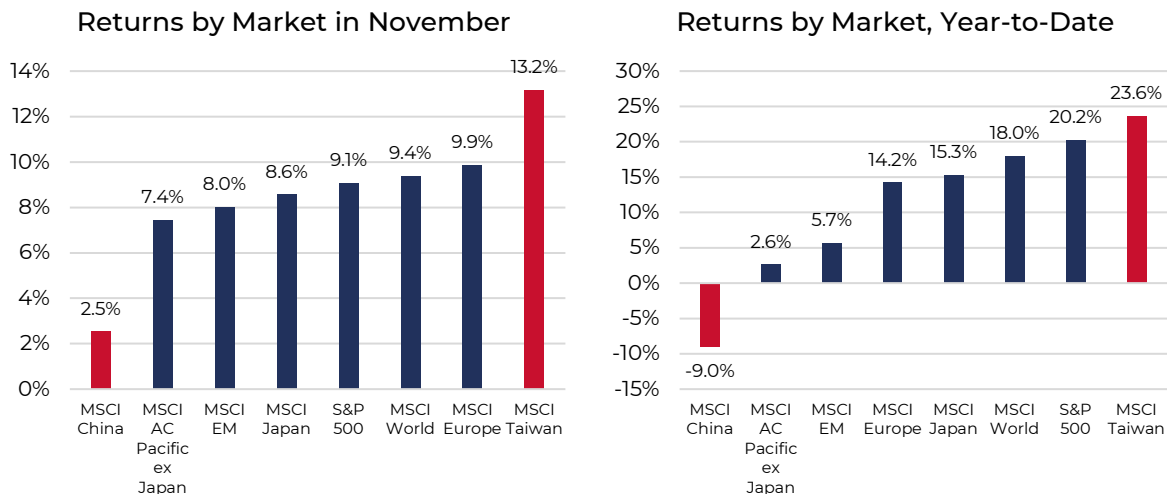
Xi Jinping met Joe Biden in San Francisco. While there were no major announcements, the fact that both sides are engaging is a positive sign from an investment perspective.

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 REVIEW

(Performance data in USD terms unless otherwise stated)

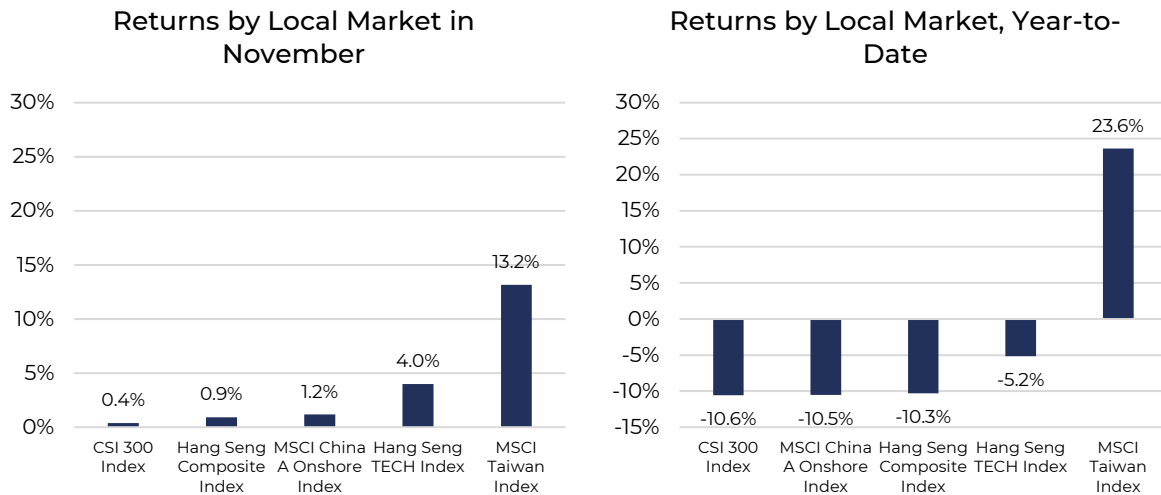


(Left chart: data from 31/10/23 to 30/11/23, right chart: data from 31/12/22 to 30/11/23. Source: Bloomberg, Guinness Global Investors)

Guinness Greater China

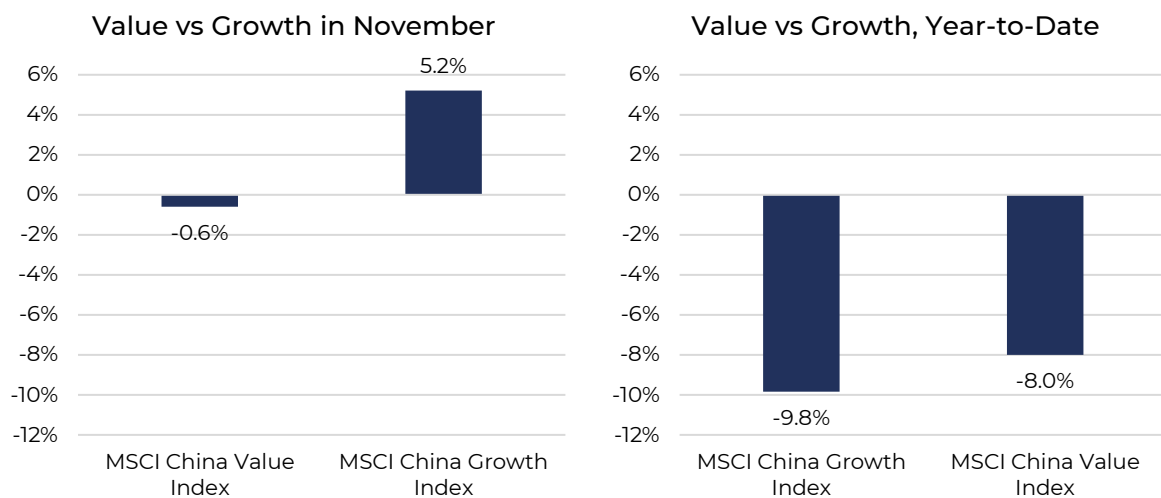
In November, the MSCI China Index rose by 2.5%, compared to the MSCI World Index which rose by 9.4%. Globally, markets rallied on growing expectations of cuts to interest rates in the US. China also rallied in the first half of the month. But in the second half of November, Chinese markets gave back some of the gains due to disappointing results from some of the large tech names such as Alibaba and Meituan, along with mixed macroeconomic data.

The MSCI Taiwan Index outperformed, rising 13.2%. The market's tech stocks did well on expectations of rate cuts in the US, which is bullish for consumer electronics demand globally. The Consumer Discretionary and Information Technology sectors were notable outperformers.



(Left chart: data from 31/10/23 to 30/11/23, right chart: data from 31/12/22 to 30/11/23. Source: Bloomberg, Guinness Global Investors)

Offshore and onshore stocks performed similarly in November, as the Hang Seng Composite Index rose by 0.9% while the MSCI China A Onshore Index rose by 1.2%. This year, the Hang Seng Composite Index has fallen 10.3% while the MSCI China A Onshore Index has fallen 10.5%. Meanwhile, the MSCI Taiwan Index has risen 23.6%.

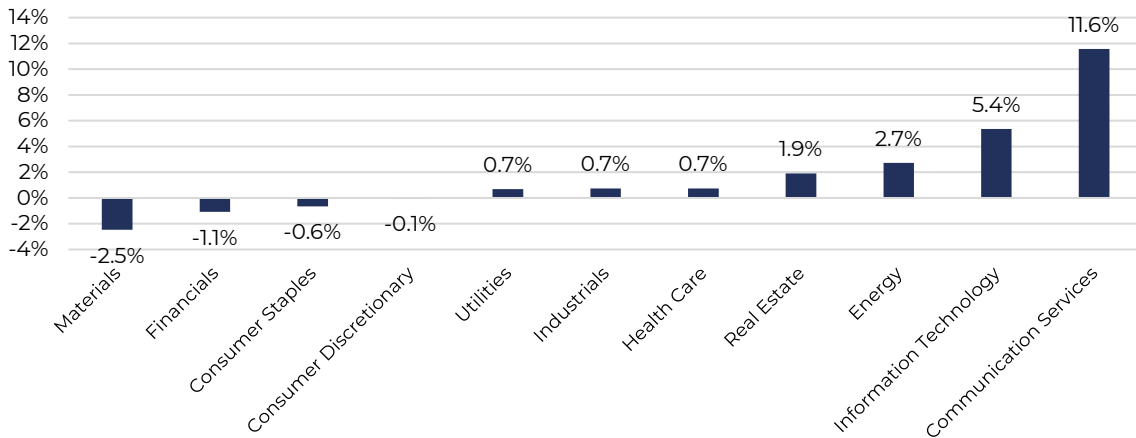


(Left chart: data from 31/10/23 to 30/11/23, right chart: data from 31/12/22 to 30/11/23. Source: Bloomberg, Guinness Global Investors)

Value stocks, as measured by the MSCI China Value Index, fell by 0.6% in November compared to the 5.2% rise for the growth index. This has narrowed the gap between the two indexes year-to-date, where the growth index has fallen 9.8% compared to the value index which has fallen 8.0%.

Guinness Greater China

Returns by Sector in November



(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 Communication Services (total return +11.6%), Information Technology (+5.4%) and Energy (+2.7%). Tencent and Baidu led the strength for the Communication Services sector. Tencent reported stronger-than-expected third-quarter results, with good growth in digital ad revenue on WeChat. Video gaming revenue grew both domestically and abroad. Baidu also reported stronger-than-expected results, with generative AI already benefiting the business, as it is now able to create ads itself based on client input. Management expect AI to contribute hundreds of millions of revenue (in renminbi) in the fourth quarter. Information Technology names rallied on potentially greater global consumer electronics demand, on the back of possible rate cuts in the US. Outperformers in the sector were Xiaomi, AAC Technologies, Sunny Optical and Lenovo.

The weakest sectors were Materials (total return -2.5%), Financials (-1.1%) and Consumer Staples (-0.6%). Within Materials the weaker names were linked to cement, chemicals and lithium. Within Financials, the risk of insurers' buying stakes in property developers led to weakness for Ping An Insurance Group. Within Consumer Staples, China Resources Beer and Tsingtao Brewery were the most prominent laggards.

FUND PERFORMANCE

In USD terms, in November the Guinness Greater China Fund (Y class) rose by 3.0%, while the benchmark, the MSCI Golden Dragon Index rose by 5.5%, and the MSCI China Index rose by 2.5%.

The MSCI Golden Dragon Index is a weighted average of the MSCI China, Taiwan and Hong Kong indexes. As of 31/10/23, Taiwan's weight in the Golden Dragon Index was c.30%. In the Fund, we hold two positions in Taiwan which collectively have a weight of c.6.5%. As MSCI Taiwan rose 13.2% in the month, the MSCI Golden Dragon Index captured much more of the rally in Taiwan than the Fund.

Relative to the MSCI China Index, areas which helped the Fund's performance were:

- Stock selection in Healthcare. For the second month in a row, our Healthcare names were strong. In November, despite the sector itself underperforming, our holdings were outperformers. Of note, China Medical System (CMS) presented its new drug to treat psoriasis (a skin condition), highlighting the gains made by CMS's relatively newer dermatology segment.
- Stock selection in Consumer Staples, driven by Fuling Zhacai which makes pickled condiments. It reported earnings growth of 5% in the third quarter, with an improvement in operating efficiencies offsetting lower gross margins.

Guinness Greater China

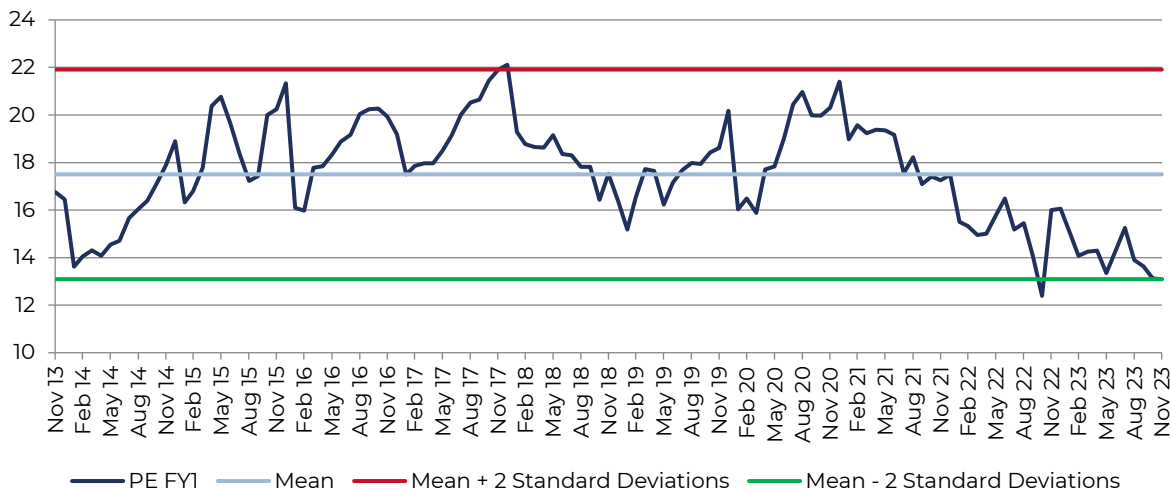
- Stock selection in Information Technology, driven by TSMC and Elite Material, which rallied with the Taiwanese market.

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

- Underweight to Tencent. The Fund holds Tencent, but as the Fund is run on an equally weighted basis, Tencent's weight is c.3.2%. In the MSCI China Index, Tencent is the largest stock with a 13.2% weight. Tencent reported higher than expected earnings in the third quarter, with better monetisation of WeChat and good cost discipline. The Fund captured less of the stock's rally than the index.
- Stock selection in Financials, driven by China Merchants Bank and Ping An Insurance Group. With potentially more interest rate cuts to come in China, China Merchants Bank expect pressure on net interest margins to continue in 2024. Reports (which have been denied) that Ping An Insurance Group 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 (Bank of China and China Construction Bank), 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. Calculations assume an equally weighted portfolio)

Assuming an equally weighted portfolio, the Greater China Fund is trading on a forward year price earnings ratio of 13.1x, which is two standard deviations 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 9% a year. If we exclude 2022 because of China's zero-covid controls, the long-term growth rate in earnings was 12% a year. Based on consensus analyst estimates, the Fund's holdings in aggregate are expected to grow earnings by 20% in 2023, 18% in 2024 and 15% in 2025. At current valuations, we believe this represents outstanding value to investors for the growth on offer.

Portfolio Managers

Sharukh Malik
Edmund Harriss

GUINNESS GREATER CHINA FUND - FUND FACTS

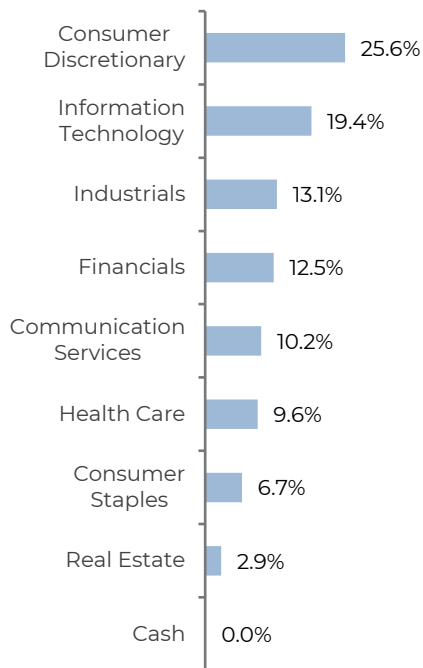
Fund size	\$7.6m
Fund launch	15.12.2015
OCF	0.89%
Benchmark	MSCI Golden Dragon TR

GUINNESS GREATER CHINA FUND - PORTFOLIO

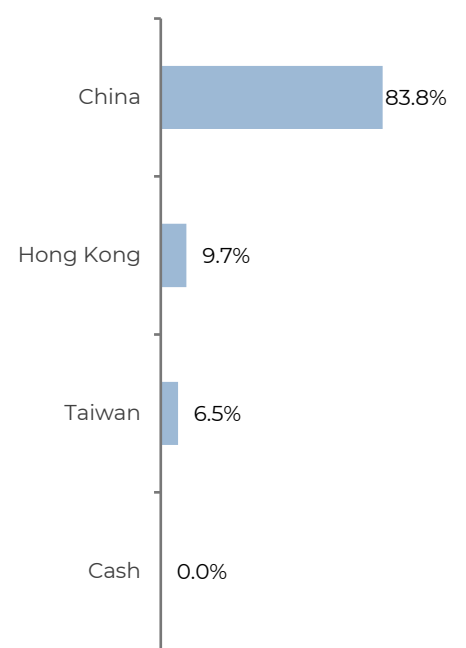
Top 10 holdings

NetEase	3.6%
Venustech Group	3.6%
NARI Technology	3.5%
Chongqing Fuling Zhacai Group	3.5%
Haier Smart Home	3.4%
Elite Material	3.4%
Shenzhen Inovance Technology	3.3%
Tencent Holdings	3.3%
Zhejiang Supor	3.3%
Shenzhen H&T Intelligent	3.3%
Top 10 holdings	34.2%
Number of holdings	34

Sector



Country



Guinness Greater China Fund

Past performance does not predict future returns.

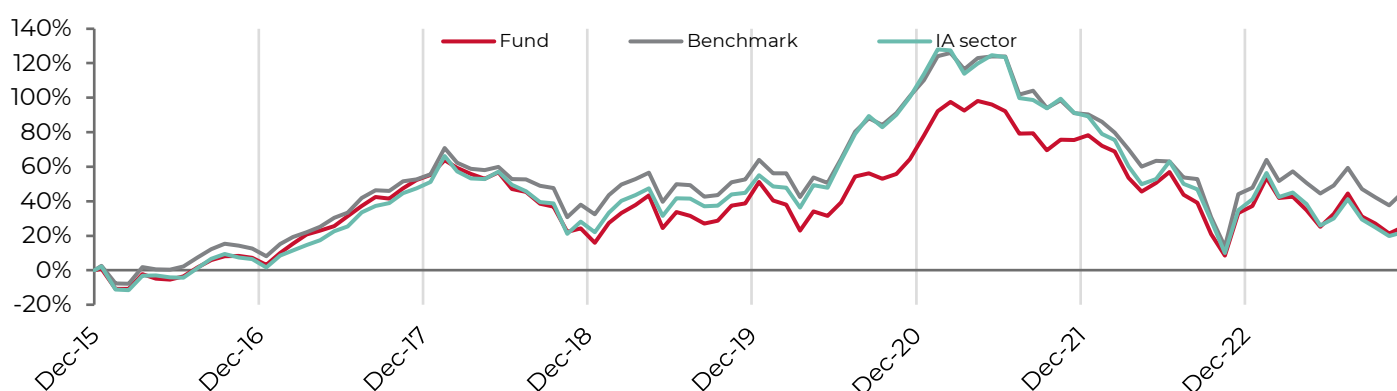
GUINNESS GREATER CHINA FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-1.2%	-13.4%	-11.7%	-19.7%	+1.4%	-
MSCI Golden Dragon TR	+1.1%	-6.7%	-5.3%	-23.8%	+6.1%	-
IA China/Greater China TR	-2.3%	-17.8%	-14.7%	-35.7%	-4.0%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+3.0%	-8.9%	-6.1%	-23.9%	+0.6%	-
MSCI Golden Dragon TR	+5.5%	-1.8%	+0.7%	-27.8%	+5.3%	-
IA China/Greater China TR	+1.9%	-13.5%	-9.4%	-39.0%	-4.7%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	-0.2%	-10.9%	-11.4%	-16.6%	+4.4%	-
MSCI Golden Dragon TR	+2.2%	-3.9%	-5.0%	-20.8%	+9.2%	-
IA China/Greater China TR	-1.3%	-15.4%	-14.5%	-33.2%	-1.1%	-

GUINNESS GREATER CHINA FUND - ANNUAL PERFORMANCE

(GBP)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-13.3%	+1.0%	+14.2%	+25.3%	-20.7%	+37.6%	+22.1%	-	-	-
MSCI Golden Dragon TR	-12.6%	-8.6%	+24.2%	+19.0%	-9.5%	+31.3%	+25.7%	-	-	-
IA China/Greater China TR	-16.0%	-10.7%	+33.6%	+22.2%	-14.2%	+35.9%	+18.5%	-	-	-
(USD)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-23.0%	+0.1%	+17.9%	+30.4%	-25.3%	+50.4%	+2.3%	-	-	-
MSCI Golden Dragon TR	-22.3%	-9.5%	+28.2%	+23.8%	-14.8%	+43.8%	+5.4%	-	-	-
IA China/Greater China TR	-25.4%	-11.5%	+37.8%	+27.1%	-19.2%	+48.7%	-0.7%	-	-	-
(EUR)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-17.9%	+7.7%	+8.1%	+32.8%	-21.5%	+32.3%	+5.5%	-	-	-
MSCI Golden Dragon TR	-17.3%	-2.6%	+17.6%	+26.1%	-10.5%	+26.3%	+8.6%	-	-	-
IA China/Greater China TR	-20.5%	-4.8%	+26.4%	+29.4%	-15.1%	+30.6%	+2.3%	-	-	-

GUINNESS GREATER CHINA FUND - PERFORMANCE SINCE LAUNCH (USD)



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 Greater China 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.