

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 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. 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
Sector	IA Specialist Bond
Manager	EPIC Investment Partners

OBJECTIVE

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.

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COMMENTARY

China's January consumer price index (CPI) defied expectations with a hefty 0.8% year-on-year drop, the most since 2009. This plunge, however, was largely due to the Chinese New Year falling later this year, creating a negative base effect. Digging deeper, a more positive picture emerges as prices nudged up 0.3% month-on-month, fuelled by both food (up 0.4%) and non-food items. Cold weather pushed vegetable prices up 3.8%, contributing to the rise. Other data showed the manufacturing purchasing managers' index (PMI) was marginally lower at 49.1 in February, typical for the Chinese New Year period with lower production. In contrast, the non-manufacturing PMI rose notably to 51.4, propelled by robust holiday spending underpinning the services PMI. Despite reports of post-holiday construction resurgences, the construction PMI edged down 0.4, to 53.5, possibly due to seasonal or deleveraging factors.

Against some market expectations, China held its 1-year medium-term lending facility (MLF) at 2.5%, while supporting the financial system with a CNY 500bn cash injection. We also heard from the nation's Premier, Li Qiang, who urged for "pragmatic and forceful" action to boost confidence in the economy amid deflationary concerns, weakness in the property sector and subdued business confidence.

Interestingly, the yield on the 30-year China Onshore bond fell below 2.5% towards the end of the month, a rally to an all-time low. It also marked the first time the benchmark fell below the 1-year MLF rate of 2.5%. China's long-term yields have sharply declined, highlighting worries about the real estate sector's lacklustre rebound in property transactions.

PORTFOLIO REVIEW

Positions across the portfolio performed well in February, particularly the holding in China Government (CGB) 2028s, and the two USD bonds, QNB 2025s and China Cinda 2025s.

During February the Hong Kong Mortgage Corp 2.7% 2024s bond matured, the proceeds were used to add a HK Mortgage 2.98% 2026 position. Export-Import Bank of Korea 2.8% 2024s matured on the final day of the month; proceeds will be used to add a China Government bond.

The yield on the 2-year benchmark China Government closed 8bps lower, at 2.02%.

Against the euro the onshore and offshore renminbi currencies returned +0.21% and +0.33%, respectively. The currencies returned -0.25% and -0.14%, respectively against the dollar.

The A1 (WARF) rated portfolio yields 2.87%, and has a duration of 1.15 years.

OUTLOOK

While February's CPI will still feel the calendar effect, early data suggests a Chinese New Year price surge exceeding 3% in the first week, likely offsetting January's drag and pushing February's CPI into positive territory, offering a brighter outlook for China's inflation. Clearly, however, policymakers will be under pressure to aggressively boost demand.

The Politburo meeting chaired by President Xi approved the draft Government Work Report focusing on continuing proactive fiscal and monetary policies, enhancing macro policy consistency for stability. The two sessions following will monitor growth targets, fiscal stimulus, monetary policy easing, consumption incentives, youth unemployment, property market curbs, and new growth drivers. Market observers will be watching seven critical areas during the upcoming parliamentary meetings to gain insight into China's 2024 economic policies and prospects influencing investor sentiment.

We maintain a belief that the renminbi will appreciate against the dollar in the longer term, particularly as the US Federal Reserve eases rates in the second half of the year and interest differentials narrow.

GUINNESS CHINA RMB INCOME FUND - FUND FACTS

Fund size	\$4.2m
Fund launch	09.03.2023
OCF	0.60%
Benchmark	N/A
Historic yield	2.0% (Y GBP 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	Credit Rating	Country
China Govt Bond 3.6% 27/06/2028	8.6%	AAA
China Govt Bond 3.31% 30/11/2025	8.3%	AA
China Govt Bond 3.39% 21/05/2025	8.3%	A
China Govt Bond 3.38% 21/11/2024	8.3%	
China Govt Bond 4.0% 22/05/2024	8.2%	
China Govt Bond 3.03% 24/06/2024	8.2%	
KFW 6.7% 25/03/2024	6.5%	
Agri Dev Bank China 3.4% 06/11/2024	5.0%	
HK Mortgage Corp 2.7% 09/02/2024	4.9%	
KEXIM 2.8% 03/03/2024	4.9%	
Top 10 holdings	71.2%	
Number of holdings	16	

Country	Percentage
China	67.6%
Germany	6.5%
Hong Kong	4.9%
South Korea	4.9%
United Arab Emirates	4.9%
Qatar	4.4%
Supranational	3.3%
Cash	3.4%

Guinness China RMB Income Fund

Past performance does not predict future returns.

GUINNESS CHINA RMB INCOME FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr

GUINNESS CHINA RMB INCOME FUND - ANNUAL PERFORMANCE

(GBP)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
(USD)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
(EUR)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014

GUINNESS CHINA RMB INCOME 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 29.02.24. 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 0.60%. 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.

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.

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 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