

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KID and KIID for the Fund (available on our website), which contain detailed information on their characteristics and objectives and full information on the risks, 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 movements, and you may not get back the amount originally invested.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

<b>Launch</b>	15.12.2015
<b>Index</b>	MSCI Golden Dragon
<b>Sector</b>	IA China & Greater China
<b>Managers</b>	Sharukh Malik CFA Edmund Harriss
<b>EU Domiciled</b>	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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## SUMMARY

In July, the Guinness Greater China Fund (Y class, GBP) rose by 9.3%, while the benchmark, the MSCI Golden Dragon Index rose by 8.8%, and the MSCI China Index rose by 8.5%. The Fund outperformed the MSCI Golden Dragon Index by 0.5 percentage points and outperformed the MSCI China Index by 0.8 percentage points.

Contributors to performance were stock selection in the Information Technology and Health Care sectors. Detractors were the underweight to Tencent and the Financials sector.

Following the strength of Elite Materials and Sino Biopharmaceutical share prices, we locked in the gains and rebalanced both positions back to neutral. With the proceeds reinvested into weaker holdings.

The US–China trade truce expires on 12th August, and attention is on whether it will be extended, with Trump pushing China to boost soybean purchases to appeal to his farm-state voters. Reports say export licenses for Nvidia and AMD chips to China are being approved, but both firms must now pay the US government 15% of their China revenues. This move hints that budgetary needs may be taking precedence over national security concerns.

*Analysis continued overleaf.*

**MACRO REVIEW**

The Politburo met at the end of July. Overall, given that the economy has performed better than expected post-tariffs, the likelihood of significant stimulus has decreased. In the second quarter, GDP grew by 5.2% in real terms, broken down into 3.9% nominal growth and a GDP deflator of 1.2%.

In the Politburo’s readout, time-sensitive statements on fiscal and monetary policy were omitted. Greater support for exporters exposed to the US may be on the way, with an increase in export tax rebates a possibility. The Politburo did not discuss the weak real estate market, which was a surprise and likely indicates, for now, no further support for the housing market is on the way.

For the macro data covering June, positive data points were:

- Industrial production grew by 6.8%.
- Exports grew by 5.8%, with a 22% month-on-month jump in exports to the US, following the reduction in US tariffs on Chinese goods.
- China’s foreign exchange reserves grew by \$32bn to \$3.3trn. Gold reserves now account for 7% of China’s total reserves, a jump from 4% in 2022.

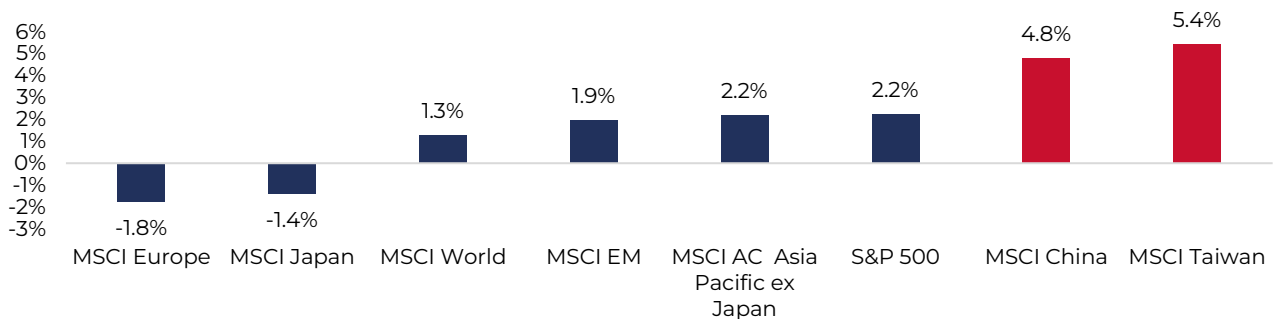
Negative data points were:

- Only a 0.5% increase in fixed asset investment (FAI) in June, split into a slower 5% rise in manufacturing FAI, a 2% rise in infrastructure FAI and a 13% fall in real estate FAI.
- New home sales, as measured by floor space, fell by 8%; as measured by value, new home sales fell by 14%.
- Retail sales rose by 4.8%, lower than expectations. Products under the scope of the trade-in program continue to outperform.

**MARKET COMMENTARY**

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

**Returns by Market in July**



*Data from 30/06/25 to 31/07/25, returns in USD, source: Bloomberg, Guinness Global Investors calculations*

In July, the MSCI China Index increased by 4.8% while the MSCI World Index rose by 1.3%.

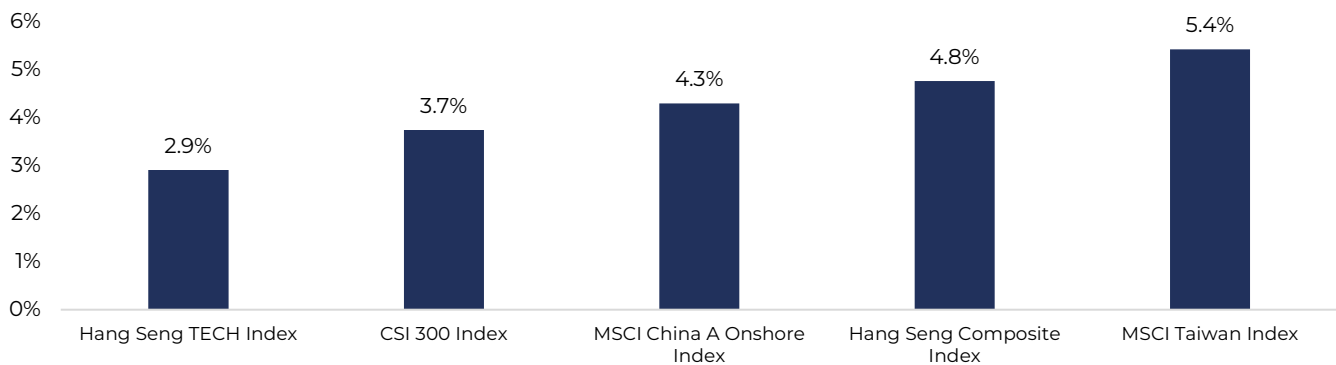
The government initiated an “anti-involution” policy that primarily aims to cut overcapacity in sectors such as coal, steel, cement, solar and batteries. This should be seen in the context of producer prices falling consistently since October 22. So far, there has been a combination of strong words from trade associations to implement this policy, as well as a few instances

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of concrete measures. In the coal industry, overproducing mines in eight provinces were told to stop production. In the cement industry, plants in two provinces shut production for up to 20 days. In the solar industry, the larger solar glass companies reduced production by 30%. There is talk about the government setting up buyout funds, which would buy up and shutter capacity from smaller firms, as well as buying and closing older, less efficient capacity from larger firms. Therefore, cyclical companies in the lithium, solar, cement, steel, hog and coal industries were strong in July, on the expectation of less overcapacity and improved pricing power.

The anti-involution push has also expanded more broadly into other sectors. The State Administration for Market Regulation told the food delivery platforms (e.g. Meituan and JD.com) to “rectify” some promotional activities. Both companies have been aggressively subsidising purchases in a battle over market share. In healthcare, the procurement process for drugs and medical devices is now taking into account product quality in addition to prices, meaning the lowest-priced good is not guaranteed to win bids.

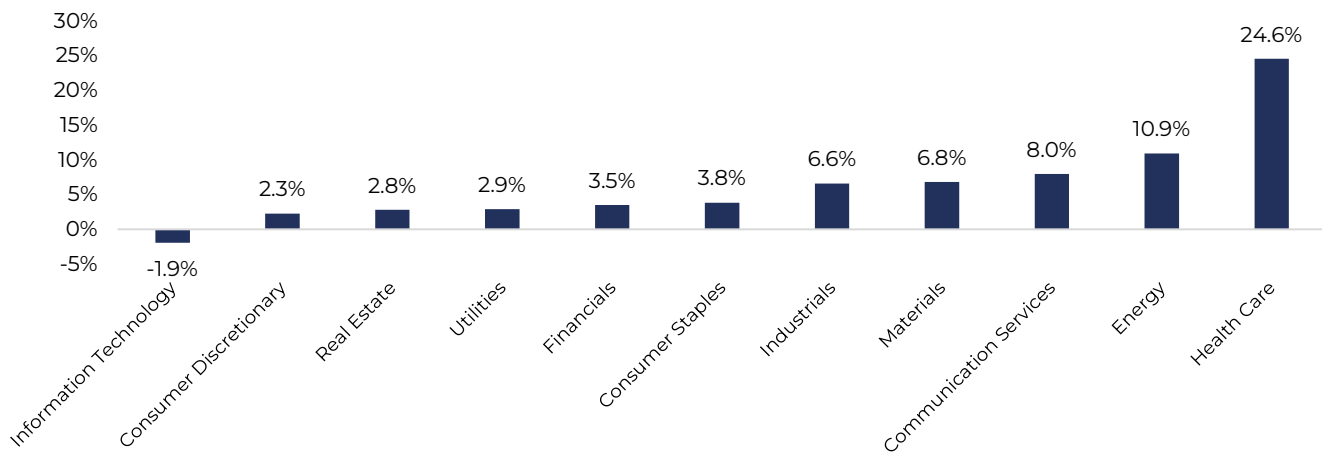
### Returns by Local Market in July



Data from 30/06/25 to 31/07/25, returns in USD, source: Bloomberg, Guinness Global Investors calculations

In July, offshore and onshore markets behaved similarly. Offshore markets, as measured by the Hang Seng Composite Index, rose by 4.8% while onshore markets, as measured by the MSCI China A Onshore Index, rose by 4.3%. The MSCI Taiwan Index was even stronger, rising 5.4%. The US hyperscalers’ strong capital expenditure (capex) plans led to strength for the Taiwan Information Technology sector.

### Returns by Sector (MSCI China)



Data from 30/06/25 to 31/07/25, returns in USD, source: Bloomberg, Guinness Global Investors calculations

The best-performing sectors in July were Health Care (+24.6%), Energy (+10.9%) and Communication Services (+8.0%). In the Health Care sector, more companies are out-licensing earlier-stage drugs to global pharmaceutical companies, allowing

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them to commercialise these products. Energy companies benefited from the anti-innovation push. The strength in Communication Services was driven by Tencent, which is expected to post another solid set of results.

The weakest sectors were Information Technology (-1.9%), Consumer Discretionary (+2.3%) and Real Estate (+2.8%). In the Information Technology sector, the main source of weakness was from Xiaomi, which lost some of its gains after a very strong rally. Within the Consumer Discretionary sector, the biggest contributors to weakness were BYD, Meituan, JD.com and Pop Mart.

## ATTRIBUTION

*Past performance does not predict future returns.*

In July, the Guinness Greater China Fund (Y class, USD) rose by 5.5%, while the benchmark, the MSCI Golden Dragon Index, rose by 5.0%, and the MSCI China Index rose by 4.8%. Therefore, the Fund outperformed the MSCI Golden Dragon Index by 0.5% and outperformed the MSCI China Index by 0.7%.

The MSCI Golden Dragon Index is a weighted average of the MSCI China, Taiwan and Hong Kong indexes. As of the end of June, Taiwan's weight in the Golden Dragon Index was c.37%. In the Fund, we hold two positions in Taiwan, which collectively have a neutral weight of c.6.6%. Despite Taiwan outperforming China in July, the Fund still outperformed its benchmark.

In July, relative to the MSCI China Index, areas which helped the Fund's performance were:

- Stock selection in the Information Technology sector, driven by Elite Material, Xiaomi (not held), Hangzhou First Applied Material and TSMC. Elite Material and TSMC benefited from continued spending on AI capex. First Applied Material benefited from the anti-inflation policy and a potential increase in selling prices.
- Stock selection in the Health Care sector, driven by Sino Biopharmaceutical (SBP). SBP spent \$1bn on acquiring LaNova, which is a private biotech firm. On November 24, LaNova out-licensed a cancer drug to Merck, with an up-front payment of \$588m and milestone payments potentially worth \$2.7bn. On May 23, LaNova also out-licensed a cancer drug to AstraZeneca.

In July, areas which detracted from the Fund's relative performance were:

- An underweight in Tencent, which is the largest stock in the index with a 17% weight. The Fund is run on an equally weighted basis, and so each position has a neutral weight of 3.3%. As Tencent outperformed, the Fund benefited from less of its outperformance than the index.
- An underweight to Financials, as insurance companies were strong. The Fund holds one position in the space (Ping An Insurance Group).

Following the strong share prices of Elite Materials and Sino Biopharmaceutical, we locked in the gains and rebalanced both positions back to neutral. With the proceeds re-invested into weaker holdings.

## OUTLOOK

The key upcoming event is whether the US will extend its trade truce with China, as the current agreement expires on August 12. Trump has urged China to increase soybean purchases, a priority for parts of his agricultural voter base. In the semiconductor sector, export licenses for Nvidia and AMD chips to China are reportedly being approved, but in a surprise move, both companies must pay 15% of their China revenues to the US government — suggesting budgetary concerns may now be taking precedence over national security.

## Guinness Greater China

Chinese companies will start reporting their next set of results in mid-August. In the Fund, Hongfa Technology reported revenue and earnings per share (EPS) growth of 16% and 13% in the second quarter. It is a manufacturer of relays, which are used to control circuits. Sales of its high voltage direct current relays (HVDCs), which are a critical component in electric vehicles (EVs), surged by 54% in the second quarter as Hongfa benefited from rising demand for Xiaomi and Huawei cars. In response to tariff risk, the company's new German factory is now operational, while a new plant in Indonesia is expected to start running by June 26.

### Portfolio Managers

Sharukh Malik (portfolio manager)

Edmund Harriss (portfolio manager)

**GUINNESS GREATER CHINA FUND - FUND FACTS**

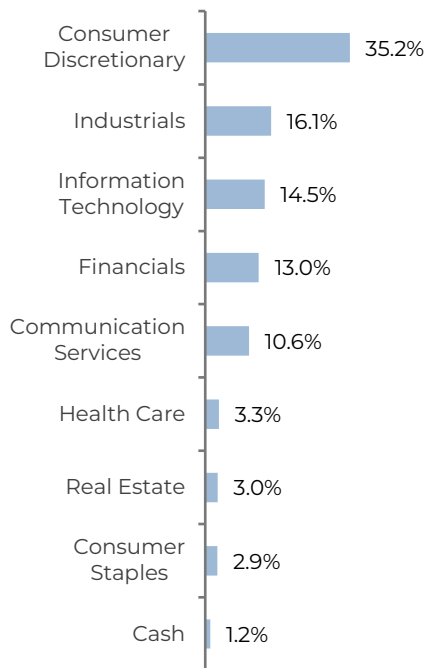
Fund size	\$10.4m
Fund launch	15.12.2015
OCF	0.89%
Benchmark	MSCI Golden Dragon TR

**GUINNESS GREATER CHINA FUND - PORTFOLIO**

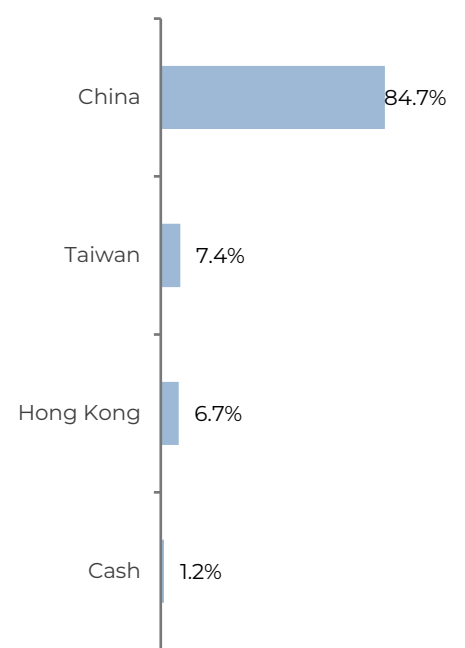
**Top 10 holdings**

Tencent Holdings	4.0%
Shenzhen H&T Intelligent	3.8%
Taiwan Semiconductor	3.7%
Elite Material	3.7%
NetEase	3.6%
Alibaba Group	3.6%
HKEX	3.5%
Ping An Insurance	3.4%
Hongfa Technology	3.4%
Sino Biopharmaceutical	3.3%
<b>Top 10 holdings</b>	<b>36.0%</b>
<b>Number of holdings</b>	<b>30</b>

**Sector**



**Country**



## Guinness Greater China Fund

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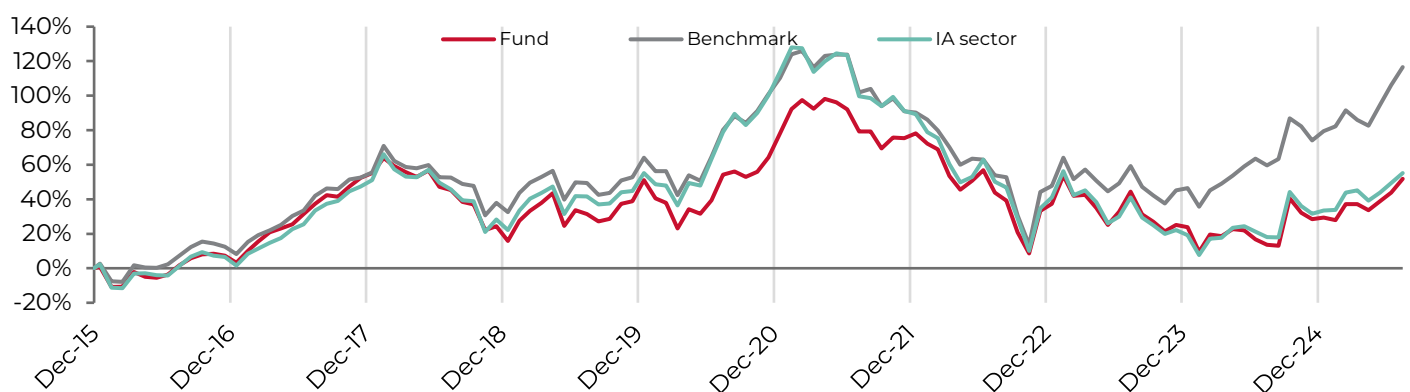
### GUINNESS GREATER CHINA FUND - CUMULATIVE PERFORMANCE

(GBP)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+9.3%	+11.1%	+29.8%	-2.9%	-2.4%	-
MSCI Golden Dragon TR	+8.8%	+14.2%	+31.7%	+29.4%	+19.1%	-
IA China/Greater China TR	+7.6%	+10.1%	+27.6%	-4.9%	-14.0%	-
(USD)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+5.5%	+17.4%	+33.8%	+5.6%	-1.6%	-
MSCI Golden Dragon TR	+5.0%	+20.6%	+35.7%	+40.7%	+20.1%	-
IA China/Greater China TR	+3.9%	+16.4%	+31.5%	+3.4%	-13.3%	-
(EUR)	1 Month	YTD	1 yr	3 yr	5 yr	10 yr
Fund	+8.2%	+6.2%	+26.5%	-6.0%	+1.7%	-
MSCI Golden Dragon TR	+7.7%	+9.2%	+28.3%	+25.4%	+24.1%	-
IA China/Greater China TR	+6.6%	+5.3%	+24.3%	-7.9%	-10.4%	-

### GUINNESS GREATER CHINA FUND - ANNUAL PERFORMANCE

(GBP)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+6.4%	-15.0%	-13.3%	+1.0%	+14.2%	+25.3%	-20.7%	+37.6%	+22.1%	-
MSCI Golden Dragon TR	+24.7%	-6.5%	-12.6%	-8.6%	+24.2%	+19.0%	-9.5%	+31.3%	+25.7%	-
IA China/Greater China TR	+13.8%	-20.2%	-16.0%	-10.7%	+33.6%	+22.2%	-14.2%	+35.9%	+18.5%	-
(USD)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+4.5%	-9.9%	-23.0%	+0.1%	+17.9%	+30.4%	-25.3%	+50.4%	+2.3%	-
MSCI Golden Dragon TR	+22.5%	-0.9%	-22.3%	-9.5%	+28.2%	+23.8%	-14.8%	+43.8%	+5.4%	-
IA China/Greater China TR	+11.8%	-15.4%	-25.4%	-11.5%	+37.8%	+27.1%	-19.2%	+48.7%	-0.7%	-
(EUR)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+11.5%	-12.9%	-17.9%	+7.7%	+8.1%	+32.8%	-21.5%	+32.3%	+5.5%	-
MSCI Golden Dragon TR	+30.7%	-4.3%	-17.3%	-2.6%	+17.6%	+26.1%	-10.5%	+26.3%	+8.6%	-
IA China/Greater China TR	+19.2%	-18.3%	-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 net of fees to 31.07.25. 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 OCF used for the Fund performance returns is 0.89%, which was the OCF over the calendar year 2024. 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](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 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, the Key Investor 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, 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.

### 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.

Telephone calls will be recorded and monitored.