

**GUINNESS ASSET MANAGEMENT FUNDS PLC  
FIRST ADDENDUM TO PROSPECTUS**

This Addendum forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 7 December 2020 ("Prospectus") and is incorporated herein. All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Addendum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Directors wish to advise Shareholders of the following updates to the Prospectus.

**1. Sustainability Risk**

The below disclosure is provided in accordance with Article 6 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088, which requires disclosure on the extent to which sustainability risks are integrated into the investment decision making process and the anticipated impacts of those risks on the financial returns of a Fund.

The section of the Prospectus entitled "**Risk Factors**", shall be updated to include the below additional risk factor:

**"Sustainability Risk**

***Guinness Sustainable Energy Fund, Guinness Global Money Managers Fund, Guinness Global Equity Income Fund, Guinness Global Innovators Fund, Guinness Sustainable Global Equity Fund, Guinness European Equity Income Fund, Guinness Emerging Markets Equity Income Fund, Guinness Asian Equity Income Fund, Guinness Best of Asia Fund, Guinness Best of China Fund and Guinness Global Energy Fund***

**Unless where otherwise stated in the relevant Fund Supplement**, the Funds do not have as their objective sustainable investment, nor do they promote environmental or social characteristics. As a result, **and unless otherwise stated in the relevant Fund Supplement**, the Funds do not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

The management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by environmental, social or governance factors.

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

Prior to acquiring investments on behalf of a Fund, the Investment Manager uses ESG research from proprietary analysis and/or from third party data providers (“Data Providers”) in order to assess the relevant investment against sustainability risks. This process incorporates applying both an exclusion policy (further details of which are available from the Investment Manager) whereby potential investments are removed from the investment universe on the basis that they pose too great a risk to a Fund on sustainability, ethical or other grounds or based on the view of the Investment Manager (for example, cluster munitions) and assessment of sustainability risks and opportunities.

During the life of the investment, sustainability risk is monitored through review of ESG factors to determine whether the level of sustainability risk has changed materially since the initial assessment has been conducted. The sustainability risk associated with a particular investment is taken into consideration when the Investment Manager considers changing the Fund’s exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of a Fund could be materially negatively impacted by environmental, social or governance events, conditions or practices) faced by underlying investments is not material. This is supported by the integration of sustainability risk assessment into the investment management process and by the diversification of holdings in each of the Funds that mitigates the chance of the sustainability risk of an individual holding materially negatively impacting the value of a Fund. The assessment has included the Guinness Global Energy Fund, where specific sustainability risks are assessed as part of the “Risks Associated with investment in Energy Companies” as detailed in the prospectus.

#### ***Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund***

**Unless where otherwise stated in the relevant Fund Supplement**, the Funds do not have as their objective sustainable investment, nor do they promote environmental or social characteristics. As a result, **and unless otherwise stated in the relevant Fund Supplement**, the Funds do not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

The management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by environmental, social or governance factors specifically in the context of the stewardship of those assets.

Using qualitative processes, the stewardship of the Underlying Funds in which each Fund invests is assessed, monitored and managed by the Investment Manager.

During the life of the investment, sustainability risk is monitored through review of the stewardship of the Underlying Funds to determine whether the level of sustainability risk has changed materially since the initial assessment has been conducted. The sustainability risk associated with a particular investment is taken into consideration when the Investment Manager considers changing the Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of a Fund could be materially negatively impacted by environmental, social or governance events, conditions or practices) faced by underlying investments is not material. This is supported by the integration of stewardship into the investment management process and by the diversification of holdings in each of the Funds that mitigates the chance of the sustainability risk of an individual holding materially negatively impacting the value of a Fund.

The Manager is not involved in the investment decision-making process but carries out independent oversight of investment decisions made for the Fund.”

## **2. Principal Adverse Impact Reporting**

The Prospectus of the Company, specifically the section headed “**THE COMPANY**” shall be updated to include an additional sub-section headed “**Principal Adverse Impact Reporting**”, which shall appear immediately after the sub-section headed “**Risk Factors**”:

“For the purposes of Article 7(2) of the Sustainable Finance Disclosure Regulations (EU) 2019/2088, the Manager does not consider the adverse impacts of investment decisions on sustainability factors in relation to the Funds as it is not involved in the investment decision-making process.”

### **3. Remuneration Policy of the Manager**

The Prospectus of the Company, specifically the section headed “**FEES AND EXPENSES**”, subsection headed “**Remuneration Policy of the Manager**”, shall be updated to reference the following weblink:

[“https://www.linkgroup.eu/policy-statements/irish-management-company/”](https://www.linkgroup.eu/policy-statements/irish-management-company/).

**Dated: 8<sup>th</sup> March, 2021**