

(a) Summary

This document provides detailed sustainability related disclosures regarding Guinness Global Investors (“Guinness” or the “Company” or “The Investment Manager”) – Asian Equity Income Fund (“The Fund”) which is categorised as Article 8 under the Sustainable Finance Disclosure Regulation (“SFDR”).

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

(c) Environmental or social characteristics of the financial product

The Fund promotes environmental and social characteristics in the following manner:

The Fund will not invest in companies as per the Investment Manager's exclusion policy (to include, but not limited to, companies directly involved in the design, manufacture or sale of cluster munitions and anti-personnel mines, and companies that generate a certain revenue, as determined by the Investment Manager, via thermal coal extraction or thermal coal power generation). For further details on the exclusions applied, a copy of the Company's exclusion policy can be found [here](#).

The Investment Manager undertakes engagement activities, where relevant, to encourage investee companies to improve aspects of some or all of their environmental, social or governance practices.

The Investment Manager assesses the environmental and social credentials of investee companies, and their governance practices, in particular with respect to company-specific material ESG factors and overall disclosure through qualitative and quantitative analysis of company and third-party data. Examples of ESG factors may include, but are not limited to, climate and environmental indicators, social and human capital factors, management remuneration and incentivisation, carbon intensity and carbon transition risk, and governance factors.

(d) Investment Strategy

The investment objective of the Fund is to provide investors with both income and long-term capital appreciation.

In seeking to achieve its investment objective the Fund intends to primarily invest in equity and equity related securities of companies that are either primarily traded on market exchanges in the Asia Pacific Region including Japan (the “Region”) or that derive at least 50% of their revenues from business activities in that Region, but which may be listed and traded on other Recognised Exchanges. The Fund intends to invest primarily in companies which pay dividends.

The Investment Manager assesses the environmental and social credentials of investee companies, and their governance practices, in particular with respect to company-specific material ESG factors and overall disclosure through qualitative and quantitative analysis of company and third-party data. Examples of such ESG factors may include, but are not limited to, climate and environmental indicators, social and human capital factors, management remuneration and incentivisation, carbon intensity and carbon transition risk, and governance factors. Good governance practices (including, but not limited to, sound management structures, employee relations, remuneration of staff and tax compliance) are assessed by the Investment Manager. The Investment Manager's good governance policy is available [here](#). Such assessments are designed to aid evaluation of a company's competitive advantages, growth drivers, profitability, and exposure to material risks alongside traditional financial metrics.

The Investment Manager analyses how well a company manages its material ESG exposures. For the environmental and social categories, the Investment Manager evaluates factors specific to the company's industry and for the governance category, the Investment Manager evaluates a company with consideration to regional norms.

The Fund will not invest in companies as per the Investment Manager's exclusion policy, and any other fund specific exclusion criteria. For further details on the exclusions applied, a copy of the Company's exclusion policy can be found [here](#).

Further details of how ESG is considered within the investment strategy are covered in the Fund's “Approach to Responsible Investment and ESG” document available [here](#).

(e) Proportion of investments

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.

The fund is expected to invest a minimum 75% of its NAV in investments that are aligned with its environmental and social characteristics, and allocations may be higher than the minimum disclosed at any given time. Aligned with environmental and social characteristics includes the investments of the fund used to attain the environmental or social characteristics promoted by the fund. The remainder 'other' investments include the investments of the fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments, and can include cash, derivative and other investments including those for which there is insufficient data.

(f) Monitoring of environmental or social characteristics

The Investment Manager monitors compliance with the environmental, social and governance characteristics outlined above on a regular basis through ongoing monitoring of key indicators using company and third-party data providers.

The Fund will also not invest in companies as per the Investment Manager's exclusion policy. A copy of the Company's exclusion policy can be found [here](#). To implement the exclusion policy, exclusion lists of companies are created based on information provided by independent third-party sources. The exclusion lists are updated on an annual basis and are distributed periodically across the firm. In the event the Investment Manager identifies a company in the Fund that does not comply with these policy requirements, the Investment Manager will contact the company directly for confirmation of their involvement in an excluded activity. Following confirmation of involvement in this activity, divestment of any such holdings will be made within 90 business days.

The Investment Manager undertakes engagement activities, where relevant, to encourage investee companies to improve aspects of some or all of their environmental, social or governance practices. All engagements are recorded and tracked in within a proprietary database.

(g) Methodologies

As outlined in the Responsible Investment Policy [here](#), Guinness utilise a variety of tools to assess, measure and monitor the impact of the environmental and social characteristics for potential investments for Article 8 funds.

The methodologies used in the Fund investment process are discussed in the Fund's "Approach to Responsible Investment and ESG" document available [here](#).

(h) Data sources and processing

Sources of Data

Guinness uses a combination of internal and external sources, including, but not limited to third-party ESG vendors and research providers; company management reports and presentations; news and media sources; and in-house company valuation models and analysis.

Assessing data quality

Guinness assesses the quality of all internal and external data on an ongoing basis. Once an external service provider has been chosen, annual (two way) due diligence is conducted to ensure the Investment Manager remains satisfied with the original assessment. For data providers, the quality of service received is reviewed by the Chief Investment Officer in cooperation with the investment team. The quality of data received is also monitored day-to-day by the Investment Manager during their incorporation of ESG factors into the investment process.

How data is processed

Some third-party data might be applied consistently (for example during an initial equity screening process) while other data might be used on an ad hoc basis (for example in qualitative ESG reviews). Data is collected and processed in house among the investment team for internal analysis and reporting purposes.

Proportion of estimated data

The proportion of estimated data varies according to the availability of data. Data quality is considered on an ongoing basis and the Investment Manager does not take third-party data at face value. Data transparency and quality is a component of engagement activity with companies and third-party data providers.

(i) Limitations to methodologies and data

Data obtained from third party providers or issuers may be incomplete, inaccurate, or unavailable. As a result, the Investment Manager is faced with the risk of incompletely or incorrectly assessing a company.

To improve this, where possible the Investment Manager may engage with organisations to overcome the issues of inconsistent data. Investee companies are encouraged to measure and disclose required data in order to prevent third party providers publishing potentially incorrect estimates. Furthermore, for available data the Investment Manager may cross-reference data to ensure a level of data consensus.

Research is predominately conducted in-house, and the use of third-party data resources is utilised to compliment this research process.

(j) Due diligence

The Guinness Responsible Investment Policy (available [here](#)) outlines the predominant due diligence process for investments in Guinness equity funds with regards to ESG factors. The ESG investment process resides with individual investment teams and is supported across teams by a Responsible Investment analyst. The process is overseen by the Responsible Investment Committee which is chaired by the Guinness CEO and includes all portfolio managers. The Responsible Investment Committee meets quarterly and has the objective of developing, performing, and monitoring ESG incorporation and stewardship activities within Guinness Global Investors.

(k) Engagement policies

A range of engagement activities with investee companies is conducted. Guinness have developed an in-house proprietary tool to record and monitor engagement dialogues with companies (measuring achievements through a milestone timeline) and to report internally and externally. In some cases, engagements with companies are made in collaboration with other investors.

The Investment Manager votes proxies on behalf of investors. The Guinness Proxy Voting Policy (available [here](#)) provides guidance to investment managers when executing voting. Glass Lewis is utilised as a proxy adviser, but the final voting decision is made by the investment manager.

(l) 'Designated reference benchmark'

No specific index is designated as a reference benchmark to determine if the Fund is aligned with the environmental and social characteristics that it promotes within the meaning of Article 8 of SFDR.

IMPORTANT INFORMATION

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment nor does it constitute an offer for sale.

Guinness Global Investors is a trading name of Guinness Asset Management Ltd, which is authorised and regulated by the Financial Conduct Authority (223077).