

This is a marketing communication. Please refer to the prospectus and KID/KIID for the Fund, which contain detailed information on the Fund's characteristics and objectives, before making any final investment decisions. All data as at above date, unless otherwise stated. Past performance is not a reliable indicator of future results.

## Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 23.01.25.

## SFDR Classification

Please see the fund's [Sustainability-related disclosures](#) and [SFDR Pre-contractual Disclosures](#), available on our website, for more information. [Periodic Reports](#) are also available.



## Fund Profile

### Benchmark

MSCI China A Onshore

### Investment Objective

An equity fund investing primarily in China A shares.

### Investment Case

The China A share market contains a significant portion of earnings compounders worldwide and now has nearly the same number of liquid stocks as the United States. Yet Chinese equity markets are far smaller relative to their share of global GDP - we believe that in the long-term, this gap is likely to narrow. China A shares also offer investors the benefit of low correlation to developed markets. The Guinness China A Share Fund invests in quality, profitable companies exposed to the structural growth themes we have identified in the China A share market.

### Domicile

Ireland

## Risks

Guinness China A Share Fund is an equity fund. Investors should be willing and able to assume the risks of equity 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; you may not get back the amount originally invested. The Fund invests only in stocks of companies that are based in, or with significant business activities in China; it is therefore susceptible to the performance of that region. In addition, at least 80% of the assets will be in China A shares which have a greater participation by retail investors than other markets, so its performance may be more volatile. For full information on the risks, please refer to the Prospectus, Supplement, and KID/KIID for the fund, which are available on our website.

## Fund Approach to Responsible Investment

### ESG Integration



### Exclusions<sup>1</sup>



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



### Voting



### Engagement



<sup>1</sup>Further details can be found our corporate [Exclusion Policy](#), available on our website.

<sup>2</sup>Cluster munitions, landmines, and biological and chemical weapons.

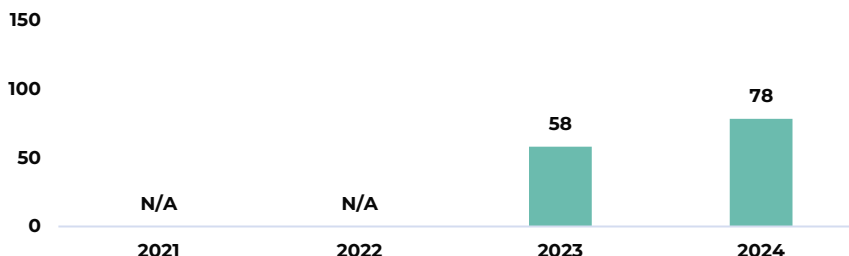
<sup>3</sup>Companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

## ESG Integration Summary

ESG analysis is incorporated into investment decision-making on an ongoing basis, accompanied by a detailed review of each company. The review considers the Environmental, Social and Governance risks facing the company, the ways in which management mitigates them and their progress in doing so. The company's business is first assessed for the material risks posed by the industry and by the company's operations. The review consists of company-specific analysis of these material and relevant Environmental and Social risks. Regardless of industry, each company is assessed on carbon risk and employee relations, as well as Governance. Further information is available in the team's Approach to Responsible Investment and ESG paper, available [here](#).

## Fund Weighted Average Carbon Intensity (WACI)\* in tCO<sub>2</sub>e/\$M revenue

The fund's carbon intensity is measured and reported over time. Due to the fund's launch in 2023, only figures from 2023 onwards are provided.



Source: Guinness Global Investors, CDP; Coverage: 77% (2023), 89% (2024).

\*The Weighted Average Carbon Intensity (WACI) metric is calculated by multiplying the carbon intensity (emissions relative to revenue in millions USD) of each fund holding by its portfolio weight (the value of the holding relative to the total value of the portfolio, excluding cash). Carbon intensity is based on Scope 1 and 2 emissions. Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the company. Scope 2 emissions are indirect greenhouse gas emissions from the generation of energy purchased by the company (Reference: GHG Protocol). Coverage refers to the percentage of the carbon intensity data available at the date of publication for underlying fund holdings (as a percentage of total assets excluding cash).

### Stewardship

Stewardship activities form part of the investment process applied by the team. We believe that resourcing our stewardship activities within the investment team itself, with dedicated assistance as required, is the best way to ensure effective stewardship. The investment team's ESG incorporation approach often informs their proxy voting and engagement activity. In a spirit of transparency, we disclose fund-level voting and engagement statistics and case studies for calendar year 2024 below.

### Voting

The investment team make their own voting decisions based on their own research, supported by proxy voting research from Glass Lewis. All voting is undertaken by the investment team, with oversight provided by our Responsible Investment Committee. In order to vote, some markets require shares to be temporarily immobilised from trading until after the shareholder meeting has taken place (referred to as 'share blocking'). Some other markets require a local representative to be hired, under a Power-of-Attorney (POA), to attend the meeting and vote on our behalf. In such instances, it may sometimes be in clients' best interests to refrain from voting. But in all other circumstances we endeavour to exercise our voting responsibilities on clients' behalf. For more information, please see our Voting Policy, available on our website.

Voting Overview *	
Number of companies available to vote	32
Number of available proposals	692
% voted	100%
% did not vote**	0%
% votes in line with management	91%
% votes against management	9%



Votes against management by topic (%)	
Audit/Financials	3%
Board Related	49%
Capital allocation	20%
Compensation	8%
Other	20%

\*1st January 2024 to 31st December 2024  
Source: Glass Lewis; Guinness Global Investors 31.12.24

\*\*This includes where we do not vote in jurisdictions where share blocking is in effect or power of attorney requirements apply

### Voting Case Studies

#### 中国平安 PINGAN

**Ping An Insurance Group ("Ping An")** provides insurance, banking, and asset management products and services. In May 2024, we voted against the re-election of Mr. Yang Xiaoping to the Board of Directors. Mr Yang was serving as a member of Ping An's Audit Committee, concurrent to a position as Senior Vice Chair at Charoen Pokphand Group, a privately owned Thailand-based conglomerate and Ping An's largest shareholder. This affiliation potentially raised questions regarding his independence and objectivity, which may have risked undermining the effectiveness of the Audit Committee.

We would prefer to see an Audit Committee composed entirely of independent, non-affiliated non-executive directors, in accordance with Hong Kong listing requirements. 12% of shareholders voted against Mr Yang's re-election at the meeting.

#### SUOFEIYA

**Suofeiya Home Collection ("Suofeiya")** is a Chinese company that designs, produces, and sells customised wardrobes and related furniture. In September, we voted against a proposal to allow the company to carry out a financial derivatives trading business. The proposed trading exposure was substantial relative to Suofeiya's business size, and we did not feel it was a core competence. Our vote deviated from the recommendation of our proxy voting advisor, who suggested that such decisions should be left to management discretion. Only 1.8% of shareholders voted against the resolution.

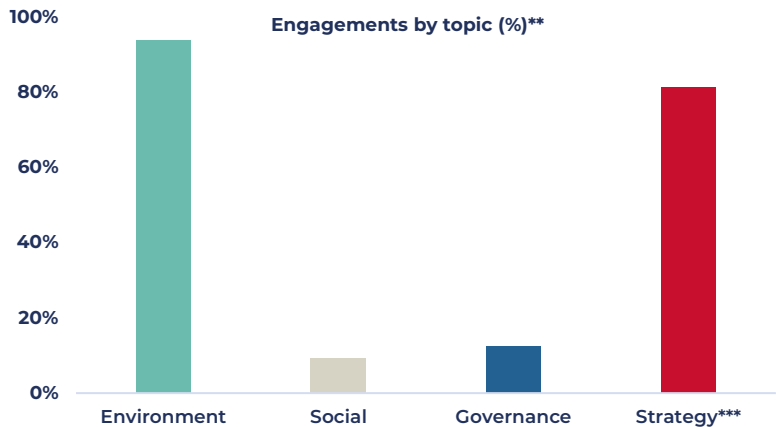
We also voted against the election of Mr. Xie Kang to the Board of Supervisors, as he was not considered independent by the company. His election would have resulted in an insufficient number of independent members on the Supervisory Board, potentially undermining its oversight and monitoring of the Board of Directors.

## Engagement

The investment team focused their engagements in 2024 around seeking improved ESG disclosures from portfolio companies. In May, members of the team travelled to China to visit some of the holdings in the fund.

Engagement Overview*	
Number of company interactions	33
Number of engagements	32
Engagements by topic	
Environment	94%
Social	9%
Governance	13%
Strategy***	81%

\*1st January 2024 to 31st December 2024  
Source: Glass Lewis; Guinness Global Investors, (31.12.24)



\*\*In some cases, multiple topics are covered in a single meeting and the totals do not add up to 100%.  
\*\*\*Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

## Engagement Case Studies



In Chengdu, we met with **Sino Seal Holding ("Sino Seal")**, a manufacturer of mechanical seals primarily used in petrochemical applications, with use cases also in pipelines, nuclear, water and paper making industries. Sino Seal is among the smaller companies held within the fund by market capitalisation, and is yet to formally establish a sustainability function.

Sino Seal representatives were keen to understand our perspectives and expectations regarding the management of ESG-related risks and opportunities. We recommended several initial steps, including: (i) disclosing Scope 1 and 2 emissions, (ii) establishing a short-term target for toxic emissions reductions, and (iii) publishing policies for anti-bribery, anti-corruption, and whistleblower protection. We noted prudent capital allocation practices, with management remaining cautious on M&A activity, as well as an increased dividend frequency, from annual to semi-annual payments, with a higher payout ratio. We look forward to monitoring the company's progress on the above steps in 2025.



We engaged with industrial automation manufacturer **Shenzhen Inovance Technology ("Inovance")** on climate-related risks and disclosure in January. The company confirmed its ongoing commitment to CDP and indicated its intention to make a submission to the 2024 CDP Climate Change questionnaire. Inovance explained its rationale for not lodging its internal "2850" and "3030" emissions reduction targets for verification as science-based targets with the Science Based Targets Initiative (SBTi).

We met Inovance in person later in May, where we shared our proxy voting rationale following the 2024 Annual General Meeting (AGM). This included our decision to vote against two candidates for the Board of Directors; one was an internal executive and member of the Audit Committee, and the other was the Board Chair, whom we held accountable for the absence of Remuneration and Nomination Committees. We also voted against a candidate for the Supervisory Board due to concerns about insufficient independence. The company responded by outlining its plans to establish Nomination and Remuneration Committees ahead of the 2025 AGM, where it anticipated an increased level of board refreshment.

## Collaborative engagement



We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the **CDP Non-Disclosure Campaign (NDC)**. The NDC aims to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure requests.

## Initiatives

We participate in relevant industry initiatives to promote the proper functioning of markets, responsible investing, and the management of market-wide and systemic risk. Where appropriate, members of the investment team will use initiatives to engage collaboratively with portfolio companies.

### External company ratings

Signatory of:



We became signatories to the United Nations Principles for Responsible Investment (UN PRI) in 2019, which provides external assurance on our stewardship approach broken down by activity.

In our latest Assessment Report, published in 2024, we received the following scores:



**Policy Governance and Strategy**



**Direct - Listed Equity - Active Fundamental**



**Confidence Building Measures**

## Industry Initiatives



**CFA UK's** mission is to build a better investment profession by serving the public interest by educating investment professionals, by promoting and enforcing ethical and professional standards and by explaining what is happening in the profession to regulators, policymakers, and the media. A member of the investment team at Guinness is part of the Sustainability Community Champions group.



As the trade body for the UK investment management industry, the **Investment Association (IA)** seeks to represent the industry interests, improve the investment landscape through thematic initiatives, which highlight topics such as diversity and inclusion, and by improving standards and best practice.



The **Independent Investment Management Initiative (IIMI)** aims to contribute effective financial regulation and promote client-centred models of investment management. Our CEO, Edward Guinness sits on the board of IIMI.



The **UK Stewardship Code 2020** sets high stewardship standards for those investing money on behalf of UK savers and pensioners. It comprises a set of 12 'apply and explain' Principles for asset managers and asset owners to demonstrate their stewardship role and performance.



The **UK Sustainable Investment and Finance Association (UKSIF)** aims to support its members to grow sustainable and responsible finance in the UK. It also seeks to influence policymaking that promotes the growth of sustainable finance. Our Responsible Investment Lead is a member of the Industry Development Committee, and another member of investment team serves on the Membership Committee.

## Other Documents

### [Corporate Documents](#)

- Responsible Investment Policy
- Stewardship Code Report
- Good Governance Policy
- [Responsible Investment Glossary](#)

### [Strategy Documents](#)

- Approach to Responsible Investment and ESG
- Investment Case

# Guinness Global Equity Income

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided 'as is' and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The information contained herein: (1) is proprietary to MSCI ESG and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither MSCI ESG nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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**Documentation** The documentation needed to make an investment, including the Prospectus, the Key Information Documents (KIDs), Key Investor Information Document (KIIDs) 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) 4th Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 A4E, Ireland; or the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ. Waystone Management Company (IE) as UCITS 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/waystonepolicies/>

**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 KIID 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.