Guinness Best of China Fund

Investment Commentary - April 2022

GUINNESS GLOBAL INVESTORS

ABOUT THE FUND

Launch date	15.12.2015
Benchmark	MSCI Golden Dragon
Sector	IA China/Greater China
Team	Edmund Harriss (Manager) Sharukh Malik (Manager) Mark Hammonds

Aim

Guinness Best of 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.

RISK

Lower risk			Risk & reward			Higher risk
1	2	3	4	5	**6**	7
Typically lower rewards						Typically higher rewards

The risk and reward indicator shows where the fund ranks in terms of its potential risk and return. The fund is ranked as higher risk as its price has shown high fluctuations historically. Historic data may not be a reliable indicator for the future.

PERFORMANCE

Past performance does not predict future returns

31/03/2022	1 year	3 years	5 years	Launch*
Fund	-16.4	10.3	21.0	75.8
Index	-17.6	10.2	32.5	94.5
Sector	-21.5	10.4	32.8	83.2

Annualised % total return from launch* (GBP)

Discrete 12m performance is shown at the end of this commentary. Source: FE fundinfo, bid to bid, total return. *Launch: 15.12.2015. 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 fund performance shown has been reduced by the current OCF of 0.89% per annum. Returns for share classes with a different OCF will vary accordingly. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

SUMMARY

In the first quarter, the Guinness Best of China Fund fell 11.4% (in GBP) while the benchmark, the MSCI Golden Dragon Net Total Return Index, fell 7.9%, and the MSCI China Net Total Return Index fell 11.6%. The Golden Dragon Index is a weighted average of the China, Hong Kong and Taiwan indices. Given that Taiwan accounts for around 30% of the Golden Dragon Index, and MSCI Taiwan fell only 3.8%, the Golden Dragon Index did better than the China Index in the quarter.

In the last 12 months, the Guinness Best of China Fund fell 16.4% while the MSCI Golden Dragon Index fell 17.4%, and the MSCI China Index fell 29.2% (in GBP). Again, in this period the Taiwan index rose 11.6%, explaining why the Golden Dragon Index fell by much less than the China Index. While the Fund is benchmarked against the Golden Dragon Index, it only invests in Taiwanese companies that either are 1) in the semiconductor supply chain or 2) have material revenue or asset exposure to China. Consequently Taiwan accounts for 9% of the Fund.

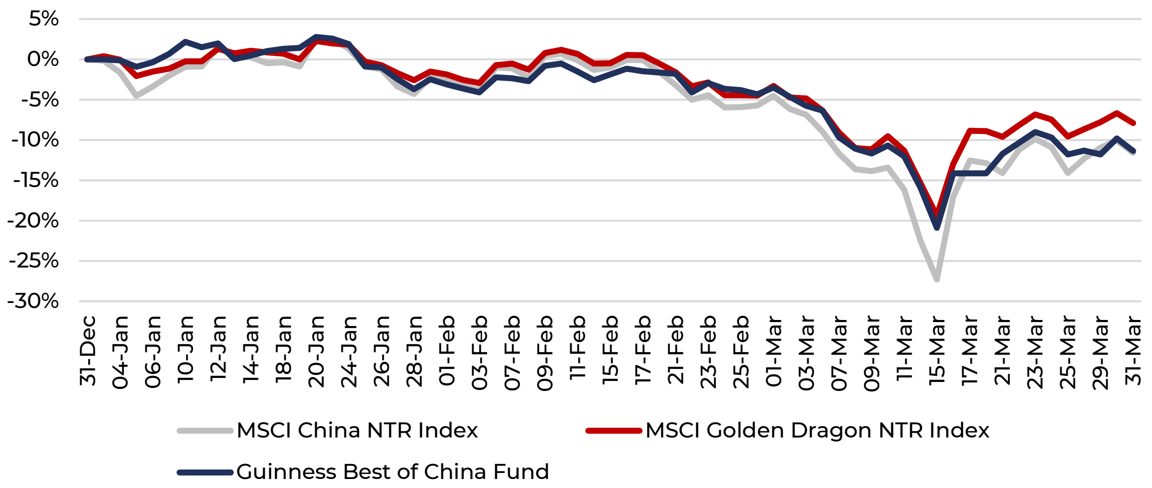
We sold two positions in the quarter: China Resources Gas and another which will be disclosed when complete. We bought three positions in the quarter: Shenzhou International, Shenzhen Inovance Technology, and Hong Kong Exchanges & Clearing.

Based on consensus analyst estimates, we estimate the current holdings in the Fund to have grown earnings by 19% in 2021. The market is expecting earnings to grow at 12% per annum for the next two years.

SUMMARY (CONTINUED)

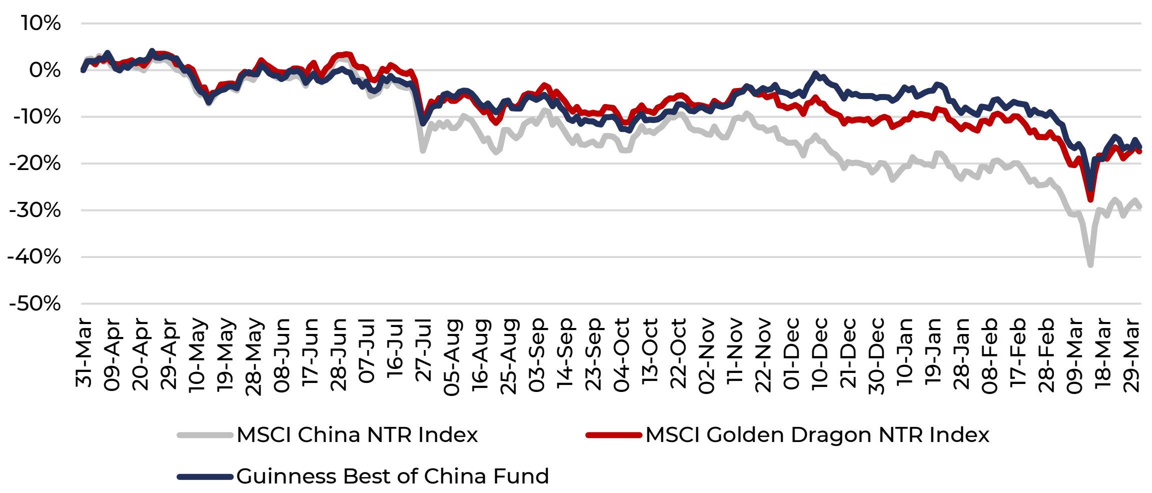
The Fund is valued at 12.8x on estimated 2022 earnings, which puts it at a 16% premium to the MSCI China Index. We feel this premium is worth paying for the structural growth that the Fund provides. Over the past 10 years, the Fund's holdings have grown net income by 334%, compared to only 10% for the MSCI China Index.

Fund and Market Performance in Q1



(Data from 31/12/21 to 31/03/22, returns in GBP, source: Bloomberg, Guinness Global Investors calculations)

Fund and Market Performance Over the Past 12 Months



(Data from 31/03/21 to 31/03/22, returns in GBP, source: Bloomberg, Guinness Global Investors calculations)

MACRO COMMENTARY

Covid cases reached nearly 28,000 (as of 12th April) in China. Shanghai was locked down, though people in low-risk areas are now allowed some movement out of their houses. Outside of Shanghai, many areas have imposed restriction on movements of people, which adds further pressure to the economy.

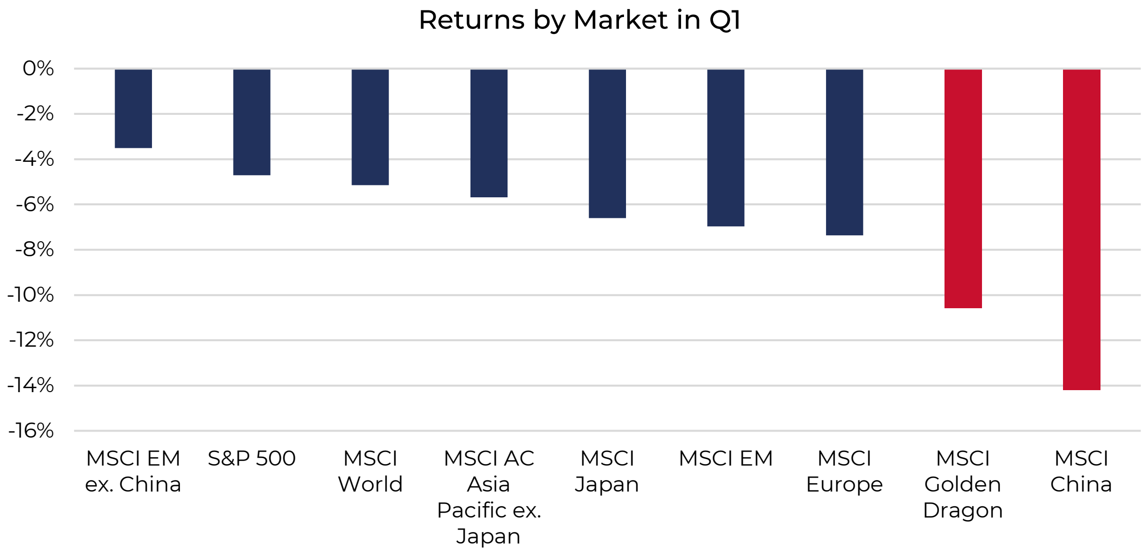
The NBS Purchasing Managers Index (PMI), which is more geared towards state-owned firms, fell from 50.2 in February to 49.5 in March, indicating contracting economic activity. The Caixin PMI, which is more geared towards private firms, fell even further from 50.4 in February to 48.1 in March. The Caixin services PMI fell to 42.0, which is understandable given the restrictions in movement across the country. We believe the economic weakness from the lockdowns makes it likelier that the government will loosen monetary and fiscal policy.

Consumer price inflation (CPI) in China rose from 0.9% in February to 1.5% in March. Food inflation was -1.5% due to falling pork prices, while non-food CPI was +2.2%, driven by higher fuel costs. Core CPI, which excluded food and energy, was 1.1%. Producer price inflation (PPI) fell from 8.8% in February to 8.3% in March.

Total social financing, the broadest measure of credit growth, grew 10.6% in March, which was higher than expectations. There was an acceleration in credit extended to the corporate sector and an increase in long-term credit extended to the household sector.

MARKET COMMENTARY

It has been a testing year for Chinese equities, with the MSCI China Index falling 14.2% (in USD) in the first quarter, but at its worst down 29.9%. This made Chinese markets the weakest among major markets in the first quarter.



(Data from 31/12/21 to 31/03/22, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

In January, expectations of rising interest rates in the US led to weakness for growth stocks globally, and so Chinese growth stocks were weak. The People's Bank of China (PBOC) cut a set of interest rates by 0.1%. While these moves by the PBOC were encouraging in that they signalled a marginal loosening of monetary policy, we did not regard them as significant enough to stimulate economic growth.

In February, Chinese tech stocks were subject to more headwinds. Meituan, the food delivery service company, was told by the government to reduce its services charges to help smaller and medium sized vendors on its platform. News reports indicated banks were being asked about their exposure to Ant Group, which is owned by Alibaba, and so led to weakness in Alibaba's share price. There were also news reports suggesting Tencent and other videogame developers could be subject to more regulations over their new game releases, as well as over their operations in the metaverse. (In some signs of easing, the regulator issued licenses for 45 new games in April after a nine-month hiatus.) Later in the month, Russia invaded Ukraine which led to further volatility in markets. Please see our update published in March for our views of the effect of the invasion on China.

In March, Chinese markets fell by the most since the Global Financial Crisis. The MSCI China Index fell 7.7% on 14/03 and a further 6.1% on 15/03. We believe this was due to several reasons, which all combined to create a sense of panic selling:

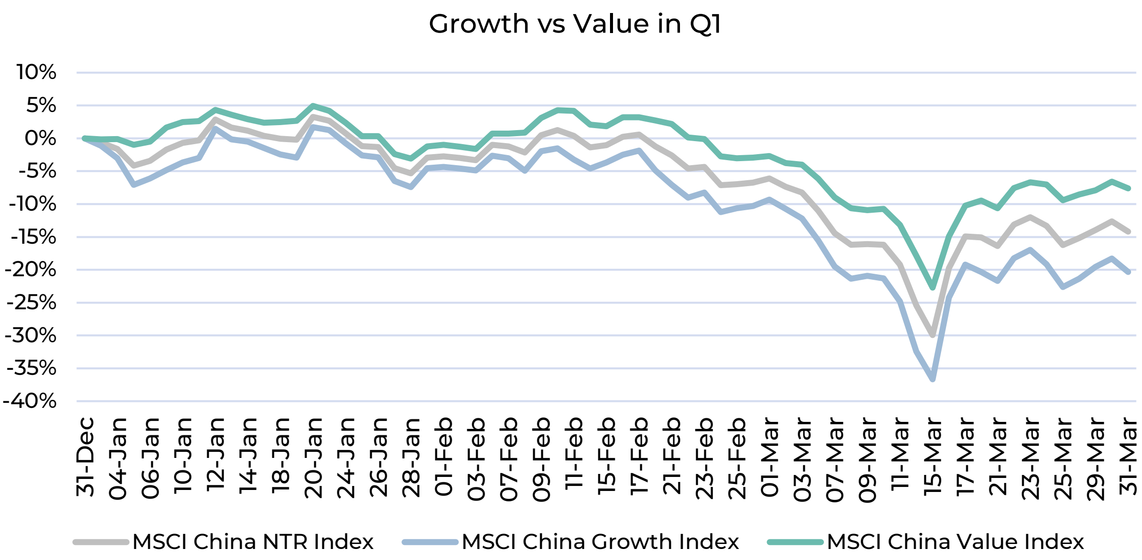
- Rising Covid cases in China, prompting a tougher government response in line with its zero-Covid strategy.
- The potential that China could be sanctioned by the US if it provided military support to Russia.
- Risk of China ADRs delisting in the US, in response to the Holding Foreign Companies Accountable Act (HFCAA).
- Weakening Chinese economy and lack of significant fiscal and monetary support.
- Very weak sentiment towards China tech stocks with talk of it being un-investable during the peak of the sell-off.

On 17/03, Vice Premier Liu He convened a meeting, chairing the Financial Stability Committee. The committee released a series of statements to which markets reacted positively:

- The committee recognised the need to loosen monetary policy in order to reach the GDP target of 5.5% growth for 2022.
- China aiming to cooperate with the US on accounting issues related to the ADRs.
- Regulation on tech to be completed as soon as possible.
- Government departments to coordinate regulations and policies to better consider the impact on the economy.

Chinese markets then rallied sharply on the news, increasing 14.5% on 18/03 and a further 6.0% on 19/03, before essentially being flat for the rest of the month.

In the quarter, value stocks did better than growth, as the MSCI China Value Index fell 7.6% while the Growth Index fell by 20.3%.

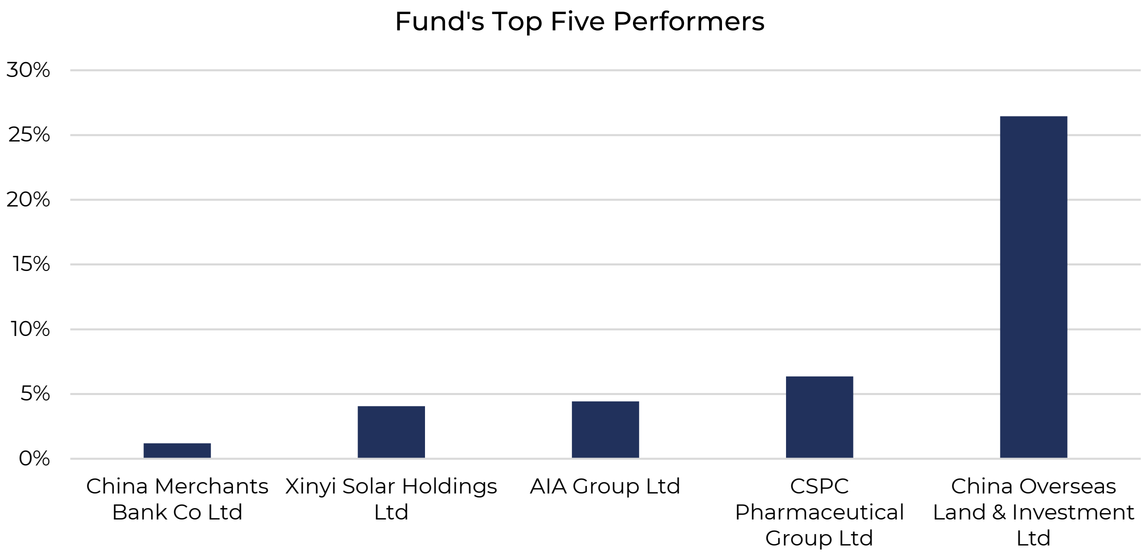


(Data from 31/12/21 to 31/03/22, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

As oil, gas and coal prices rallied, Energy was by far the best-performing sector in the quarter. Financials, which contain the Chinese state-owned banks, were also outperformers as investors turned to cheaper stocks in the quarter. Despite the negative sentiment, Real Estate was an outperformer as the market looks to easing measures which should stimulate the property market. The postponement of a long-discussed property tax also boosted sentiment. On the other hand, Information Technology, Healthcare, Consumer Discretionary, Consumer Staples and Utilities were laggards.

(Data from 31/12/21 to 31/03/22, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

FUND PERFORMANCE



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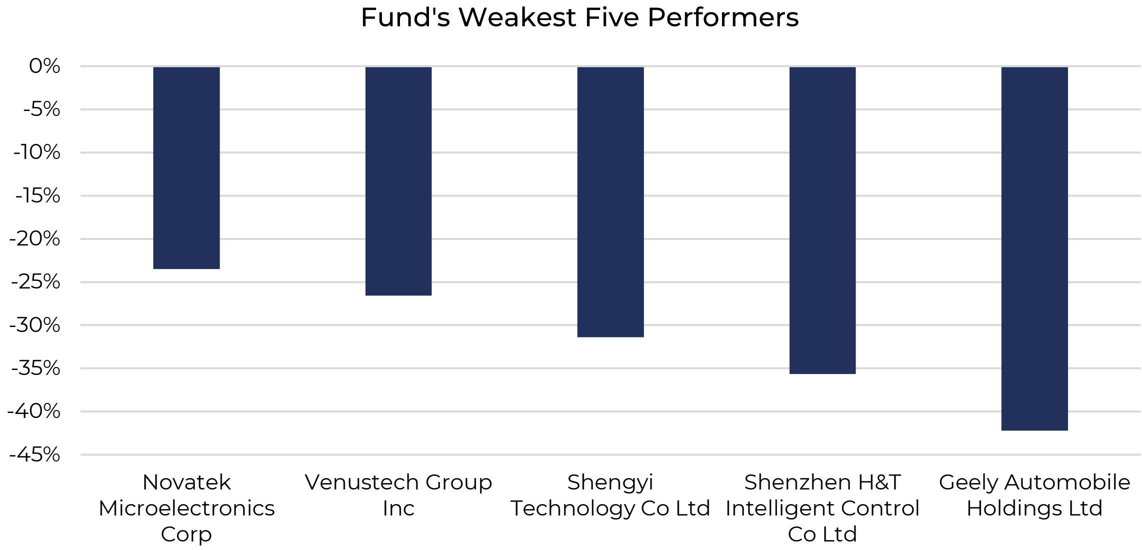
The Fund's best-performing stock was China Overseas Land & Investment (COLI), which is a state-owned property developer. It is conservatively financed and in the second half of 2021 took advantage of the weak property market to buy high-quality land assets. In 2021, COLI increased its revenue by 30% but due to higher selling costs gross profit only grew 2% and net profit fell 9%. The dividend increased 2%, which we think is a sign of the company's relative strength in the current environment.

CSPC Pharmaceutical is a pharmaceutical company which in 2021 grew its revenue by 12% and its net income by 9%. One of its main products, NBP, which is used to treat strokes, saw significant price cuts in exchange for the volume of business from remaining on the national drug list. On the other hand, CSPC's oncology sales grew rapidly as the business builds new growth drivers. The company has a solid pipeline of products coming though, including a Covid mRNA vaccine.

AIA Group's results were ahead of expectations. Value of New Business (VONB) grew 18%, driven by higher margins in Hong Kong and Thailand. The total dividend for 2021 was increased by 8%. AIA additionally announced a buyback scheme worth $10bn over the next three years. Given we think the business is currently undervalued by the market, we think this buyback is a good idea.

Xinyi Solar is the world's largest manufacturer of solar glass, which is used to make solar panels. As a result of Russia's invasion of Ukraine, European leaders are accelerating their shift away from gas and towards renewables. This added impetus should boost demand for Xinyi's products. In 2021, Xinyi Solar's revenue grew 30% and net income grew 8%. Volumes grew in 2021 but to due to lower solar glass prices and higher input costs, net income growth lagged revenue growth.

In 2021, China Merchants Bank reported pre-provisioning operating profit which grew 14% and net profit which grew 23%. The company disclosed that loans to developers account for 10% of total assets. 80% of projects are in tier 1 and 2 cities which we regard as higher-quality assets than projects in tier 3 cities. We also highlight the bank has been conservative by assigning higher provisions on its credit exposure to developers.



(Data from 31/12/21 to 31/03/22, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

Geely was the weakest stock in the portfolio, reflecting the weakness in the broader auto industry. The industry has been struggling with chip shortages, which Geely expects to ease in 2022. During this period of tight chip supply, automobile manufacturers have not been able to meet demand. Geely's results for 2021 missed expectations as although sales increased 10%, operating income fell 39% and net income fell 12%. Operating expenses were higher than expected, which is likely due to the roll-out of new EV brands as well as the build-out of the direct sales channel. A minor positive, however, was that Geely's gross margin increased 1.1 pp to 17.1% in an environment of higher input costs.

The A-shares in the portfolio were generally weaker than their offshore counterparts, as growth stocks sold off more sharply in the mainland. H&T Intelligent makes controllers used in household appliances and power tools. H&T's controllers are used in well-known brands such as Whirlpool, Siemens and Bosch. It reported 2021 revenue growth of 28% and net profit growth of 40%. H&T is also aiming to expand into the automobile market, where electronic control units, which are not too dissimilar from controllers, are becoming increasingly used. Revenue for this segment grew 66% in 2021 but remained a small part of the business, at 2.7% of total revenue.

Shengyi Technology makes copper clad laminates (CCLs), which are used in the production of printed circuit boards (PCBs). It benefits from multiple trends which point to greater demand for CCLs and PCBs: growing popularity of 5G-compatible devices, growing demand for servers and cloud services, as well as localisation towards Chinese suppliers in the domestic market. Shengyi is quickly moving up the value chain, supporting a gradual rise in margins over time. The business grew revenue by 38% and net profit by 68% in 2021.

Venustech is a provider of cybersecurity services in China. In 2021 revenue grew 20% and net profit grew 7%. Delays in government tenders in the fourth quarter meant revenue growth was lower than the target of 30%. Net profit growth lagged revenue growth due to the company's investments for future growth. Management remain optimistic on expanding the business over the long term due to the increasing need for robust cyber defences for companies and government departments.

Novatek Microelectronics was weak as demand in some end markets, such as the Chinese smartphone market, softens. Novatek's Touch and Display Integration (TDDI) may be seeing price cuts sooner than was originally expected, given high inventory and weak smartphone demand from China. Foundries are also increasing their prices, which may add margin pressure to fabless companies such as Novatek which design the chips but outsource manufacturing to the foundries.

PORTFOLIO CHANGES

In the first quarter, we sold two positions and bought three positions.

Sells

We sold China Resources Gas, a gas distributor. Gas prices have been generally increasing and following Russia's invasion of Ukraine, spiked up further. Although in theory gas distributors can pass on these higher costs, there is a possibility they are asked to perform 'national service'. This could mean absorbing some of the higher costs, rather than passing them onto small and medium enterprises (SMEs) and residential customers. Given the weak economy, we felt there was a non-trivial probability of this occurring.

We are in the process of selling another position which will be disclosed when complete.

Buys

We bought Shenzhou International, a textile and apparel maker, after the stock sold off on a profit warning. Due to Covid-related suspension of production sites across Cambodia and Vietnam, costs increased and revenues fell in the second half of the year. We do not think these conditions are likely to last for the next three years. The risk/reward ratio for the stock became much more attractive.

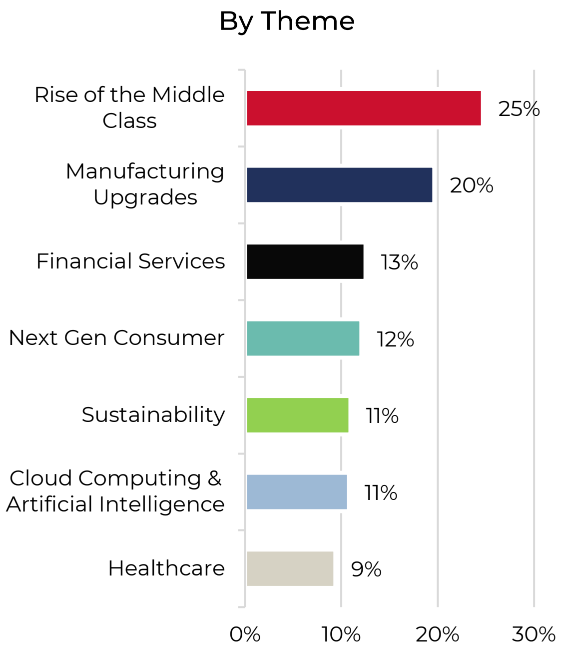
Following the sell-off in the middle of March, we bought Shenzhen Inovance Technology and Hong Kong Exchanges and Clearing. We felt that many quality stocks were selling off regardless of their fundamentals and hence were assessing the ideas on our watchlist. The two additions made had been expensive for a long time but within a few days presented an acceptable upside for the amount of risk taken.

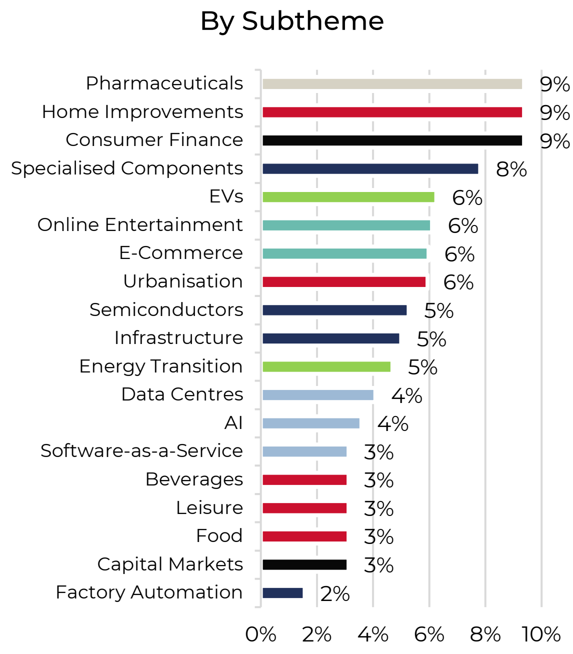
Inovance is a manufacturer of industrial automation equipment. It started off making inverters (frequency converters) for industrial equipment and elevators, before successfully expanding into servos (error-sensing devices) and automation equipment. Inovance is now one of the top five firms in the inverter and servo market in China when measured by revenue. The business gives exposure to various traditional industrial markets as well as newer markets such as electric vehicles and solar panels. The business has a quickly growing EV controller business which may become profitable in 2022, and we expect this to become a further growth driver.

Hong Kong Exchanges & Clearing is a high-quality stock which is often expensive. As we are clearly bullish on the demand for Chinese stocks over time, we expect the exchange, which facilitates the trade of Chinese stocks, to do well also. The exchange benefits through the Stock Connect scheme, which allows foreigners to buy domestic A-shares.

PORTFOLIO POSITIONING

By theme, the Fund's largest exposures are to the Rise of the Middle Class, followed by Manufacturing Upgrades. Important subthemes include Pharmaceuticals, Home Improvements, Consumer Finance, and Specialised Components.

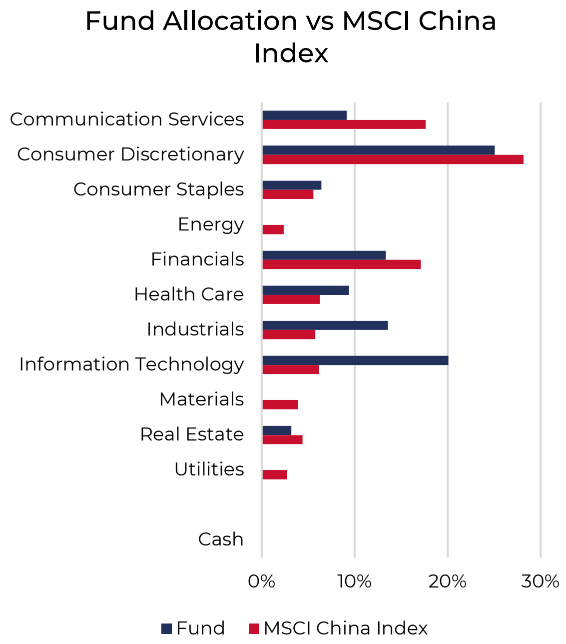


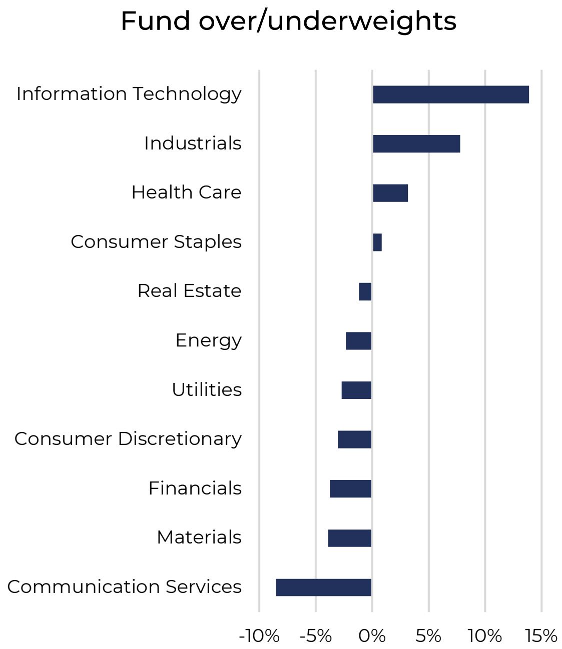


(Data as of 31/03/22, source: Guinness Global Investors calculations)

On a sector basis, the Fund's largest exposures are to Consumer Discretionary, Information Technology (IT), and Industrials. Relative to the MSCI China Index, the Fund is overweight in Information Technology and Industrials. The Fund is underweight in Communication Services. On the surface, the Fund's IT weight is high, but within this group of companies there are completely different businesses whose operations are unrelated. Based on the classifications below, we believe our IT holdings are well diversified.

- Cybersecurity – Venustech, one of China's largest providers of cybersecurity services.
- Solar power – Xinyi Solar, world's largest supplier of glass used in solar panels.
- Semiconductors – TSMC (foundry) and Novatek (display and touch drivers).
- Copper clad laminates (CCLs) – Elite Material and Shengyi Technology, exposure to smartphones and servers.
- Controllers and IoT – H&T Intelligent, exposure to household appliances and power tools.

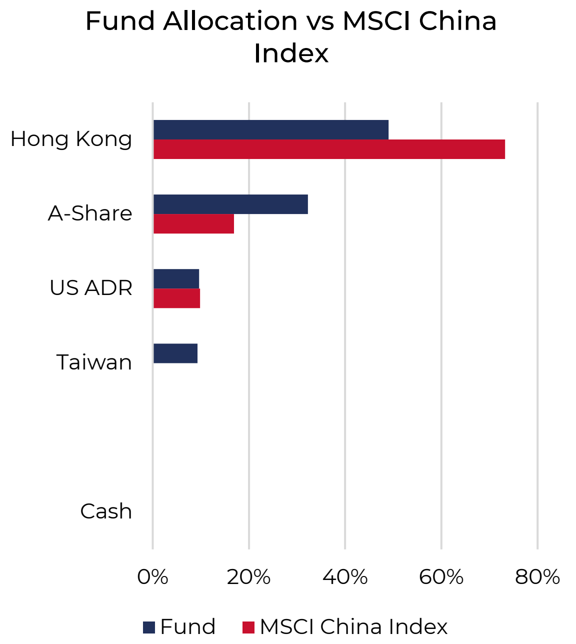


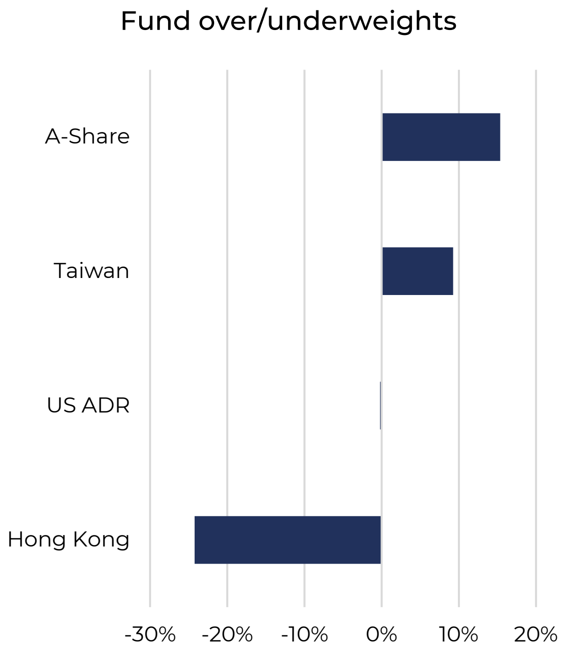


(Data as of 31/03/22, source: Bloomberg, Guinness Global Investors calculations)

On a listing basis, the Fund has 49% exposure to stocks listed in Hong Kong, 32% exposure to the A-share market, 10% in China ADRs trading in the US, and a 9% allocation to Taiwan. We care ultimately about total shareholder return and so are giving ourselves the option of allocating to Taiwan. Occasionally, valuations in China can become very stretched, and so for the companies which meet either of the following two criteria, having the option to invest at better valuations is attractive:

1. Taiwanese companies with significant exposure to China. We define this as more than 50% of sales from China or more than 50% of assets in China.
2. Taiwanese companies in the semiconductor chain. While there are semiconductor companies in China, often the quality or the price of the companies can be unattractive. Meanwhile, in Taiwan there are many good quality, growing businesses, trading at more reasonable prices.



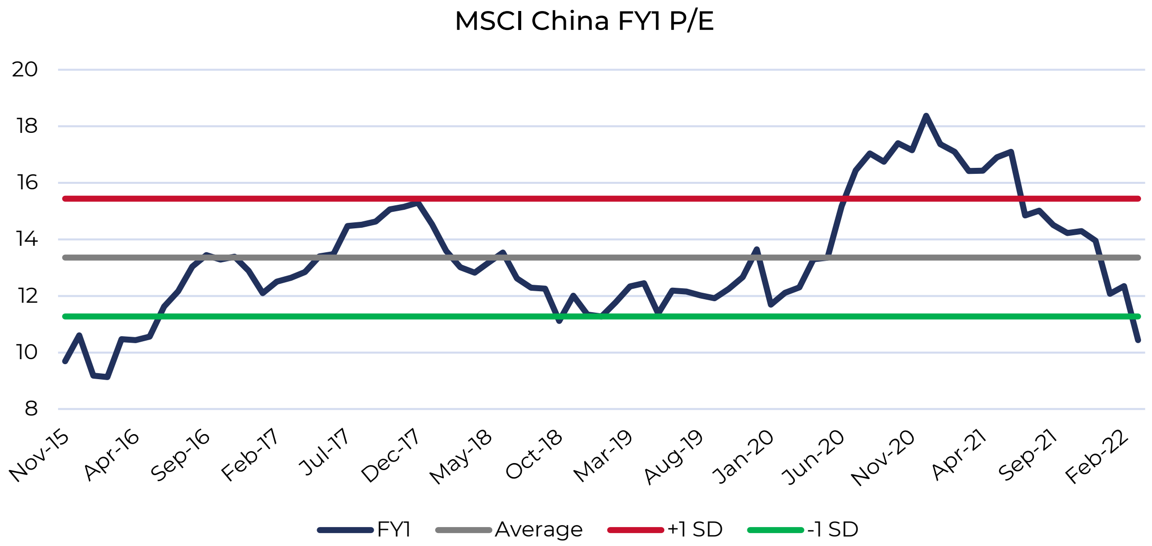


(Data as of 31/03/22, source: Bloomberg, Guinness Global Investors calculations)

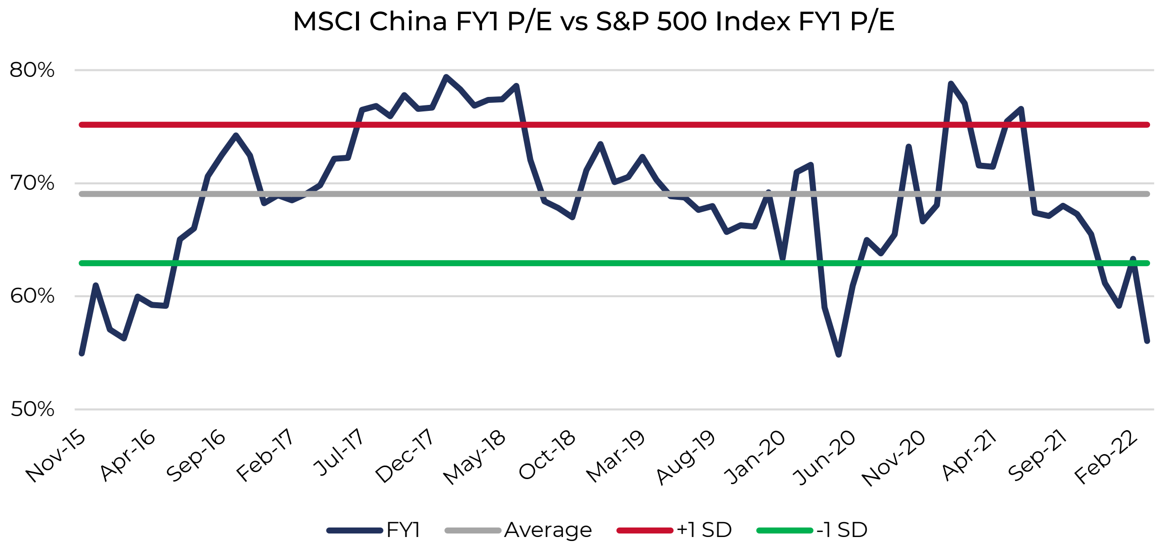
OUTLOOK

Currently, Shanghai is in a hard lockdown after daily cases spiralled out of control. Given the city's economic importance, it tried a more relaxed set of restrictions, but these were not enough to control the spread of the more contagious Omicron variant. Many other cities and provinces have movement restrictions in place, which only place more pressure on economic growth. The government has repeatedly said it needs to do more to stimulate growth, but so far we have only seen a marginal fall in interest rates, which is not enough to boost the economy. On the housing front, every week we are seeing more cities loosening home purchase restrictions, which should make it easier for people to buy houses. This is an encouraging move which should stimulate growth, but we would also like to see looser fiscal policies which allow consumption to take up a larger share of economic growth.

Given all the headwinds China is facing, valuations have now dropped below levels last seen during the US-China trade war. Compared to developed markets, which are trading at above their historic average, we think China's low valuation is attractive. As of 31/03/22, MSCI China was trading at 10.4x on a one-year forward-looking price/earnings (P/E) basis, well below the S&P 500 at 19.7x. One may fairly argue that China often trades at a discount to the US, so the chart below also shows MSCI China's historical discount to the S&P 500. As of 31/03/22, MSCI China was trading at 56% of the P/E of the S&P 500, a level last seen amid the original COVID outbreak and in late 2015/early 2016.



(Data from 30/11/15 to 31/03/22, source: Bloomberg, Guinness Global Investors calculations)



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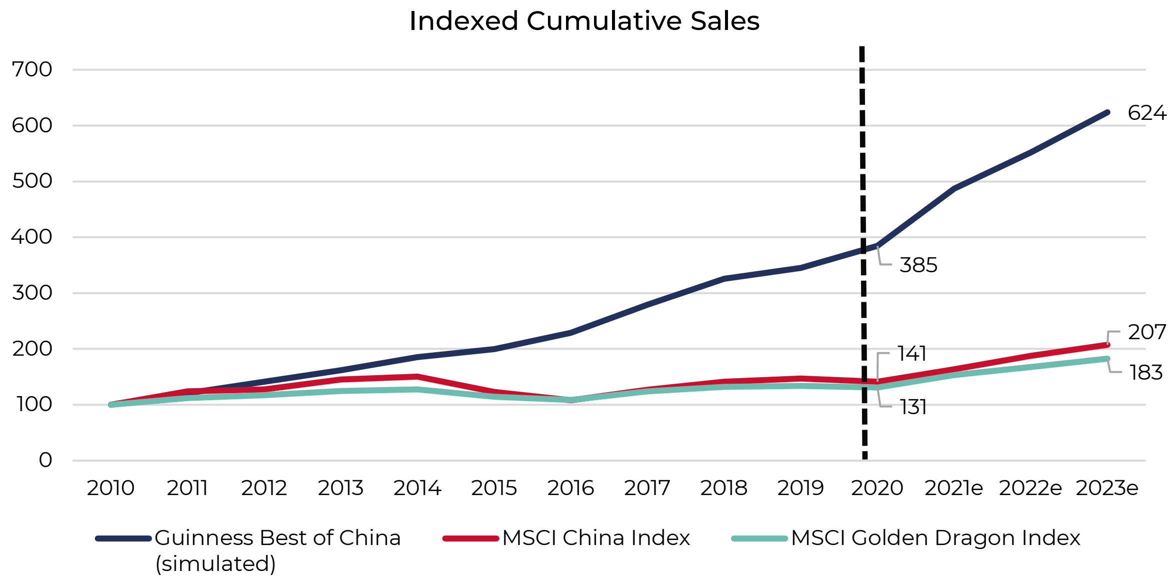
But low valuations are not enough on their own to justify an investment into the Fund. Over the long term, it is earnings growth which drives shareholder return. Our focus remains on investing in good quality growing companies run by honest people.

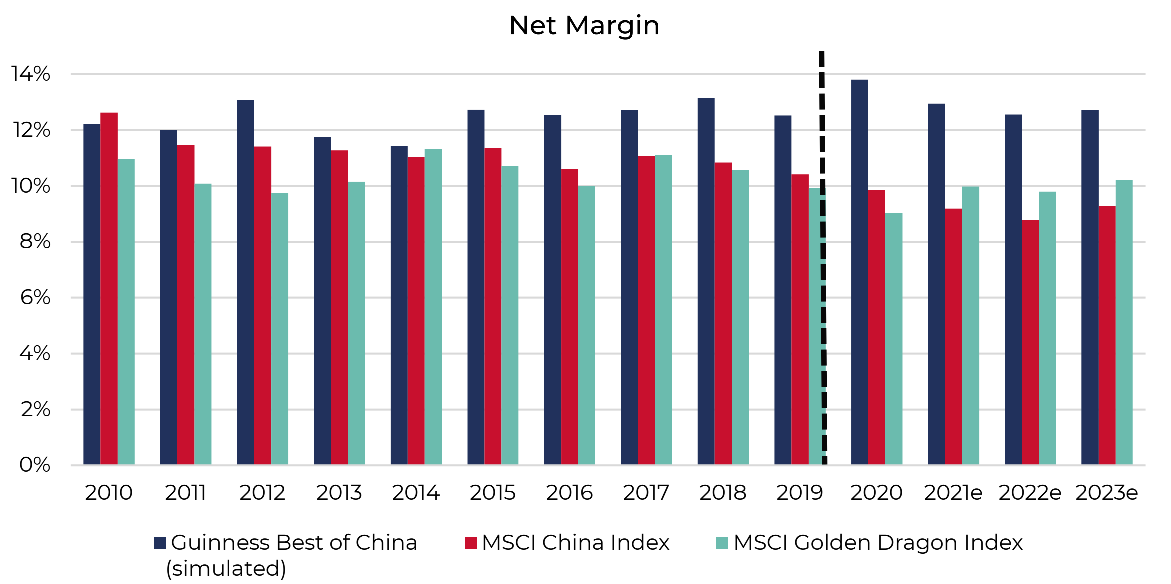
Why do we think the Fund is invested in good companies? We like to look at our companies' operating performance over the longer term. Below we show the current holdings' total sales over the past 10 years, from 2010 to 2020. We pick 2020 rather than 2021 as the end year because many of our A-shares have not yet reported their final 2021 results.

Over the past 10 years, the Fund's holdings' sales have grown by 285%. In contrast, the MSCI China Index has only grown sales by 41%, while the MSCI Golden Dragon Index has only grown by 31%. We believe that our focus on structural growth themes has resulted in significantly higher compounded sales growth for the Fund's holdings.



(Data as of 31/03/22, sales in USD, source: Bloomberg, Guinness Global Investors calculations. Data for Guinness Best of China is a simulation based on actual historic data for the Fund's current holdings. The Fund was launched on 15.12.2015.)

Now we must look at margins to see if our holdings' higher sales growth translates to higher earnings growth. For the past nine years, the Fund's holdings have had a higher net margin than the MSCI China Index, i.e. each dollar of sales has generated higher net profits. Furthermore since 2015, the positive gap between the Fund's holdings and the index has widened. The market is expecting the Fund to have a net margin of 13.0% in 2021 compared to 9.2% for MSCI China.



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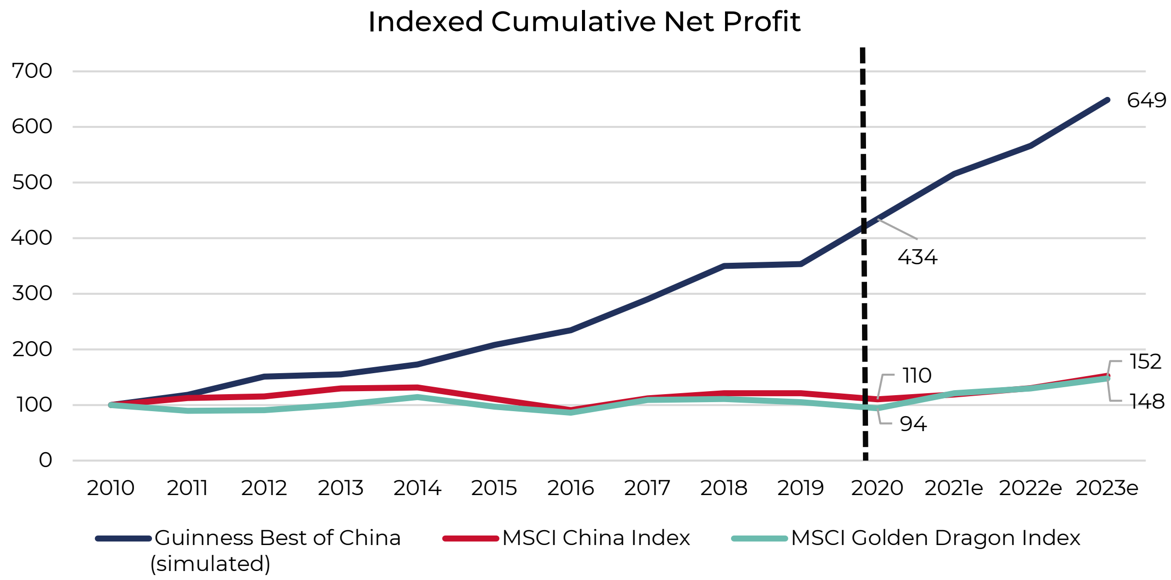
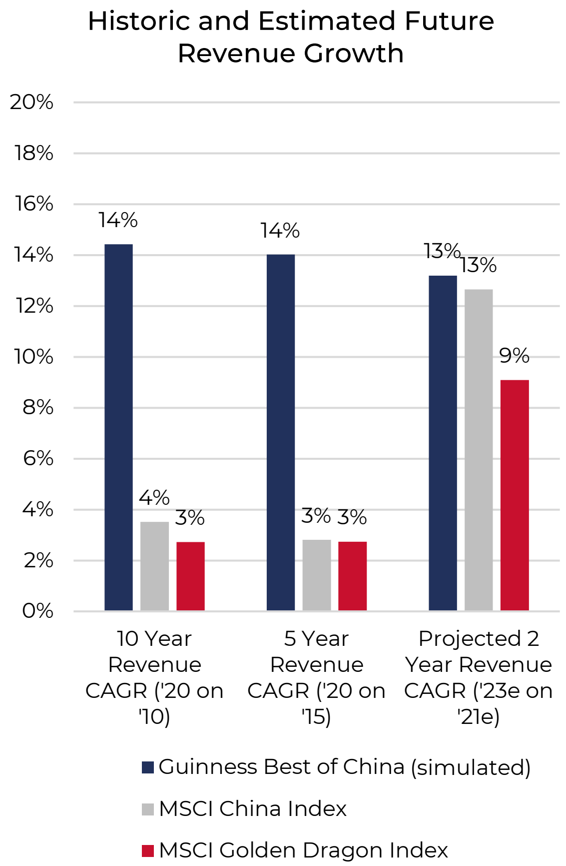
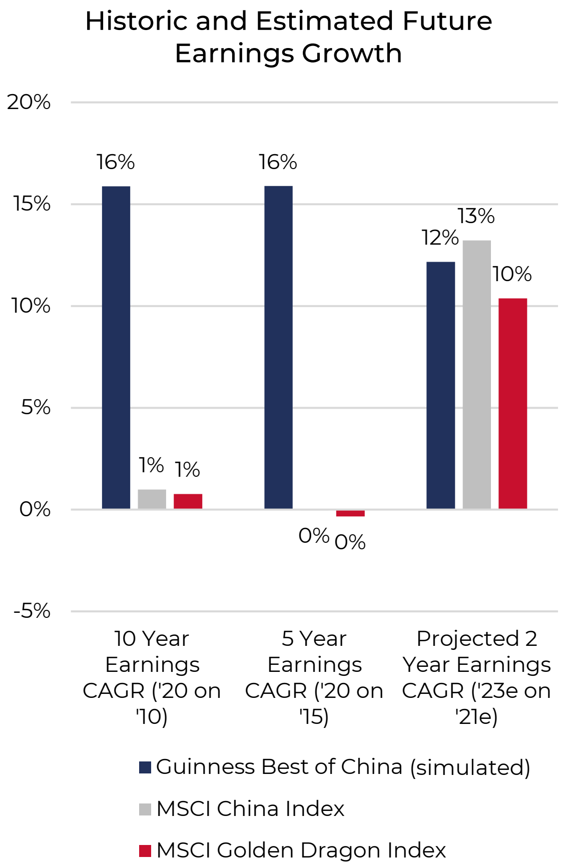
As a result, over the past ten years, the net income of our portfolio companies has grown by 334% compared to only 10% for the MSCI China Index. This higher growth is due, we believe, both to superior structural growth exposure and to rising company profit margins over the past 10 years, whereas for the MSCI China Index, net margins have fallen significantly.



(Data as of 31/03/22, earnings in USD, source: Bloomberg, Guinness Global Investors calculations. Data for Guinness Best of China is a simulation based on actual historic data for the Fund's current holdings. The Fund was launched on 15.12.2015.)

Over the next two years, based on consensus analyst estimates, the market is expecting sales for the Fund to grow at 13% a year, in line with MSCI China. The market is expecting the Fund's net income to grow at 12% a year for the next two years, in line with 13% for MSCI China. However, given that over the past 10 years MSCI China's sales have essentially been flat, we question whether analysts are being too optimistic for the index. In contrast, the market's expectation of 12% earnings growth for our holdings is just below their historic 10-year average growth rate. These companies have shown they have actually been able to grow at actually a higher rate than forecasts, whereas the broader market has tended to disappoint.





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In summary, we think we have shown the Fund is invested in quality, profitable companies which have compounded earnings over time. We believe this a result of our focus on structural growth themes, and because of this focus we expect this compounded quality growth to continue in the future. This set of good companies is trading at one of its cheapest valuations in recent years. We expect the government's loosening measures to lead to a bounce-back in economic activity, which should lead to a rerating in the multiple investors are willing to pay for Chinese stocks. The Fund is valued at 12.8x on estimated 2022 earnings, which puts it at a 16% premium to the MSCI China Index. We hope we have shown in this outlook that this premium is worth paying for.

Portfolio Managers

Edmund Harriss

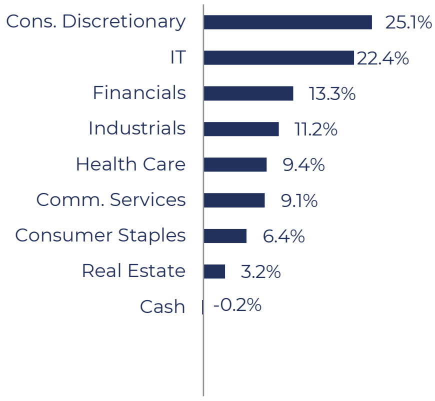
Sharukh Malik

PORTFOLIO

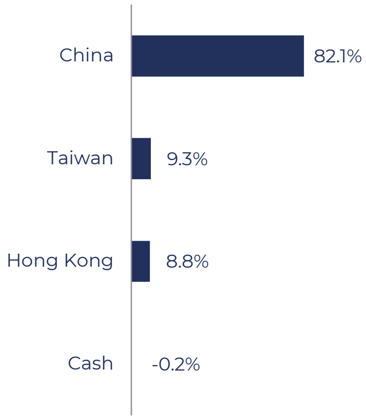
Fund top 10 holdings

Alibaba Group	3.7%
Zhejiang Supor	3.7%
Ping An Insurance	3.6%
China Merchants Bank	3.6%
JD.com	3.5%
China Medical System	3.5%
Chongqing Fuling Zhacai Group	3.5%
NetEase	3.4%
Suofeiya Home Collection	3.3%
Shenzhou International	3.3%
% of Fund in top 10	35.1%
Total number of stocks	33

Sector analysis



Geographic allocation



PERFORMANCE

Past performance does not predict future returns **31/03/2022**

Annualised % total return from launch (GBP)

Discrete years % total return (GBP)	Mar '22	Mar '21	Mar '20	Mar '19	Mar '18	Mar '17
Fund (Y Class, 0.89% OCF)	-16.4	40.7	-6.2	-4.7	15.1	42.0
MSCI Golden Dragon Index	-17.6	36.6	-2.1	3.7	16.0	37.7
IA China/Greater China sector average	-21.5	40.9	-0.2	0.9	19.1	36.0

Cumulative % total return (GBP)	1 Yr	3 Yrs	5 Yrs	Launch
Fund (Y Class, 0.89% OCF)	-16.4	10.3	21.0	75.8
MSCI Golden Dragon Index	-17.6	10.2	32.5	94.5
IA China/Greater China sector average	-21.5	10.4	32.8	83.2

RISK ANALYSIS **31/03/2022**

Annualised, weekly, from launch on 15.12.15, in GBP	Index	Sector	Fund
Alpha	0.00	-0.76	-0.79
Beta	1.00	0.98	0.97
Information ratio	0.00	-0.21	-0.17
Maximum drawdown	-29.20	-34.49	-26.43
R squared	1.00	0.92	0.85
Sharpe ratio	0.38	0.31	0.29
Tracking error	0.00	5.06	7.29
Volatility	17.93	18.26	18.92

Fund returns are for share classes with a current Ongoing Charges Figure (OCF) stated above; returns for share classes with a different OCF will vary accordingly. Source: FE fundinfo bid to bid, total return (0.89% OCF). Fund launch date: 15.12.2015.

IMPORTANT INFORMATION

Issued by Guinness Global investors which is 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 Guinness Best of 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.

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.

Risk

The Guinness Best of China 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, and you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on our website. Shareholders should note that all or part of the fees and expenses will be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment.

Documentation

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-

- the Manager: Link Fund Manager Solutions (Ireland) Ltd (LFMSI), 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or,the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

LFMSI, as UCITS Man Co, 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.linkgroup.eu/policy-statements/irish-management-company/

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, 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'Ile, 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.