

Guinness Global Innovators Fund

INVESTMENT COMMENTARY - March 2015

About the Fund

The Fund is a large cap. growth fund designed to provide exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. The Fund holds a concentrated portfolio of large and medium-sized companies in any industry and in any region.

Fund size	£26.6m
AUM in strategy	£157.2m
Fund launch date	31.10.14
Strategy launch date	01.05.03

Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA
----------	--------------------------------------------

Performance 28.02.15

Cumulative %	1 year	3 years	5 years
Strategy*	22.3	83.9	118.4
Index	17.0	50.2	71.2
Sector	11.8	36.8	55.3
Position in sector	10 /262	6 /237	3 /202

Annualised % total return from strategy inception (GBP)

Strategy*	12.71%
Index	9.31%
Sector	8.77%

Strategy	Guinness Global Innovators*
Index	MSCI World Index
Sector	IA Global

Past performance should not be taken as an indicator of future performance. The value of this investment and any income arising from it can fall as well as rise as a result of market and currency fluctuations.

*Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same team using the same investment process as applied to the UCITS version. Source: Financial Express, bid to bid, total return, in GBP.

Monthly update

In February the Fund delivered a positive total return of 4.25%, versus the MSCI World index return of 2.88%. The Fund therefore outperformed by 1.37%. Year-to-date the Fund is up 4.51%, versus the MSCI World up 4.87%.

We have been pleased with the good support we have had since we launched the UCITS version of this strategy in October last year - the Fund is now £27 million in size.

The early investor 'Z' share class (0.25% AMC, 0.74% maximum OCF) remains open, and we hope to welcome more investors into the Fund as we get out and about and meet more of you and tell the story of the Fund over the rest of 2015. I'll also take this opportunity to note that the Guinness Global Equity Income Fund that we've been running for the last four years alongside the Global Innovators Fund has also been growing in size (now £86m). We have had a similar offer in place for early investors in this Fund (0.25% AMC, 0.74% maximum TER), but we will be closing this offer to new money on April 30th this year.

Following a weaker start to the year, February started with a sharp rally. The change in sentiment was driven mainly by the European Central Bank's (ECB) confirmation of a new round of quantitative easing at the end of January. The timing of this event was well known in the market, but the exact details provided a fillip to sentiment as it went above and beyond widely-touted expectations. It appears that, for now at least, Mario Draghi has played his hand well in his use of surprise to boost the effectiveness of any new policy initiatives he has available to him. The total

amount of debt purchases announced was approximately €1.1 trillion, split into monthly €60 billion purchases until at least September 2016. The ECB drew the line at corporate debt and included only investment grade credit.

The immediate effect of this announcement was to reduce bond yields even further than the historic low yields seen already. In turn we saw a rally in European equities in February as the perceived relative attractiveness of these securities increased. In local currency terms the Euro Stoxx index was up over 7% in February alone, taking its year-to-date return to an astonishing 14.7%.

Whether this exercise in money printing leads to a recovery in economic growth remains to be seen. In the US we have seen very strong equity returns over the various periods of QE implemented over the five years since the financial crisis, but this has occurred in parallel with fairly tepid growth in aggregate underlying company earnings. We have also seen large moves in currencies, with the Euro weakening in the face of a strong US dollar. The US dollar strength has continued since the start of the year, and we are beginning to see signs of this affecting export-led companies. The reverse is true for those companies based in the Eurozone. Typically, investments we

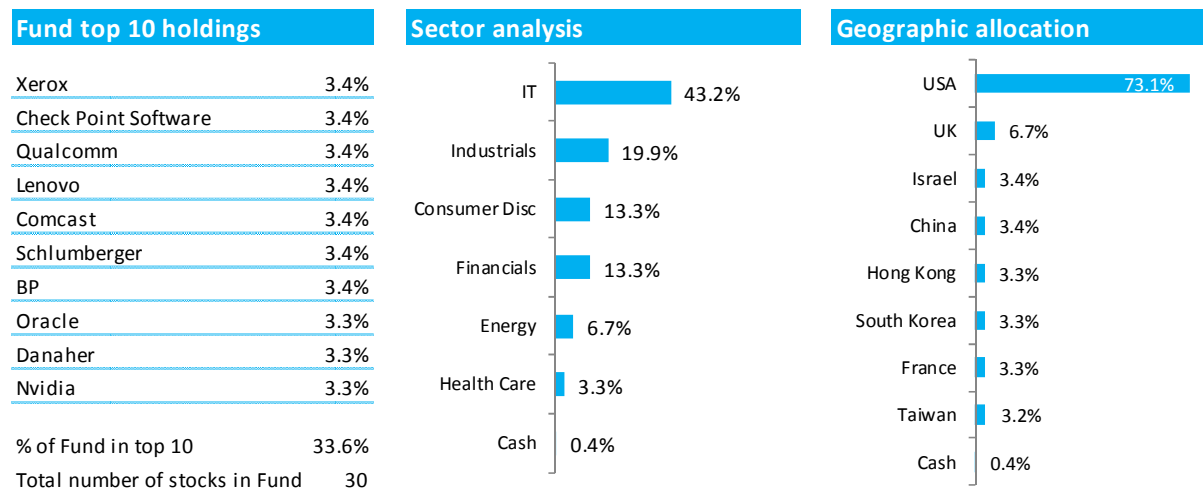
make in the Fund are companies with a geographically diverse revenue stream, and the Fund itself also has a reasonably wide dispersion of geographic listings. We spend the majority of our time looking at company fundamentals rather than trying to make predictions on the macro outlook, but currency moves and their effects (if large and/or persistent) can create both risks and opportunities. Today we feel we have reduced the risk to the portfolio by having a diverse group of global companies, and we will keep an eye out for any overreactions that could present attractive entry points for new positions.

We have also written a paper this month which details the investment process of the Fund; we hope this provides a good insight into how we look at growth companies and how we create the portfolio. As ever, if you have any questions or comments on this or any other aspect of the Fund, please feel free to get in contact. We thank you once again for your continued support.

Dr. Ian Mortimer & Matthew Page
Co-managers, Guinness Global Innovators Fund

March 2015

PORTFOLIO (28.02.15)



PERFORMANCE

Discrete years % total return (GBP)

12 months to month end:	Feb '11	Feb '12	Feb '13	Feb '14	Feb '15
Guinness Global Innovators strategy*	18.6	0.2	19.5	25.8	22.3
MSCI World Index	13.9	0.1	16.5	10.2	17.0
IA Global sector average	14.0	-0.4	11.9	9.3	11.8

Cumulative % total return (GBP)

28/02/2015	1 month	Year-to-date	1 year	3 years	5 years
Guinness Global Innovators strategy*	4.3	4.5	22.3	83.9	118.4
MSCI World Index	2.9	4.9	17.0	50.2	71.2
IA Global sector average	2.6	4.7	11.8	36.8	55.3

Annualised % total return from strategy inception (GBP) 28/02/2015

Guinness Global Innovators strategy*	12.71%
MSCI World Index	9.31%
IA Global sector average	8.77%

Risk analysis - Annualised, weekly, 5 years, in GBP

28/02/2015	Index	Sector	Strategy*
Alpha	0	-0.12	4.33
Beta	1	0.83	1.09
Information ratio	0	-0.30	0.73
Maximum drawdown	-18.26	-17.61	-25.41
R squared	1	0.79	0.84
Sharpe ratio	0.50	0.38	0.75
Tracking error	0	6.29	6.72
Volatility	13.83	12.81	16.47

Past performance should not be taken as an indicator of future performance. The value of this investment and any income arising from it can fall as well as rise as a result of market and currency fluctuations.

*Composite simulation of performance. Guinness Global Innovators Fund (UCITS) launched on 31.10.14. Performance data prior to this date is based on the actual returns of a US mutual fund managed by the same investment team using the same investment process as applied to the UCITS version. The past performance of the US mutual fund is not indicative of the future performance of Guinness Global Innovators Fund. Source: Financial Express, bid to bid, total return, in GBP.

Past performance should not be taken as an indicator of future performance. The value of investments and any income arising from them can fall as well as rise as a result of market and currency fluctuations.

Important information

Issued by Guinness Asset Management Limited, authorised and regulated by the Financial Conduct Authority.

This report is primarily designed to inform you about Guinness Global Innovators 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 Global Innovators 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.

Documentation

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

- the Manager: Capita Financial Managers (Ireland) Limited, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or,
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 14 Queen Anne's Gate, London SW1H 9AA.

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. The Fund has been approved by the Financial Conduct Authority for sale in the UK. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland

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'Île, 1204 Geneva, Switzerland.

Telephone calls may be recorded and monitored.

GUINNESS

ASSET MANAGEMENT LTD

Guinness Asset Management Ltd is authorised and regulated by the Financial Conduct Authority

Tel: +44 (0) 20 7222 5703

Email: info@guinnessfunds.com

Web: guinnessfunds.com