Guinness Global Innovators Fund

Innovation | Quality | Growth | Conviction

INVESTMENT COMMENTARY – October 2017

About the Fund

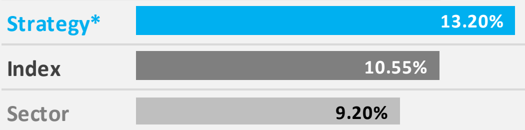
The Fund is a global growth fund designed to provide exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. The Fund holds a concentrated portfolio of large and medium-sized companies in any industry and in any region.

Fund size	$119m
AUM in strategy	$328m
Fund launch date	31.10.14
Strategy launch date	01.05.03
Managers	Dr. Ian Mortimer, CFA Matthew Page, CFA

Performance 30.09.17

Cumulative % gross total return (GBP)	1 year	3 years	5 years	10 years
Strategy*	24.4	61.5	164.1	230.4
Index	15.1	53.5	108.5	143.0
Sector	14.9	43.0	83.2	93.2
Position in sector	**12** /273	**30** /243	**3** /213	**5** /143

Annualised % gross total return
from strategy inception (GBP)



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, gross total return, in GBP.

Summary performance

In the month of September the Guinness Global Innovators Fund was down 0.28% (in GBP), versus the benchmark MSCI World Index down 1.76%. The fund therefore outperformed the index by 1.48% over the month.

Although dampened in September, the fund's good performance continued in the third quarter and it was up 5.06% (in GBP), outperforming the index by 3.44%. In the first half of this year, the fund outperformed the index by 4.69%.

Year-to-date the fund is now up 15.95% (in GBP), versus the benchmark MSCI World Index up 7.32% - an outperformance of 8.63%.

On top of the fund's outperformance against the benchmark over the past year, versus peers in the IA Global sector it ranks in the top decile for its one-year performance. The long-term performance of the strategy remains similarly strong versus both the index and the IA Global Sector, ranking in the top decile of the sector over both five and ten years.

Figure 1: Global Innovators strategy performance:

Fund Y-class, GTR in GBP to 30.09.17	1yr	3yr	5yr	10yr
Fund	24.4	61.5	164.1	230.4
MSCI World	15.1	53.5	108.5	143.0
IA sector average	14.9	43.0	83.2	93.2
Rank vs peers	12 / 273	30 / 243	3 / 213	5 / 143

Source: Financial Express

Quarter in Review

World equity markets had another strong quarter in which each month showed positive returns. The MSCI World Index finished up 4.96% (in USD). This followed a positive first half of 2017.

In July, we saw much political infighting, wars of words between countries and displays of military might. There were positive signals from a strong US earnings season and US companies overall beat expectations. The Fed's Open Market Committee (FOMC) left interest rates unchanged. President Trump's administration continued to dominate headlines around the globe. It emerged that his eldest son enthusiastically welcomed a purported offer of Russian government assistance to undermine Hillary Clinton's campaign in the middle of the 2016 presidential race, according to an email exchange that was released. The Republicans' seven-year battle to repeal Obamacare appeared almost fruitless after party leaders lost a Senate vote. The President's lack of control over Washington undermines the hopes for tax cuts and fiscal stimulus. This has resulted in broad downward pressure on the Dollar, with the dollar index hitting a 10-month low. Chinese president Xi Jinping acknowledged the recent cooling of the US-Chinese relationship, warning Donald Trump in a phone call of "negative factors" emerging in their bilateral relationship. Relationships were further strained by North Korea's claim of its first intercontinental ballistic missile test on the eve of America's July 4th Independence Day celebrations.

In August, President Trump was criticised for failing to condemn white supremacists specifically after the fatal Charlottesville clashes. In the controversy's aftermath, three of the administration's business advisory groups were dissolved. Hurricane Harvey caused havoc in southern Texas and the Houston area. Preliminary estimates of the economic losses were between $70 and $190 billion. North Korea riled both China, its main ally, and foes alike as it continued to test ballistic and nuclear weaponry. Another terrorist attack brought grief to Barcelona, with a further attack thwarted by Spanish authorities. North Korea tested the world's patience by firing a ballistic missile directly over Japan. China said the North Korean missile threat was reaching 'crisis point'. As a result, haven assets such as the Yen, Swiss franc and gold were up. Stocks slid mid-month in US and Europe, with sharper falls in Asia, although there was some recovery by the end of the month. In the European Central Bank's July policy vote, there appeared to be concern over the strength of the euro and in August, the single currency hit a two-and-a-half year high against the dollar. The ECB sought to decide on tapering its €2trn quantitative easing programme. Emmanuel Macron celebrated his first hundred days as President of France amid an improving economy but decreasing approval ratings.

As September marked the end of the summer, President Trump announced his long-awaited proposal for cutting US taxes. The plan aims to cut corporate tax to 20% (from its present 35%) and largely end taxation of non-US earnings. Since Trump's election, most of the expectation of tax cuts had faded, but this month saw a reversal, with the market pricing in at least a chance of a tax cut. With details still to be announced and a long road ahead before it is written into law, the market sees it as far from certain.

In Europe, Angela Merkel won her fourth term as German Chancellor, although the increase in support for the AfD, a right-wing nationalist party, has weakened her position and will see the first far-right party enter parliament for 60 years.

The UK Prime Minister, Theresa May, gave her third big speech on Brexit in Florence. In an attempt to progress negotiations with the EU, she proposed a transitional period of approximately two years after Brexit to minimise disruption. To secure this, she offered to honour financial commitments already made by the UK estimated at around €20bn. The British pound reached the highest level since the EU referendum against the dollar after the usually dovish Bank of England hinted at future rate hikes. There were fears of a US-UK trade war as Washington imposed a 219% trade tariff against the Bombardier, the Canadian aircraft maker, potentially risking thousands of jobs in Northern Ireland.

In Asia, China's ministry of commerce has ordered North Korean businesses to close with 120 days amid fresh UN sanctions imposed after the most recent North Korean missile tests. The equity markets have largely shaken off the worries regarding the ongoing crisis, but without wholly ignoring the situation.

Equity markets have continued through Q3 with an extension of the broad-based rally seen in Q2. Developed market equities all performed well, with Europe leading the ascent (S&P500 +4.5% Q3, +14.2% YTD, FTSE100 +4.9% Q3, +15.7% YTD, Euro STOXX +8.4% Q3, 25.8% YTD, all total return in USD). Emerging market equities (MSCI EM +8.0% Q3, +28.1% YTD) and Asian equities (MSCI AC Asia-Pac ex Japan +6.1% Q3, +27.4% YTD) have continued to rally throughout 2017 after recovering from weaker performance in late 2016. In the second half of September, Emerging Markets and Asia sold off as the dollar climbed on President Trump's reignited efforts for tax reform in the US and hawkish comments from the Federal Reserve Chair Janet Yellen.

The sectors that did well in Q3 were Energy, Industrials and Financials, while Utilities, Real Estate and Consumer Staples lagged. Energy has now recovered nearly all of 2017's losses. Utilities and Consumer Staples have generally continued the trend from last quarter, underperforming the index slightly.

Performance drivers

Chart 1 shows the positioning of the fund by sector. Our overweight relative to the benchmark in Information Technology (c.30% overweight as at 30.09.2017) and our underweight positioning in Consumer Staples (c.9% underweight) were positives during the quarter. The largest sector underperformance was in Materials (representing a c. 5% underweight versus the benchmark) and Energy (c. 3% underweight). Energy has seen a turnaround in performance in September. For most of this year the Energy sector has suffered from low oil prices. The chart below shows the sector breakdown of the fund in absolute terms and relative to the benchmark to highlight any over/underweights.

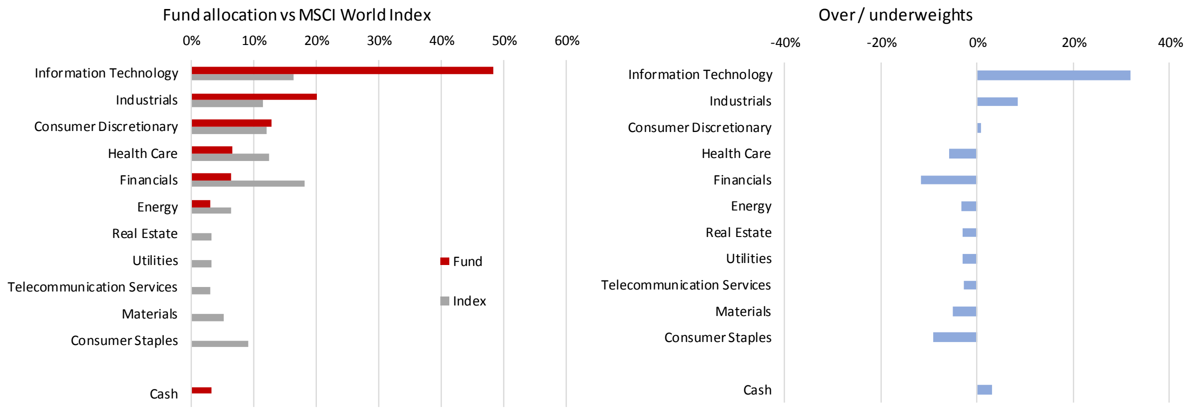


Chart 1: Sector breakdown of the fund versus MSCI World Index. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

In terms of US exposure, the fund is in line with the benchmark (as measured by country of domicile) with a c.62% weighting to the US (as at 30.09.2017) - this made no discernible difference to performance last quarter.

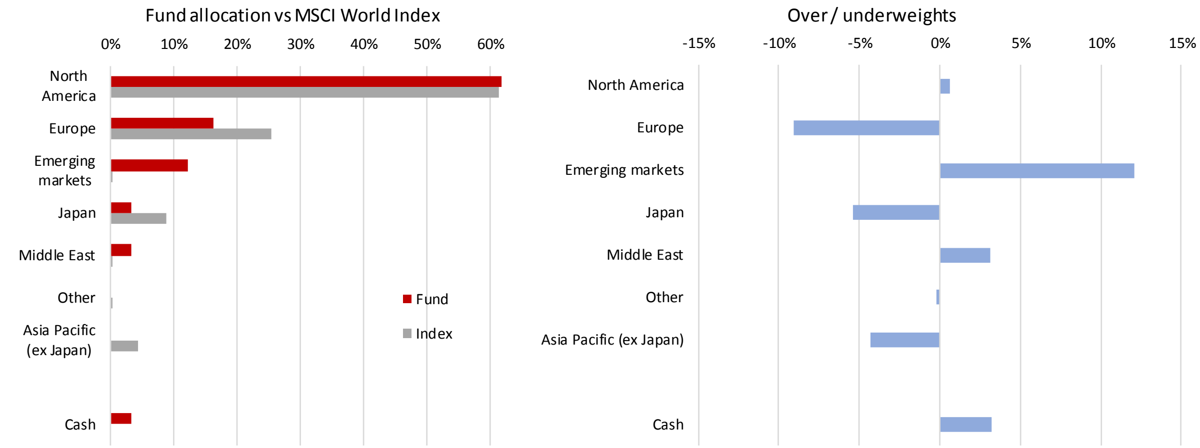


Chart 2: Geographic breakdown of the fund versus MSCI World Index. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

There was a recovery in small-cap stocks in September, after initially underperforming mid to large-caps in July and August. In part, this was due to renewed hopes of a corporation tax cut in the US which would potentially help smaller, more domestically-focused stocks more than globally diverse businesses. The MSCI World Small Cap Index is heavily weighted to US small caps, with a 55% weighting.

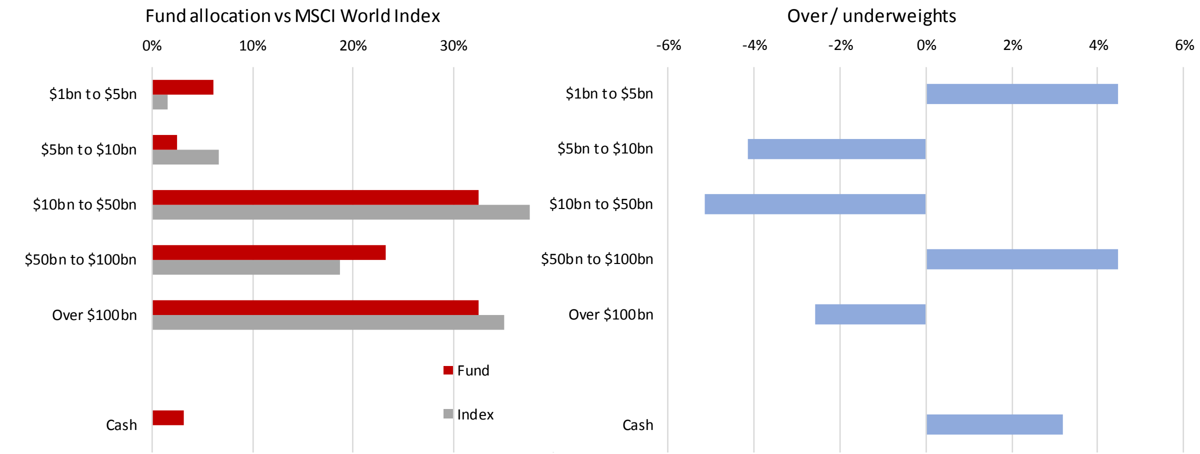


Chart 3: Market capitalisation breakdown of the fund versus MSCI World Index. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

Individual companies that performed well over Q3 were AAC Technologies (+34.7% total return in USD), Boeing (+29.3%), Applied Materials (+26.4%), New Oriental Education (+25.9%) and Nvidia (+23.8%).

AAC Technologies, manufacturer of acoustic components for smartphones, has seen a boost in sales following their Q2 2017 earnings release in late August. It also reported improved diversification across product lines and achieved a high gross profit margin of over 40%. AAC did see some pullback after the iPhone 8 went on sale in late September, when reports of smaller crowds at Apple stores fuelled speculation that sales would be lower.

Boeing reported strong second-quarter results and boosted its core earnings per share forecast for the full year in new guidance which exceeded the highest analyst estimate. Even though sales were lower than expected, the shares rose strongly. The profitability of its 787 Dreamliner contributed to strong cash flow. The world's biggest plane maker is focusing on streamlining production of the new 737 MAX models and finishing development of other forthcoming planes. The company also benefited from cost-cutting. September saw Boeing increase production expectations of its 787 Dreamliner from 12 to 14 planes per month in 2019, which was positively received by the market.

New Oriental Education, a private education provider, made early gains in July following a positive research note and positive sentiment. Later in the month the company reported fourth-quarter earnings, beating the average analyst earnings estimate by 4%. Despite this robust performance, the stock lost some of its gains towards the end of the month due to slightly weaker revenue guidance, against investors' high expectations. As the quarter progressed, there was positive sentiment regarding enrolment rates and retention rates. This contributed to the expectation that New Oriental Education is accelerating its market share growth and utilising the scalability of its online platform.

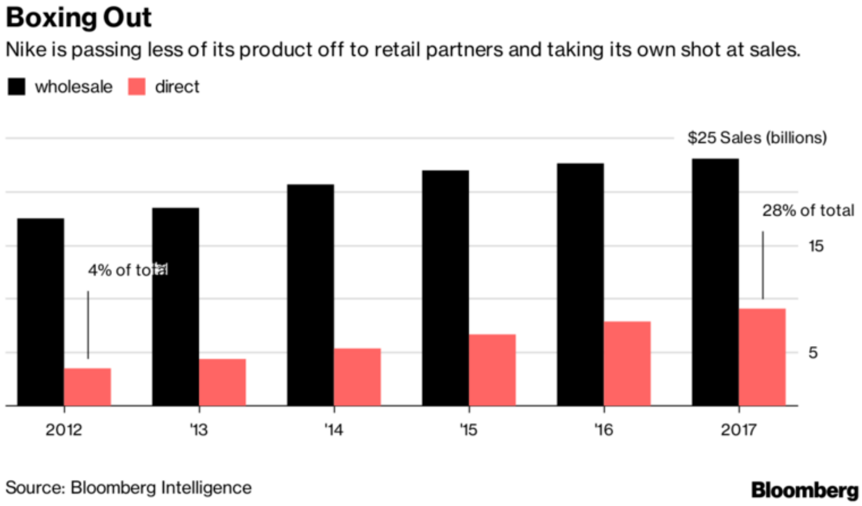
Applied Materials, the semiconductor equipment manufacturer, beat earnings expectations in the middle of August, without much reaction from the market. During September the stock rallied due to two positive analyst reports. The stock further rallied as the company announced a new $3bn share repurchase plan and outlined its growth plan through 2020, which was positively received by the market.

Nvidia continued to rally due to its exposure to several of the fastest growth secular end markets, which received positive news throughout the quarter. As cars become more complex there is increasing semiconductor sales to the auto industry. There has been strong computing demand from a resilient gaming sector and the new impact of cryptocurrency mining, which requires intensive processing power. Tailwinds continue for cloud computing and the related impact on data centres. Several analysts increased their price targets for Nvidia on renewed expectation that their earnings will continue to grow.

Individual companies that underperformed over Q3 were Catcher Technology (-19.6% total return in USD), Nike (-11.8%) and Shire (-7.6%).

Catcher Technology, manufacturer of aluminium and magnesium casings for notebook computers and smartphones, had a weak July due to poor Taiwan tech sales. In early August, Catcher recovered July's losses and continued to rally due to renewed expectation of strong iPhone demand, following positive earnings from Apple. Catcher reported earnings which failed to meet this expectation, and the rally ended. September saw sentiment turn negative as Apple released its latest iPhone suite. There was a general downward trend for Apple suppliers as previously high expectations turned to doubts over whether demand would meet market expectations. Catcher had risen 84% (total return in USD) in the first 8 months of 2017.

Nike reported its slowest quarterly sales growth since 2010. More positively, its attempts to cut out the middleman and sell direct to customers have had some success. It reported web store sales increasing by 19%, while its retail shops increased like-for-like sales by 5%. As you can see from the chart below, Nike has increased its direct sales from 4% of total sales in 2012 to 28% in 2017.



Nike seem focussed on price segmentation. In their high-end flagship stores, such as a studio in New York, you can have a customized pair of shoes made on-site in about an hour. Their less popular shoes are fed into their outlet stores and onto Amazon. So far, the market has not been convinced, as reflected in their short-term performance.

Shire, the UK-listed biopharmaceutical company, beat 4Q revenue estimates. However, the share price suffered with negative sentiment, staff dissatisfaction and the loss of its CFO and Head of Research. Shire continues to face challenges over its merger with US-based Baxalta.

Changes to portfolio

We made two changes to the portfolio in the quarter: we bought Facebook and Continental and sold Gilead and Qualcomm.

GILEAD QUALCOMM®

Gilead, the US-based biopharmaceutical company, has been held in the fund since October 2010. It has done well from its innovative Hepatitis C and HIV drugs, but is losing market share due to competition and pricing from generic products, in part due to the expiration of a patent for an active ingredient in some of its key drugs. This has started to erode revenues and earnings and the amount of debt has been rising, albeit alongside a large cash pile. We therefore decided to sell our full position in Gilead. The stock has been one of our most successful holdings, rising almost 400% over our holding period while the market 'only' rallied around 100% (total return in USD).

Qualcomm, the US multinational semiconductor and telecommunications equipment company, designs chips for 3G and next-generation mobile technologies. The company has been held in the Global Innovators Fund since October 2013. Qualcomm's sales may be impacted by lawsuits against its royalty model from Apple and stressed by a falling share of the smartphone chip market. Qualcomm also faces revenue pressures as smartphone shipments slow and prices for its chips drop amid rising competition among chip manufacturers. In addition, we believe over the next few years we will see more in-house chips from the major smartphone manufacturers. For these reasons, in combination with a declining cash flow return on investment, we decided it was time to sell our entire position in Qualcomm.

We bought Facebook, the social media company, on the prospect of continued strong earnings growth which we believe the market is not appreciating. The company generates revenue through targeted advertising to over 2 billion users who regularly use its social media platform. There is significant earnings potential in Facebook's unmonetized apps such as WhatsApp and Messenger, which each have significant user bases. There is upside potential in the average revenue per user (ARPU) growth in the US, where Facebook still accounts for a relatively small percentage of the total revenue spend per person. There is also upside potential in ARPU in the rest of the world, especially Europe and Asia. In our upside case we note that user growth could accelerate in Asia, particularly in India. Facebook's cash flow return on investment has grown considerably over the last few years. Combined with a strong balance sheet (with no debt) and stable-to-growing margins, we think this makes Facebook a good addition to the portfolio.

In the quarter we also bought Continental, the German automotive manufacturing company traditionally known as a tyre manufacturer. Today, over half its revenue comes from automotive systems, which cover a range of innovative technologies set to improve the automotive industry. Continental has expertise in safety technologies, efficiency improvement in internal combustion engines, battery management systems, and comfort and security. It is well positioned to take advantage of a shift towards smarter and connected cars and autonomous driving. Continental has a stable and high cash flow return on investment, low debt, and margins which are higher than its peers, indicating its leading position in the tyre and automotive industry.

Positioning

The chart below shows the geographic weighting of the portfolio both in terms of where the companies are domiciled and where their revenues come from – which can be more illuminating.

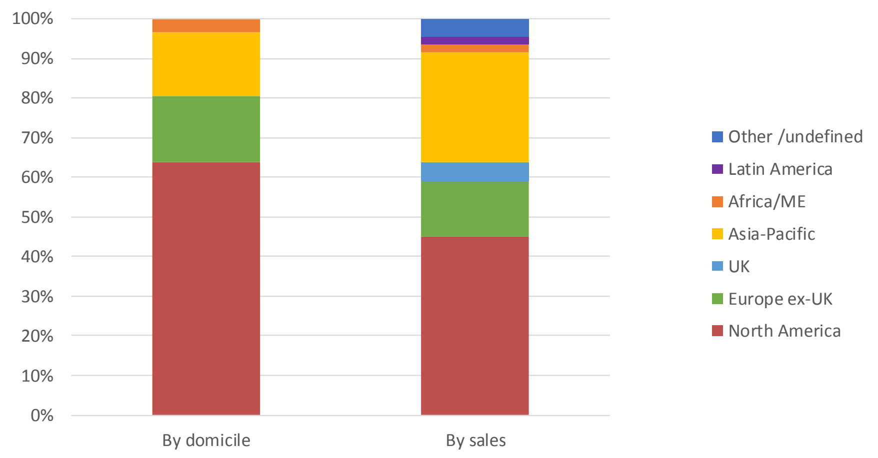


Chart 4: Geographic breakdown of the fund. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

We would note two main points; (i) the lower exposure to the US by revenues (c.45%) versus by domicile (c.62%), which arises because some companies are domiciled in the US but have large global exposure (such as Applied Materials); and (ii) the larger exposure to Asia by revenues (c.28%) than by domicile (c.15%).

In terms of sector weightings, the fund has zero weighting to Utilities, Materials, Telecoms, Consumer Staples and the newly created Real Estate sector (previously included in Financials but now counted separately by MSCI). The largest overweight positions are in Information Technology and Industrials. In respect of the large overweight position to Information Technology it is worth noting that it is split between the three different subsectors of semiconductors (c.14% of the portfolio), software and services (c.20%), and technology hardware (c.15%).

To put this data into a historical context (for the fund at least) the two charts below show how the exposure of the fund has evolved since we launched the strategy back in 2003.

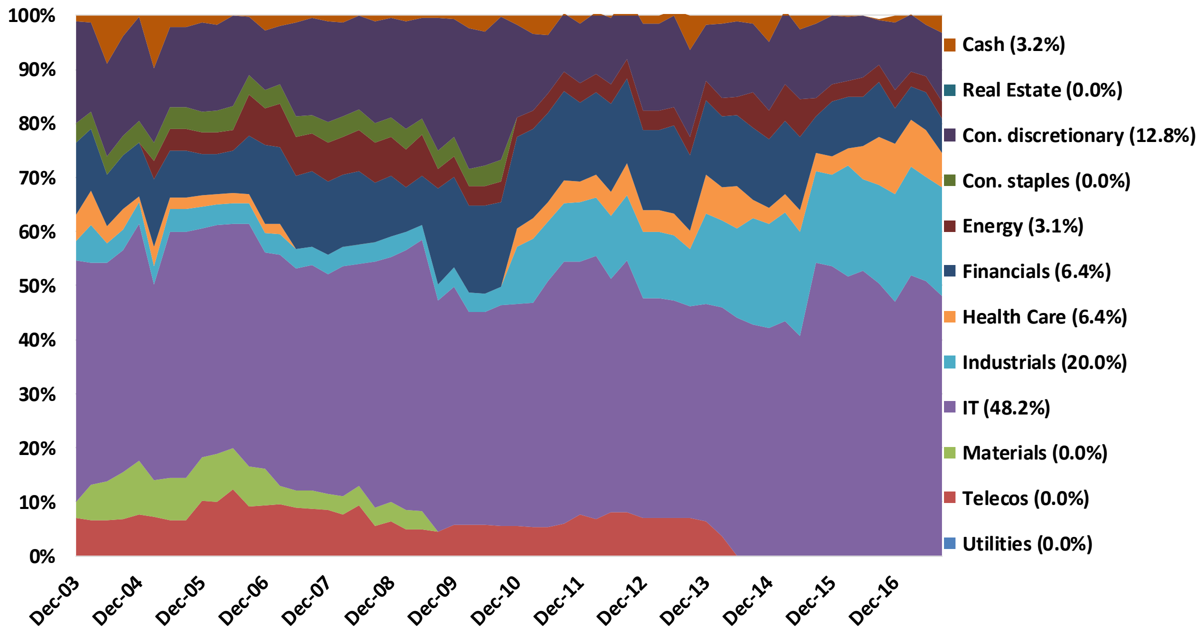


Chart 5: Sector breakdown of the fund since launch. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

The effect of the two portfolio changes in the last quarter was that the exposure of the fund to Health Care decreased with the sale of Gilead and our exposure to Consumer Discretionary increased with the purchase of Continental AG. We sold Qualcomm and bought Facebook, which are both within the Information Technology sector.

From a geographic point of view, we increased our European exposure and reduced our US exposure.

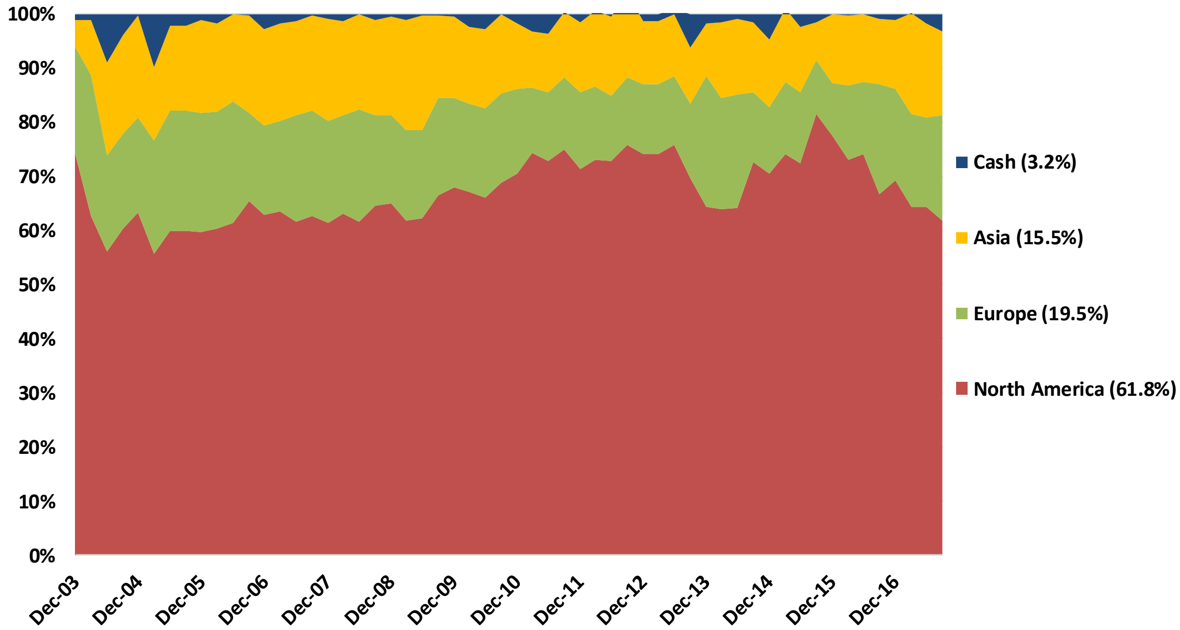


Chart 6: Geographic breakdown of the fund since launch. Guinness Asset Management, Bloomberg (data as at 30.09.2017)

Key fund metrics today

The four key tenets to our approach are innovation, quality, growth, and conviction.

		Fund	MSCI World Index
Innovation	R&D / Sales	8%	6%
	CAPEX / Sales	7%	9%
Quality	CFROI (2016)	18%	11%
	Weighted average net debt / equity	-7%	74%
Growth (& valuation)	Trailing 3 year sales growth (annualised)	11%	4%
	Estimated earnings growth (2018 vs 2017)	13%	9%
	FCF yield	4.7%	4.8%
	PE (2017e)	18.5	17.6
Conviction	Number of stocks	30	1652
	Active share	94%	-

Chart 7: Portfolio metrics versus index. Guinness Asset Management, Credit Suisse HOLT, Bloomberg (data as at 30.09.2017)

As the table above shows, the fund still has superior characteristics to the broad market, with higher spend on intellectual property, lower capital intensiveness, far higher cash flow returns on investment, net cash, and higher growth prospects – but only a modest premium in terms of valuation.

Is the Information Technology Sector overvalued?

The question has been asked over the last few months whether IT stocks are overvalued. To address this, it is important to look back at the IT sector versus the broader market and versus its own history. Below we compare the US IT sector to the S&P 500 – the US being the focus of concerns about valuations and the sustainability of the growth through the year so far.

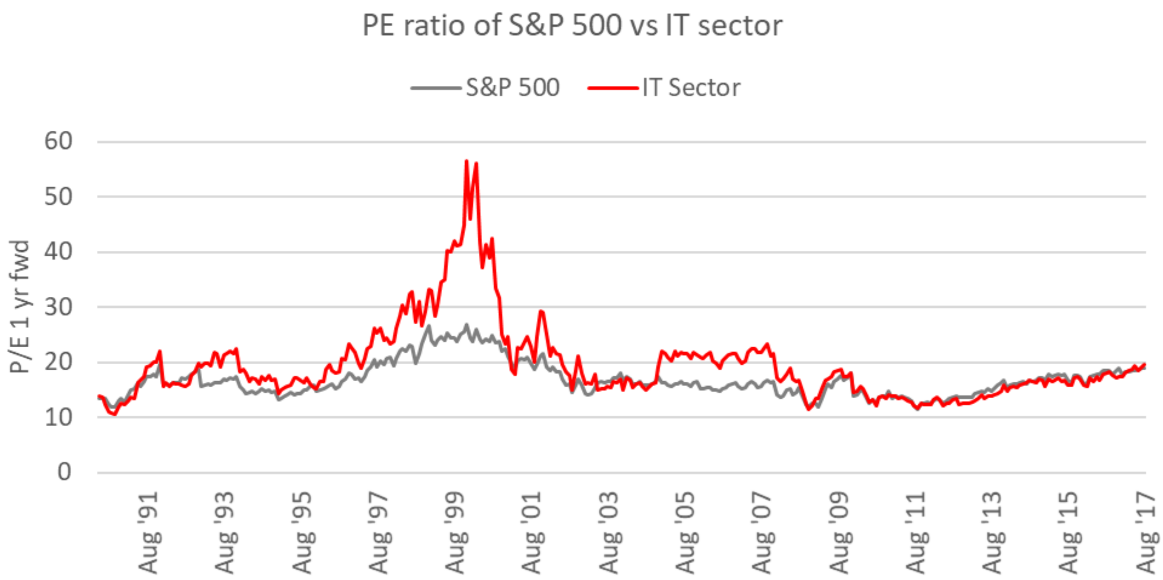


Chart 9: US IT Sector is not expensive relative to the S&P 500

From Chart 9 it can be seen how overvalued the US IT sector got during the dot-com bubble in 2000 and to a lesser but significant extent from 2004 until the Financial Crisis. Noticeably, IT Sector valuations on a P/E 1 year forward basis have been fairly stable and in line with the S&P 500 since 2009, with only relatively minor divergences.

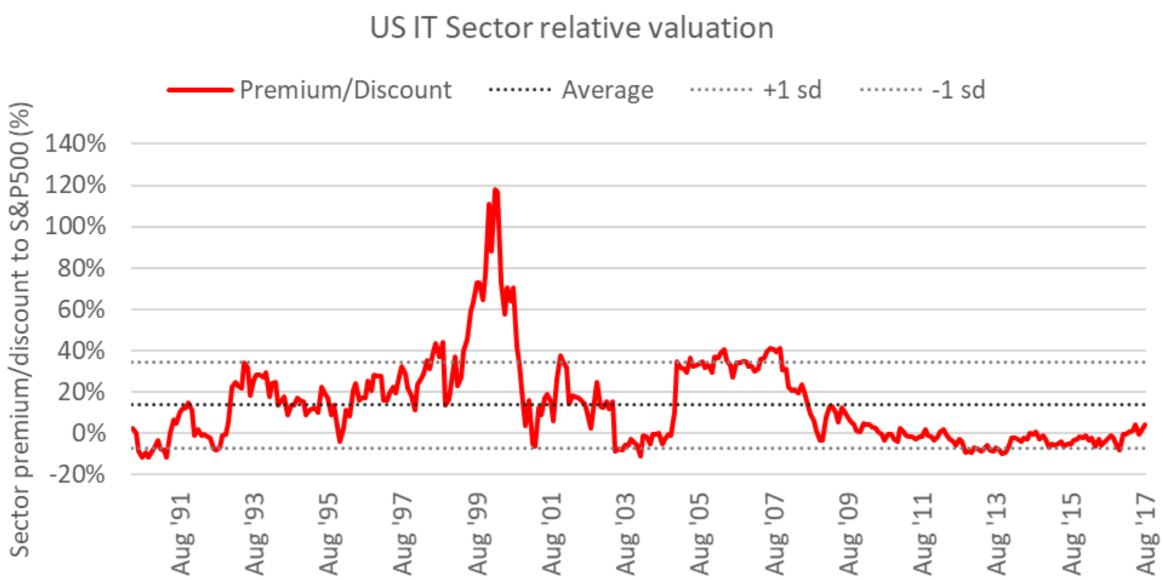


Chart 10: US IT Sector is looking relatively cheap relative to its historic average

As shown in Chart 10, the US IT sector has historically traded at a slight premium relative to the S&P 500. Current valuations indicate that the US IT sector is around half a standard deviation below this long-term historic average.

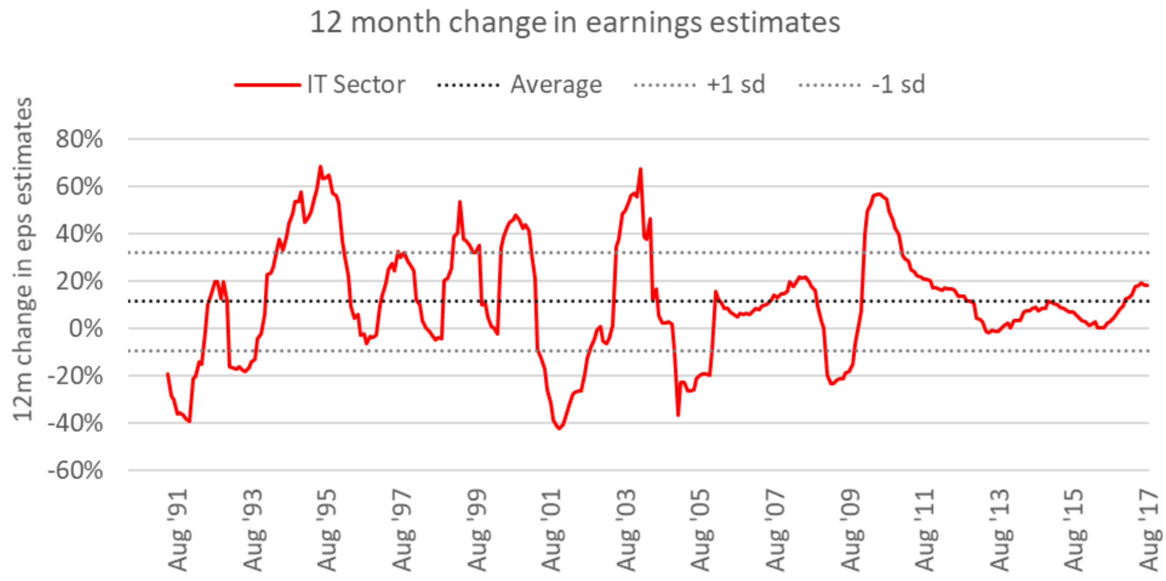


Chart 11: Earnings growth is above historic average

Taking the long-term average of the 12-month change in earnings estimates, Chart 11 indicates that earnings growth is above the historic average.

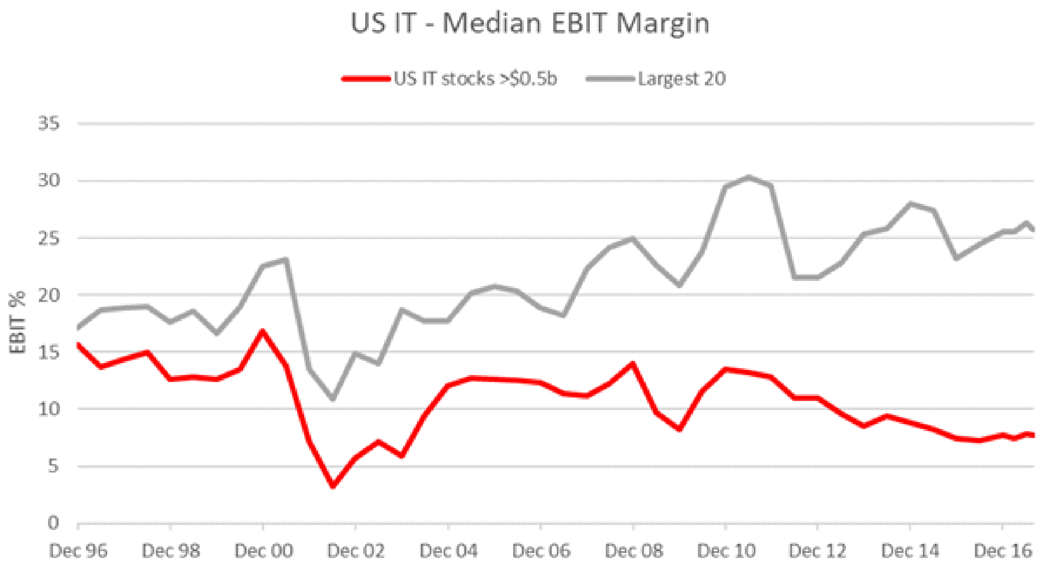


Chart 12: Larger IT companies are generating the best margins

Not all companies are created equal; averaging a sector can cloud interesting and useful insights. The largest 20 IT stocks' median EBIT margin has increased or at least remained around 25%. On the other hand, US IT stocks with a market capitalisation of more than $0.5bn have diverged from a similar starting point in 1996 to less than 10% this year.

The companies we look at for the Global Innovators Fund have moderate growth, strong balance sheets and often high margins. Even for these high-quality growth companies, however, we don't wish to pay any price.

We believe care should be taken when paying upfront for future expected growth. We therefore employ a value discipline. This is reflected in the portfolio, which today trades at only a small premium to the broader market (as indicated in Chart 7).

Outlook

Generally speaking, the fund has outperformed in periods of rising markets and underperformed slightly in periods of falling markets. Its recent outperformance, therefore, is what we would expect as the more cyclical parts of the market, and in particular Information Technology, have performed well.

As noted above, and as a result of the outperformance seen this year, the fund is now trading at a small 5.2% premium to the broad market on a PE ratio basis (fund 18.5x 2017 expected earnings vs MSCI World Index 17.6x) after trading at a discount for much of 2016. The longer-term premium of the fund versus the broader market has been in the 10-20% range, so we still believe the portfolio offers good value relative to the market today. Moreover, when we look at the portfolio on an expected earnings growth basis the portfolio is expected to have good growth prospects relative to the index (with 13% expected earnings growth vs MSCI World Index at 9%).

We thank you for your continued support.

Portfolio Managers
Dr Ian Mortimer, CFA
Matthew Page, CFA

Analysts
Joshua Cole
Sagar Thanki

PORTFOLIO

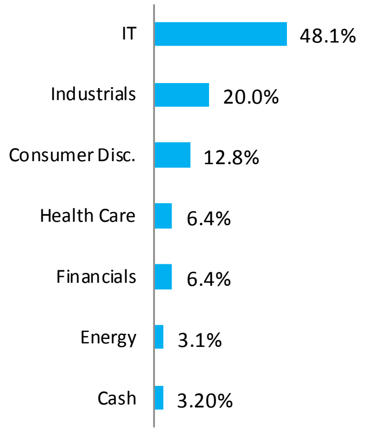
30/09/2017

Fund top 10 holdings

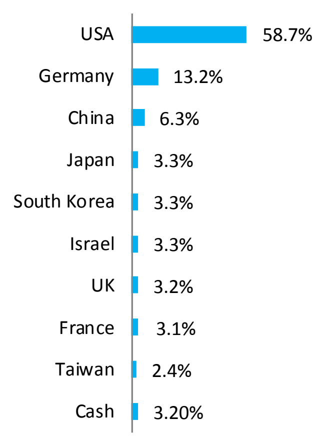
Boeing	3.8%
Paypal	3.7%
Applied Materials	3.5%
Continental	3.5%
Nvidia Corp	3.4%
Infineon Technologies	3.4%
Roper Industries Inc	3.4%
Intercontinental Exchange	3.4%
New Oriental Education	3.4%
Fanuc Corp	3.3%

% of Fund in top 10	34.7%
Total number of stocks in Fund	30

Sector analysis



Geographic allocation



30/09/2017

Annualised % gross total return from strategy inception (GBP)

Guinness Global Innovators strategy*	13.20%
MSCI World Index	10.55%
IA Global sector average	9.20%

Discrete years % gross total return (GBP)

	Sep '13	Sep '14	Sep '15	Sep '16	Sep '17
Guinness Global Innovators strategy*	33.4	22.6	-1.8	32.1	24.4
MSCI World Index	20.6	12.7	2.1	30.5	15.1
IA Global sector average	18.8	7.9	-1.4	26.1	14.9

Cumulative % gross total return (GBP)

	1 month	Year-to-date	1 year	3 years	5 years	10 years
Guinness Global Innovators strategy*	-0.3	16.0	24.4	61.5	164.1	230.4
MSCI World Index	-1.8	7.3	15.1	53.5	108.5	143.0
IA Global sector average	-1.4	8.7	14.9	43.0	83.2	93.2

RISK ANALYSIS

30/09/2017

Annualised, weekly, 5 years, in GBP	Index	Sector	Strategy*
Alpha	0	0.88	3.69
Beta	1	0.81	1.10
Information ratio	0	-0.33	0.91
Maximum drawdown	-14.03	-17.08	-17.14
R squared	1	0.80	0.87
Sharpe ratio	0.96	0.87	1.20
Tracking error	0	5.50	5.43
Volatility	12.34	11.17	14.55

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Source: Financial Express, bid to bid, gross total return, in GBP

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. 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'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 may be recorded and monitored.