GUINNESS

Asian Equity Income Fund

ELITE RATED by FundCalibre.com™

Annual review

2019

Edmund Harriss & Mark Hammonds, CFA
Portfolio managers

Sharukh Malik
Analyst

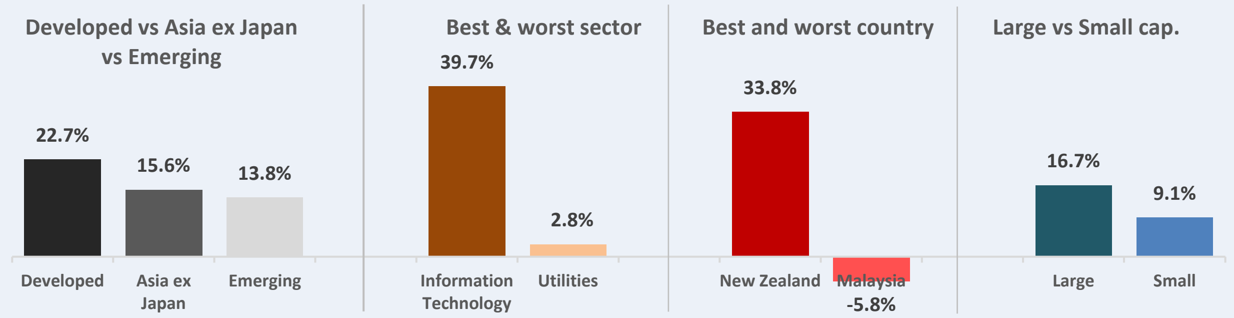
GUINNESS ASSET MANAGEMENT

2019

Fund size
Start of year £93m
End of year £179m

What happened in Asia and the world?

- Trade tensions between the US and China escalated in May and tariffs were increased. Tensions rose further in August as the US proposed a new round of tariffs.
- In September trade talks resumed, and additional tariffs were deferred amidst talk of a 'Phase One deal' to be signed in January.
- Hong Kong was wracked by unrest, initially following the government's attempt to introduce an extradition bill allowing the transfer of suspects to China. The protests spiralled, leading Hong Kong into recession and a toxic political environment.
- South Korea found itself in dispute with Japan following a civil court ruling on Japanese wartime reparations. A trade dispute followed, with a possible ban on key materials associated with advanced technology manufacturing.
- In June there was a trilateral summit between the US, North Korea and South Korea which agreed to restart denuclearisation talks. Little progress has been made since.
- In August India revoked Kashmir's special status previously afforded under the constitution. This was followed by a supreme court decision in November to award the holy site of Ayodhya to Hindus and reject the Muslim claim.
- The US Federal Reserve cut interest rates three times in 2019 to a range of 1.5% to 1.75%.



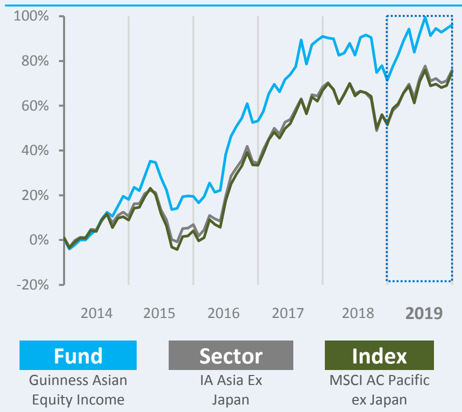
Total return in GBP; MSCI World & MSCI Emerging Markets Index; MSCI AC Pacific ex Japan; individual MSCI World GICS sectors.

What happened in the Fund?

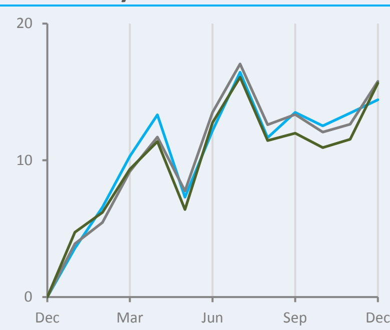
- The Fund rose 14.4% in 2019, compared to the MSCI AC Pacific ex Japan NTR Index which rose 15.7%.
- The Fund ended the year on a price to earnings ratio (PER) of 13.2x 2019 and 12.4x 2020 estimated earnings; this puts it at a 14.5% discount to the market's 2019 PER and at 10.2% discount to 2020.
- We bought five new positions: China Medical System, China Resources Gas, Ping An Insurance, Godrej Consumer Products and Tech Mahindra.
- We sold five positions: Asustek Computer, China Minsheng Banking, Delta Electronics Thailand, Industrial & Commercial Bank of China and Pacific Textiles.
- India was added to the portfolio for the first time and Chinese banking exposure was reduced.
- Portfolio changes were focused on reducing exposure to pure value stocks and emphasise the quality of dividend growth.

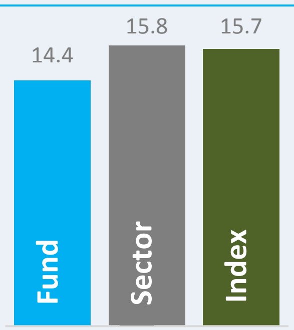
Performance (%)

Cumulative since launch



Calendar year 2019





Cumulative % gross total return, in GBP.
Source: Financial Express, Y Class (0.99% OCF)

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 fluctuation

2019 in Review

The Guinness Asian Equity Income Fund rose 14.4% (Class Y shares, total return in GBP) compared to its benchmark, the MSCI AC Pacific ex Japan Net Total Return Index, which rose 15.7%. The Fund 'captured' 92% of the market's rise, which is ahead of what we might usually expect. Two thirds of the return came from capital appreciation and one third from the dividend. The distribution of dividends received in 2019 for Class Y shares was 43.1 pence per share and compares to 41.9 pence per share for 2018. This equated to a yield of 4.0% based on the year-end share price.

Dividends from portfolio securities are paid in local currency and received in the Fund's base currency, the US dollar. The Fund's distributions are calculated according the currency denomination of the relevant share class against the US dollar. Thus the dividend growth we report of 2.9% in 2019 is affected by underlying company dividend growth, by changes to portfolio securities during the year and by currency fluctuations. We made five changes to the portfolio over the course of the year, while sterling appreciated 4.0% against the dollar in 2019 over 2018 based on an average of month-end exchange rates.

Out of thirty-six holdings we received full-year dividend payments for thirty-two of them, making them comparable to 2018. For this group, dividends received in local currency rose a little above 3%. We excluded special dividends from this calculation, to gain a sense of how underlying operating performance translated into ordinary cash distributions. There was of course a large spread in the range of dividend growth, with 40% from Thai finance company Tisco and a contraction of 32% from AAC Technologies. Indeed, AAC and Elite Material, whose dividend contracted by 21%, were the two weakest in terms of dividend growth; they were however, among our best performers for the year, rising 50% and 110% respectively in GBP terms.

Market (and Fund) performance was bookended by strong rallies at the beginning and end of the year and marked weakness in the middle. The ebb and flow of the trade dispute between the US and China resulted in significant valuation contractions and expansions amongst our north Asia and technology holdings. Trade was not the only issue. China is also in the midst of a structural growth deceleration which has been exacerbated both by trade matters and by China's need to address legacy debt issues. Indeed, most countries have had to contend with political or economic headwinds this year, be it Korea's trade dispute with Japan coupled with slowing domestic growth, banking issues in India along with signs of religious tensions, slower domestic growth and currency strength in Thailand – not to mention North Korea and Hong Kong. There has been plenty to occupy the mind.

The median estimate from the Bloomberg consensus for economic growth in the Asia ex-Japan region is 5.3% for 2019 compared to 6.0% growth in 2018; China's growth is expected to be 6.1% while the economies of Australia, Korea and Singapore are likely to have grown less than 2%. Hong Kong's economy is expected to contract. But this has not been a bad year for our companies. Consensus earnings estimates for the market have been revised down significantly over the course of the year, but we saw positive revisions coming through at the end of the year, especially in technology and 5G-related businesses. Earnings in Asia Pacific are now expected by the consensus to rise 1.1% for 2019. Earnings for the portfolio are forecast to rise 3.3%.

There were five changes to the portfolio last year. One was imposed upon us by the effective privatisation of Delta Electronics Thailand by its Taiwanese parent company. The other four reflected a desire to strengthen the portfolio's dividend growth profile and remove some of the deeper value names. The stocks we sold (Asustek Computer, China Minsheng Banking, Industrial & Commercial Bank of China and Pacific Textiles) all offered higher dividend yields but little if any profit/dividend growth. The expected return profile was therefore focused on the yield and the prospect of valuation expansion from depressed levels.

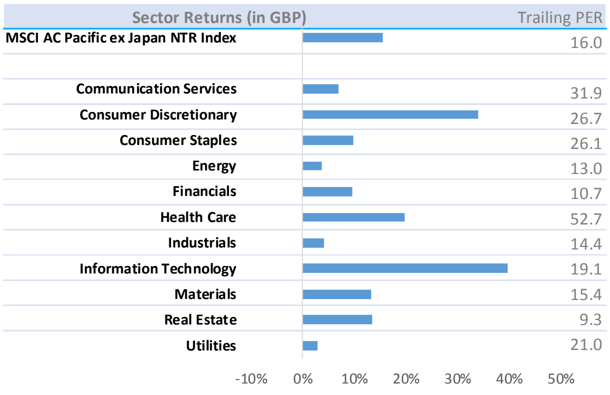
In our view, both macro and market conditions are likely to become more challenging in the next couple of years. This, in our opinion, will make it less likely the market will reward those companies for whom the path to profit and dividend growth looks unclear with higher valuations. The replacements (China Medical System, China Resources Gas, Godrej Consumer Products, Ping An Insurance and Tech Mahindra) all trade on higher valuations and offer lower yields than those we sold, but higher dividend growth. We expect these to make more balanced contributions to overall return between earnings, dividends and a higher valuation. The overall portfolio valuation at the year end was still at a 15% discount to the market and the yield was 4%, while earnings growth for 2019 still look better than the market.

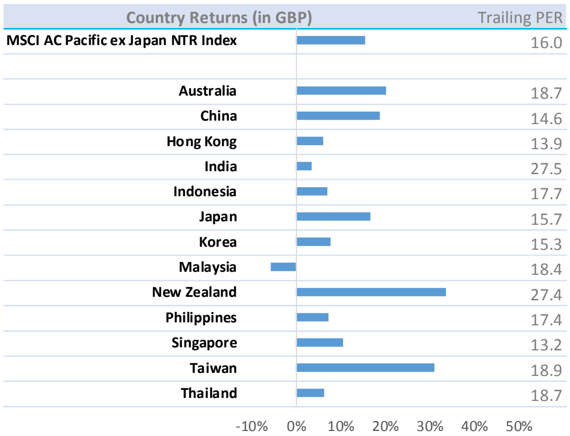
Amongst those changes were two new positions in India, which makes its first appearance in the portfolio. We have been cautious on the Indian market in recent years as positive sentiment surrounding investors' assessments of expected economic and administrative reforms drove up valuations. In the past twelve months some of the gloss has come off. As we have seen in China, the hard realities of scale, difficulty and impact of financial and administrative reforms have become evident. Economic growth has decelerated for three years in a row and is likely to end this fiscal year at 5% (or less) in inflation-adjusted terms. Five interest rate cuts this year from 6.5% to 5.2% (as measured by the central bank's 14-day repurchase rate) and central bank efforts to keep a lid on long-term government bond yields are defensive measures, because with consumer spending in the doldrums and with both central and state governments running deficits, government spending – which is the one growth driver left – seems likely to be pared back. It is in this sort of environment that we think we are likely to find opportunities.

In the remainder of this report we will discuss the performance drivers of the portfolio, what worked and what did not, and then review the stock changes made in 2019 before concluding with a brief outlook.

Market and Fund performance

The MSCI AC Pacific ex Japan Net Total Return Index rose 15.6% in sterling terms in 2019. The charts below show the market performance of countries and sectors as measured by relevant MSCI indices.





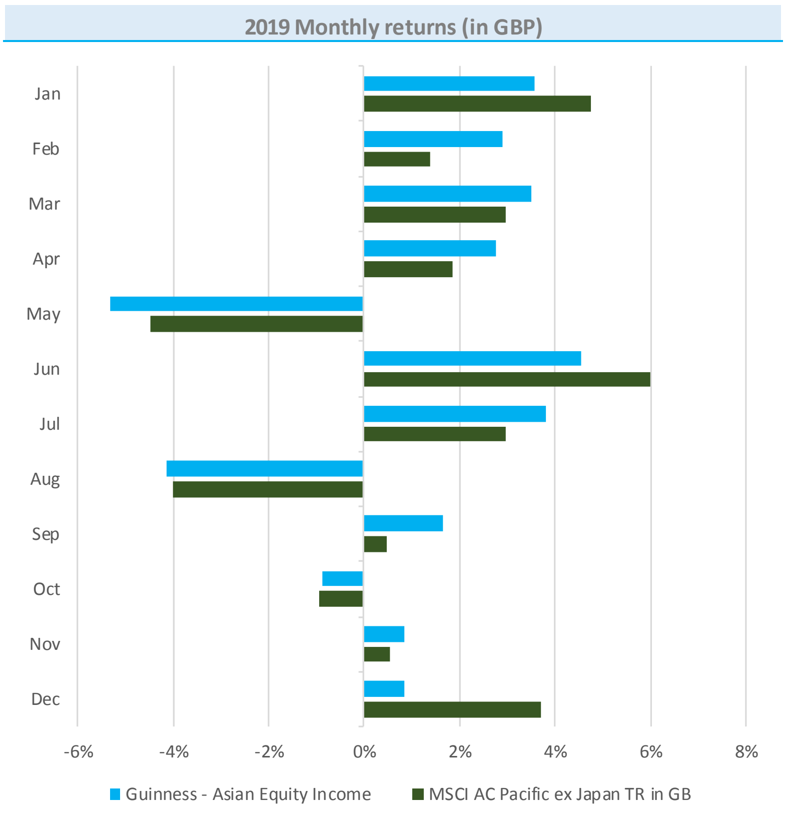
Source: Bloomberg

The best-performing markets over the year were Australia, New Zealand, China and Taiwan. From a top-down perspective, it may seem counter-intuitive that in a year when trade tensions were running high the best markets were not only the safer havens but also those perceived to be in the eye of the storm but of course, they have followed rather different paths. The explanation lies in the sharp recovery in the last three months of the year as President Trump pared back his trade rhetoric. In China, this was evident most especially amongst Consumer Discretionary names, which include many of the China internet companies listed in the US and is the largest component of the MSCI China Index. Chinese Real Estate, Health Care, Technology, Materials and even Consumer Staples, which together account for 20% of the Index, all rose significantly, driven mostly by valuation expansion rather than earnings. Australia's performance, however, was much more broad-based and spread across the year. All sectors outperformed apart from Utilities, Technology and the troubled financial sector.

Whereas Consumer Discretionary sector performance in Asia was largely led by China, the best-performing sector in the region overall was Information Technology and Taiwanese technology in particular. Technology accounts for 63% of MSCI Taiwan and accounts for over 50% of Technology's weight in the regional benchmark. The sector's rally began in September was driven initially by an improving outlook for semiconductors, especially in memory chips, which was augmented by a better reception to the new iPhone by raising hopes for 5G telephony and the consequential boost to the component supply chain, as well as by reduced trade concerns.

Stock market returns in India, Indonesia, Malaysia and Thailand were notably weaker on slowing domestic growth while Singapore benefitted from its developed market and relatively safer-haven status. Korea was weaker last year as the country faced trade pressures on two fronts: from Japan as well as the overspill from the China-US dispute. Thailand was an interesting case because economic growth has been held back by its unusually strong currency, which closed the year below THB30 to US$1 for the first time since 1996. The Baht's 9% appreciation against the dollar made it the region's best-performing currency in 2019, but it has hurt Thailand's export and tourism industries, which together account for 70% of economic output, giving the central bank's policymakers an unexpected headache. The response so far has been to try and tackle currency traders by cutting interest rates, to 1.25% and limiting capital inflows. The longer-term task should be to focus on improvements to productivity and skills. Average annual incomes in Thailand are $7,000 and the dreaded middle-income trap (said to be around the $10,000 level) is approaching.

The chart below shows the performance of the Fund against its benchmark index month by month.



Source: Class Y (0.99% OCF), Financial Express

In 2019 the Fund rose 14.4% (Class Y shares, total return in GBP) with two thirds of this coming from capital appreciation and one third from income. This split is in line with what we expect to see. As we have said in the past, we believe that a sustainable income strategy should be built upon investment in companies which are cash generative and have both the capacity and opportunity to grow their asset base and thereby grow the dividend. We expect the contribution to individual stock returns to be shared between earnings growth, valuation and the dividend. Further, we expect that valuation expansion should be driven by earnings growth, which, if delivered in cash terms, should be evident in dividend growth over time.

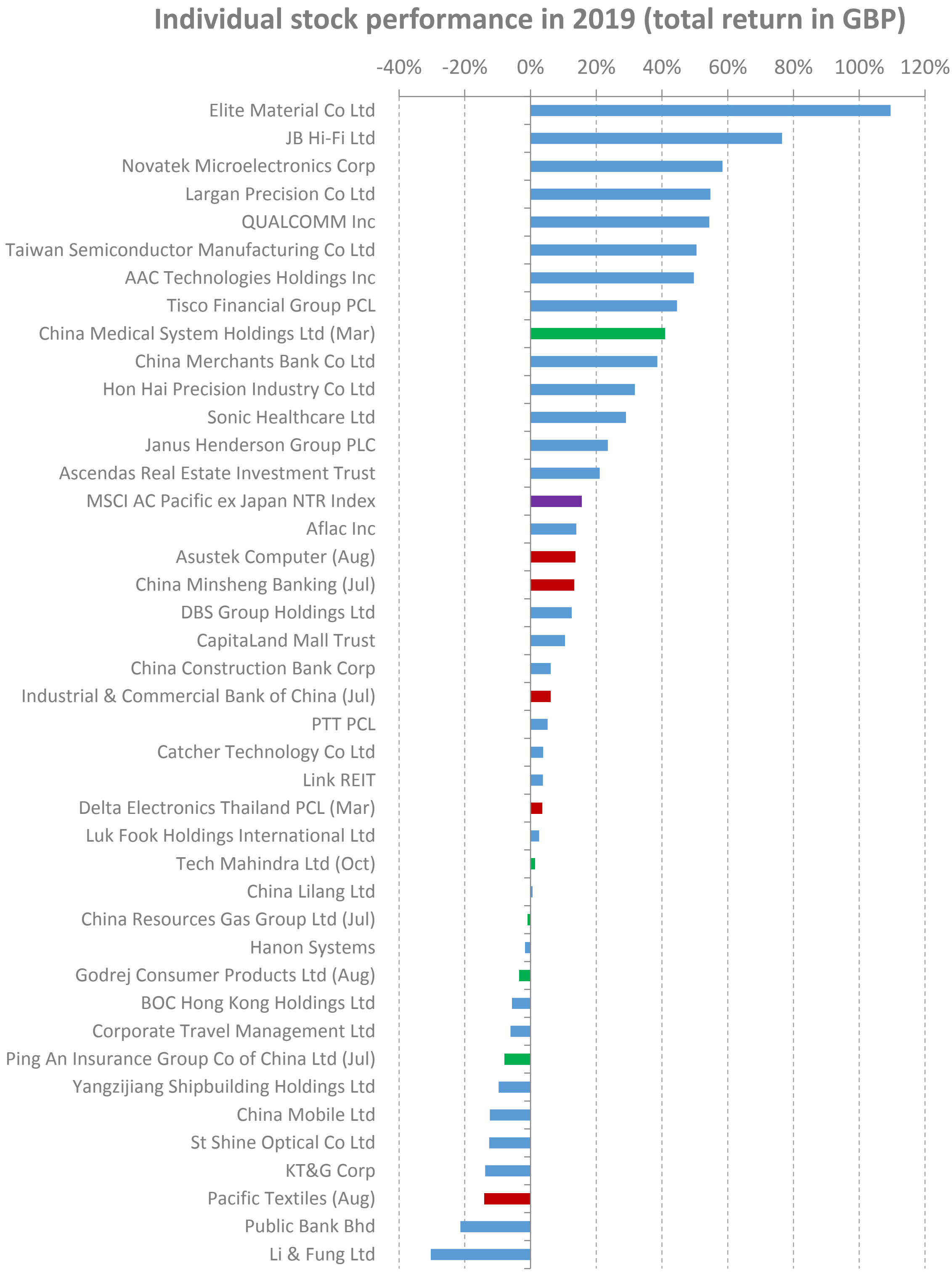
While we have been happy with performance of the Fund in the year overall, there are aspects which have demanded our attention. One in particular has been the behaviour of the Fund in response to macro events, especially to the twists and turns of the trade dispute. Since this began in 2018, we have observed a number of moments of stress and a subsequent resurgence of optimism, often triggered by President Trump's tweets, that have caused a number of our stocks to move together. The group is made up of our China names, technology manufacturers, and some regional names that have China exposure such as the Singapore bank DBS.

The movements have been manifested by sharp valuation contraction or expansion; they have not been associated with coincident changes to earnings or dividend forecasts. These group moves have not lasted long because there are diverse sources of revenues from product categories and in terms of customer spread. Now, it is true that in the external environment since 2016, international trade and political frameworks have been shaken up and policy outcomes much less predictable, so this has been an unusual time. Nevertheless, this has led to increased portfolio volatility as correlations have tightened, albeit temporarily, and so we have made a number of changes to portfolio this year.

The intention has been to increase the robustness of the portfolio for more challenging conditions, and to that end, we have directed our focus on companies with a lower or absent capacity at present to grow their dividend. The investment return case for a small number of stocks we hold is based on valuation expansion from depressed levels predicated on an under-appreciated ability to sustain (rather than grow) their dividend. These could be described as value plays, and an example would be our exposure to some of our Chinese banks; another example would be the restructuring story at Asustek Computer. Moving away from these and into stocks offering dividend growth has had the effect of narrowing the portfolio's valuation discount to the market and shaving a bit off the yield, but improving the growth profile and the ability of the portfolio to defend in weaker markets. Given the year-end valuation discount to the market was still 15% and historic yield was still 4%, we believe we have not had to give away much to achieve the benefits.

Stocks performance and commentary

The chart below shows the returns of positions held throughout the year (in blue), the returns since purchase of new holdings (in green, with month of purchase) and the returns from exited positions up to the time of sale (in red and with month of sale). The Index return is also shown in purple.



Source: Holdings, Guinness Asset Management; Returns data, Bloomberg

Portfolio changes

Sales

We changed five positions in 2019, which is more than usual, as we sought to reinforce portfolio dividend growth. Asustek Computer has been undergoing a reorganisation which aims to realign its component manufacturing business and its branded consumer electronics division, which is split between a computers and tablets section and a smartphones section. Progress has been slow and the smartphone side has struggled to keep pace, first with the growth of Apple and Samsung and subsequently with arrival of the Chinese makers. A high dividend has been maintained over the past three years delivering a yield of over 6% but growth remains elusive and the challenges are growing.

We took the decision to reduce Chinese banking exposure, which has done well for the Fund over the past six years with the sale of one private-owned bank, China Minsheng Bank and one state-owned, Industrial & Commercial Bank of China. When we bought into these positions in 2013, China was facing growing bad debt pressure which had driven valuations to a what we believed to be crisis levels that were unwarranted. In subsequent years China saw a cyclical recovery in heavy industry which made debt servicing for borrowers easier and banks followed a steady path of gradual bad debt write-downs while maintaining stable profits and dividends. Chinese bank valuations rose from depressed levels in response. However, we see macroeconomic conditions becoming more challenging for Chinese heavy industry, and we consider government efforts to lighten the burden by cutting interest rates to be headwinds for the banks. Profits are still not ready to grow as bad debt write-offs continue and may decline on lower interest rates. While we do not see China slipping toward anything like a financial crisis, we do not see scope for further valuation increases for these two banks.

Pacific Textiles has failed to meet our expectations and we now think offers little prospect for growth. The company is a textile and clothing manufacturer with Uniqlo as its largest customer. The company opened up a new manufacturing facility in Vietnam which was not well executed. Environmental issues arose at the facility and the Vietnamese authorities forced Pacific Textiles to take additional measures to ensure clean disposal of waste water. This was done, and the factory reached full capacity but came on line just as Uniqlo demand fell. Environmental matters had put this stock on our watch list and with weaker demand prospects also becoming evident we concluded the high dividend was insufficient compensation.

The final position sold was Delta Electronics Thailand, by means of a tender to the parent company which sought to take full ownership of the business.

Purchases

China Medical System acts as a pharmaceutical distributor to doctors and hospitals for both branded and generic drugs. The regulatory structure in China is changing as the government, as with governments everywhere, seeks to reduce healthcare costs. The changes have introduced significant new competition where alternative offerings are available, resulting in substantial price cuts in certain cases. China Medical System has seen a significant drop in its share price that we believe significantly exceeds its exposure to these changes. In addition, the company has tied up with companies in the US, UK, France, Switzerland and Israel to secure rights to sell formulations to treat conditions ranging from strokes, brain cancer, and respiratory distress to onychomycosis (toenail fungus, for anyone interested). Recent results delivered the consistency we look for: gross profit, operating profit, net profit and dividend growth all moving in line up 10.5%-12.5% and an unchanged dividend payout of 40% of earnings.

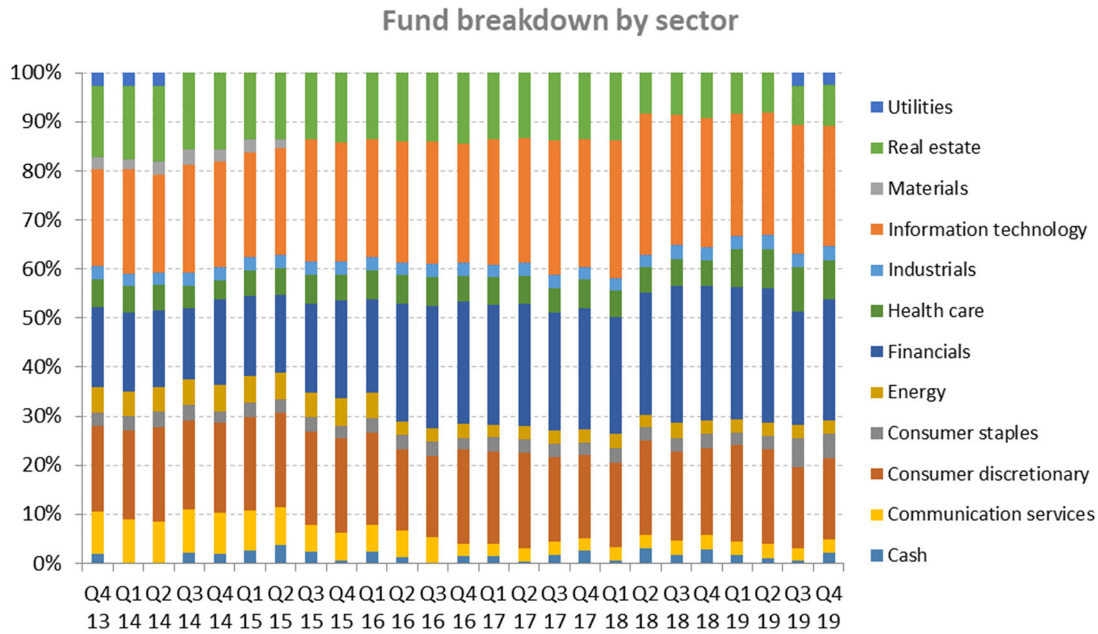
China Resources Gas (CRG) is one of the few utility companies that make it into our universe. Its focus is on the provision of gas to urban household customers. While other gas businesses in China seek to become involved in the wholesale gas market or expand into rural areas, we like CRG for its focus on domestic urban and industrial customers. There is a long-term drive in China to support wider use of gas in place of coal for electricity production. CRG benefits on the back of this through the increasing supply of gas nationwide and is tapping into this through the so-called 'last mile' connection.

Ping An Insurance is a financial conglomerate the bulk of which is made up of life insurance, property and casualty insurance and banking. The dividend has grown each year since 2011 on both profit growth and on the expansion of the proportion of profits paid out (the payout ratio) from 17% in 2011 to 32% in 2018. Recent results showed strong performance in both the insurance and banking divisions which supports our belief that this company is well placed for the structural story that we think is underway in China with its ageing and increasingly wealthy population.

Godrej Consumer Products is an Indian Consumer Staples company whose products fall into four broad categories: soap, hair care, household insecticides (mosquito repellent) and air care (fresheners). A little over half its revenue comes from India, with Indonesia, Africa, Middle East, US and Latin America the other main markets. We like the geographic diversification and we like the growing market share in the soap (number one in India) and insecticide product areas.

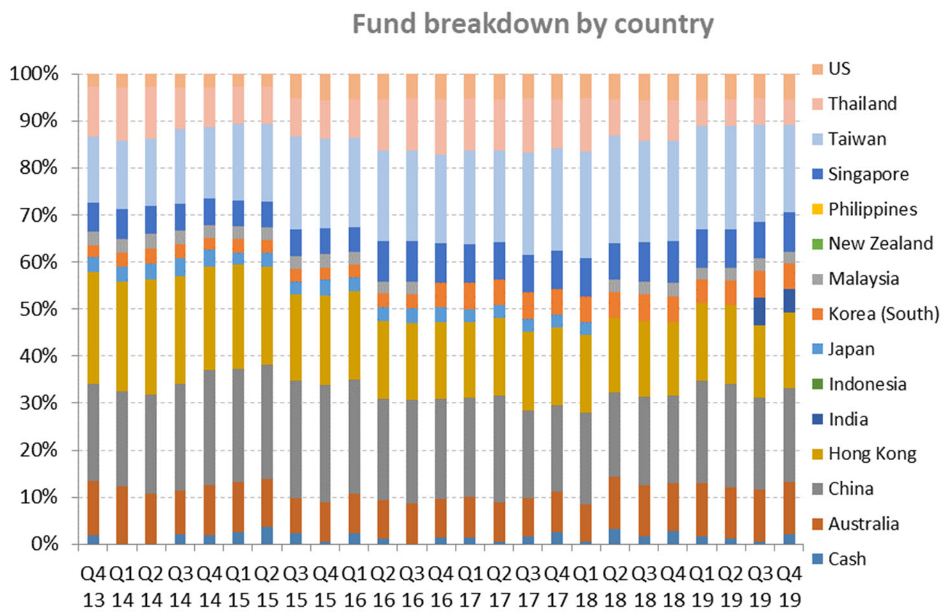
Tech Mahindra (TechM) is interesting among the Indian IT consultants because of its heavier exposure to telecoms. The telecom industry has been in the doldrums for five years and is one of the worst-performing sectors globally. This is in part because the growth related to 3G and 4G has dissipated for the telecom providers, who overpaid for spectrum in the first place. We believe the dynamics for this industry are about to change with the advent of 5G, which is based on different technology, requiring different hardware and with wider application than just smartphones. These elements provide an opportunity for the technology consulting companies and TechM has the biggest presence of the Indian consultants. It will take time for this area to ramp up, but TechM recently secured a US$1bn contract from AT&T (a long-standing customer). As network providers and 5G users increase capex, we believe TechM is well placed to benefit.

Portfolio Position



Source: Bloomberg, Guinness Asset Management

We have included a Utility name, China Resources Gas, for the first since we sold Thai Tap Water in 2014. The addition of Godrej Consumer Products brings our Consumer Staples exposure to two positions (5.5%). The purchase of China Medical System added a third name to Health Care exposure alongside Sonic Healthcare and St Shine Optical. Financials exposure has been adjusted by scaling back Chinese banking exposure and the addition of Chinese insurer Ping An. This has brought our overall Chinese Financials exposure down from four positions to three. Finally, the Fund's Technology exposure has been realigned a little by the sale of Taiwanese manufacturer Asustek and the purchase of Indian IT consultant Tech Mahindra.



Source: Bloomberg, Guinness Asset Management

The main change to the portfolio on a country basis has been the introduction of two Indian companies at the expense of one Thai position and one Taiwanese.

Outlook

Consensus earnings estimates for the portfolio indicate a compound average annual growth rate in profits for the three years 2018-2021 of 6.2%. This is the product of estimated earnings growth for the portfolio's holdings of 3.3% for full year 2019 followed by 6.6% for 2020 and 8.8% for 2021. These estimates are, of course, likely to change significantly in the months ahead. We expect the companies in the portfolio to stick to their dividend distribution policies and thus, so long as profits are expected to grow, we would hope to see another year of underlying core dividend growth.

It is undeniable that most countries in Asia are experiencing downward pressure on economic growth and given the size of the Chinese and Indian economies, where pressure is perhaps greater, we would expect to see regional economic growth in 2020 to be slower than that of 2019, which in turn is likely to be down on 2018. Numbers collected by Bloomberg, however, still paint a reasonable picture: regional growth was 6.0% in 2018 and is expected to fall to 5.3% in 2019 and then to 5.2% in 2020 followed by 5.4% in 2021. The 2019 drop should not come as a surprise given the degree to which the trade dispute has distorted demand and exacerbated China's cyclical deceleration. The good news is that most countries, with the exceptions of India and Indonesia, have room to respond through monetary policy (interest rates) and fiscal moves (tax cuts, stimulus and spending).

We believe that the structural forces that drive domestic Asian demand (demographics, wages, de-regulation and technology adoption) remain in place, although they are subject to downward cyclical pressure. Technology adoption is a growing feature of the story as financial technology is bringing more people into the regional economy and the adoption of e-commerce platforms, with their associated payment and logistics platforms, is propelling domestic consumption at a higher rate than in developed markets. It is the weight of demand that technology adoption releases that makes the difference.

On the manufacturing side, the new 5G telecom standard is likely to have a big impact. Initially we should see this amongst the component manufacturers, because the new standard requires an upgrade to the whole system, from transmission through to reception. However, the application of this technology opens up opportunities for commercial and industrial users in addition to consumers. We think this process will last for several years (i.e. a secular, rather than cyclical uplift).

We believe there to be a solid and growing crop of companies in Asia with operating track records that are good enough for us to be confident of a growing source of dividends. Domestic Chinese A-shares, for example, are so far untapped for this strategy, but many companies are now accessible to international investors and some are of undoubted interest to us. Our approach means that we think we can evolve this strategy to incorporate the region as it develops, while maintaining or requirement for quality management as evidenced by higher returns on capital sustained over time.

For more information

Read more on the Fund

Visit our website for more information on the Fund and to register for regular email updates on its performance and portfolio.

Keeping you updated

Detailed portfolio and performance analysis

White papers

Our thoughts on a range of topics including: the importance of dividends; whether to meet company management; concentrated portfolio; the effectiveness of economic modelling.

To sign up for updates or search the archive, visit **guinnessfunds.com**

or contact our **sales team**

Contact our sales team

Our sales team are on hand to explain the Fund and its investment process in more detail and answer any queries you might have.

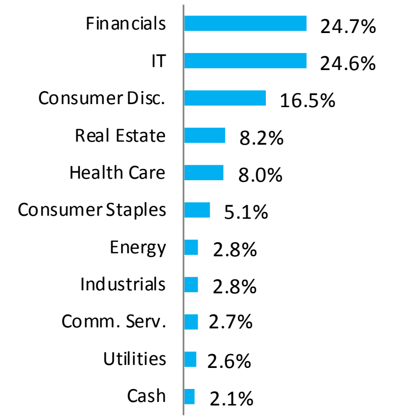
	**Deborah Kay** **Head of Sales and Marketing**	+44 (0)20 7222 2037 deborah.kay@guinnessfunds.com
	**Charlie Riddell** **Sales Manager**	+44 (0)20 7222 3473 charlie.riddell@guinnessfunds.com
	**Flurry Wright** **Sales Manager**	+44 (0)20 7222 3714 flurry.wright@guinnessfunds.com
	**Padraig Staunton** **IFA Sales Manager**	+44 (0)20 7042 6525 padraig.staunton@guinnessfunds.com
	**Alex Hall** **IFA Sales Manager**	+44 (0)20 7042 6525 alex.hall@guinnessfunds.com

PORTFOLIO **31/12/2019**

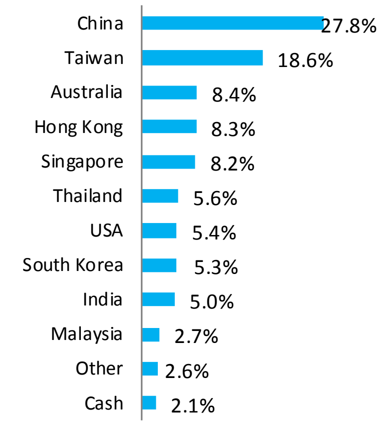
Fund top 10 holdings

AAC Technologies	3.3%
China Construction Bank	2.9%
Corporate Travel Management	2.9%
China Merchants Bank	2.9%
Largan Precision	2.9%
Taiwan Semiconductor	2.8%
Elite Material	2.8%
JB Hi-fi	2.8%
Link REIT	2.8%
PTT PCL	2.8%
% of Fund in top 10	28.9%
Total number of stocks in Fund	36

Sector analysis



Geographic allocation



PERFORMANCE

31/12/2019

Discrete years % total return

	Dec '15		Dec '16		Dec '17		Dec '18		Dec '19	
	USD	GBP	USD	GBP	USD	GBP	USD	GBP	USD	GBP
Fund (Y class, 0.99% OCF)	-4.4	1.2	7.5	28.2	36.5	24.6	-15.5	-10.3	19.0	14.4
MSCI AC Pacific ex Japan Index	-9.6	-4.4	7.5	28.1	36.9	25.1	-14.5	-9.2	20.3	15.7
IA Asia Pacific ex Japan	-8.6	-3.4	5.3	25.6	37.2	25.3	-15.1	-9.8	20.4	15.8

Cumulative % total return

	1 month		Year-to-date		1 year		3 years		From launch	
	USD	GBP	USD	GBP	USD	GBP	USD	GBP	USD	GBP
Fund (Y class, 0.99% OCF)	3.3	0.9	19.0	14.4	19.0	14.4	37.3	28.0	58.9	96.1
MSCI AC Pacific ex Japan Index	6.2	3.7	20.3	15.7	20.3	15.7	40.8	31.3	41.8	75.2
IA Asia Pacific ex Japan	5.3	2.8	20.4	15.8	20.4	15.8	40.3	30.9	42.4	75.9

Annualised % total return from launch

Risk analysis - Annualised, weekly, from launch on 19.12.2013

31/12/2019	Index		Sector		Fund	
	USD	GBP	USD	GBP	USD	GBP
Alpha	0.0	0.0	0.6	1.2	3.0	3.4
Beta	1.0	1.0	0.9	0.9	0.8	0.9
Information ratio	0.0	0.0	0.0	0.0	0.3	0.4
Maximum drawdown	-29.3	-26.4	-26.7	-24.5	-24.3	-20.6
R squared	1.0	1.0	1.0	1.0	0.9	0.9
Sharpe ratio	0.2	0.4	0.2	0.5	0.4	0.6
Tracking error	0.0	0.0	3.6	3.6	5.7	5.7
Volatility	14.7	14.8	13.4	13.2	12.7	13.7

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.
Source: Financial Express, bid to bid, total return. Fund launch date: 19.12.2013.

Guinness Asset Management

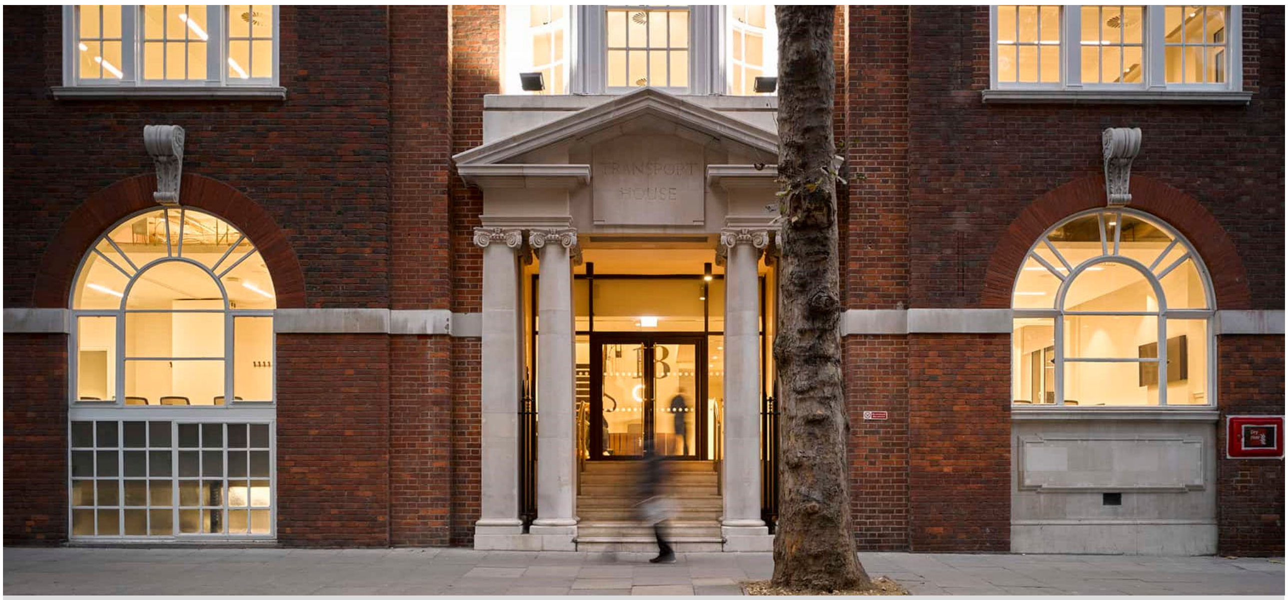
Guinness Asset Management provides a range of long-only actively managed funds to individual and institutional investors. Founded in 2003, Guinness is independent and is wholly owned by its employees.

We believe in in-house research, intelligent screening for prioritisation of research and well-designed investment processes. We manage concentrated, high conviction portfolios, with low turnover and no benchmark constraints. Since our establishment we have developed a variety of specialisms in global growth and dividend funds, global sector funds and Asian regional and country funds. The Guinness equity funds sit within an Irish-listed OEIC. They are managed alongside a range of similar SEC-registered funds offered to US investors by our US sister company, Guinness Atkinson Asset Management Inc. We also offer an Enterprise Investment Scheme (EIS service) investing in UK-based renewable energy projects and AIM-listed companies.

Our Products

Equity Income	Global Equity Income Asian Equity Income European Equity Income UK Equity Income Emerging Markets Equity Income
Growth & Innovation	Global Innovators Best of China Global Equity US Equity
Specialist	Global Energy Sustainable Energy Global Money Managers

Contact us



Tel	Email	Web
+44 (0) 20 7222 5703	**info@guinnessfunds.com**	**guinnessfunds.com**

18 Smith Square, London SW1P 3HZ

GUINNESS
ASSET MANAGEMENT

Tel: +44 (0) 20 7222 5703 **Email: info@guinnessfunds.com** **Web: guinnessfunds.com**