# Guinness Greater China

Investment Commentary – October 2024

## RISK

This is a marketing communication. Please refer to the prospectus, supplement, KIDs and KIIDs for the Fund, which contain detailed information on its characteristics and objectives, before making any final investment decisions.

The Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available on our website.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

| | |
|---|---|
| **Launch** | 15.12.2015 |
| **Index** | MSCI Golden Dragon |
| **Sector** | IA China & Greater China |
| **Managers** | Sharukh Malik CFA<br>Edmund Harriss |
| **EU Domiciled** | Guinness Greater China Fund |

## OBJECTIVE

The Guinness Greater 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.

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## SUMMARY


In the third quarter, the Guinness Greater China Fund (Y class, GBP) rose by 13.4%, while the benchmark, the MSCI Golden Dragon Net Total Return Index (MSCI Golden Dragon Index) rose by 7.7%, and the MSCI China Net Total Return Index (MSCI China Index) rose by 16.4% (please see page 5 for an explanation of why we refer to the MSCI China Index).

In September, the Guinness Greater China Fund rose by 21.8%, while the benchmark, the MSCI Golden Dragon Index rose by 12.1%, and the MSCI China Index rose by 21.4%.

In the quarter, outperformers in the Fund were JD.com, Alibaba and Ping An Insurance. Underperformers were Shenzhou International, CSPC Pharmaceutical and NetEase.

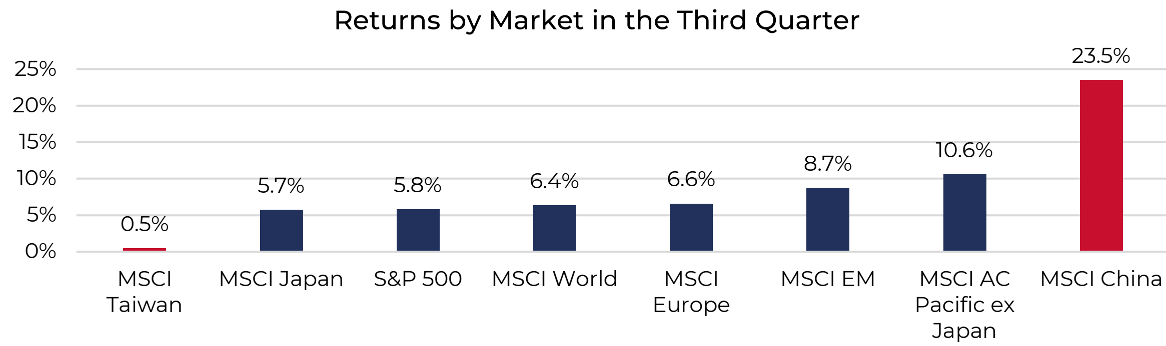
In the quarter, relative to the MSCI China Index, contributors to the Fund's performance were good performance from JD.com, Ping An Insurance, Sino Biopharmaceutical and Geely Automobile. Additionally the Fund benefited from stock selection in the Financials sector, along with the underweight to the Energy and Utilities sectors. Detractors from relative performance were the structural underweight to Alibaba, stock selection in the Consumer Discretionary and Information Technology sectors.

In September, relative to the MSCI China Index, contributors to the Fund's performance were the structural underweight to Tencent, which underperformed, and stock selection in the Industrials, Financials, Information Technology and Consumer Staples sectors. Detractors from performance were the structural underweight to Alibaba and stock selection in the Consumer Discretionary sector.

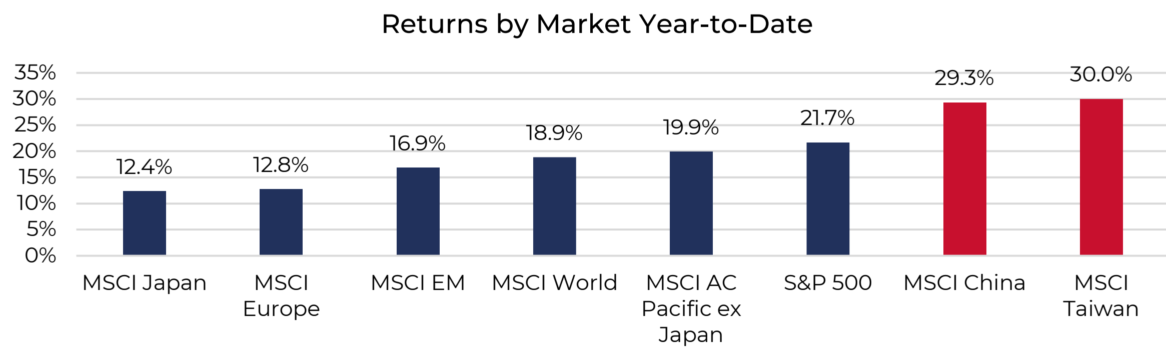
We sold Venustech Group and Wuxi Lead Intelligent Equipment, and bought Haitian International.

## COMMENTARY

(Performance data in the section in USD terms unless otherwise stated)




*(Data from 30/06/24 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

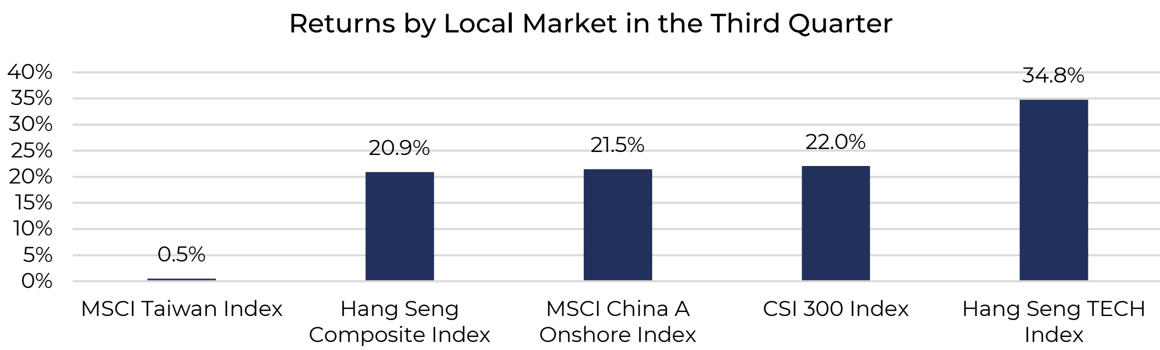



*(Data from 31/12/23 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

In the third quarter, the MSCI China Index rose by 23.5% versus the MSCI World Index which rose 6.4%. This means year-to-date the MSCI China Index has now risen by 29.3%, ahead of the MSCI World Index which has risen by 18.9% (while the MSCI Golden Dragon Index has risen 27.6%). Chinese markets trended down in July and August but rallied sharply in September. The weakness in July and August was predominantly driven by weaker macro data with no major government stimulus announced. In September the US Federal Reserve cut interest rates, which also led to strength in emerging markets. But it was the unexpected stimulus in China which led to a strong rally in both onshore and offshore markets.

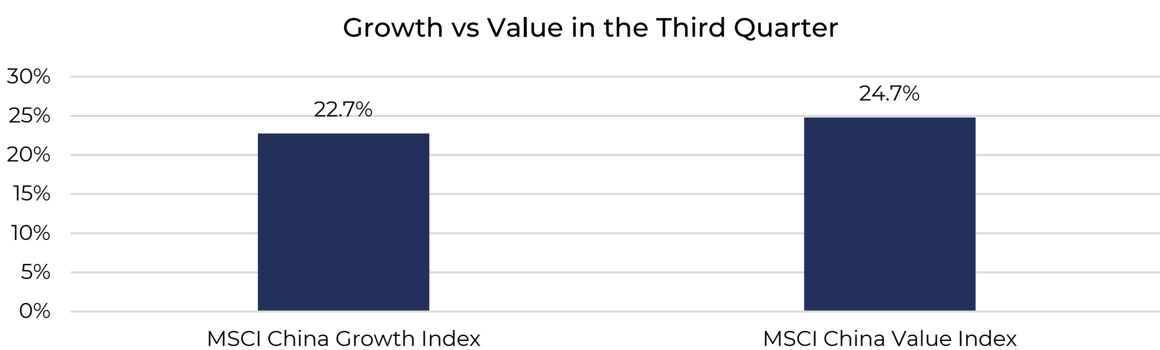
The Politburo recently intensified its efforts to support the economy, adopting a more decisive tone in its latest communiqué. Compared to the vague guidance in April, September's statement calls for stronger countercyclical policies, including interest rate cuts and fiscal measures. This signals a more assertive approach to stabilising the economy which was accompanied by more aggressive easing by the People’s Bank of China (PBOC).


*(Data from 31/12/23 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*



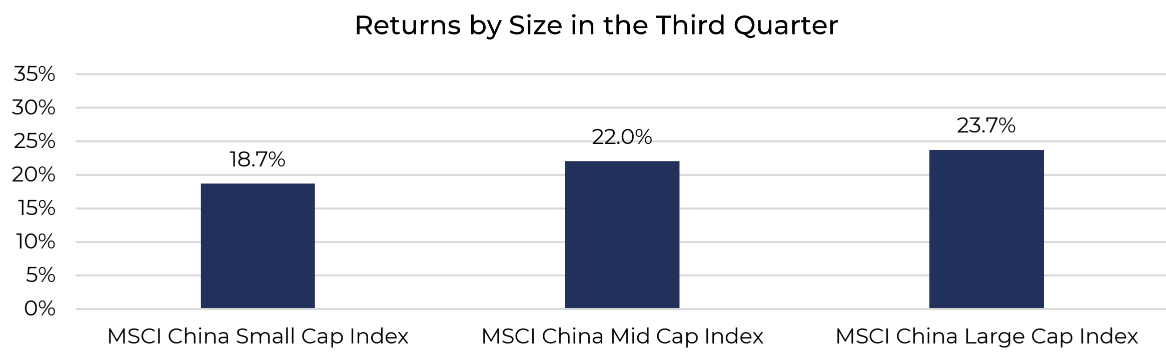

*(Data from 30/06/24 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

In the third quarter, onshore and offshore markets behaved similarly. The Hang Seng Composite Index rose by 20.9% whereas the MSCI China A Onshore Index rose by 21.5%.



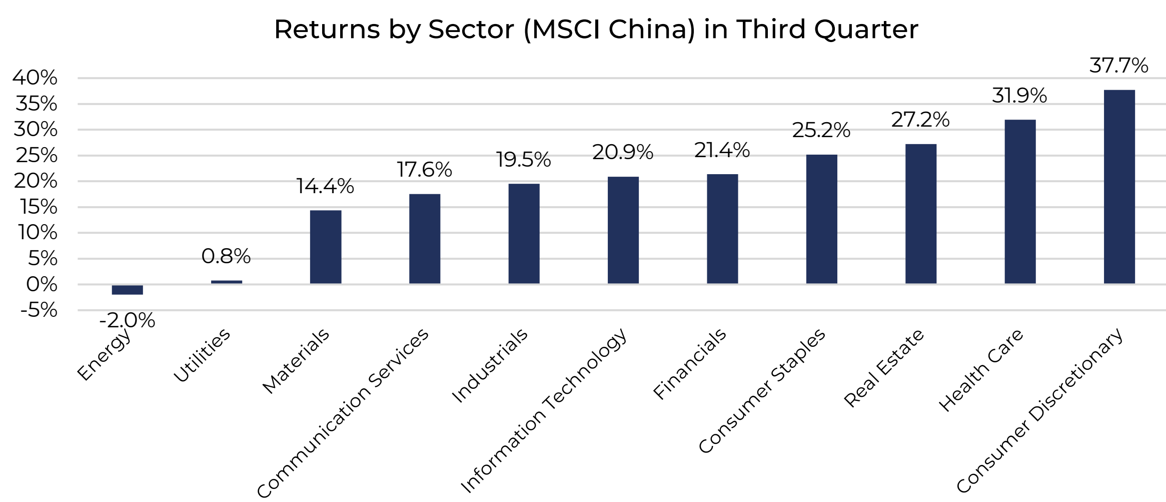

*(Data from 30/06/24 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

Growth and value stocks also performed similarly in the third quarter, as the MSCI China Growth Index rose by 22.7% whereas the value index rose by 24.7%. This was predominantly driven by value's outperformance in the weaker months of July and August. If we look at both since the Fed cut rates, which marked the beginning of the rally, growth did notably outperform, rising 26.7% against the value index which rose 21.6%.




*(Data from 30/06/24 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

There was a discrepancy in performance when measured by size. Large-caps continued their winning streak in the third quarter, rising 23.7%. Meanwhile while they still rose strongly, the small and mid-cap indexes lagged, with growth of 18.7% and 23.7%.




*(Data from 30/06/24 to 30/09/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)*

The best performing sectors in the third quarter were Consumer Discretionary, Health Care and Real Estate. Consumer Discretionary stocks rallied in a risk-on environment, led by Alibaba, Meituan, JD.com, Trip.com and BYD. Stronger names in the Healthcare sector were biotech names, after some unexpected opposition to the Biosecure Act in the US led to speculation that the bill may take longer than expected to be signed off. Real Estate surged after the government unveiled further support for property developers.

The weakest sectors were Energy, Utilities and Materials, the first two of which have been more defensive areas year-to-date, but then lagged in the rally.

## ATTRIBUTION

In the third quarter, the Guinness Greater China Fund (Y class, USD) rose by 20.3%, while the benchmark, the MSCI Golden Dragon Index rose by 14.3%, and the MSCI China Index rose by 23.5%. Therefore in the quarter the Fund outperformed the MSCI Golden Dragon Index by 6.0% and underperformed the MSCI China Index by 3.2%. In September, the Guinness Greater China Fund (Y class, USD) rose by 24.3%, while the benchmark, the MSCI Golden Dragon Index rose by 14.4%, and the MSCI China Index rose by 23.9%. Therefore in September the Fund outperformed the MSCI Golden Dragon Index by 9.9% and outperformed the MSCI China Index by 0.4%.

The MSCI Golden Dragon Index is a weighted average of the MSCI China, Taiwan and Hong Kong indexes. As of the end of September, Taiwan's weight in the Golden Dragon Index was c.35%. In the Fund, we hold two positions in Taiwan which collectively have a weight of c.6.5%. As the Fund is underweight to Taiwan compared to the benchmark, the Fund suffered from less of the smaller 0.5% increase in the MSCI Taiwan Index. This underweight vs the MSCI Golden Dragon makes the MSCI China Index a useful comparator, which is why we refer to it here.

In the third quarter, relative to the MSCI China Index, areas which helped the Fund's performance were:

- Individual stock selection, led by JD.com (total return +54.8%), Ping An Insurance (+46.5%), Sino Biopharmaceutical (+41.8%) and Geely Automobile (+39.9%).
- Stock selection in the Financials sector, driven by Hong Kong Exchanges & Clearing, AIA Group, Ping An Insurance and China Merchants Bank. Additionally, not holding the large state owned banks contributed to performance.
- Underweight to Energy and Utilities, where we have no exposure. These were the two weakest sectors in the quarter.

In the third quarter, areas which detracted from the Fund's relative performance were:

- Structural underweight to Alibaba. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.2%. As of the end of September, Alibaba's weight in the MSCI China Index was 9.4%, making it the second largest stock in that index. Alibaba was an outperformer in the quarter and so the Fund benefited from less of its performance than the index.
- Stock selection in the Consumer Discretionary sector, which in addition to Alibaba, included the underweights to Meituan, Trip.com and BYD, where we have no exposure.
- Stock selection in the Information Technology sector, driven by Venustech and not holding Xiaomi.

In September, relative to the MSCI China Index, areas which helped the Fund's performance were:

- Structural underweight to Tencent. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.2%. As of the end of September, Tencent's weight in the MSCI China Index was 16.3%, making it the largest stock by far in that index. Tencent underperformed in the month and so the Fund benefited from less of its underperformance than the index.
- Stock selection in the Industrials sector, led by Shenzhen Inovance Technology.
- Stock selection in the Financials sector, driven by Hong Kong Exchanges & Clearing, AIA Group, Ping An Insurance and China Merchants Bank. Additionally, not holding the large state-owned banks contributed to performance.
- Stock selection in the Information Technology sector, driven by Xinyi Solar.
- Stock selection in the Consumer Staples sector, driven by Chongqing Fuling Zhacai.
- Underweight to Energy and Utilities, where we have no exposure. These were the two weakest sectors in the month.

In September, areas which detracted from the Fund's relative performance were:

- Structural underweight to Alibaba. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.2%. As of the end of September, Alibaba's weight in the MSCI China Index was 9.4%, making it the second largest stock in that index. Alibaba was an outperformer in the month and so the Fund benefited from less of its performance than the index.
- Stock selection in the Consumer Discretionary sector, which in addition to Alibaba, included the underweights to Meituan, Pinduoduo, Trip.com and BYD, where we have no exposure.

## STOCK COMMENTARY

In the third quarter, the strongest three stocks in the Fund were JD.com (total return +54.8%), Alibaba Group (+47.4%) and Ping An Insurance Group (+46.5%).

Our two e-commerce retailers, JD.com and Alibaba Group, were strong. They certainly benefited from the rally at the end of the quarter, as both are well known, very liquid stocks that foreign investors in particular target in China. However, on a fundamental basis, both are showing improvements in a very competitive market. In its second quarter results, JD.com recorded its most profitable quarter so far. The business is cutting costs, which is improving margins and offsetting slower revenue growth. For the third consecutive quarter, it has increased its number of active users by a double-digit percentage. The government's trade-in programme, which includes some household electronic products, should help the business for the rest of the year. Meanwhile, given how large Alibaba is, it cannot grow users at the same rate at JD.com. Instead it is now focusing on increasing the fee it charges merchants, which is still well below what Pinduoduo charges. Management have also highlighted the growing cloud business, which can utilise the company's large language learning model. Note ChatGPT cannot operate in China, so the large domestic tech companies are likely to lead in this respect.

With equity markets rallying at the end of September, Ping An's stock price also rose due to its equity exposure in its investment book. We have viewed this as a significantly undervalued business weighed by concerns around its investment portfolio and real estate exposures. Operationally, the company has faced headwinds since Covid as the restructuring of its sales force has seen the volume of new life assurance business decline. However, new business revenues have stabilised and are beginning to recover and even after such a large share price jump the stock still yields over 5% on a trailing basis.

In the third quarter, the weakest three stocks in the Fund were Shenzhou International (total return -5.3%), CPSC Pharmaceutical (-2.2%) and Netease (-1.6%).

Shenzhou is an apparel and textile maker with production facilities in China and Vietnam. It fell following weak guidance from Nike, one of its major customers. We believe in Nike's case, its reduced 2025 sales outlook is company-specific, linked to strategy changes from wholesale to direct selling and back again. There is now some confusion over channels and inventory has built up, so we are cautious about reading across to Shenzhou's other customers. Manufacturing peers have indicated good new order momentum at their annual shareholder meetings. The company has demonstrated a good track record in production efficiency and has been able to preserve margins even during the tough Covid period.

CSPC Pharmaceutical saw an unexpected drop in operating performance in the second quarter. Its oncology and cardiovascular sales were impacted by price cuts, while growth in newer areas such as nervous system and anti-infectives was not large enough to offset this weakness. Management have said their earlier aim for double-digit growth in revenue this year is unlikely to be achieved.

NetEase fell following its results which included more moderate guidance than the market had expected. Revenues grew 6% and the gross profit margin expanded three percentage points to 63%. Net profit was down on foreign exchange translation and a higher (normalised) tax rate. However, a combination of weaker revenue coming through from legacy games plus a perceived shortfall in new games coming through has caused a sell-off. This pattern of sell-off and rally on the timing of new launches is inherent to this stock. The company has an excellent track record in new game design, and we regard this slowdown as temporary.

## CHANGES TO THE PORTFOLIO

We sold Venustech Group and Wuxi Lead Intelligent Equipment. We bought Haitian International.

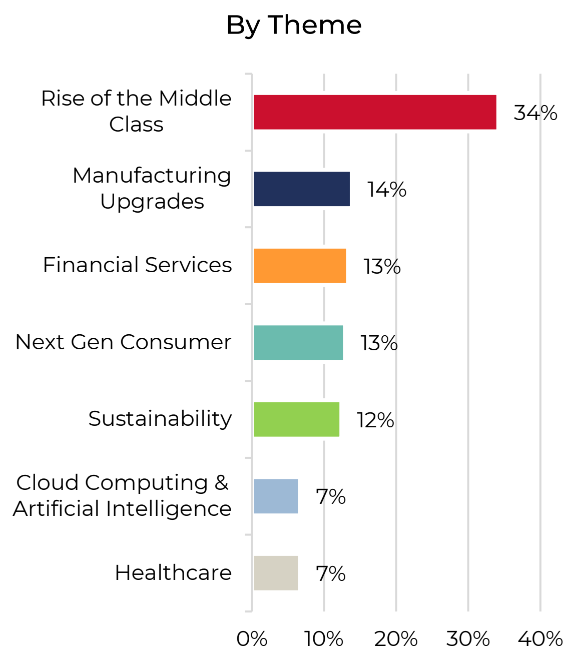
Venustech is a cybersecurity company whose largest shareholder is China Mobile. Though cybersecurity standards have been made more stringent in China over the past few years, the industry has struggled. Some local governments, whose incomes are under pressure from the weak property market, have cut budgets for cybersecurity spending. Thus despite the attractive long-term picture for cybersecurity demand, in the current environment, the entire industry has struggled and has failed to provide the secular growth we look for.

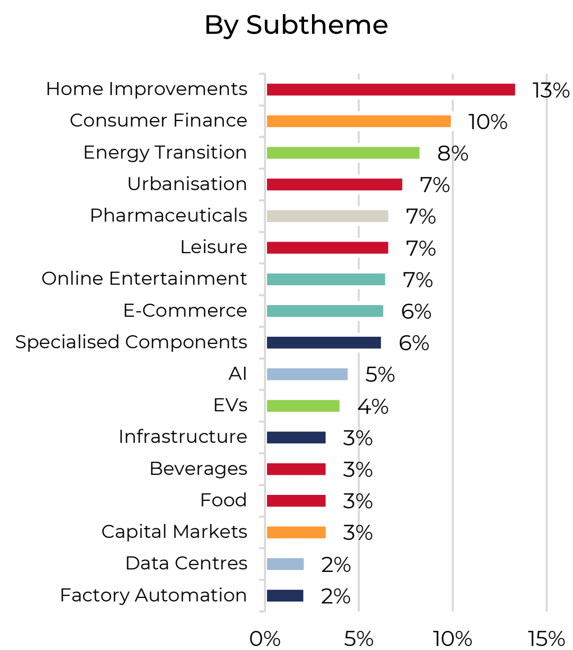
Wuxi Lead Intelligent Equipment is a leading manufacturer of battery production equipment. As the domestic battery market may be in a state of overcapacity, the business has looked to foreign markets for growth. But even here, as EV sales have slowed, some battery manufacturers are cutting on capex. For example, Volkswagen is considering closing factories in Germany while Northvolt is to cut more than 20% of its workforce. Some of Lead Intelligent's customers, whether well known or not, may not be able to pay Lead Intelligent. Given the high receivable days, there is a non-trivial chance that the business has to write off some of its receivables, leading to a hit to earnings.

Haitian International is the world's largest manufacturer of plastic injection moulding machines. It is likely to benefit from government stimulus for its customers to upgrade older equipment. Additionally, Haitian gives indirect exposure to the trade-in of consumer goods, where consumers are given subsidies to trade in their older household appliances for newer products. This should lead to greater capex for some of Haitian's downstream customers, leading to greater demand for their machines. Management also say reshoring is creating opportunities for the business as new plants being created in, for example, South East Asia, should also boost demand for plastic injection moulding machines. Haitian trades at a very favourable risk-reward ratio for a business with consistently high return on capital.

## PORTFOLIO POSITIONING

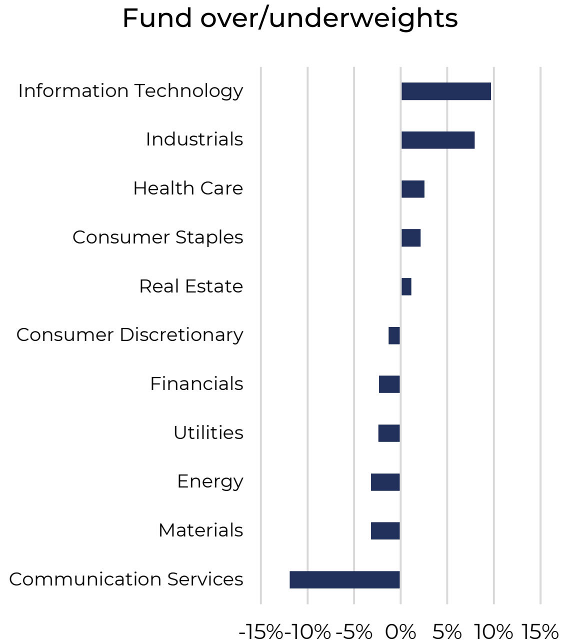
By theme, the Fund's largest exposures are to the Rise of the Middle Class, followed by Manufacturing Upgrades and Financial Services. Important subthemes include Home Improvements, Consumer Finance and Energy Transition.



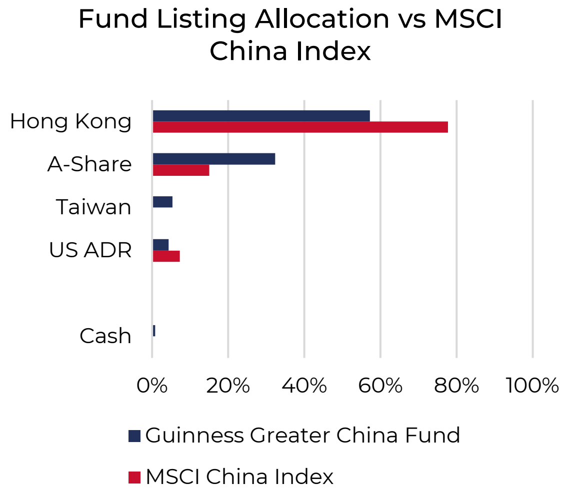

*(Data as of 30/09/24, source: Guinness Global Investors calculations. Data assumes portfolio is equally weighted)*

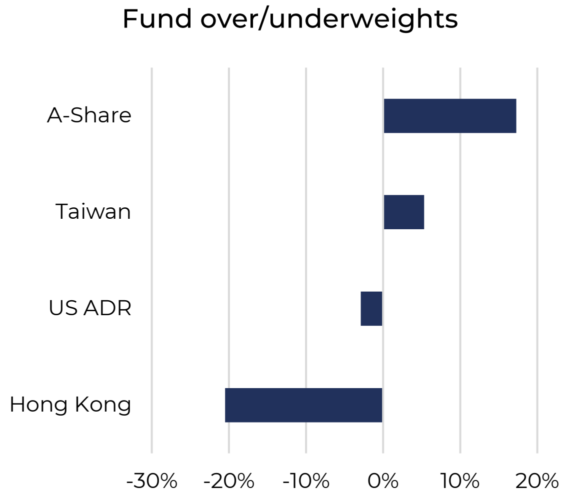
On a sector basis, the Fund's largest exposures are to the Consumer Discretionary and Information Technology sectors. Relative to the MSCI China Index, the Fund is overweight in the Information Technology and Industrials sectors. The Fund is underweight in the Communication Services sector.


*(Data as of 30/09/24, source: Guinness Global Investors calculations, Bloomberg)*

On a listing basis, the Fund has 57% exposure to stocks listed in Hong Kong, 32% exposure to the A share market and a small 5% allocation to Taiwan. Relative to the MSCI China Index, this makes the Fund 17% overweight to the A share market and 20% underweight to stocks listed in Hong Kong.




*(Data as of 30/09/24, source: Guinness Global Investors calculations, Bloomberg)*

## OUTLOOK

We find it helpful to breakdown the support from policymakers into four pillars: monetary, property, equity and consumer support.

**Monetary Support** - with the Federal Reserve in the US cutting interest rates, China now has room to cut rates without putting significant pressure on the Renminbi. One of the constraints facing policymakers for the past few years was that the Fed was hiking rates and if China cut rates, the interest rate differential would have increased. Hot money would have left China in chase of higher yields in the US, putting pressure on China's capital account and the renminbi. Now this is no longer true as the Fed has started to cut rates, giving the PBOC room to follow. The PBOC cut short-term rates by 0.2 percentage points (pp), larger than the usual 0.1 pp cut. To reduce the incentive for consumers to save the extra cash, deposit rates were also cut. The required reserve ratio was also cut by 0.5 pp, increasing liquidity by around CNY 1 trillion ($143bn). A possible further 0.25-0.50 pp cut is possible. While the cut in the required reserve ratio is helpful, the problem in China is not the supply of credit - rather it is the demand for credit, and so other measures are needed.

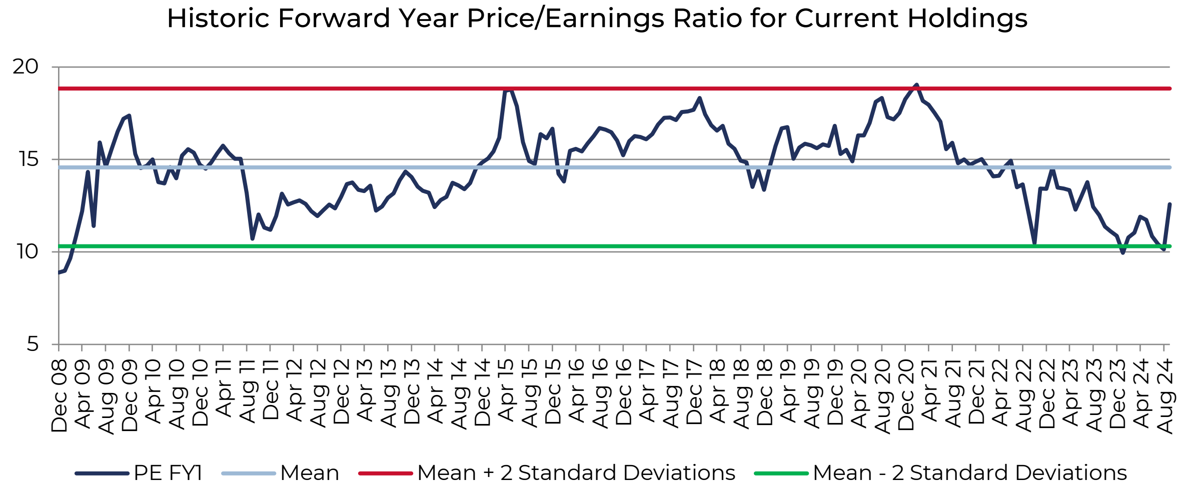
**Property Support** - existing mortgages have had their interest rates cut by 0.5pp which should reduce annual interest payments by CNY 150 bn ($21bn). But each household is only therefore going to save CNY 200-300 ($30-43) a month. So while the cut helps, it is ultimately going to have a small impact on boosting demand. The downpayment ratio for second homes was cut from 25% to 15%, putting it at the same level as first homes. Over the past few years, each time downpayment ratios have been cut, we have seen a short-term burst in activity which has not lasted. In this case, we do not see why a further cut to downpayment ratios would have a notably different result. Home purchase restrictions were relaxed in tier one cities such as Shanghai and Guangzhou.

**Equity Support** - a total of CNY 800 bn was set up by the PBOC, of which CNY 500bn ($71bn) is allocated for a swap facility which brokers, funds and insurance companies can use to buy stocks. The remaining CNY 300bn ($43bn) is to fund a re-lending facility, which listed companies and major shareholders can use to fund buybacks and stock purchases.

**Consumer Support** – in July, the government relocated CNY 150bn ($21bn) away from infrastructure spending and towards a consumer trade-in programme. The programme allows consumers to trade in older products and the government will subsidise some of the costs of purchasing a new replacement. The scheme covers home appliances, kitchen improvements and autos. To put the funding into context, in 2023 retail sales were worth CNY 47.1trn ($6.7trn), so the support is worth 0.3% of retail sales. Consumption vouchers have also started to be given out, which so far can be spent on restaurants, hotels and cinemas. Shanghai is to hand out CNY 500m ($71m) while Chengdu is to hand out CNY 400m ($57m). While these numbers sound impressive, they are worth 0.03-0.04% of retail sales in each city and so are going to have a far smaller impact than the trade-in programme. Overall, the policies make sense, but the scale of support needs to be increased significantly. Reports indicate the government is to issue CNY 2trn ($286bn) of sovereign bonds, which is on top of the CNY 1trn ($143bn) of ultra long-term bonds already announced this year. We expect the proceeds to be spent on scaling up the funding behind the consumer trade in program – some are calling funding to increase from CNY 150bn ($21bn) to CNY 1trn ($143bn), which move support from 0.3% of 2023's retail sales to 2.1%.

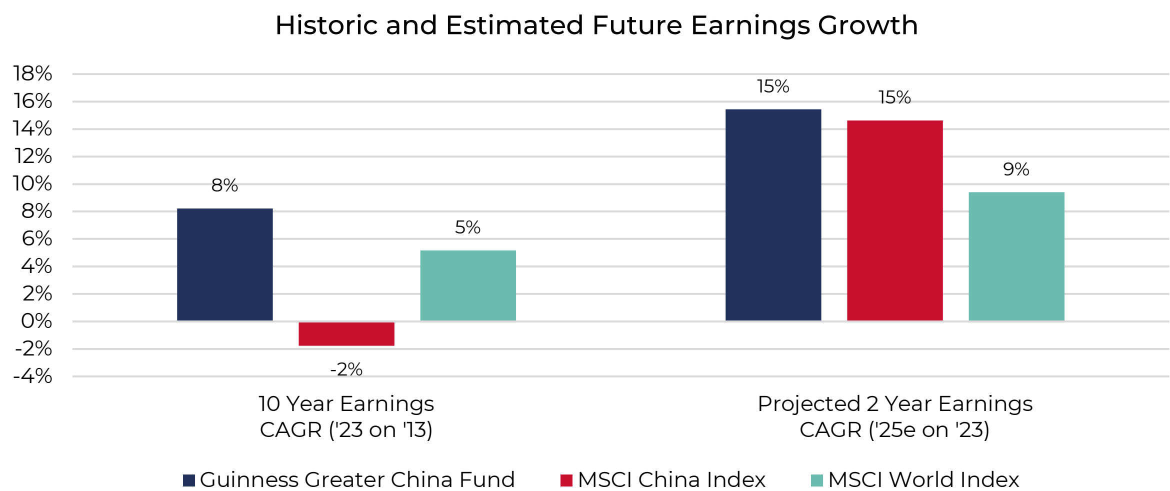
Overall, we have seen a clear change in wording from China's political leadership. Monetary easing is necessary to increase demand, but we believe the supply of credit is not the problem – it is demand. Fiscal policy is key and needs to be geared toward the consumer, not just business. The scale of support needs to be expanded significantly and we argue the government has substantial financial resources which are not close to fully deployed. Investors should look for progress on funding – to issue special bonds, China need approval from the National People's Congress which meets later this month. Once approval is finalised, the funding behind the trade-in programmes and consumption vouchers can increase substantially.

From an investment perspective, if the government does scale up its support, this could mark an end to the negative earnings and valuation de-rating cycle in China. We break down prospective returns into changes from valuation multiples, earnings growth and dividends. On valuations, our holdings remain cheap. The Fund's holdings in aggregate are trading at a forward price/earnings ratio of 12.6x, which is well below the holdings' 15-year average.



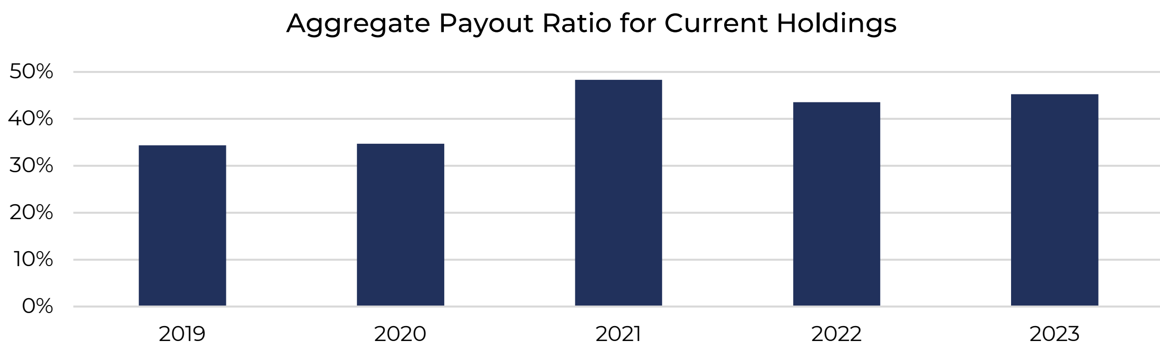

*(Data from 31/12/08 to 30/09/24, source: Bloomberg, Guinness Global Investors calculations. Calculations assume an equally weighted portfolio. Data for Guinness Greater China is a simulation based on actual historic data for the Fund's current holdings. The Fund was launched on 15.12.2015.)*

The longer the time horizon, the more important earnings growth is. Here we point out the Fund's strong track record in this respect. Over the past decade, our holdings in aggregate have grown earnings by 8% a year. Meanwhile the MSCI China Index has seen earnings fall by 2% a year over the past decade, despite all of the economic growth in China. We argue a passive approach is not the best way to get exposure to high-quality, compounding companies in China. Based on consensus analyst estimates, the Fund's holdings in aggregate are expected to grow earnings by 15% a year over the next two years.




*(Source: Bloomberg, MSCI, Guinness calculations. Data as of 30/09/2024. Fund series assumes $1m equally weighted into current holdings. Data for Guinness Greater China is a simulation based on actual historic data for the Fund's current holdings. The Fund was launched on 15.12.2015.)*

Finally, we point out better capital allocation from our holdings. The government is encouraging companies to distribute excess cash to shareholders and improve payout ratios. For our current holdings, the aggregate payout ratio has improved from 34% in 2019 to 45% in 2023. Though the Fund does not have a distribution share class, the forward net dividend yield is 2.8%.

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**Portfolio Managers**

Sharukh Malik
Edmund Harriss

## GUINNESS GREATER CHINA FUND - FUND FACTS

| | |
|---|---|
| Fund size | $9.1m |
| Fund launch | 15.12.2015 |
| OCF | 0.89% |
| Benchmark | MSCI Golden Dragon TR |

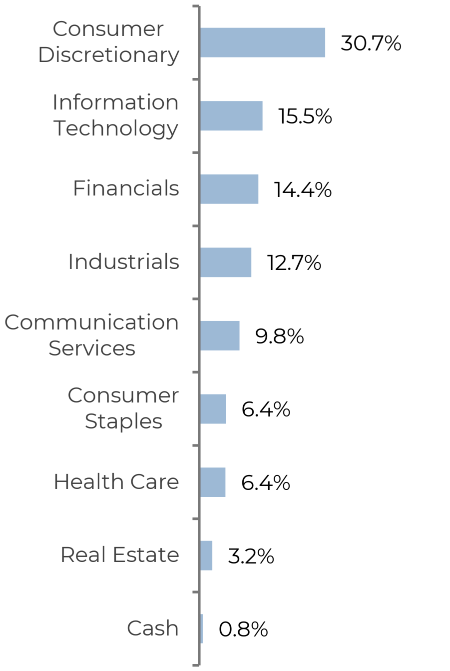
## GUINNESS GREATER CHINA FUND - PORTFOLIO

### Top 10 holdings

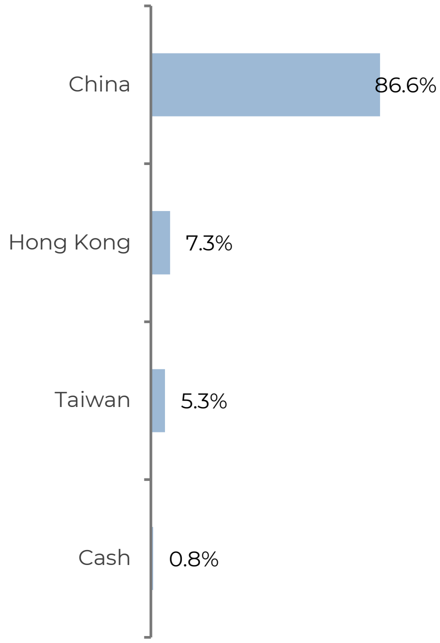
| | |
|---|---|
| JD.com | 4.0% |
| Ping An Insurance | 4.0% |
| Tencent Holdings | 3.8% |
| HKEX | 3.7% |
| Geely Automobile Holdings | 3.7% |
| Xinyi Solar | 3.6% |
| AIA Group Ltd | 3.6% |
| Chongqing Fuling Zhacai Group | 3.5% |
| Alibaba Group | 3.5% |
| TravelSky Technology | 3.5% |

| | |
|---|---|
| Top 10 holdings | 36.8% |
| Number of holdings | 31 |

### Sector




### Country



Past performance does not predict future returns.

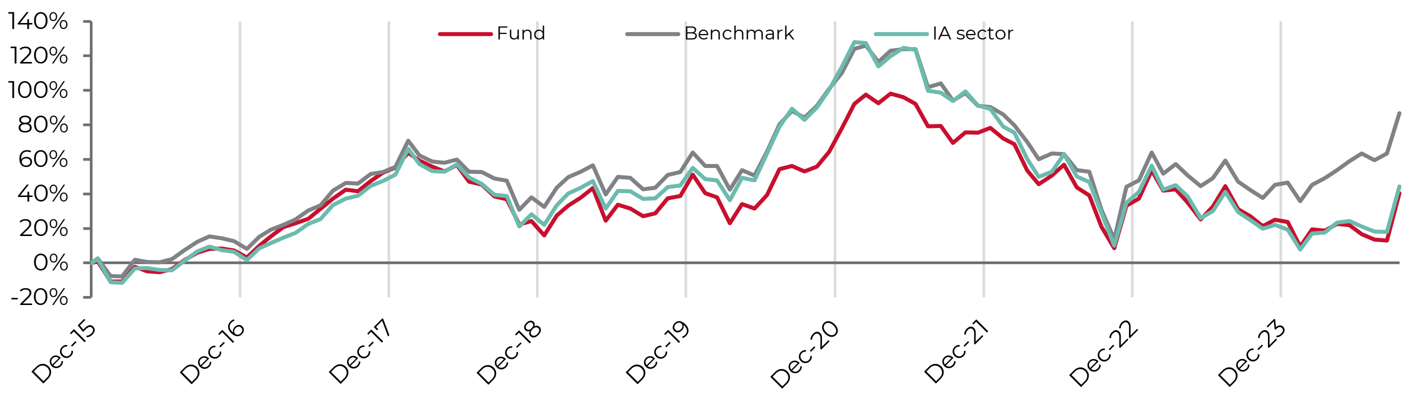
## GUINNESS GREATER CHINA FUND - CUMULATIVE PERFORMANCE

| (GBP) | 1 Month | YTD | 1 yr | 3 yr | 5 yr | 10 yr |
|---|---|---|---|---|---|---|
| Fund | +21.8% | +7.9% | +0.6% | -16.7% | +0.3% | - |
| MSCI Golden Dragon TR | +12.1% | +21.2% | +19.5% | -3.2% | +19.5% | - |
| IA China/Greater China TR | +19.9% | +14.9% | +5.2% | -25.2% | -3.6% | - |
| **(USD)** | **1 Month** | **YTD** | **1 yr** | **3 yr** | **5 yr** | **10 yr** |
| Fund | +24.3% | +13.5% | +10.6% | -17.1% | +9.1% | - |
| MSCI Golden Dragon TR | +14.4% | +27.6% | +31.4% | -3.7% | +30.1% | - |
| IA China/Greater China TR | +22.4% | +20.9% | +15.6% | -25.6% | +5.0% | - |
| **(EUR)** | **1 Month** | **YTD** | **1 yr** | **3 yr** | **5 yr** | **10 yr** |
| Fund | +23.3% | +12.3% | +4.9% | -13.9% | +6.6% | - |
| MSCI Golden Dragon TR | +13.5% | +26.3% | +24.6% | +0.0% | +27.1% | - |
| IA China/Greater China TR | +21.4% | +19.7% | +9.6% | -22.7% | +2.5% | - |

## GUINNESS GREATER CHINA FUND - ANNUAL PERFORMANCE

| (GBP) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund | -15.0% | -13.3% | +1.0% | +14.2% | +25.3% | -20.7% | +37.6% | +22.1% | - | - |
| MSCI Golden Dragon TR | -6.5% | -12.6% | -8.6% | +24.2% | +19.0% | -9.5% | +31.3% | +25.7% | - | - |
| IA China/Greater China TR | -20.2% | -16.0% | -10.7% | +33.6% | +22.2% | -14.2% | +35.9% | +18.5% | - | - |
| **(USD)** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| Fund | -9.9% | -23.0% | +0.1% | +17.9% | +30.4% | -25.3% | +50.4% | +2.3% | - | - |
| MSCI Golden Dragon TR | -0.9% | -22.3% | -9.5% | +28.2% | +23.8% | -14.8% | +43.8% | +5.4% | - | - |
| IA China/Greater China TR | -15.4% | -25.4% | -11.5% | +37.8% | +27.1% | -19.2% | +48.7% | -0.7% | - | - |
| **(EUR)** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| Fund | -12.9% | -17.9% | +7.7% | +8.1% | +32.8% | -21.5% | +32.3% | +5.5% | - | - |
| MSCI Golden Dragon TR | -4.3% | -17.3% | -2.6% | +17.6% | +26.1% | -10.5% | +26.3% | +8.6% | - | - |
| IA China/Greater China TR | -18.3% | -20.5% | -4.8% | +26.4% | +29.4% | -15.1% | +30.6% | +2.3% | - | - |

## GUINNESS GREATER CHINA FUND - PERFORMANCE SINCE LAUNCH (USD)




Source: FE fundinfo to 30.09.24. 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 current OCF for the share class used for the fund performance returns is 0.89%. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

## IMPORTANT INFORMATION

**Issued by Guinness Global Investors**, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

This report is designed to inform you about Guinness Greater 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. OCFs for all share classes are available on www.guinnessgi.com.

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.

**Documentation**
The documentation needed to make an investment, including the Prospectus, the Key Investor Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-
• the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland: or ,
• the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

**Investor Rights**
A summary of investor rights in English is available here: https://www.waystone.com/waystone-policies/

**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 KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, REYL & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'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.