

## 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

|                     |                                     |
|---------------------|-------------------------------------|
| <b>Launch</b>       | 15.12.2015                          |
| <b>Index</b>        | MSCI Golden Dragon                  |
| <b>Sector</b>       | IA China & Greater China            |
| <b>Managers</b>     | Sharukh Malik CFA<br>Edmund Harriss |
| <b>EU Domiciled</b> | 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 October, the Guinness Greater China Fund (Y class, GBP) fell by 1.9%, while the benchmark, the MSCI Golden Dragon Net Total Return Index (MSCI Golden Dragon Index) rose by 1.7%, and the MSCI China Net Total Return Index (MSCI China Index) fell by 2.0% (please see page 3 for an explanation of why we refer to the MSCI China Index).

The best performing stocks in the Fund in October were Geely, TSMC and Suofeiya Home Collection. The weakest were Shenzhou International, Netease and Baidu.

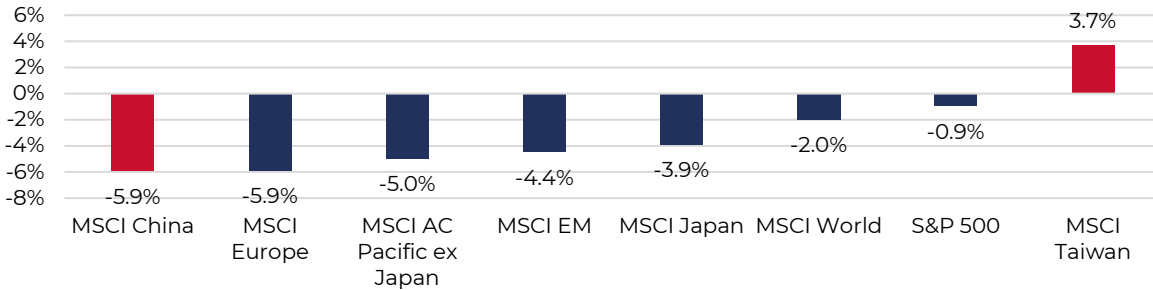
In October, relative to the MSCI China Index, contributors to the Fund's performance were the structural underweight to Tencent and Alibaba which underperformed, and stock selection in the Consumer Discretionary sector. Detractors from performance were stock selection in the Industrials and Financials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

*Commentary continues overleaf*

COMMENTARY

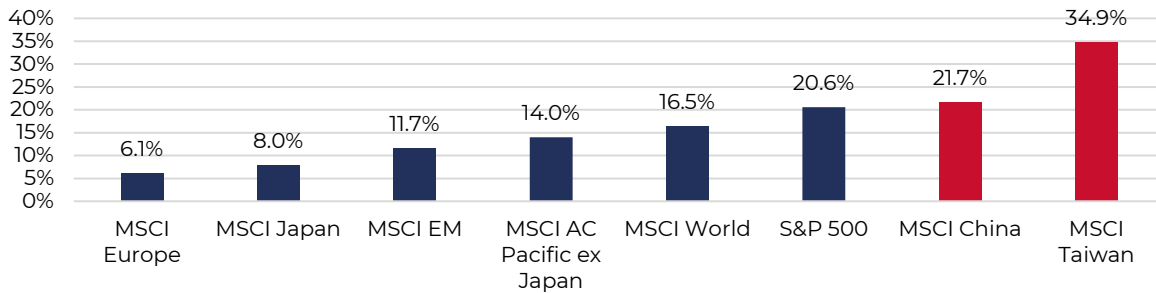
(Performance data in the section in USD terms unless otherwise stated)

Returns by Market in October



(Data from 30/09/24 to 31/10/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

Returns by Market Year-to-Date



(Data from 31/12/23 to 31/10/24, returns in USD, source: Bloomberg, Guinness Global Investors calculations)

After a very strong September, China gave back some of its gains in October and the MSCI China Index fell by 5.9% compared to the MSCI World Index which fell by 2.0%. The rally faded partly because the government failed to announce a major step-up in support for consumers. Year-to-date, the MSCI China Index has risen by 21.7%, outperforming the MSCI World Index which has risen by 16.5%.

## ATTRIBUTION

In October, the Guinness Greater China Fund (Y class, USD) fell by 7.4%, while the benchmark, the MSCI Golden Dragon Index fell by 5.4%, and the MSCI China Index fell by 8.5%. Therefore in the month the Fund underperformed the MSCI Golden Dragon Index by 2.0% and outperformed the MSCI China Index by 1.1%.

The MSCI Golden Dragon Index is a weighted average of the MSCI China, Taiwan and Hong Kong indexes. As of the end of October, Taiwan's weight in the Golden Dragon Index was c.38%. 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 benefited from less of the outperformance of the MSCI Taiwan Index.

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

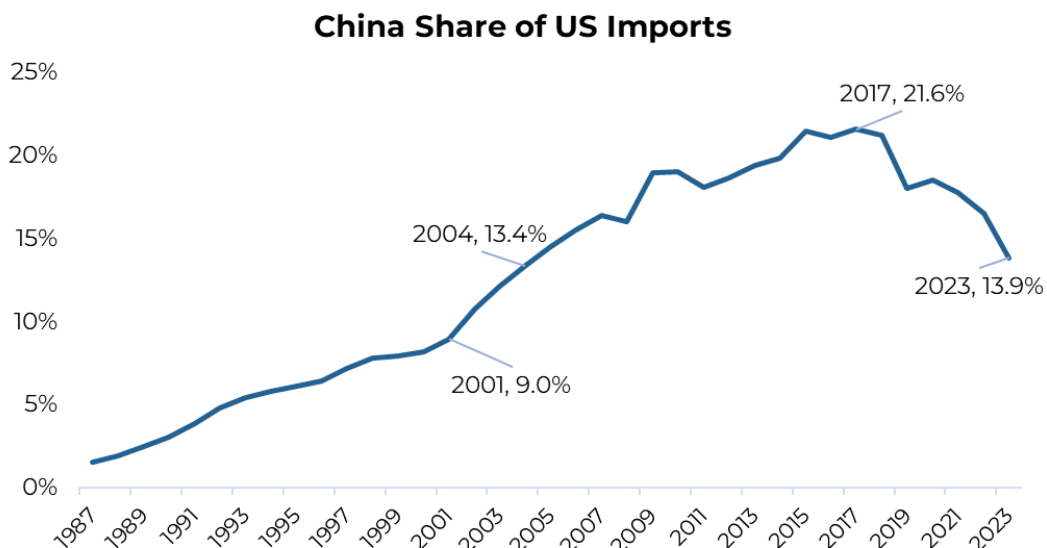
- Structural underweight to Tencent and Alibaba. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.2%. As of the end of October, Tencent's and Alibaba's weight in the MSCI China Index was 15.7% and 8.5%, making them the largest stocks by far in that index. Tencent and Alibaba underperformed in the month and so the Fund suffered from less of their underperformance than the index.
- Stock selection in the Consumer Discretionary sector, led by Pinduoduo (not held), Geely and Suofeiya Home Collection.

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

- Stock selection in the Industrials sector, driven by Shenzhen Inovance Technology and Haitian International.
- Stock selection in the Financials sector, driven by AIA Group and Hong Kong Exchanges and Clearing.

## OUTLOOK

The proposal by Trump to put 60% tariffs on Chinese imports is certainly eye-catching, but it likely only to accelerate a trend that has been evident for the last five years. The chart below, drawing on data from the US Census Bureau, shows the path taken by Chinese imports – growth from 1987 to 2000, acceleration after China's admission into the World Trade Organisation in 2000 to a peak in 2017. Since then, China's share has declined to its lowest level since 2004; and the nominal dollar value of \$426 billion is the lowest since 2012.



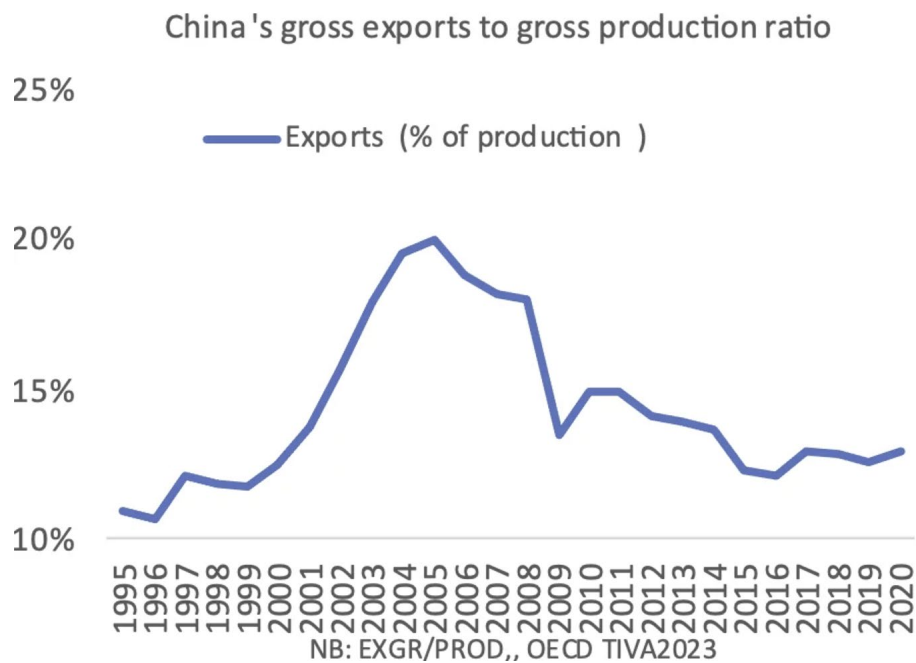
Source: U.S. Department of Commerce Census Bureau, 2024

## Guinness Greater China

Chinese companies have already had to come to terms with an unfriendly trading environment that was stepped up in Donald Trump's first term and then more stringently applied under Biden. Trade re-routing and the development of new markets have both been material trends over this period.

From China's perspective, this additional pressure will have an impact. To quantify this we need to put some numbers together. China's GDP in 2023 was worth US\$ 17.89 trillion and the total value of Chinese exports of goods, according to China customs data, was \$3.38 trillion or 18.9% of GDP on a gross basis. On China's own numbers, 14.8% of exports went to the US or about 2.75% of GDP. If we assumed, for example, a 25% drop in Chinese imports, then the impact on GDP on a gross basis is -0.6%.

The wider effect, given as the export multiplier, is very hard to compute. It relies on measures of the marginal propensities to consume and save over time. But China's economic structure has changed very rapidly, as have income levels over the past 30 years, and it has been subject to fiscal shocks all of which make savings and spending patterns highly variable and therefore difficult to estimate. However, we can measure China's exports to gross production i.e. the proportion of China manufacturing output that is sold abroad. The chart below was produced by Professor Richard Baldwin of the IMD Business School for The Centre for Economic Policy Research (CEPR). Since 2004, the proportion of Chinese goods which are manufactured exports has been coming down and its economic dependence on exports is not as high as many assume.



Source: Baldwin 2024, IMD, OECD TiVA database (<https://cepr.org/voxeu/columns/china-worlds-sole-manufacturing-superpower-line-sketch-rise>)

### Portfolio Managers

Sharukh Malik  
Edmund Harriss

**GUINNESS GREATER CHINA FUND - FUND FACTS**

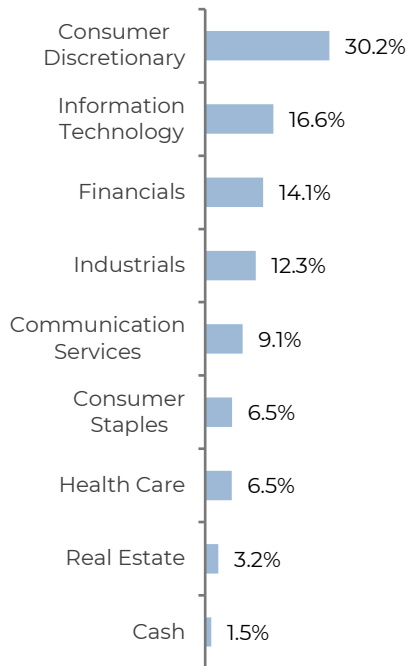
|             |                       |
|-------------|-----------------------|
| Fund size   | \$8.5m                |
| Fund launch | 15.12.2015            |
| OCF         | 0.89%                 |
| Benchmark   | MSCI Golden Dragon TR |

**GUINNESS GREATER CHINA FUND - PORTFOLIO**

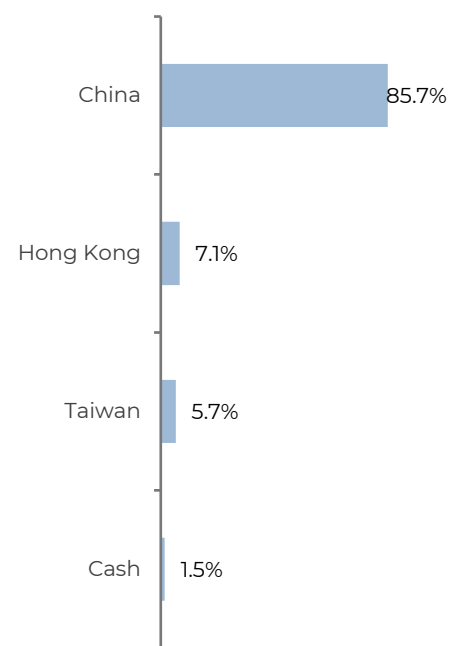
**Top 10 holdings**

|                                  |              |
|----------------------------------|--------------|
| Geely Automobile Holdings        | 4.0%         |
| Hangzhou First Applied Materials | 3.8%         |
| HKEX                             | 3.8%         |
| JD.com                           | 3.7%         |
| Ping An Insurance                | 3.7%         |
| Tencent Holdings                 | 3.7%         |
| Xinyi Solar                      | 3.6%         |
| Chongqing Fuling Zhacai Group    | 3.5%         |
| Shenzhen H&T Intelligent         | 3.5%         |
| TravelSky Technology             | 3.5%         |
| <b>Top 10 holdings</b>           | <b>36.8%</b> |
| <b>Number of holdings</b>        | <b>31</b>    |

**Sector**



**Country**



## Guinness Greater China Fund

Past performance does not predict future returns.

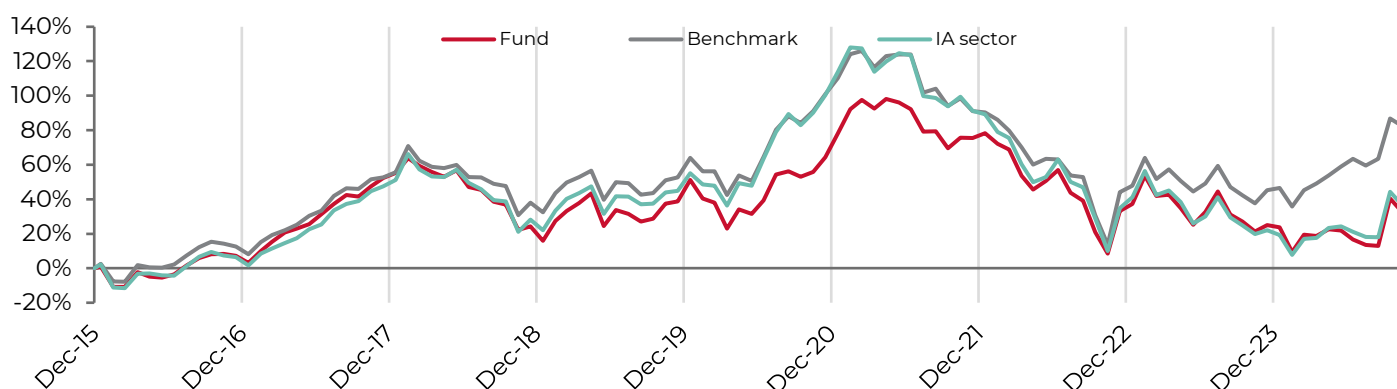
### GUINNESS GREATER CHINA FUND - CUMULATIVE PERFORMANCE

| (GBP)                     | 1 Month | YTD    | 1 yr   | 3 yr   | 5 yr   | 10 yr |
|---------------------------|---------|--------|--------|--------|--------|-------|
| Fund                      | -1.9%   | +5.9%  | +2.7%  | -19.9% | -3.2%  | -     |
| MSCI Golden Dragon TR     | +1.7%   | +23.3% | +24.9% | -2.1%  | +21.5% | -     |
| IA China/Greater China TR | -1.6%   | +13.0% | +7.2%  | -27.2% | -4.9%  | -     |
| (USD)                     | 1 Month | YTD    | 1 yr   | 3 yr   | 5 yr   | 10 yr |
| Fund                      | -5.9%   | +6.8%  | +8.8%  | -24.8% | -3.9%  | -     |
| MSCI Golden Dragon TR     | -2.5%   | +24.4% | +32.4% | -8.2%  | +20.7% | -     |
| IA China/Greater China TR | -5.7%   | +14.0% | +13.5% | -31.8% | -5.5%  | -     |
| (EUR)                     | 1 Month | YTD    | 1 yr   | 3 yr   | 5 yr   | 10 yr |
| Fund                      | -3.3%   | +8.6%  | +6.0%  | -19.9% | -1.2%  | -     |
| MSCI Golden Dragon TR     | +0.2%   | +26.5% | +28.9% | -2.1%  | +24.1% | -     |
| IA China/Greater China TR | -3.1%   | +16.0% | +10.5% | -27.3% | -2.9%  | -     |

### 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 31.10.24. 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](http://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](http://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'Île, 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.