

Guinness Asset Management Funds plc
(an umbrella fund with segregated liability between sub-funds)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2018

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Company information

Directors of the Company

Anthony Joyce (Irish) (Independent)
Edward Guinness* (British)
Andrew E. Martin Smith* (British)
Johnny McClintock (Irish) (Independent)
David McGeough (Irish) (Independent)
Timothy W.N. Guinness* (British) (Alternate Director to Edward Guinness)

* Employee of the Investment Manager

Registered Office

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Manager

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Investment Manager and Global Distributor

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Administrator, Registrar and Company Secretary

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Independent Auditor

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Depository¹

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200 Capital Dock
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D02 RK57

Company number

450670 (Registered in Ireland)

¹Effective 1 January 2019 the Depository changed its registered address to 200 Capital Dock 79 Sir John Rogerson's Quay Dublin Ireland D02 RK57

Directors' report

For the financial year ended 31 December 2018

The Directors of Guinness Asset Management Fund Plc (the "Company") present herewith their annual report and audited financial statements for the financial year ended 31 December 2018. The Company was incorporated on 12 December 2007 and is authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Central Bank of Ireland. The Company is an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds. As of the date of this report the Company is comprised of fourteen active sub-funds.

Basis of preparation

The format and certain wordings of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment company.

Principal activities

The Company is an open-ended investment company with variable capital and limited liability which has been authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended) (the "UCITS Regulations").

Accounting records

The measures which the Directors have taken to ensure that compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the adoption of suitable policies for recording transactions, assets and liabilities and the appointment of a suitable service organisation, Link Fund Administrators (Ireland) Limited (the "Administrator"). The accounting records of the Company are located at 1st Floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland, D02 A3242.

Activities and business review

A comprehensive overview of the Company's trading activities is detailed in the Investment Manager's report for each sub-fund on pages 6 to 40.

Risks and uncertainties

The principal risks and uncertainties faced by the Company are outlined in the prospectus. These risks include market risk comprising of, currency risk, interest rate risk and other price risk, liquidity risk and credit risk as per IFRS 7 Financial Instruments: Disclosures ("IFRS 7"). The Investment Manager reviews and agrees policies for managing each of these risks and these are detailed in note 12 to the financial statements.

The Company has carefully considered the potential effects of Brexit on its operations and the Directors believe that the contingency planning it has undertaken will enable those operations to continue.

Directors

The names of the Directors during the financial year ended 31 December 2018 are set out below:

Anthony Joyce
Edward Guinness
Andrew E. Martin Smith
Johnny McClintock
David McGeough
Timothy W.N. Guinness (Alternate Director to Edward Guinness)

Directors and company secretary interests

The below table provides details of shares held by the Directors:

As at 31 December 2018

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.80
Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,558.36

As at 31 December 2017

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Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,558.36

Transactions involving Directors

Other than as disclosed in note 18 to the financial statements, there were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest at any time during the year.

Results of operations

The results of operations for the year are set out in the statement of comprehensive income on pages 49 to 50.

Distributions

Details of distributions declared during the financial year ended 31 December 2018 are outlined in note 16 to the financial statements.

Independent Auditor

The Auditor, Deloitte Ireland LLP, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Events after the reporting date

There have been no events after the reporting date which impact on these financial statements other than those disclosed in note 25 to these financial statements.

Corporate governance statement

The Board of Directors of the Company has assessed and adopted the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies as published by Irish Funds in December 2011.

Directors' report (continued)

For the financial year ended 31 December 2018

Directors' responsibilities statement

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law and regulations. Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Company has appointed JP Morgan Bank (Ireland) plc (the "Depositary") to carry out the custodial functions of the Company including the safe keeping of assets, trustee duties and the operation and maintenance of bank accounts.

Directors' compliance statement

The Directors acknowledge that they are responsible for securing compliance by Guinness Asset Management Funds plc with its Relevant Obligations as defined in section 225 of the Companies Act 2014 (hereinafter called the "Relevant Obligations").

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this Report relates.

Statement on relevant audit information

In accordance with Section 332 of the Companies Act 2014 each of the persons who are Directors at the time the report is approved confirm the following:

- 1) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- 2) the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Audit committee

The Company has not established an audit committee within the meaning of Section 167 of the Companies Act 2014. Given the internal organisation of the Company, the nature, scope and complexity of the Company's activities and the existing processes and procedures adopted by the Company the Board does not consider that an audit committee within the meaning of Section 167 of the Companies Act 2014 is required.

However, the Company has established a committee of directors in accordance with the provisions of the Company's Memorandum & Articles of Association to support the Board in relation to the Board's review of the financial statements and the Board's communications with the external auditors.

On behalf of the Board

Johnny McClintock

David McGeough

Date: 25 April 2019

Investment Manager's report

For the financial period ended 31 December 2018

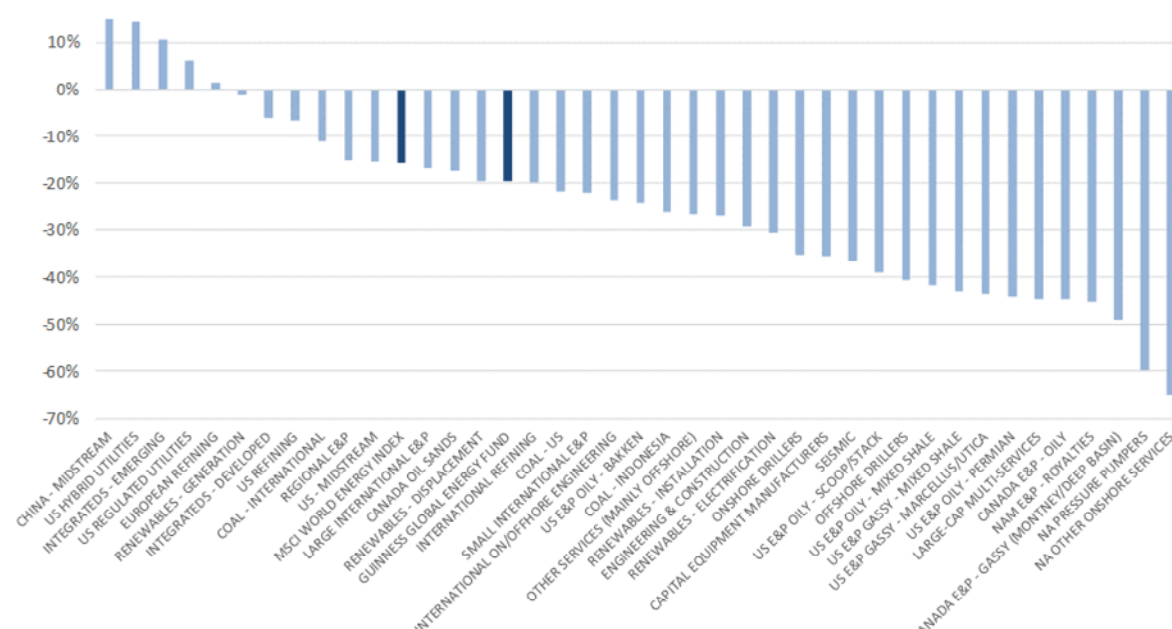
Guinness Global Energy Fund (the "Fund")

The Fund in 2018 produced a total return of -19.7%. This compares to the total return of the Morgan Stanley Capital International World Energy Index of -15.8% and the MSCI World Index's total return of -8.2%.

After a strong first three-quarters of the year for energy equities in 2018, the commodity price weakness in the fourth quarter led the sector (MSCI World Energy Index) to finish -15.8%, and behind the broad market (MSCI World -8.2%). It was noticeable that energy equities did not react to the increasing spot oil price in the beginning of 2018. It was only when the long dated oil price started to move up, in the second quarter of 2018, that the sector started to gain traction (the MSCI World Energy Index was up 10%, 8% ahead of the MSCI World index, by the end of May 2018). However, the severity of the spot price decline at the end of the year reversed the outperformance, and more. Valuation appears subdued relative to the improving levels of free cash flow and return on capital employed from our portfolio of energy equities and the sharp energy equity correction in the fourth quarter only served to increase the market's scepticism towards the improving return on capital and free cash flow generation of the sector.

As ever, the performance of the MSCI World Energy Index was only part of the story, with 2018 being a year of extreme divergence between the energy equity subsectors.

Global energy equity subsectors: median total return in 2018 (%)



Source: Bloomberg; Guinness Asset Management

A quick tour of some of the main energy sub-sectors paints a picture for the overall performance of energy equities in 2018:

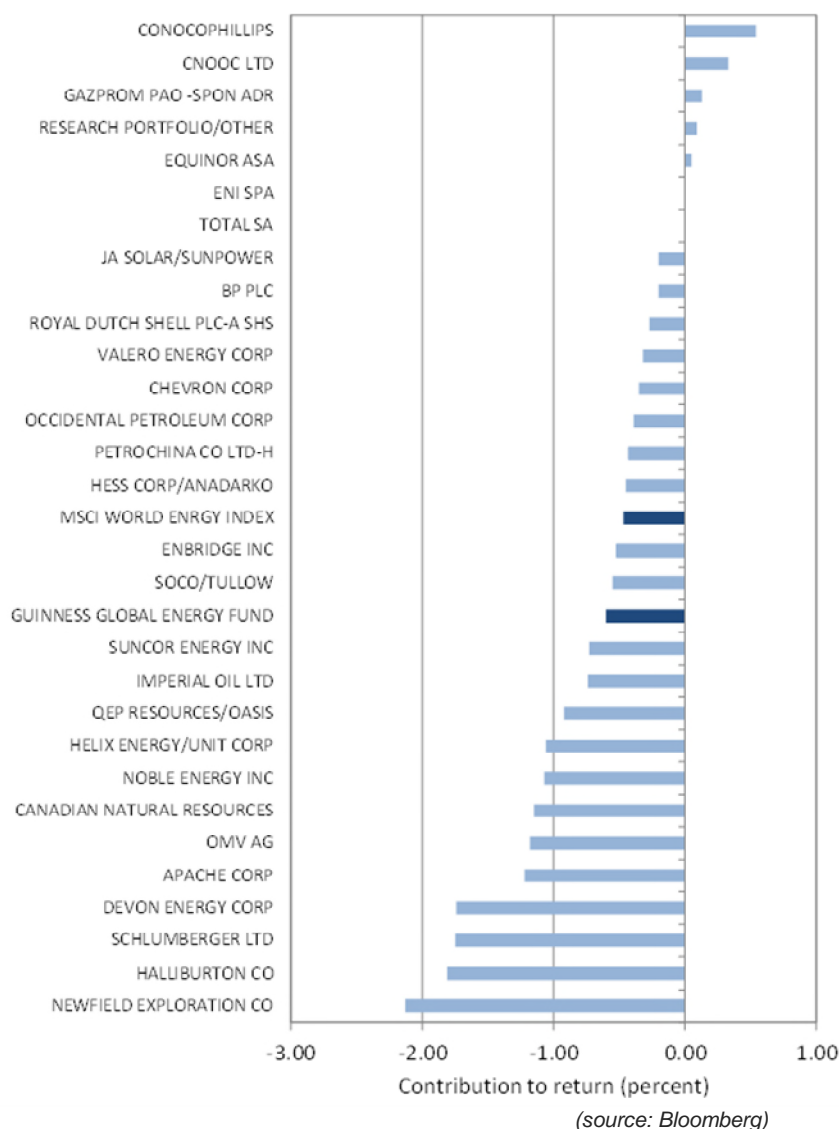
- **Integrated oil and gas companies** again delivered above average performance. Emerging Market integrated companies outperformed the developed market integrated companies, and all were strong versus other subsectors. On average, the big '5' supermajors delivered a total return of -8% as their improving underlying financial profitability (and commitment to capital discipline, growing dividends and share buybacks) provided relative support against an extremely weak fourth quarter environment.
- **Oil refiners** also delivered relatively better share price performance, reflecting the generally strong oil product demand environment, and an eye to the expanded distillate margins resulting from IMO 2020 regulations. European refining was the strongest of the three regions.
- **Renewables** delivered a mixed bag of performance with those companies involved in the generation of renewable energy delivering small positive returns while those involved in the electrification of energy demand (including those companies involved in the electric vehicle supply chain) delivered negative returns of -20% to -30%.
- **Exploration and production** was a poorer performer. Typically, non-North American E&Ps fared a little better, being exposed to global Brent oil prices rather than WTI prices, but were still down by around 20%. The worst returns were delivered from the North American onshore E&P sector, with both oil and gas-oriented E&Ps based in both Canada and the United States delivering returns of -40% to -50% range over the year. The Bakken-oriented E&Ps were the better performers in the region but were still down 25% over the year.
- **Energy services** were also particularly weak. North American onshore oil services providers and pressure pumpers fell by 60% or more, as excess capacity trumped the rise in activity. Even the large cap diversified service providers (e.g. Halliburton, Schlumberger and Baker Hughes GE) declined by over 40%. The international service industry fared slightly better but even the best performing sub sectors here (diversified offshore services and engineering & construction companies) were down by 24%.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Energy Fund (continued)

Indicative portfolio contribution analysis



Indicative portfolio contribution analysis

The underperformance of the Fund versus the Index is disappointing and can be explained in broad terms by the Index's heavy composition bias (c.50% vs 15% in our portfolio) towards the big five 'super-major' oil and gas companies (Exxon, Chevron, Royal Dutch Shell, TOTAL and BP). The average total return for a super-major in 2018 was -8%, compared to -42% for the E&P sector, -44% for the energy services sector and -19% for the refining sector. This explanation has been used often over the last five years and, put simply, in the energy bear market that has persisted since 2014, large defensive integrated oil & gas companies have offered a defensive haven that other sectors have not come close to matching.

On a stock by stock basis in the Fund, we saw particularly strong peer-relative performance from ConocoPhillips (+16%) as the market rewarded the delivery of growth together with dividend and share buyback increases and from Equinor (previously Statoil, +2%) as capex was restrained and the economics of new projects continued to improve. CNOOC and Gazprom performed well (+12% and +13% respectively), Gazprom enjoying elevated European gas prices, whilst ENI and TOTAL were the best of our developed market integrated oils.

It was a very poor year for our two diversified oil services companies (Schlumberger and Halliburton) that were both down by 45%. Given the positive long-term outlook for the North American onshore oil and gas industry, we were surprised to see such severe equity weakness. Devon Energy and Newfield Exploration (-45% and -54% respectively) were noticeably weak within the poorly performing US onshore E&P sector with their underperformance reflecting a combination of weak regional pricing, negative regional politics or poorly performing assets.

Turning to the commodities, 2018 was a year of two halves for the oil market. OPEC compliance on their 2017 quota cuts reached a level of 135% in February 2018, causing global oil inventories to draw and spot prices to rise. Persistent production declines from Venezuela combined with the threat of stringent US-led sanctions against Iran then led to concerns that there would be physical oil supply shortages in the second half of the year, bringing the spot Brent oil price as high as \$86/bl. After pressure from the US, and a realisation that prices were unsustainably high, OPEC (and Saudi in particular) delivered a surge of production in the second half of the year that coincided with the announcement of waivers for Iranian oil exports and a peak in US onshore shale oil supply. The ensuing oversupply pushed oil and product inventories higher, causing a sharp correction in spot oil prices. OPEC responded by re-introducing quotas for 2019, to maintain reasonable prices for their members.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Energy Fund (continued)

Spot oil prices traded in a wide range during the year. Brent oil started 2018 at \$67/bl before peaking at \$86/bl in early October and then falling sharply to end the year at \$54/bl, close to its lows for the year, and down by 19% over the year. The sharp drop in spot prices at the end of the year was accelerated by financial activity in oil. Over the fourth quarter, the net long non-commercial crude oil futures open position (WTI) fell from 560,000 contracts to 309,000 contracts. The average Brent spot oil price in 2018 was \$71.7/bl, \$17/bl higher than the 2017 average of \$54.8/bl. WTI spot averaged \$64.9/bl, a discount of \$7/bl to Brent, as resurgent US production brought numerous infrastructure issues and widened the discount to Brent. Also of note was the fact that Canadian oil prices, as measured by the Western Canadian Select crude blend, averaged only \$38.6/bl during the year, dropping as low as \$13.5/bl in mid-November, leading the Alberta government to instigate production quotas for 2019.

There was also a marked change in the shape of the oil futures curve over the year. Both Brent and WTI moving from shallow backwardation to extreme backwardation by the middle of the year, then swinging into contango in the fourth quarter. Importantly, longer dated crude prices were more resilient, with the Brent five year forward price finishing the year up 4% at \$60/bl.

The major components to oil supply/demand for 2018 were as follows:

- **OPEC oil supply**, measured for OPEC-14, is likely to have decreased by around 0.1m b/day, averaging 32.1m b/day, versus 32.2m b/day in 2017. The losers included Venezuela, which suffered a dramatic production decline (falling from 1.6m b/day at the start of the year to 1.2m b/day in December 2018) together with Angola (a decline of 0.1m b/day) and Iran (a decline of 0.8m b/day predominantly at the end of the year caused by US-sanctions). The winners were Saudi Arabia, Kuwait, UAE and Iraq which together increased production by 1.7m b/day to offset declines elsewhere. After several years of problems, Libya and Nigeria also posted gains over the year. OPEC met in December 2018 and resolved to reduce their supply by around 0.7m b/day in 2019, effectively reversing the surge of production brought on in the middle of 2018 to balance the impact of Iranian sanctions. During the year, Saudi delayed its planned IPO of Saudi Aramco and Qatar announced its intention to leave OPEC.
- **Non-OPEC oil supply** is likely to have grown by 2.4m b/day over the year (60.4m b/day, versus 58.0m b/day in 2017) and was driven almost entirely by growth from the US onshore, Canada and Russia. US onshore oil supply is expected to have averaged 8.7m b/day in 2018, delivering a record 1.6m b/day growth for the year, as WTI oil prices of \$60/bl and above incentivised an increase of 100 oil directed drilling rigs in the first half of 2018 (around 870 rigs as of December 2018). Increases in production were also reported in Canada (+0.3m b/day) and the remainder of the United States (+0.5m b/day), offset by declines in Norway (-0.1m b/day) and Mexico (-0.1m b/day) while other large non-OPEC producers like Brazil and China managed to keep production flat.
- **Global oil demand** is estimated to have grown by around 1.3 m b/day in 2018, according to the IEA. This comprises **non-OECD oil demand** growth of 0.9m b/day (with China up 0.5m b/day and India up 0.2m b/day) and **OECD oil demand** growth of 0.4m b/day. If confirmed, these final figures will be in line with the forecasts for 2018 that were made at the beginning of the year. Non-OECD demand growth was tempered somewhat due to higher oil prices and the strong US dollar in the middle of the year. OECD demand growth of 0.4m b/day in 2018 was at the lower end of the recent historic range, reflecting a greater level of price elasticity.
- **OECD oil inventories** at the end of November 2018 were estimated to be at 2,873 million barrels, down from 2,903 million barrels a year before, but still 7% above the 2005-2014 average level. We expect inventories to end 2018 broadly flat with the end of 2017, having been undersupplied by around 0.3m b/day in 2017.
- For **natural gas**, 2018 was a year of further divergence between the US, Europe and Asia. In the US, the gas price was anchored sub \$3/mcf until prices spiked briefly to \$4.8/mcf in early November as a result of the onset of colder weather and lower levels of natural gas in storage. The stronger end to the year brought the average gas price to \$3.07/mcf (up from \$3.02/mcf in 2017) but longer term gas prices (such as the five year forward gas price) saw less price increase as a \$3/mcf price was deemed sufficient to justify new drilling to offset lower inventory levels.

Fund activity

In May we sold our position in **Hess Corporation** and switched to a holding in **Anadarko**. **Hess** is a US listed exploration and production company with, today, focus on US unconventional oil production in the Bakken (North Dakota), and international oil developments offshore Guyana. The company had enjoyed strong share price performance over the previous twelve months, thanks to a string of exploration discoveries in Guyanese waters, and high operational leverage to the rising oil price. However, we felt these factors became fully priced into the stock, prompting our decision to sell.

We switched into **Anadarko**, also a large diversified E&P company, but one with a more attractive asset mix than Hess. In particular, the company has substantial exposure to the Delaware Basin in Texas, as well as midstream, Gulf of Mexico and East African interests. We believe that Anadarko can deliver handsome capital efficient production growth over the next 3-4 years, which should drive the stock to outperform.

In July, **JA Solar** was sold from the portfolio, acquired by its Chairman under a long-running takeover plan that was first announced in 2017. We had owned JA Solar, a Chinese manufacturer of solar modules, since 2011. We regarded the acquisition price as satisfactory, given the competitive environment for solar module manufacturing.

The portfolio saw the disposal of **Sino Gas & Energy** in September. Sino Gas, a 'research' position that we had held in the portfolio for around four years, was acquired by US energy firm Lone Star, at a price which gave the Fund a good profit over the invested period. The company had successfully expanded its unconventional drilling operations in the Ordos Basin, China's largest natural gas producing region, such that it came to the attention of a number of potential acquirers.

Outlook for 2019

As we look ahead into 2019, we expect OPEC to remain disciplined in its pursuit of normalised oil inventories, and will seek to manage the Brent oil price at around \$60/bl. OPEC are striving to find a 'happy medium' for the oil market where their own economics are better satisfied, the world economy is kept stable and US oil production grows in a controlled manner.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Energy Fund (continued)

On the supply side, the US onshore shale system will grow strongly again this year, up by just over 1m b/day if Brent averages \$60/bl. E&Ps will continue to react to oil prices (despite higher levels of capital discipline) and growth will be higher if prices are higher. Permian pipeline constraints will be solved by year end and oil service activity is likely to pick up as the year progresses. Non-OPEC (ex US onshore) supply will hold up in 2019 but will come under increasing pressure as upstream capex cuts from 2015-18 take effect. A dearth of new project sanctions and increasing decline rates on existing fields means that non-OPEC (ex US onshore) supply will stagnate to the end of the decade, even if oil prices rise from here.

Global oil demand will depend on GDP growth, currently expected at around 1.4m b/day if the IMF's GDP global forecast of 3.5% holds up. The non-OECD will deliver most of the growth in 2019, with China and India leading the way. We will see more electric vehicles sold this year but they will pose a negligible threat to oil demand growth.

Putting all this together, OECD oil inventories are likely to be similar to end-2018 but the path will be bumpy. Looking further ahead, we believe that continued oil demand growth, and a decline in non-OPEC supply outside the US, will raise the call on the US shale system and OPEC. We expect OPEC will manage the market to a higher price in this environment.

Meanwhile, global gas demand will grow handsomely again in 2019 led by strong Asian GDP growth and a shift in the region from coal to gas consumption by power utilities.

Energy equity valuations remain at depressed levels. On a relative price-to-book (P/B) basis (versus the S&P500), the valuation of energy equities sit at a 50 year low, at 0.5x, just below level that it was at in February 2016 when Brent oil was \$29/bl. We believe that improving ROCE (we forecast 7% for our portfolio in 2019 assuming \$60 Brent prices, up from 1% in 2016) should drive a higher P/B ratio.

Free cash flow will remain a priority in 2019. Shareholder pressure for energy companies to live within cash flow, cover dividends and buyback shares should keep free cash flow in sharp focus. We expect improvements here even in a static oil price environment and, looking ahead to 2020 with a \$60 oil price, we expect oil & gas companies to be able to grow shareholder distributions meaningfully for the first time in a decade. Super majors could raise distributions by 50%, whilst mid & large cap producers could raise them by 100%.

Energy equities offer attractive upside if our oil price and profitability scenario plays out. If you believe, as we do, in long term \$60 Brent with ROCE and FCF Returns being sustained at long run average levels, then there should be 40-50% upside across the energy complex.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Alternative Energy Fund (the "Fund")

Performance summary in US Dollars: Class A compared with MSCI World Energy Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-15.7%	-4.7%	-7.5%	-11.6%	-11.6%	-15.0%	+20.8%	-15.7%
Index	-15.1%	+4.7%	-4.5%	-11.0%	-22.1%	+27.6%	+5.9%	-15.1%

The Fund was down 15.7% in 2018. The Fund performed in line with the MSCI World Energy sector over the year. For the first half of the year the Fund underperformed the MSCI World Energy Index, but outperformed this index by 9.0% in the second half of 2018. Over 3 and 5 years, the Fund is behind the MSCI World Energy Index, and despite the annual performance in 2018 being similar, there are signs the alternative energy sector performance is decoupling from the MSCI World Energy Index.

In terms of contribution to performance over 2018, the overarching driver of the weak Fund performance was the weakness in global equity markets. The Fund's renewables holdings performed worse than the Fund's holdings that related to the consumption of energy. Within the renewables holdings the grid and renewable installation equipment manufacturers were the weakest.

The Fund's holdings related to consumption can be broadly divided into those which relate to displacement of fossil fuel consumption and those that relate to electrification of consumption. Building efficiency improvements create displacement of energy consumption and the Fund's holding in Nibe, who are the leading global provider of heatpumps, were one of the Fund's few positive contributors to performance in 2018 as they continue to consolidate their leading market positioning. Johnson Controls and Acuity Brands were relatively weak, particularly in the fourth quarter as concerns about the US economy weighed on stocks. Kingspan, the building insulation manufacturer, was flat for the year. Cosan is (among other things) a leading distributor of ethanol in the Brazilian market and suffered from strikes and weak Brazilian equity markets.

Electrification is exemplified by Battery and Electric Vehicle companies. The Fund's holding in Tianneng Power International, a Chinese vehicle battery producer performed well and was well sold in the middle of the year. LG Chem's battery business is moving towards profitability but saw some weakness amid concerns about how long it will take to get there. Sensata are potential beneficiaries of the shift to electric vehicles as leading providers of electric sensors, but suffered along with the whole US market. Ricardo was a disappointment. As a provider of engineering services to the automotive industry, they should be a key facilitator for companies looking to improve engine efficiency and shift to electric, but weak second half results weighed on the stock.

The Fund's exposure to renewables is split between generating companies and equipment manufacturers. The Fund holds five Chinese renewable asset owners which between them performed well. This reflects improving payment timing in China and a move to lower levels of curtailment of renewable production. The other generation holdings are in biomass, geothermal and hydroelectricity. The Fund's geothermal company, Ormat, ran into operational problems relating to volcanic eruption at a facility in Hawaii but despite this it has performed in line with the rest of the portfolio.

The wind equipment manufacturing companies – TPI Composites and Vestas - have been bright spots of performance for 2018, reflecting solid balance sheets and good operational performance. This is in marked contrast to the solar manufacturers who have suffered from the surprise withdrawal by China of a number of its subsidy supports in June, which caused major weakness in stock prices. Grid equipment companies were relatively weak in 2018, with Prysmian struggling to digest its General Cable acquisition and Schneider Electric underperforming amid concerns in a slowdown in general infrastructure spending that is not necessarily warranted. Wasion, the Chinese metering company performed well as previously delayed contracts were executed leading to better earnings.

Activity

In the first quarter the Fund sold its positions in Boralex, Servion and JA Solar, replacing them with Acuity Brands, Vestas and Daqo. The Fund sold its position in Boralex based on a view that the stock was fully valued. Boralex operates in Canada and France, where favourable feed-in tariff levels for new projects are being replaced by competitive auction pricing which is likely to lead to deterioration in returns on future projects. The Fund acquired a position in Acuity Brands based on its low valuation and attractive market positioning. Acuity Brands provides lighting and building efficiency solutions, where evolving technologies including LEDs offer an attractive growth trajectory. The Fund sold its position in Servion based on relative valuation and concerns about deterioration of the German market for wind turbines. The Fund had acquired the position in Servion due to the large discount that it traded at compared to its peer group. The Fund replaced the position in Servion with a position in Vestas which had seen stock price weakness despite a leading market position and scoring well in the Fund's screening.

In the second quarter, the Fund was the beneficiary of two buyout offers for JA Solar and Mytrah Energy. The Fund sold its position in JA Solar as a result of a management buyout and replaced it with a position in Daqo, a Chinese polysilicon supplier. Daqo has strengthened its balance sheet over the last two years with high levels of operating cashflow and capital raises. Within the silicon market Daqo is focusing on the raw materials for mono-crystalline silicon solar cells, a subsector of the solar module market that is set to grow at a faster rate than the overall solar market and relies on higher purity polysilicon. The Fund sold its position in Mytrah Energy which was bought out by its chairman. The offered price was at a 64% premium to the closing price at the time of announcement. The Fund sold its position in Tianneng Power International. This bicycle battery business in China had reached the valuation targeted on acquiring the position. Furthermore there were concerns about price competition in their core market as witnessed by weak trading at competitors.

In the third quarter the Fund acquired a position in Albioma, an international biomass energy producer in the Francophone world.

The Fund made no changes to the portfolio in the fourth quarter but benefited from rebalancing.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Alternative Energy Fund (continued)

Portfolio Position

The Fund's largest country exposures were to China, the United States, Canada, Italy, the United Kingdom and Brazil. With China contributing half of the annual installations of wind and solar, over three-quarters of solar manufacturing capacity and over half of wind turbine manufacturing capacity, investing in China is a key part of the current investment opportunity.

At the end of 2018, the Fund held 26.7% in companies that produce power, 28.3% in companies that manufacture and install renewable installations, 12.5% in companies that improve building efficiency and 10.8% in electric grid related companies. The remainder of the portfolio has exposure to Electric Vehicles (6.2%), Renewables Developers (3.3%), Battery companies (3.9%) and Biofuels (3.9%) and Green Utility companies (0.6).

Outlook

While sector and global equity markets performance was weak in 2018, there are good signs that the outlook for the alternative energy sector is improving.

The areas of most potential excitement continue to be batteries and electric vehicles. The rest of the car manufacturing world are catching up with Tesla (not owned) and it still remains to be seen which car companies will create the successful vehicle models and technical innovations that expand the opportunity to the mass market. There are a number of attractive investment opportunities in companies that are model agnostic and will be part of the overall shift. While biofuels are not a global growth story, there remain attractive investment opportunities in specific regions and also provides a meaningful displacement for fossil fuels where implemented.

Renewables are becoming cost competitive without subsidies and volumes installed continue to grow. At the point where subsidies fall away, the growth should no longer be constrained by any requirement for government financial support. Despite the surprise removal of subsidies for solar in China, they are actively supporting unsubsidised, often on site generation projects and there are good signs that the Chinese solar market is already recovering from this shock. The wind market continues to evolve, with offshore wind becoming materially more important for a number of manufacturers. Most importantly the markets for both wind and solar are now truly global, which again provides a better support base and more opportunities for best practises to be learnt and exported internationally.

The Fund remains well positioned for growth of the alternative energy sector, and there are signs that the sector is maturing to provide investment opportunities with sustainable earnings growth.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Money Managers Fund (the "Fund")

Performance

Guinness Global Money Managers Fund

Performance summary in US Dollars: Class E compared with MSCI World Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-27.2%	-2.1%	-2.8%	+3.6%	-10.9%	-4.7%	+35.1%	-27.2%
Index	-8.7%	+6.3%	+4.6%	+4.9%	-0.9%	+7.5%	+22.4%	-8.7%

The Global Money Managers Fund (class E, in USD) in 2018 produced a total return of -27.2%. This compares to the return of the MSCI World Index (net return) of -8.7% and the MSCI World Financials Index of -16.4%.

After a period of strong performance in 2017, the money management sector suffered a torrid year. Weakness in broader equity and fixed income markets acted as a drag on the sector, since nearly all participants are operationally geared to rises and falls in the market. But it was the concern of ongoing active-to-passive rotation that compounded the weakness for many asset managers. Active equity management in the US again saw net outflows, although active fixed income funds reported net inflows.

With the exception of stock exchanges, all subsectors within money management performed very weakly in 2018. As a group, mid-cap asset managers were the worst hit, with some of the European names seeing outflows after several years of net inflows. Large cap managers were not much better. In general, and in common with the last five years, we observed that some active providers reacted to the threat from passive products better than others, distributing products that were clearly differentiated from passive products, or that were sufficiently competitively priced.

Sentiment towards larger US active asset managers took a knock in September with Fidelity's announcement that they were launching four zero fee index mutual funds. Fidelity's new funds are only available to their own customers, as part of a wider package of services. Nonetheless, the move caught the imagination of the market and led to underperformance from nearly all asset management companies in the US that specialize in listed equities.

Alternative asset managers proved to be a relative safe haven, although most were still down over the year. Most private equity firms achieved net inflows in 2018, and have been able to defend margins more successfully than public equity and fixed income oriented managers.

The best performers in the Fund over the year (on a total return basis) were: AllianceBernstein (+20.9%), Liontrust Asset Management (+16.1%) & Nasdaq (+8.2%). A number of factors worked in AllianceBernstein's favour in 2018. Fund performance was strong, and the company's bias towards fixed income proved a better place to be than active equities. Versus its peers, AllianceBernstein also demonstrated a greater focus on operating margin improvement, with the aim to exceed 30% by 2020, versus 27% currently. The company's research arm also performed better than expected, with revenues down only slightly despite the introduction of MiFID2 in Europe.

Liontrust, which we purchased for the Fund in 2012, has enjoyed a transformational period. AuM moved over £11bn in 2018, thanks mainly to (organic) net inflows and the acquisition of the Sustainable Investment Team from Alliance Trust. The Sustainable Team joined Liontrust with assets of £2.3bn, and finished the year managing over £3.3bn. With the company's Economic Advantage team managing over £5bn, the addition of Sustainable Investments creates a healthy degree of diversification in the business, which has been well received. Further diversification in assets has come with the addition of an experienced new global fixed income team, joined from Kames Capital.

Nasdaq was successful in expanding its market share in all key trading markets, despite increasing competition. Non-transaction based business now represents more than 70% of the company's revenues. Growth was particularly strong in market technology and information services, whilst on the transaction side, US cash equity exchange volumes were up nearly 10% versus the previous year.

The worst performers in 2017 were: GAM Holding (-74.8%), Jupiter Asset Management (-52.6%) and Invesco (-50.0%).

GAM experienced an exceptionally difficult year. In July, the company announced the suspension of key fixed income fund manager, Tim Haywood, after concerns arose around risk management procedures. By August, GAM announced that it was liquidating Haywood's absolute return bond funds (ARBF), involving the return to clients of around CHF11bn which had been in the strategy. In December, the company pre-announced 2018 results, with underlying profits before taxes expected to be around 27% lower than 2017. The company also announced a suspension of the dividend for 2018, as capital is redirected towards a restructuring plan, involving the consolidation of various investment teams.

Jupiter, which we have held since the inception of the Fund, suffered in the market downturn but also reported relatively large net outflows in the second half of 2018, after a succession of net inflow years. The bulk of the outflows came in the company's fixed income strategy, which has been a sharp underperformer over the last year or so.

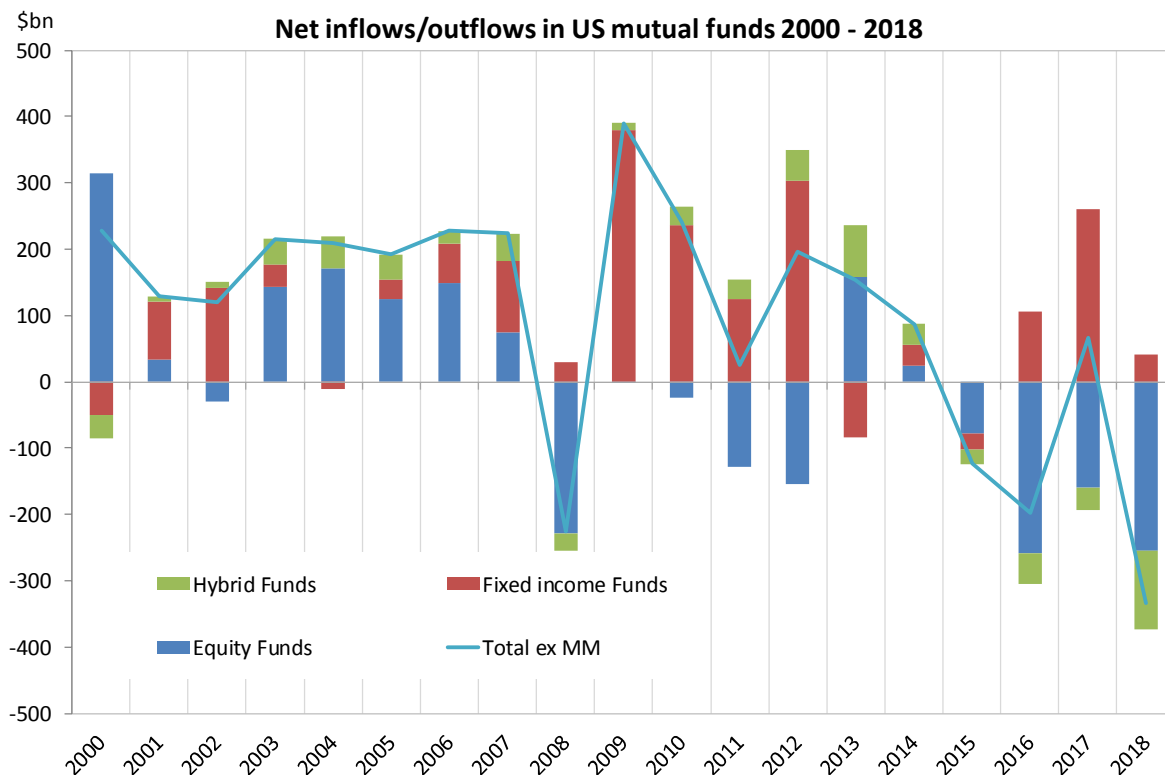
Invesco also struggled with the scale of outflows, which accelerated into the end of the year. Outflows were particularly acute in its mutual fund range, particularly in its diversified dividend and equity income strategies. Operating margins at the company were also depressed in 2018 thanks to a rise in the company's core expenses, driven by several significant acquisitions (ETF providers Guggenheim & Source, digital platform Gemstep).

Within the asset management sector, data for US mutual fund flows (which we treat as a proxy for global flows) indicated record outflows from equity funds in the fourth quarter of 2018, surpassing the outflows seen at the end of 2016. The picture for active bond & income funds was also negative, with net outflows of \$84bn, though net flows for bond & income were positive overall during the year. It was an environment where few prospered.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

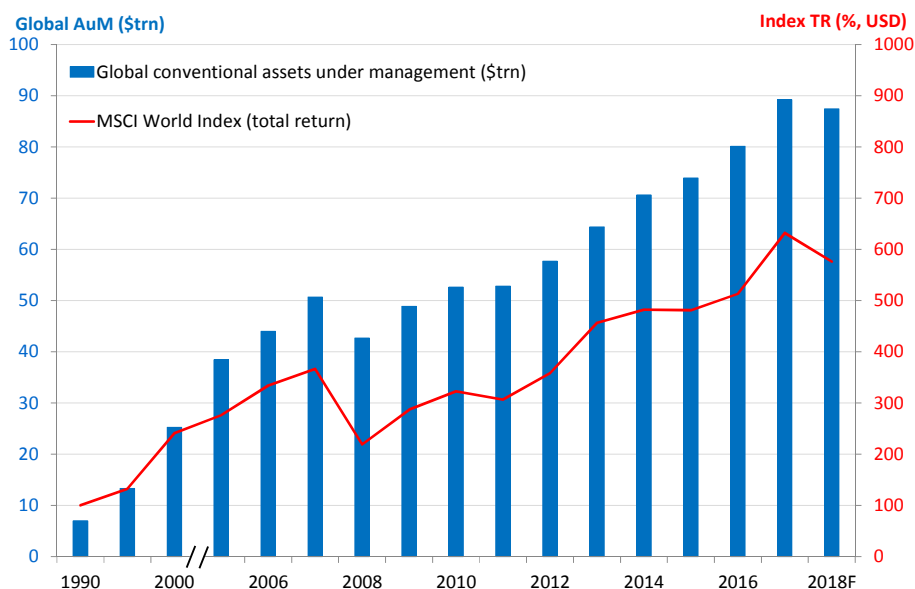
Guinness Global Money Managers Fund (continued)



Source: ICI; Bloomberg; Guinness Asset Management

Outlook

Assets under management in the money management industry globally remained close to their highs in 2018, driven by the secular forces of wealth creation, expansion in the breadth of investible assets, and demographic shifts. It was an environment where many firms achieved record profits. And yet, the challenges of weaker market conditions, active to passive rotation in equities, and associated fee pressures, combined to leave sentiment toward the sector at a decadal low.



So, how do these countervailing trends play out?

We have said for some time now that the money management sector is developing into the haves and the have-nots. Simplistically, it would be easy to think of the 'haves' as those who can crack the issue of scale: 'trillionaire' firms managing the largest pool of assets in an efficient, profitable fashion. This is part of the answer. As we see it, however, investment quality remains the key facet when defining a successful asset manager, and will continue to manifest itself in various ways.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Money Managers Fund (continued)

We define investment quality as “the ability of a manager to consistently meet stated and relevant objectives”. For a smaller traditional asset manager, it may still mean the provision of high active share, alpha-generating portfolios. For a passive provider, investment quality might be measured by the delivery of easily accessible, very low tracking-error, low cost ETF products. For an alternatives provider it might mean the consistent delivery of differentiated absolute returns. If investment quality is sustained, it will drive the growth of a successful asset management business.

The most obvious ‘have-nots’ in the industry today are the weaker traditional asset managers who continue to overcharge for undifferentiated products. Some companies in this category are reaching interesting ‘value’ territory, such was the magnitude of share price declines in 2018, but many will remain value traps: leaking assets and lacking the vision to redesign investment products or client distribution models.

As investors in the space, we of course need to identify the good-value ‘haves’ and traverse our way past the expensive ‘have-nots’. To summarise, we expect outperformance from the following participants in the sector:

- **Effective, outperforming, active management.** Managers who can successfully offer products that outperform their benchmarks will continue to be the sector’s most attractive revenue opportunity. These products will likely have a high active share (if compared to benchmarks), have a high tracking error. Firms must be able to demonstrate performance quality and investment process quality (isolating skill from luck). 2018 was a poor year for active manager outperformance (only 30% of active managers were ahead of their benchmark on a three-year rolling basis), illustrating the importance of investing in the ‘right’ active manager.
- **Cost-efficient beta (ETFs/passives).** There will be significant growth in the use of easily-accessible passive products, notably ETFs. We expect the global ETF market to triple in size over the next five years. Broadly speaking, this divides into low-cost ‘beta delivery’ operations (e.g. Vanguard, BlackRock iShares) which rely on scale, and innovative beta products (e.g. Wisdom Tree and Invesco Powershares). Increasingly, the winners in the ETF/passive world are those achieving significant scale, so maximising their operating leverage.
- **Alternative asset managers.** ‘Alternative’ asset managers, such as private equity and hedge funds, face less threat from passives than large low active-share traditional managers, and therefore sit well placed to continue to grow assets as investors seek differentiated returns. Many alternative managers are seeing record fundraising activity, whilst some US managers are likely to follow KKR’s lead and convert from publicly traded partnership structure into a C-Corp structure, driven by US corporate tax reforms. This would expand their ownership bases with passive and active-only equity managers, some of whom are unable to own partnership structures.
- **Wealth management consolidators.** The wealth management industry in many developed countries remains a fragmented market with many subscale operators. However, consolidation is taking place, as pricing pressures, low interest rates and additional regulation prompt companies to scale up and exploit potential cost savings. We are attracted towards those wealth managers we think can consolidate effectively, seeing particular opportunities in the UK and continental Europe.
- **Ancillary services to the industry (e.g. custody banks; stock exchanges).** Whilst change is occurring to the composition of assets under management, it remains the case that the total level of AuM is growing at a faster pace than the growth in underlying returns. Since 1990, new investable companies and increasing household wealth have helped grow conventional assets under management by around 12x, versus world equity returns of around 6x. We expect this trend to continue. An expanding pool of assets provides an attractive environment for sectors such as stock exchanges and custody banks.

We believe that the most successful money management investments over the coming years will be companies that deliver investment quality to their clients, whether active traditional management, alternatives or passive; companies that provide helpful asset allocation services; well-run wealth managers; and well-run support services. Combining these themes with our stock selection process, which allows us to identify the equities of managers whose products are succeeding, leads us to a portfolio biased to these themes.

Despite headwinds for the sector, return on capital remains as high today as it was in the years leading up to the 2008-09 financial crisis, at a level far exceeding average returns across the broad market. Indeed, median cashflow return on investment (CFROI) for the portfolio in 2019 is estimated to be around 19%, which compares to a broad market average of around 8.5%. This puts asset management returns comfortably in the top decile of all GICS sub-sectors.

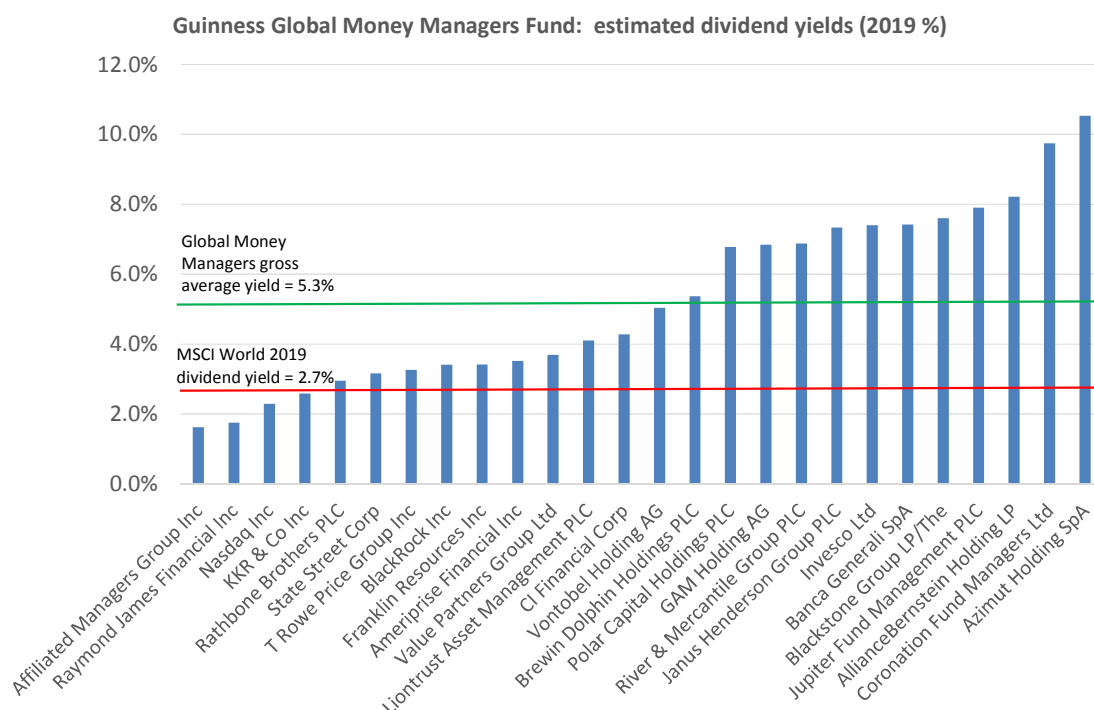
Dividends and valuation

An important component of returns generated by money management firms is their dividend. Companies in this sector tend to generate significant excess cash, and usually, Boards are willing to return the cash to shareholders in the form of dividends. At 31 December 2018, the portfolio showed an average gross dividend yield for 2019 of 5.3% (n.b. this is rolled up in the Fund rather than paid out), well ahead of the MSCI World at 2.7%.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Money Managers Fund (continued)



It is of course important to consider the sustainability of the portfolio's yield, as well as the yield itself. At 31 December 2018, the median dividend cover (defined as the ratio of estimated 2019 net earnings to dividends paid to ordinary shareholders) of the Fund stood at 1.9x, with all companies owned achieving at least 1x cover. By comparison, the MSCI World's dividend cover stands at around 2.5x. Arguably, asset managers should have a higher dividend cover, due to the greater volatility of their earnings versus the broader index, but we still take comfort that the 'affordability' of portfolio's dividends remains high. Indeed, despite the dividend yield for the portfolio being as high as c.5%, the payout ratio is in line with the portfolio average for the last ten years.

At 31 December 2018 the P/E ratio of the Fund was 10.7x 2018 earnings and 10.1x 2019 earnings. This sits at a significant discount to the broad market, with the S&P 500 trading on a 2018/19 P/E ratio of 16.0/14.7x earnings. Earnings for the portfolio are expected to grow by 6% in 2019.

Fund P/E ratios versus the S&P 500 Index (31.12.18)

	'16	'17	'18	'19
Fund P/E	16.8	8.9	10.7	10.1
S&P 500 P/E	23.6	20.1	16.0	14.7
Premium (+)/ Discount (-)	-29%	-56%	-33%	-31%

Source: Standard & Poor's, Guinness Asset Management.

In the longer term we expect asset managers as a sector (and therefore the Fund) to outperform the broad market, due primarily to the ability of successful asset management companies to grow their earnings more rapidly than the broad market.

The Fund remains positioned to capitalise on the increasing value of successful companies in the sector.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Income Fund (the "Fund")

Performance summary in US Dollars: Class E compared with MSCI World Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-5.4%	+6.3%	+3.7%	+3.7%	-3.6%	+6.1%	+19.7%	-5.4%
Index	-8.7%	+6.3%	+4.6%	+4.9%	-0.9%	+7.5%	+22.4%	-8.7%

Review

The Fund ranks in the top decile of the IA Global Equity Income sector over 1-year, 3-years, and since launch in 2010. The Fund has now outperformed its sector peers in six of the eight years the Fund has been in existence, and we are pleased to have provided positive returns in each of the last eight years (in GBP terms).

Our focus on companies that offer the potential for dividend growth rather than simply a high dividend yield means we have managed to grow the dividend distributed by the Fund every year. This year the Fund grew the dividend by 5.4% (Y-class, in GBP), whilst the annualised growth rate over the last eight years has been 4.8%. Based on the price at year end, the Fund has a historic 12-month dividend yield of 2.9%.

2018 provided a firm reminder that geopolitics matter. In stark contrast to the conditions of 2017, the past year was characterised by weaker markets and a return of volatility. Markets were no longer immune to uncertainty, and thus were prone to turbulence as investors digested the various economic, corporate, and political news releases. 2018 marked the worst year since 2008, and the eighth worst year for the MSCI World Index since 1970; its negative return of -8.2% (gross TR in USD) made it one of only 13 years – out of the last 48 – to end the year with a loss. Prior to the fall, stock markets were in the midst of their longest bull run in history, which began when the market troughed in March 2009.

During 2018, the Guinness Global Equity Income Fund performed as we would expect; the Fund is positioned with the aim to preserve capital during falling markets and keep up with growing markets. Over the course of the year this is generally the outcome we saw, and the Fund outperformed the MSCI World Index overall.

There were only two months which saw the MSCI World Index return greater than 3% (in USD): January and July. The Fund performed broadly in line with the market in January, and in fact outperformed in July due to particularly strong stock selection. We also saw three months in which the Index fell more than -4% (in USD): February, October and December. In each of these, the Fund outperformed the market.

At the start of 2018, global equity markets surged ever higher on optimism over the strength of the world economy, big US tax cuts, and upbeat corporate earnings releases. This was, however, followed by the largest ever one-day spike in the CBOE Volatility (VIX) Index; the first 10% market correction since early 2016; and a subsequent 8% rebound (all in USD). February's sell-off was triggered by an unexpected acceleration in wage growth in the US, strengthening the prospect of more aggressive rate hikes.

This was all before March, a month in which the year's early optimism faced increasingly strong headwinds from rising inflationary pressures, Federal Reserve (FED) rate hikes, and protectionist threats. These headwinds would go on to dominate the rhetoric for much of the year that followed. As many anticipated, the FED did indeed raise rates by 25 basis points in March, June, September and December – ending the year at a range of 2.25-2.5%. This had severe knock-on effects on equity markets, particularly in the third quarter, after FED chair Jay Powell contributed to a sharp sell-off by saying interest rates were "a long way from neutral". This hinted that the central bank could well continue monetary tightening despite inadvertently slowing economic growth. That triggered a stock market tremor that grew in intensity and culminated in a sell-off dubbed "Red October".

October in fact became the pivotal month when the outperformance of growth companies shifted to outperformance of value. This bias towards "value" contributes to explaining the Fund's outperformance in each of the last 3 months of the year. We also saw a shift in the market, with investors switching from Cyclical sectors to Defensive ones. Strong performance seen in the first three quarters of the year from sectors such as IT and Consumer Discretionary, experienced some of the largest reversals during the final quarter of the year.

By the end of the year, utilities and healthcare were the only two sectors in positive territory. Healthcare stocks have had a persistently strong run in 2018 after many stocks surpassed analyst's earnings and revenue growth expectations. Being overweight here benefitted the Fund's performance.

In a rare occurrence, Utilities were the best performing over the year. Power companies surged in the sell-offs in the year, particularly in October when they had their best month relative to the market since 2001 – the sector rallied more than 3% in October and beat the S&P 500 by 12%. Such an outperformance has occurred only four times previously, all surrounding market crashes. Although the Fund has zero exposure to the sector, the drag on active performance was minimal considering that Utilities make up only 3% of the MSCI World Index.

Among the worst performing sectors were Materials and Financials. These are traditionally referred to as "cyclical" sectors as demand for the goods and services they supply is typically dependent on the health of the economy: the better the outlook, the better they should perform. The Fund holds no positions in Materials, which benefited performance, and also holds no banks.

Banks and asset managers notably underperformed due to cyclical concerns and contagion from rising bond yields. Our Financials' exposure comes from security exchanges (NEX Group, CME Group, Deutsche Boerse) and insurance (Arthur Gallagher, Aflac), which all performed well overall. In fact, NEX Group (UK domicile, Financials sector) was the best performer in the Fund over the year after it was bid for by CME Group at the end of Q1 2018. NEX share price had an initial increase of ~50% and with the probability of another bid decreasing, we saw an opportunity to take profits from our position in NEX later in the year. The valuation at time of sale stood at ~30x on a 1-year forward price-to-earnings basis, compared to a 10-year average of 12x.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Income Fund (continued)

Energy also underperformed this year, and the Fund was somewhat immune given it only holds one position in the sector. The price of oil peaked in October at around US\$85 a barrel and then started its rather rapid decline in November, tumbling to 15-month lows mid-December. The weakness was driven by concerns over demand not meeting expectations as global growth concerns increased. Furthermore, investors fretted over increases in supply as shale oil production in the US continued to grow rapidly, and OPEC seemed unwilling to cut production, all of which had a negative impact on the sector's performance.

The Fund's largest overweight is to Consumer Staples (~16% vs the MSCI World Index) and this did not meaningfully add nor subtract from Fund performance relative to the benchmark over the year. There was outperformance in shorter periods such as the sell-off in October, which was led by technology stocks and higher growth companies, though there was some underperformance when the market rallied from mid-February onwards.

IT – the star performer of 2017 – started the year strongest before tailing off. Though the Fund is underweight, stock selection in the sector contributed positively. The Fund did not have exposure to the 'high flying' FAANG-type stocks and therefore did not suffer in the sell-offs. Long term holdings Microsoft and Cisco continued to perform well, CA was subject to a bid (from Broadcom) and was subsequently sold. Following the bid, Broadcom fell ~20% (as the market saw a bid for a software company as tangential to Broadcom's core semi-conductor business) and the Fund took advantage by initiating a new position in the stock. Broadcom subsequently rallied and has added to Fund performance over the short term.

Looking at the year from a geographical standpoint, performance was influenced heavily by political drama and global equities were particularly rocked by fears of a global trade war. The outcome of the US-China trade discussions – if any – remains one of the biggest uncertainties going into the new year. Amid the tensions, Chinese growth has disappointed throughout the year and left the region as one of the worst performing in 2018 (MSCI China Index returned -18.7% in USD in 2018). In contrast the US was the best performer (MSCI US Index returned -4.5% in USD in 2018).

The US was supported by robust corporate profitability leading on from the initial tax cuts, as well as strong economic growth numbers. Though the Fund is currently around 20% underweight the US, there was not any meaningful effect on performance. Any drag on the allocation effect was somewhat offset by good stock selection. In fact, out of the top 10 performing stocks in the Fund, 8 were US domiciled.

Asia and Emerging Markets performed particularly poorly due to the uncertainty surrounding trade tariffs and the persistently strong US Dollar that characterised much of the year. Europe also faced its fair share of issues. The European Central Bank began to unwind its Quantitative Easing programme and markets have been trading sluggishly due to the various political events in Italy, Germany, Spain, France and Turkey.

In the UK, the year has been characterised by Brexit developments. A withdrawal pact was agreed between the UK and the EU, however amid considerable criticism from both the Conservative and Labour parties, Prime Minister Theresa May was forced to defer a meaningful Parliamentary vote on the agreement. Many protests and senior resignations eventually sparked a no confidence vote in the PM's leadership of the Conservative Party, which she eventually won. The uncertainty surrounding the Brexit strategy continues to negatively impact the UK market, and it remains to be seen what will actually be achieved before the looming March 29th deadline.

Stock Performance

When we look at how individual companies within the portfolio performed in 2018 we see that out of the top five, we have two IT, two financial, and one healthcare stock. This is testament to the bottom-up philosophy of the Guinness Global Equity Income Fund focusing on quality companies at attractive valuations. It is also worth noting that the Fund is benchmark and sector agnostic – positions are based on high conviction, bottom-up fundamental analysis.

NEX Group, CA Inc, CME Group and Broadcom (all amongst the top performers) were all involved with M&A activity, and the other two stocks that had stand out performance were Merck (+40% in USD) and Microsoft (+21% in USD).

Merck, the global healthcare company, was the second-best performer in the year. Best-selling drugs in the Pharmaceutical segment include type 2 diabetes drug Januvia, which brings in about \$4 billion in revenues annually. Strong performance in the year came after Merck's lung cancer drug, Keytruda, won a string of clinical trials and place it in the top spot for treating lung cancer. Estimates suggest that Keytruda could bring in \$12.5 billion by 2022; the clinical trials proved a huge positive for Merck, as it continues to expand its drug portfolio with its R&D efforts.

Microsoft also performed very well in the year; it was the software maker's cloud transformation that has seen buoyant demand. Azure cloud services, used to store and run customers' applications in Microsoft's data centres, is number two in the cloud sector behind Amazon Web Services, though the market is growing fast enough to lift both companies' revenue. We have held Microsoft in the Fund since launch in 2010.

The worst performing stocks in the year included the 3 tobacco names we own: **British American Tobacco** (-50% in USD), **Imperial Brands** (-24% in USD) and **Japan Tobacco** (-22% in USD). The market's confidence in the tobacco industry was dented by news that the US Food and Drug Administration plans to pursue a ban on menthol cigarettes. The US is the industry's largest and most profitable market, and increased regulation would be expected to impact sales in the country.

Each of the 3 companies has a high cashflow return on investment, consistently ~20% and above for the last 10 years. Valuations, based on 2-year forward PE multiples, currently stand below respective, historical 10-year averages. These companies are expected to grow earnings in the high single digits for the next 2 years and have been increasing their dividends every year for at least the last 20 years, and that too at an annualised rate of close to 10%. The current trailing dividend yields are market leading; they stand at 7.8%, 7.7%, 5.7% for British American Tobacco, Imperial Brands and Japan Tobacco respectively. We also find the valuation compelling given that these companies have been able to sustain very high gross margins and grow year-on-year revenues for the last 3 years. This is despite the numerous concerns – regulatory pressure, government pressure/activism, rising interest rates, competition – which we believe have been overplayed in the market.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Income Fund (continued)

Another company, held in the Fund, that has faced a difficult 2018 is **WPP** (-37% in USD). We have held a position since Q3 2015; after 18 months of good performance (+47% in USD till Q1 2017), the company has over the last year faced both internal and external challenges. Stock market value fell after losses of large global clients, with the most recent including Ford, American Express and United Airlines. This forced management to announce lower sales guidance from -0.5% decline to -1.0% decline. WPP's CEO, Mark Read, who was confirmed in charge in September, faces an uphill task though new strategies underway seem to focus on merging advertising networks and selling lower growth parts of the business to become more streamlined overall. Further, the return on capital profile is high and stable, operating margins are around 20%, the company has historically had positive sales growth every year since 2002 (including 2009), the dividend is well covered, and the balance sheet is strong. We therefore maintain our holding: the company's shares trade on a 1-year forward price-to-earnings multiple of 7.9x – almost 2 standard deviations below its 10-year average – and at a discount to its peers (Publicis and Omnicom). The current dividend yield also is close to 7%.

Activity

In 2018 we sold four positions and bought four new positions, leaving the portfolio with 35 positions at the end of the year.

In the first quarter, we made no changes to the portfolio.

In the second quarter, we made one change, whereby we replaced General Dynamics Corporation with Taiwan Semiconductor Manufacturing Company (TSMC).

In the third quarter, we made two changes to the portfolio. We bought new positions in Broadcom and Nestle, and sold our holdings in CA Technologies and NEX Group.

In the fourth quarter of the year, we made one additional change. We sold Walmart and bought Paychex.

General Dynamics (GD), the diversified military defence company, has been held in the Fund since launch and been a stand-out performer with a holding period return of 217% (in USD). GD is a prime military contractor to the Pentagon (the US government accounts for about 60% of sales). We decided to take profits on GD after strong performance led to a 1-year forward P/E Ratio of 16.7 (much higher than its historical 10-year average) and dividend yield fell to 1.9%.

TSMC is a pure-play foundry business and manufactures integrated circuits. At the time of purchase we were fond of the company's very low debt to equity ratio of 12%, its attractive dividend yield of 3% and double digit earnings and profit growth estimates. Bought with a 2-year forward P/E Ratio of 14.5, we saw the company as attractively valued given its above-market-average growth forecasts. The company's leadership in manufacturing technology, along with Globalfoundries' decision to suspend its 7-nanometer product development, will allow TSMC to solidify its market share in high-performance computing chips and to maintain its industry-leading profit margin.

Broadcom announced that it would buy CA Technologies for US\$18.9bn. Broadcom manufactures digital and analogue semiconductors. With a history of successfully integrating acquisitions, Broadcom has been able to grow revenues and gross profits every year consistently. At time of purchase, the stock was trading on a 1-year forward price-to-earnings ratio of 10.6x, which is significantly cheaper compared to history and versus the market. Upon announcement of the CA acquisition, Broadcom sold off due to market pessimism; CA's legacy software assets were seen as highly tangential to Broadcom's core business. This provided an attractive entry point.

CA Technologies was one of the best performers in the year (+34% in USD in our holding period in 2018) after the takeover bid from Broadcom led to a strong share price rally in July. This presented a good profit-taking opportunity. We initiated a position in CA at the end of 2015 and it since returned 63% (in USD). The software company's revenues and gross profit have been falling in recent years mainly due to a lack of organic growth and a decrease in software subscriptions. The bid from Broadcom led to a 18% rise in CA's share price and this provided an attractive sell opportunity.

Nestlé, the Swiss multi-national is the largest food company in the world by revenue and active in almost every country. 29 of Nestlé's brands have annual sales of over 1 billion USD. In recent years Nestlé has struggled to lift revenues due to sluggish consumer spending in Europe and the US as well as changes in consumer tastes. In fiscal 2017 sales growth was close to zero, however last year the company made significant strides by investing in high-growth businesses like bottled water, coffee, infant nutrition, and pet care. It recently bought the rights to sell Starbucks packaged coffees and teas worldwide, and also acquired Atrium, a Canadian manufacturer of OTC health supplements. Strategy has also consisted of many divestitures including the \$2.8 billion sale of its famous candy business to Ferrero. We believe that market pessimism allowed us an attractive entry point into a business that is highly cash-generative, has a very strong balance sheet, and provides an attractive 3% dividend yield.

As part of our one-in-out policy, we sold a position in **NEX Group** (our best performing stock of the year, up 62% in USD in our holding period in 2018). The financial technology firm, which provides electronic trading platforms, will be CME Group's largest overseas acquisition. CME Group, which we also own in the Fund, owns and operates both the Chicago Board of Trade and the Chicago Mercantile Exchange. After the CME bid was announced at the end of Q1 2018, NEX share price had an initial increase of ~50%. The new price level was sustained and with the probability of another bid decreasing, we saw an opportunity to take profits from our position in NEX. The valuation at time of sale stood at ~30x on a 1-year forward price-to-earnings basis, compared to a 10-year average of 12x.

CME Group (+32% in USD) was also rewarded by the market over its NEX bid and after seeing an increase in average daily trading volumes in the year. CME is also particularly well-placed to benefit from increased interest-rate hedging around FED rate hikes and rising U.S. oil exports thanks to its dominant FED Funds and WTI futures contracts. The company has largely opted to pursue an organic growth strategy, and this has meant low debt-to-equity at 10% with returns on capital increasing every year for the last five.

Walmart – the world's largest retailer – has been held in the Fund since the beginning of 2016 and is the second time we have held a position over the life of the Fund. At purchase in 2016 the company was trading at its highest ever dividend yield (>3.2%) and market was very pessimistic about the growth opportunity. However the company has returned over 50% (in USD) over the holding period and has been seen making the right moves to further its online competitiveness. Though it has been rewarded for this, falling cashflow returns on investment, slower sales growth and narrower margins led us to sell our holding for a more compelling idea in the form of Paychex.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Income Fund (continued)

Paychex is a leading US provider of payroll processing and related HR services to small and medium-sized businesses. Over 50% of revenues come from payroll outsourcing – a task for which smaller firms are very willing to use a specialist. Once integrated into a client's business, renewal rates are extremely high, and so the cashflows that back the 3.1% dividend yield are very stable as a result. Paychex is an asset light business that requires minimal capital expenditure, it has no long-term debt and has consecutively grown its revenues and earnings for the past 3 years at an average rate of 7% and 10% respectively. The recent market sell-offs, particularly concerning the IT sector, gave us an attractive entry point.

Positioning

The major effect of the changes we made to the portfolio in 2018 was to increase our exposure to IT, after market sell-offs provided us attractive entry opportunities.

In terms of sector weightings, the Fund continues to have a zero weighting to utilities, materials, and real estate.

The largest overweight positions are to consumer staples, industrials and healthcare.

Outlook

The four key tenets to our approach are: quality, value, dividend, and conviction. We follow these metrics at the portfolio level to make sure we are providing what we say we will.

At the year end, we are pleased to report that the portfolio continues to deliver on all four of our tenets (quality, value, dividend, and conviction) relative to the benchmark MSCI World Index. Based on the measures, holistically, the high-conviction Fund has companies which are on average better quality at better value versus the index. The Fund at the end of the year was trading on 13.7x 2019 expected price to earnings; a discount of 4.4% to the broad market. Additionally, on a free cashflow basis, the Fund trades at a 20% discount to the market. This is impressive given that the expected growth rate of the Fund is higher than the benchmark, based on earnings expectations at the turn of the year.

As 2019 brings with it more sensitive markets and many uncertainties – interest rates, trade tariffs, Government shutdowns, Brexit, elections, recessions, and many more unknown-unknowns. These risks should be considered in the context that global equities now trade below their 10-year average price-to-earnings multiple, and our Fund is at a discount to the market despite holding higher quality companies. Our perpetual approach of focusing on the quality of the underlying companies we own should stand us in good stead in our search for rising income streams and long-term capital growth.

Asset allocation as %NAV	Current 31/12/2018
Consumer Discretionary	5.7%
Consumer Staples	25.3%
Energy	2.9%
Financials	11.7%
Health Care	17.3%
Industrials	16.5%
Information Technology	14.6%
Materials	0.0%
Communication Services	5.8%
Utilities	0.0%
Real Estate	0.0%
Cash	2.5%

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Asian Equity Income Fund (the "Fund")

Guinness Asian Equity Income Fund

Performance summary in US Dollars: Class X compared with MSCI AC Pacific ex Japan Index

	Annualised			Calendar years				
	1 year	3 years	5 years	2014	2015	2016	2017	2018
Fund	-15.7%	+7.3%	+5.5%	+10.7%	-4.4%	+7.5%	+36.3%	-15.7%
Index	-14.5%	+7.9%	+2.9%	+1.5%	-9.6%	+7.5%	+36.9%	-14.5%

The Fund fell 15.7% in 2018 compared to the benchmark which fell 14.5%. The Fund was ahead of the benchmark at the end of October, but the last two months saw a significant rise in volatility and ended the year with a sharp sell-off.

When considering the performance of the portfolio we think in terms of the contributions from profits, dividends and valuation multiples (of earnings) to the total return. There was a continual tension between performance drivers during the year; macro conditions competed with underlying operating performance from individual companies for dominance.

In the second and fourth quarters, macro factors won out with China trade issues and Federal Reserve interest rate policy being major issues. In these periods the Fund did not defend as well we normally expect and instead, we saw a compression in stock valuations. In the other periods, when macro concerns were dialled down, the operating performances of the underlying companies, which support profits and dividends, reasserted themselves as performance drivers and the Fund outperformed.

The major talking points for Asia centred for the most part, as ever, on China. Chinese economic growth is on a decelerating glidepath, as it should be as the economy shifts from investment-led to consumption and services-led growth. The perennial question is whether this is a process which can be managed alongside unwinding of debt built up during the investment phase, without significant disruption. The process has been made more difficult by the sharp rise in trade tensions but despite gloomy forecasts, China continues to do so effectively.

The technology sector has also had a more difficult year, especially in hardware manufacturing and assembly. The focus has been on smartphones and slower sales for Apple, especially in China. However, the smartphone picture in China is not so straightforward: Apple blamed weaker Chinese sales on a slowing Chinese economy, but the suspicion is this more of an Apple problem than a China problem. Smartphone sales volume in China declined last year but local Chinese smartphone brands did much better than Apple. We note the big improvements in the build quality of these devices leaving consumers less willing to pay Apple's premium pricing. Regardless of reasoning however, stocks in the Apple supply chain did not do well in 2018 and for the Fund this meant AAC Technologies, Catcher Technology and Hon Hai Precision fell heavily especially at the end of the year.

There were twenty-two stocks out of thirty-six holdings which out-performed in 2018 drawn from retail, ship building, technology, banking, real estate, telecommunications and energy operating in Australia, China, Malaysia, Singapore, Taiwan and Thailand. In all cases, for outperformers and underperformers alike, we have selected companies whose superior profitability has been sustained for many years and whose stock prices under-value the persistence of profitability that we believe is likely.

Portfolio Changes

We made two changes to the portfolio, both during the first half of the year. The first switch we made was to sell Relo Holdings in Japan and to buy Corporate Travel Management in Australia.

Relo, the one Japanese-listed stock in the portfolio, had been an excellent performer in the Fund, but the yield contribution from the stock had fallen to a low level as the stock price had risen, accompanied by an increase in valuation multiples. While we thought the prospects for the company were good, we felt there were more attractive opportunities from an income and valuation perspective.

Corporate Travel Management (CTM) is an Australian company that provides travel management services for corporate clients in Australia, the US, Europe and Asia. In its most recent half-year results the company reported 15% growth in revenue and 32% growth in underlying EBITDA. The dividend was also increased 25%. We like the client proposition that CTM offers: reducing travel costs for its clients while making it easier to arrange and manage bookings. The founder and Managing Director owns a significant equity stake in the business. As with Relo, we expect a significant proportion of our total return as shareholders to come from continued earnings growth in the business, leading to growth in the income stream from dividends.

The second switch we made was to sell LPN Development in Thailand and to buy Public Bank in Malaysia.

LPN Development had been a disappointing performer in recent times. The company, a Thai real estate developer centred around Bangkok, reported poor 2017 results, and had seen downgrades to 2018 earnings over a sustained period. LPN struggled with a build-up of inventory, a slower level of new project launches and a difficult market environment for condos. With doubts surrounding the company's ability to adapt its strategy to circumstances we decided there were better opportunities elsewhere, and we sold the position.

In its place, we purchased Public Bank, a pure-play Malaysian bank exposed to improving consumer confidence in the country. The bank has generated good returns on equity since 1999, following the Asian crisis. Public Bank provides a modest dividend yield, but one that has been growing at a steady rate over the last six years, which we find attractive. Expectations of faster earnings growth, with positive revisions to estimates, were also supportive of our decision to buy.

Portfolio Position

The portfolio is overweight Consumer Discretionary, Real Estate, Financials, Information Technology and Health Care. It is underweight Industrials, Consumer Staples, Energy, and Communication Services. The Fund has no exposure to Materials or Utilities. On a country basis it is overweight Taiwan and Thailand, and underweight China, Indonesia, South Korea and Australia. The Fund also holds two positions in US listed stocks (Aflac and Qualcomm) which derive over 50% of revenues from the region. It is worth emphasising that our focus on individual stock selection means these exposures are an outcome rather than the product of a top-down allocation process.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Asian Equity Income Fund (continued)**Outlook**

We believe the outlook for Asia, and for stocks more broadly, favours an active approach focused on identifying companies that can demonstrate sustainable competitive advantages that they can convert into superior profitability over time. We think that buying into companies that could benefit from favourable macro conditions, or in other words depend on factors outside their control to make money, will be a riskier proposition over the next few years.

The Asian region offers structural themes (consumption, life-style upgrading, rising manufacturing skills) that will continue to develop despite the current trade dispute between the US and China. However, the capture of these long-term themes is best done through investment in companies that have demonstrated a long-term track record of turning these into superior profitability and delivered dividend growth, in our opinion.

If Asian corporations continue to report earnings that meet market expectations, then the prospects for investors look bright. Valuations at these levels augur for attractive shareholder returns in future. The main risks are a significant decline in Chinese economic activity, or potentially a wider global economic slowdown. Nevertheless, Asian equities appear attractive, particularly in the context of higher valuations elsewhere in the world.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness European Equity Income Fund (the "Fund")

Performance summary in US Dollars: Class X compared with MSCI Europe ex-UK Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-14.3%	+3.9%	+0.1%	-8.6%	-2.0%	+7.8%	+21.2%	-14.3%
Index	-15.1%	+2.4%	-0.0%	-6.5%	-0.6%	-0.5%	+26.9%	-15.1%

Summary

At the end of 2018, the Fund had a total return of -14.3% over the year, versus the MSCI Europe Ex UK Net Return Index, which was down -15.1%. The Fund therefore outperformed the index by 0.8% over the year.

Our focus on companies that offer the potential for dividend growth rather than simply a high dividend yield means we have managed to grow the dividend distributed by the Fund every year. This year the Fund grew the dividend by 4.1% (X-class, in EUR), whilst the annualized growth rate over the last five years has been 5.5%.

The Fund has outperformed its Benchmark the MSCI Europe ex UK Net Return Index over all main timeframes: one, three, five years and since inception. Whilst at the same time delivering on its aim to provide rising dividends to investors.

Performance

2018 was a tale of two halves globally and in Europe, with improving economic data giving way to softer leading indicators and deteriorating political discourse in H2.

European macroeconomic data softened over the course of 2018. Euro area year-over-year GDP growth started 2018 at 2.7% and ended Q3 at 1.6% according to Eurostat, along with softening inflation expectations. The weakness can be attributed to softer manufacturing activity, as the German auto market adjusted to new environmental standards, and also knock on effects from slowing global trade exacerbated by rising trade tensions between the US and China. However, Eurozone unemployment continued to fall gradually over the course of the year from 8.6% at the end of 2017 to 7.9% at the end of November 2018, further reducing labour slack. Wage growth meanwhile accelerated from 1.6% YoY at the start of the year to 2.4% YoY at the end of September.

The trusted Belgian Business Confidence Index leading indicator, otherwise known as The Courbe, started the year in positive territory at +1.8% and closed December just in contraction territory at -0.9%. It is worth noting that equities have, in the last ten years, typically bottomed within one or two quarters of meaningful contractions in the Courbe. The fall in leading indicators connected to German (export) indicators including the IFO Expectations Index was more pronounced, falling from 102.7 at the end of 2017 to 97.3 at year end, with most of that fall occurring in Q4.

Other measures of economic activity support the view that the underlying domestic European economy is in reasonable shape, auto industry and global trade tensions aside. The ECB's Q3 2018 Euro area bank lending survey highlighted rising demand for loans by firms and households along with easier credit standards to enterprise. Similarly, French bank lending to non-financial corporations reported 6.1% YoY growth for November 2018, rising back to five year highs last seen at the end of 2017 (vs. 0% growth in bank lending to non-financial corps at year end 2013).

Shorter-term indicators of financial stress like high yield credit spreads rose in Europe in Q4 (and notably in Italy) as the market repriced risks associated with an increased quantum of debt since 2008 as QE comes to an end; alongside increased political risk, rising trade tensions and slowing global growth. However the absolute level of such spreads is still half Euro crisis levels and a fraction of 2008 levels. The Italian coalition budget deficit fiasco is subsiding, with Five Star (the junior coalition partner) having learned a lesson after making the country net worse off through higher borrowing costs. Meanwhile in France "Les Gilets Jaunes" appear to be in the process of now making themselves unpopular, after having scored some points at the outset. Brexit also has the capacity to end more positively than many fear and is priced into equity valuations.

In short there seems to be rather a lot of noise drowning out some solid underlying data. However, for long-term equity investors the recent volatility is welcome, and has allowed us to purchase some high-quality franchises at favourable prices. We cannot forecast what turn trade talks will take or if new political skirmishes will erupt. However, the recent setback has left European equities looking good value, and some areas of the market (including Italy, trade sensitives and some domestic stocks) looking outright cheap. Meanwhile the longer that the slowing in inflation expectations (as suggested by German 10Y yields and breakeven rates) goes on the higher the chances of structural reform and fiscal stimulus become.

The weak development of inflation expectations and interest rates in Europe led to another round of disappointment for European banks in 2018, the worst performing sub-sector of the worst performing sector Financials. Materials fared similarly poorly as high ratings came under pressure and softer demand out of China exerted downward pressure on commodity prices. Thankfully due to our focus on quality and returns we had no exposure to Banks or Materials. Consumer Discretionary fared poorly largely due to the internet led disruption of traditional retail business models accompanied by declining high street footfall, all necessitating increased capex to invest into online delivery; something which these companies will likely never get back at the margin.

At the other end of the spectrum the best performing sectors were Telecoms, Energy and Utilities. Here we also had no exposure given the low return, regulated and indebted nature of the companies in question. Utilities enjoyed some rare sunshine as the European carbon price rallied sharply, driving materially higher earnings estimates for high fixed cost clean operators. If the options market is right, with open interest suggesting a €50 carbon price, then the latter may continue their strong performance in 2019. In our view there may be a case for exposure to certain higher quality names in the telecoms sector due to favorable valuations alongside an improving capital cycle argument. Namely, increased sector consolidation as European governments pressure the European regulator in a bid to create global champions and compete with the US and China (as we fall further behind (Huawei) in 5G).

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness European Equity Income Fund (continued)

Two important dates in the calendar for European investors in 2019 are, first, the European Parliament elections on May 23rd – May 26th 2019. It is hard to say what impact Eurosceptic parties will have given their disparate nature. After the result of Germany's CDU elections in December where migration was the key issue for both the main candidates, some gain by anti-establishment parties in the European elections could result in a greater willingness (and need) to take another look at this provocative issue. Were this to happen it could suggest a Europe more resembling a free trade zone than the two-tier Europe desired by centrists. Whatever the outcome the European Commission is fully aware that it needs to become more flexible and listen to its stakeholders.

The second important timeframe is Q4 2019, the date to which the ECB has pledged to keep current ultra-low interest rates on hold after QE officially ended in December (though unofficially QE will continue as ECB holdings mature and are reinvested). Given supportive lending volumes, still falling unemployment and rising wages there is a real prospect for rates to nudge higher around year end 2019, despite current market concerns. It also seems likely that the ECB may take nearer term measures specifically aimed at improving bank sector stability, such as increasing the deposit rate to zero and renewing and lengthening low cost loan programs to the sector. This could be good news in our view helping banks and savers emerge from a long cold winter. As for the Euro, with the Eurozone running both a current account and trade surplus, and the US and China both afflicted by their respective borrowing and credit issues, the risk (for the Euro) is to the upside in our view. In fact, rate differentials already appear be shifting in the Euro's favour as parts of the US yield curve have turned negative.

Another important driver which we are likely to see more of in 2019 is consolidation. Years of national protectionism have led to a lack of supply side consolidation in Europe as regulators have often focused excessively on consumer pricing at the expense of market efficiency and investment. EU Politicians (like Emmanuel Macron and Angela Merkel) have been vocal about the need for European companies to compete on a Global stage with Chinese and US market leaders. Regulators have responded by showing signs of adopting a softer stance towards sector consolidation. On the 9th January 19 EU governments proposed updating the EU's antitrust rules in order to better take account of international markets and competition in merger analysis. We expect this dynamic could benefit several of our large cap holdings including Deutsche Post, Siemens and Continental AG in 2019.

Activity

In 2018 we sold 6 positions and bought 6 new positions, all in the fourth quarter of the year, leaving the portfolio with 30 equal weighted positions at the end of the year.

In October we bought Euronext, Inficon and Continental; and sold Tecnicas Reunidas, JM AB and Freenet.

In December we made three more portfolio switches, buying Atlas Copco, Kering and Amundi, while selling our retail exposures Axfood, H&M and Hugo Boss. With these transactions our overweight positions in Industrials and Financials increased while Consumer Discretionary moved to a 4.2% underweight position from overweight.

The rationale for these purchases and sales is written up in the January 2019 managers update which is available on our website.

Portfolio breakdown

The table below shows the sector allocation of the Fund at the end of the year.

Asset allocation as % NAV	Current	Last year end	Change	Previous year ends				
	31/12/2018	31/12/2017		31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
Consumer Discretionary	6%	20%	-14%	23%	15%	16%	17%	n/a
Consumer Staples	17%	19%	-2%	19%	17%	16%	16%	n/a
Energy	0%	4%	-4%	4%	3%	3%	3%	n/a
Financials	19%	13%	6%	14%	14%	13%	13%	n/a
Health Care	14%	13%	2%	13%	10%	10%	10%	n/a
Industrials	23%	23%	1%	19%	24%	25%	27%	n/a
Information Technology	6%	3%	3%	4%	10%	10%	10%	n/a
Materials	0%	0%	0%	0%	0%	0%	0%	n/a
Communication Services	9%	3%	6%	3%	4%	3%	3%	n/a
Utilities	0%	0%	0%	0%	0%	0%	0%	n/a
Real Estate	0%	0%	0%	0%	0%	0%	0%	n/a
Cash	5%	3%	2%	0%	3%	3%	0%	n/a

*GICS sector reclassification end Sept 2018: Communication Services replaced Telecommunication Services.

Publicis, Modern Times Group and Metropole Television moved from Consumer Discretionary to Communication Services, while Freenet was sold from the sector on the 1st Octo

The highest weighting in the Fund remains Industrials at 23%, followed by Financials at 19% and Consumer Staples at 17%.

The Fund has no exposure to commodity or regulated industries (following the sales of Freenet and Tecnicas Reunidas which took our Telecoms and Energy exposures to zero).

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness European Equity Income Fund (continued)

Outlook

The increasing influence of geopolitics on market returns and volatility is allowing some of our more defensive holdings to prove their worth, whilst creating opportunities to buy into high quality companies with improving prospects at attractive valuations. Based on our core measures of quality, value, dividend and conviction, holistically, the Fund holds companies which are significantly higher quality and better value versus the index.

On top of which, now is an interesting time to be invested in European equities specifically:

- Underlying domestic leading indicators like bank lending to non-financials and data including employment and wages remain supportive, but investors are pessimistic due to the US China trade dispute and after another setback in Italy.
- Risks to the euro appear to the upside given Europe's relatively strong balance sheet and improving interest rate differentials vs. the US and China.
- Valuations are below their 10Y averages and at 10Y lows in some areas including Italy, trade sensitive names and some domestic exposures.
- Supply side consolidation is leading to improving returns as governments and policy makers cut red tape in a bid to compete on a global stage.

We will continue to work hard to deliver long-term capital growth and a steady, growing income stream. Your Fund offers an attractive mix of high-quality companies characterized by high persistent returns on invested capital along with a global opportunity set; and more domestically focused companies, shielded from the risks of trade and currency wars, where returns have potential to benefit from European market consolidation.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Innovators Fund (the "Fund")

Summary

In 2018 the Guinness Global Innovators Fund produced a total return of -11.88% (in GBP) vs the MSCI World Index net total return of -3.04% (in GBP). The Fund therefore underperformed the benchmark by 8.84% over the year.

Figure 1: Fund performance (Total Return in USD). Bloomberg and Guinness Asset Management

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-17.0%	+5.9%	n/a	n/a	-3.5%	+7.2%	+33.6%	-17.0%
Index	-8.7%	+6.3%	+4.6%	+4.9%	-0.9%	+7.5%	+22.4%	-8.7%

Performance

As we have highlighted in previous reviews, historically, the Global Innovators Fund has tended to outperform in months where the index performance has been positive and underperform in months where the index performance has been negative. In a year where markets rallied strongly through the first 3 quarters but suffered substantial losses in the last quarter, the picture generally held true. The general sector rotation and 'risk-off' attitude in the latter part of the year resulted in much of the Fund's underperformance during 2018.

The Fund outperformed the MSCI World in each of the first three months of the year, most notably outperforming by ~2% in February as volatility spiked, sending the majority of stocks down. Our overweighting to IT stocks, which was the top performing sector, was the largest contributor to the outperformance as strong corporate earnings resulted in large idiosyncratic stock movements.

Come the second quarter, the Fund produced mixed results as our overweighting to IT became unfavourable. Stock selection was the main drag on the portfolio during this period as semiconductor companies and Apple supply chain names sold off – for example AAC Technologies and Catcher Technology, which are not constituents of the benchmark. However, our underweighting to financials provided some positives with our only financial stock, Intercontinental Exchange, returning 1.75% (in USD) whilst the sector was down 4.1% (in USD).

Entering the third quarter, the Fund underperformed the benchmark as a continuation of the sell-off in semiconductor stocks resulted in a substantial drag on the portfolio. Additionally, our underweighting to healthcare stocks proved to be a negative contributor with the sector producing the largest returns amongst the GICS sectors. The Fund's position in Checkpoint Software – the US listed cyber security business – returned 20.4% (in USD) over the quarter and thus was a key positive contributor to the Fund's performance.

In October and December, notable sell-offs in sectors which had been outperforming throughout the year contributed negatively to asset allocation – in particular, IT in which the Fund is overweight. The trade dispute between the US and China seemed to begin having a notable negative impact on economic indicators in China. Reports of slowing iPhone demand and growing fears that consumers are upgrading phones more irregularly started a sharp sell-off in the Apple supply chain names. Additionally, weakness in the automotive industry, primarily driven by falling sales in China – the world's largest automotive market – resulted in the German tire manufacturer and auto components company Continental, which we own in the Fund, selling off. However, with the Fund continuing to have no energy exposure and significantly underweight financials, the portfolio benefitted from the avoidance of the two worst performing sectors over the quarter.

Overall, our overweighting to Asia Pacific stocks, and in particular Chinese stocks, resulted in over 5% of the Fund's underperformance over 2018. This can be attributed to the large sell-offs in AAC Technologies, New Oriental Education and Baidu, as well as the zero exposure the benchmark has to Chinese stocks. On a sector level, our overweighting to IT produced the majority of our underperformance with semiconductor and Apple supply chain names underperforming.

Activity

We sold five positions and initiated five new positions over the course of 2018.

We made three changes to the portfolio in the first quarter. We sold Intel, Verifone and WisdomTree and bought KLA Tencor, Lam Research and Baidu.

Intel had been held in the Fund since February 2011, performing well over the holding period, with particularly strong performance materialising in 2017. Earnings released in October 2017 exceeded market expectations, but we did not foresee strong growth continuing throughout 2018 and beyond. Cash flow return on investment has also been declining in recent years, adding to the potential risks.

Verifone provide the technology and infrastructure that allow merchants to offer a variety of payments options including chip and pin, contactless card payments and the likes of Apple Pay and Google Wallet. The company was bought on the original thesis of benefitting from the rollout of chip and pin technology in the US which was being driven by a shift in card fraud liability to merchants that do not offer this technology. The adoption of this has remained slow and demand for Verifone's payment terminals has slowed alongside softer card-network rules regarding fraud liability for non-chip terminals, decreasing the urgency to upgrade in certain merchant segments. This combined with a declining cashflow return on investment profile and increasing debt on their balance sheet contributed to our decision to sell Verifone.

WisdomTree, an ETF provider, sold off due to weaker Q4 2017 earnings, which were reported in early February amid weaker markets. Their business suffered outflows in Europe and inflows slowed in its Canadian operations. WisdomTree has been struggling to capture market share from larger passive rivals in the U.S. market. This has contributed to decreasing returns on capital and lower growth expectations.

KLA Tencor, a US based supplier of semiconductor process control and yield management solutions, is at the forefront of improving yields and reducing failure rates in the semiconductor industry. The company's products include defect inspection and calibration products. We see potential for the overall industry to expand, with the key market drivers being data centres, high performance computing, autonomous driving and artificial intelligence. At the time, KLA Tencor offered an attractive valuation of 14.4x PER with a strong cashflow return on investment profile and well covered debt. We think the company is in a strong position to meet our return requirements at a valuation which provides some downside protection.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Innovators Fund (continued)

Lam Research, the US manufacturer of semiconductor processing equipment has been at the forefront of innovative wafer fabrication. Wafer manufacturing has been integral to a range of secular trends within the Information Technology sector. On a company level, Lam Research has seen improving cashflow return on investment while maintaining a strong balance sheet. The company has continually invested in R&D to help preserve its competitive edge. Recently, earnings and margins have been trending upwards. When looking at the company on a valuation basis, it is attractively priced versus its own history, trading below its long-term average forward P/E and cheaper than the majority of its peers.

Baidu, a Chinese based search engine internet company has been strengthening its core online marketing business using AI and big-data technology to enhance its search, news feed and video products. Their margins are expected to improve with the sale of non-core business and focus on investment in core products. The spin-off of iQiyi, their streaming platform, in the US being a good example. In the period of market uncertainty at the end of January the share price dropped almost 20% and far more than the market, which provided us a favourable entry point to a company with a strong balance sheet, a high level of return on capital, at a reasonable valuation, with potential to grow its revenue and earnings.

We did not make any changes to the portfolio in the second quarter.

We made two changes to the portfolio in the third quarter. We sold positions in Shire and Boeing and initiated new positions in ABB and Tencent Holdings.

Shire, the biotech company who research and develop medicines for rare diseases, was bought in the Fund in September 2016. We had previously owned the stock in 2013, selling after the (ultimately failed) bid for the company by Abbvie. Shire operates in a highly lucrative industry and displays strong margins as a reflection. However, having sold-off around 25% to lows in March 2018, Shire was subject to M&A speculation from larger rivals including Japanese firm Takeda, whose US\$62 billion bid was still subject to EU regulatory approval in November. The stock gained 44% after the bid was first proposed and with additional regulatory hurdles to still to overcome, we took the opportunity to sell.

Boeing had been a very strong holding for the portfolio, returning ~245% USD since purchase in 2014. One of the less obvious holdings in the Innovators Fund, Boeing was bought as we believed it was driving efficiencies by drastically reducing construction time on airlines and using 3D printing for some non-critical components to drive down costs. However, the valuation of the company had increased significantly which was what ultimately drove our sell decision.

ABB is one of the leading manufacturers of industrial robots as well as providing electrification products and power generation solutions. We believe ABB is set to benefit from the increasing demand for industrial robots as companies strive to improve efficiencies through factory automation and should benefit from the announced splitting off of its power grid business. After selling off around 14% from record highs in January, this presented an opportunity to buy a company offering strong growth prospects and rising returns on capital at a reasonable valuation.

Tencent, the Chinese conglomerate and largest gaming company in the world has subsidiaries including: WeChat, the social media platform which boasts over 1 billion active monthly users and offers a platform for activities ranging from payment making to ordering a taxi; JD.com, China's answer to Amazon; and Tencent Music Entertainment (TME) which has four times as many users as Spotify. However, Tencent has underperformed in 2018, selling off around 35% from highs in January. This was a result of trade tariff concerns, Chinese intervention in the gaming industry and headlines surrounding their e-commerce holding JD.com. Tencent may still not appear cheap relative to the market, however, with returns on capital around 20% and growth prospects above 20% p/a, we believe the higher valuation is warranted and Tencent is set to benefit from continuous R&D in its new and existing channels.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Innovators Fund (continued)

Positioning

Under the new GICS sector reclassification, effective 1st October 2018, the Telecommunication Services sector was renamed as Communication Services. As part of the changes, Comcast has been reclassified from 'Consumer Discretionary' to 'Communication Services' and Tencent, Baidu, Alphabet and Facebook have all been reclassified from 'Information Technology' to 'Communication Services'. Changes in sector exposure as a result of new positions (excluding reclassification changes) led to an increase in IT, whilst reducing our exposure to financials and healthcare.

In terms of the portfolio's geographic breakdown, the portfolio continues to have a bias to the U.S., but we reduced this over 2018, decreasing the Fund's allocation by just over 6%. We increased our exposure to Asia and Europe as we increasingly find companies trading at substantial discounts to their historic valuations with attractive future growth rates.

Figure 2: Sector allocation. Bloomberg and Guinness Asset Management

Asset allocation as %NAV	Current 12/31/2018
Consumer Discretionary	14%
Consumer Staples	0%
Energy	0%
Financials	3%
Health Care	3%
Industrials	20%
Information Technology	43%
Materials	0%
Communication Services	16%
Utilities	0%
Real Estate	0%
Cash	1%

Outlook

2018 brought uncertainty and volatility back into the markets despite companies' continuing their strong earnings growth post the financial crisis. A tightening Fed rate cycle, US-China tensions, weakness in EM currencies, slowing economic growth indicators in Europe and Asia and a fall from grace of market leaders of the 2017 tech rally, were in stark contrast to the 'unified global growth' consensus of 2017 which fueled a significant equity rally, a good proportion of which was from multiple expansion and not just earnings growth. However, after the recent market falls, global equity valuations on a sector and regional level now mostly trade at a discount to their 5 and 10-year valuations based on rolling 1-year forward P/E ratios, creating better prospects for higher future returns.

The Guinness Global Innovators Fund seeks to invest in quality innovative companies trading at reasonable valuations. By doing so, we look to invest in companies that are experiencing faster profit growth, larger margins and are less susceptible to cyclical pressures. By taking a long-term view on markets, the recent pull back in equity markets could well provide an attractive entry point for new investments.

In summary, the four key tenets to our approach are innovation, quality, growth, and conviction. The Fund has superior characteristics to the broad market: higher spend on intellectual property; less capital intensiveness; higher cash flow returns on investment; net cash; with higher growth prospects and is now trading at a 5% discount to the benchmark in terms of valuation. Historically, the Fund has traded at 10-20% premium to the benchmark and as such we see the Fund as providing good value today.

Figure 3: Fund metrics. Bloomberg and Guinness Asset Management

		Fund	MSCI World Index
Innovation	R&D / Sales	8%	6%
	CAPEX / Sales	6%	10%
Quality	CFROI (median 2018)	16%	8%
	Weighted average net debt / equity	-10%	67%
Growth (& valuation)	Trailing 3-year sales growth (annualised)	14%	6%
	Estimated earnings growth (2020 vs 2019)	13%	8%
	FCF yield	6%	5%
	PE (2019e)	13.6	14.3
Conviction	Number of stocks	30	1652
	Active share	95%	-

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Best of China Fund (the "Fund")

Performance summary in US Dollars: Class X compared with MSCI Golden Dragon NTR Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2013	2014	2015	2016	2018
Fund	-25.2%	+4.8%	n/a	n/a	n/a	+2.3%	+50.4%	-25.2%
Index	-14.8%	+8.9%	+5.2%	+7.7%	-7.4%	+5.4%	+43.8%	+14.8%

The Fund fell 25.2% while the index fell -14.8% and so the Fund ended the period 10.4% behind the benchmark.

On a broad level, most of our holdings grew their earnings in 2018. A reacceleration in growth from Pacific Textiles, for which we have been waiting eighteen months, came through. The Chinese banks maintained their performance of modest profit growth and sustained dividends, in line with our expectations, despite the tougher environment.

However, there were companies which did not perform and were punished by the market. AAC Technology has faced headwinds both in terms of lower volume sales and lower pricing. The share price has tumbled as a result and on our analysis now includes nothing for future growth prospects. We think the valuation looks very promising and this should become evident in 2019 as we look toward 2020. St Shine Optical also reported slower sales growth than we expected, driven mostly by a reduction in orders from Hubble, its US customer which has been reducing inventory in recent months.

Sudden changes in regulation were also a detriment to some of our businesses. In healthcare, the government started a trial for a central procurement system in China aiming to cut prices for generic drugs. The first major tender was conducted in December and on average, prices fell 45%. China Medical System, a contract sales organisation, mainly sells generic drugs and so is particularly affected if this trial is extended nationwide. In gaming, the government stopped approving monetisation for games for most of the year, meaning the likes of Tencent and Netease could not generate earnings from newly released games. New regulations aiming to limit gaming time are also weighing on the sector.

We break down total returns into contributions from earnings, valuations and dividends. In the first half of the year, the Fund underperformed by 3.4%. Of the Fund's 33 holdings, 22 underperformed. Earnings estimates for these 22 companies, on average, actually rose. However earnings multiples for this group fell by 20%, with particularly big falls for Geely (-47.0%), St Shine Optical (-36.7%) and Yangzijiang Shipbuilding (-35.0%).

In the second half of the year the Fund underperformed by 9.6%, with 23 of the Fund's holdings underperforming. The average cut in estimated 2018 earnings for the underperformers was 6% which is disappointing but hardly a disaster. Within this group however, where the miss was significant and unexpected, the valuation compression was sharp e.g. AAC Technologies and New Oriental Education. Valuations for the underperformers fell 30% and it is sensible to ask whether these stocks were overvalued to begin with. The price to earnings ratio for the underperformers, on a one year forward basis, was 13.6 at the end of June and we do not regard this as excessive. This fell further to 9.6x estimated earnings by the end of the year.

The portfolio is expected to report 3% earnings growth for 2018 earnings which is less than expected at the beginning of the year. We remain confident in our holdings however, not through blind faith, but because we believe the consistent returns on capital achieved over the years are indicative of superior operations that they are likely to be sustained in the future. Our companies earn well above the cost of capital; in 2017 the overall real return on capital (which excludes the effects of inflation) for the Fund's holdings was 14.8%. This is expected to be only marginally lower at 14.4% for 2018 which is comforting in a weakening macro environment. Our confidence in the future is based upon sustained profitability over many years covering the post financial crisis stimulus, numerous housing cycles, the four-year period of falling producer prices 2011-15, the mainland stock market bubble and the current slowdown.

We think the Fund's valuation compression is overdone given the return on capital the holdings generate. 20 of the Fund's companies trade on valuations that incorporate minimal, or no, expectations for future growth and for these stocks such valuation compression looks unjustified in the long term. We take further encouragement from the early results announcements from banks, from a number of communications services and consumer discretionary companies that have beaten expectations.

This was a turbulent year for equity and bond markets. Political policy unpredictability and uncertainty has been evident in all regions with the US, of course, being the most influential. In financial markets, the US Federal Reserve has shown its determination to normalise interest rates and has been remarkably successful. Since the middle of 2017 there have been eight increases, from 0.5% to 2.5%, and underlying economic growth in the US does not appear to have suffered significantly in the process. The strength of the US dollar in 2018 was a surprise compared to market expectations at the start of the year and can be attributed in part to rising US interest rates (thereby narrowing the gap between the US and elsewhere) but also to a lack of confidence in prospects for Europe and China.

The Chinese economy is slowing down. This is inevitable if China is to rebalance away from the old investment-led model to one led by consumption. However, the ongoing trade dispute as well as the consequences of the deleveraging campaign meant economic activity significantly decelerated in the second half of 2018, by more than the rebalancing process implies. The official Purchasing Managers' Index (PMI), an indicator of economic activity, weakened over the course of the year and fell below 50.0 in December, indicating contracting economic activity. Industrial profit growth, year-on-year, decelerated in the second half of the year and turned slightly negative in November for the first time since 2015.

The government has responded to the slowdown with far looser fiscal and monetary policy. Tax rules have been changed to encourage consumption; for example, personal allowances increased and deductions permitted for expenses like education and healthcare. The deleveraging campaign has slowed in order to reduce stress on small and medium businesses, some of whom are finding it harder to obtain credit from large state owned banks. The required reserve ratio was cut several times over the year. But this is no broad based monetary easing as was the case following the financial crisis. The government does not want banks to lend for speculative purposes. For example, in December the National Reform and Development Commission (NDRC) announced that large firms could issue bonds to help refinance their debt. But there are several criteria that must be met: the liabilities to total assets ratio must be less than 85%; the firm cannot invest the proceeds into property development; the firm cannot raise funds in defined industries with excess capacity. The intention here is clear – the economy needs support but there the mistakes of the past cannot be repeated. Policymakers are aware of the trade-off between looser monetary policy and greater financial risks, and we believe are erring on the side of caution.

Investment Manager's report (continued)

For the financial year ended 31 Dec 2018

Guinness Best of China Fund (continued)

Looking at individual stocks, the best performers were Novatek Microelectronics (total return of +27.9%), China Overseas Land & Investment (+22.2%) and China Lilang (+9.9%). Novatek Microelectronics is a designer of integrated circuits, used primarily in flat-screen displays, in a variety of applications including TVs, tablets, smartphones and cars. The company has recently benefited from greater adoption of its chips within TFT panels especially for Touch and Display Driver integrated chips. Competitors have struggled this year but Novatek's leading position has enabled it to obtain priority at chip foundries, where capacity has been tight. They have also been able to pass on higher raw materials costs and so reported higher margins than the market expected.

China Overseas Land & Investment (COLI) is one of the more conservative real estate developers in China. It has managed to sustain a high return on capital over time without stretching its balance sheet. Over the course of 2018, COLI showed solid revenue and earnings growth. COLI has exposure to the higher margin tier one and two cities where demand is more resilient compared to the rest of the country. Given the relatively low gearing on the balance sheet, COLI benefits from lower financing costs. If its competitors were to face pressure (e.g. from high refinancing costs or discounting), COLI does have the capacity to raise funds and take advantage of other firms' distress.

China Lilang's outperformance all came in the earlier part of the year, almost doubling in the first half, before giving up almost all that gain by the end of September, since when it has moved sideways. Still, we like this company and its business. Poor China sentiment appears to be the primary reason for the price decline, reflected by a significant valuation contraction, because earnings and dividends have moved higher. The earnings for the coming year are foreshadowed by orders received at trade fairs in the latter half of the prior year. In 2018, Lilang reported strong growth in new orders in both price and volume terms so we remain very positive.

The weakest stocks were Li & Fung (total return of -67.0%), AAC Technologies (-66.9%) and Tongda Group (-59.6%). Li & Fung has had a hard year. It has been making progress in its restructuring programme, but this is being worked on at a time when the environment for some of its main customers has been poor. US retailers have been closing stores to reduce their footprint, and correspondingly have reduced stock levels. Trade tensions have added an extra dimension of uncertainty and the market is not prepared to take a chance on a business in this segment that is in transition. However, Li & Fung specialised in diversified supply chains and complex supply chain management and so there is scope for the company to benefit as higher tariffs prompt businesses to make changes to their existing supply chains. Conditions are likely to remain tough. As long as trade tensions linger, we expect some of Li & Fung's customers to be cautious about taking on new supply chain solutions. At the same time the company remains committed to re-modelling its digital platform which it sees as essential to the long-term prosperity of the business, but it will mean incurring extra costs. In this case, what is good for the company in the long term may not be so good for the shares in the short term.

AAC Technologies also saw a sharp fall in its share price, having been among our best performers in 2017. Earnings forecasts have been cut and are expected to be 20% down on last year. The share price fall has been exacerbated by its high valuation. It was one of the few stocks in the portfolio that included a significant portion of future growth expectations in its valuation which has now come out. While we are confident in the company and its operational outlook, we ought to have been more alive to this risk. At this point we continue to hold on and add. It is a company in the smartphone supply chain which, due to its constant innovation, has real pricing power. For example, in 2018 AAC has been promoting its new "Super Linear Structure" (SLS) product which produces greater volume for the same sized speaker. These products have an average selling price that is 30-50% higher than existing products.

Tongda Group put out solid first-half results with adjusted operating profits growing 6% (adjusting for write-offs last year so we can compare on a like-for-like basis). Given the current environment in the industry, where smartphone shipments in China are weak, we think Tongda's results were respectable. Margins were lower than usual in the first half period because Tongda is producing more plastic-like casings for its major client Xiaomi. Management argue that in the initial ramp-up for these newer plastic casings the margin will be lower, but as production increases the company will benefit from economies of scale and the margins will end up higher than those on metal casings. We believe the share price of Tongda does not currently reflect the efficiency and quality of the business, which has returned a 10% return on capital since 2010 and is likely to do so in 2018. The waterproof components division, though relatively small, does supply Apple and has higher margins than the rest of the business. This should act as a buffer against the more volatile Chinese market, even taking into account Apple's recent guidance. Tongda's stock trades at 4.3x FY18 earnings – more than two standard deviation below its fifteen year average. It is one of the cheapest stocks in the smartphone supply chain.

Activity

Three switches were made. We sold the entire position in Lenovo, PICC and Hon Hai. These were replaced by Autohome, Noah Holdings and Baidu. Autohome is an automotive classified advertising business which has a dominant market share in China. On average 10.1 million people used its app daily in the first quarter of 2018. Its revenue comes from adverts and from the fees it charges to dealers to list on the website. Baidu's search engine is dominant in China with a market share of over 75%. In the past Baidu has been guilty of unsuccessfully throwing money at new businesses without realising a positive return. As a result its cash return on investment has fallen from 30% in the 2007-2012 period to 12% in 2017. But we believe the business is a better allocator of capital today than it was in the past. Its operating system, DuerOS is being developed so it can be used on any hardware from any manufacturer. Over the next decade, as consumer electronics become more connected, Baidu's OS could become an integral part of each household in the same way its search function became an integral part of everyday life. Noah is a wealth and asset manager targeting high net worth individuals. It distributes onshore and offshore products across China. As Chinese financial markets mature investors are becoming more accustomed to the idea of diversified asset allocation. So in addition to equity offerings Noah also gives investors access to fixed income, private equity and fund-of-funds products denominated in RMB and USD. The recent improvement in rules around the asset management industry, which brings it closer to global standards, should serve Noah well as it already positions and operates itself as a sophisticated asset manager.

Portfolio Position

The portfolio remains overweight China/Hong Kong and underweight Taiwan. Over 2018 exposure to Communication Services increased by two positions (+6.0%) while exposure to Information Technology fell by the same amount. The Fund is overweight to the Consumer Discretionary, Information Technology and Health Care sectors. The Fund is underweight Financials, Real Estate and Communication Services. The Fund invests in stocks who have generated persistent returns above the cost of capital which means cyclical sectors do not tend to appear in our universe.

Investment Manager's report (continued)

For the financial year ended 31 Dec 2018

Guinness Best of China Fund (continued)

Outlook

These have been testing times for investors and it seems likely that the same worries will persist into 2019. We are still very positive, but then we would say that. However, our confidence stems from the disconnect between the local conditions that the market is pricing in, and the conditions that actually prevail.

We believe China has the resilience to face the current slowdown. Policymakers are using counter cyclical fiscal and monetary policy to address the weaker operating environment. We believe policymakers have no intention of launching broad scale monetary stimulus because the costs of doing so are now too great. This leaves the trade dispute as the biggest unknown factor. We think it is in both the US' and China's interest to come to some sort of an arrangement but whether this is done by March is another question. A more likely scenario is an extended truce to give both sides more time to negotiate, with compliance to a final agreement likely to be the most important factor. In the midst of the negative headlines, it is easy to forget China's incredible long term potential. For example, only 18 passenger vehicles per thousand people were sold in China in 2017 compared to 53 in the US, 45 in Germany and 36 in Korea. As China grows, even at slower rates, expect this ratio to catch up.

The Fund is focused on investing in businesses that we believe have a long-term role to play in China. The businesses we choose from have demonstrated success, which we measure using return on capital compared to the cost of capital over at least the last eight years. We believe that the current situation presents a very good opportunity to buy into these businesses. We believe that with sentiment so poor on a twelve-month horizon the market is undervaluing the long-term operational superiority of these businesses over the next three, five and 10 years. We believe that so long as we invest in businesses that make things that people want to buy, can grow steadily and can continue do so profitably, our investors should be confident in spite of market conditions today.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Emerging Markets Equity Income Fund (the "Fund")

Performance summary in US Dollars: Class Y compared with MSCI Emerging Markets NTR Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-15.1%	n/a	n/a	n/a	n/a	n/a	+37.7%	-15.1%
Index	-14.6%	+5.6%	+5.0%	-2.2%	-14.9%	+11.2%	+37.3%	-14.6%

In 2018 the Fund fell 15.1% versus the benchmark which fell 14.6%. Since launch, the Fund is up 18.1% versus the benchmark up 20.4%. We expect the performance profile for the Fund to be similar to the Guinness Asian Equity Income Fund. That is, to capture most of the upside in stronger markets, but to protect on the downside—falling less—in weaker markets. Both funds share a common philosophy and investment process: investing in dividend-paying stocks of companies that have achieved persistent returns on capital.

This was a turbulent year for equity and bond markets. Political policy unpredictability and uncertainty has been evident in all regions with the US, of course, being the most influential. In financial markets, the US Federal Reserve has shown its determination to normalise interest rates and has been remarkably successful. Since the middle of 2017 there have been eight increases, from 0.5% to 2.5%, and underlying economic growth in the US does not appear to have suffered significantly in the process. The strength of the US dollar in 2018 was a surprise compared to market expectations at the start of the year and can be attributed in part to rising US interest rates (thereby narrowing the gap between the US and elsewhere) but also to a lack of confidence in prospects for Europe and China.

Emerging markets are generally perceived to be vulnerable to a strong dollar. It may make exports more competitive for some but more often it comes as a burden. Commodity imports, such as oil, become more expensive and those that are reliant on foreign borrowings, usually in dollars, are left exposed to higher interest costs and principal repayments. This can be felt both at the company level but also at national level.

Within emerging markets, Latin America fell by 6.6%. EMEA (Europe, Middle East Africa) and Asia fell 16.1% and 15.5% respectively.

Qatar (+29.8%), Brazil (-0.5%) and Russia (-0.4%) were relatively strong markets in 2018. In Brazil, most of the year was spent anticipating the results of the election in October, when Jair Bolsonaro was elected. Brazil was very strong in the run up to the election and broadly kept its gains following Bolsonaro's win. Expectations of his presidency seem quite high. Markets like the appointment of Paulo Guedes, a free market oriented economist who will be in charge of economic policymaking. There is hope that the pension system will be reformed in order to lower the very high budget deficit which currently stands at ~7%. However, there are practical headwinds to face. Bolsonaro does not have a majority in Congress and we question whether his opponents would support necessary but unpopular policies e.g. pension reform, which will be deeply unpopular with parts of the electorate. Russia was relatively stronger compared to other emerging markets. Energy accounts for just under 60% of the country benchmark and with the oil price moving higher for most of the year, Russian equities benefited. However, the US imposed sanctions on certain Russian groups in April. Perhaps because of the fear of additional sanctions, investment in the economy has not picked up following the bounce in oil prices. The Fund has no holdings in Russia.

On the other hand Turkey (-41.4%), Greece (-36.8%) and South Africa (-24.8%) were very weak.

Turkey's problems have been mainly of their own making. Not only does the country have a high current account deficit and so must borrow from abroad to fund its investments, it is issuing short term debt to make long term loans. Turkish banks have been too reliant on cheap US dollar debt to fund what was, until 2018, strong economic growth. Foreign currency debt reached \$456bn as of June 2018, according to CEIC; following the fall in the value of the lira this could be equivalent to as much as 88% of GDP, the highest among emerging market countries. Much of this foreign debt is short-term with \$179bn due for repayment in the 12 months to July 2019, further compounding risks as foreign exchange reserves appear insufficient to cover these as they fall due. Currency mismatches have been another growing problem. Banks borrowed dollars but lent lira, creating a significant risk on Turkey's "overall" balance sheet. On top of these structural issues, there are big questions over the independence of the central bank. In July the central bank did not raise interest rates even though inflation was running at 15% in the previous month; in September though, the bank took a stand and rates were increased by 6.25 percentage points. On the fiscal front Erdogan appointed his son in law as head of the treasury and finance minister, naturally leading to questions over economic mismanagement. There are only a couple of Turkish companies which make it through to the quality universe but in our view, prices were not attractive enough during the weakness in the summer and currency risk appeared too great.

Nearly a third of the MSCI Greece benchmark is made up of financials which is important in explaining why the country was so weak in 2018. The market is still worried that the banks are carrying too many non-performing exposures (NPEs) on their balance sheet. The major banks have agreed to cut NPEs to an average of 20% by the end of 2019, and 15% by 2021. The fear is that to reach these targets, these banks would have to dispose of NPEs at below book value and realise a loss, triggering a capital raise. We do not have a strong view on the Greek banking sector, though we note on a broader level that the Greek economy is recovering, with annual growth of around 2%. The move by the European Central Bank to refinance some EUR20bn of debt by extending the maturities also goes a long way to ease immediate pressure.

South Africa saw Zuma forced out as President and Ramaphosa taking his place, but only by a slender majority. The economy was weak, falling into a recession in the first half of the year before recovering in the third quarter. Most economic bodies are forecasting a recovery in growth in 2019 to just under 2.0%, but we think there are downside risks to these forecasts. While we acknowledge the higher consumer and business confidence that has arisen as a result of Ramaphosa's presidency, we must remember the economy faces several structural problems which will be difficult to fix. Corruption is rife. The budget deficit is around 4.3% of GDP which will limit the scope of fiscal stimulus. According to Credit Suisse, only 11% of the real GDP growth that occurred during Zuma's presidency came from investment; only 14% came from an increase in productivity; the other 75% came from an increase in the size of the labour force. These trends cannot simply be reversed because of a bounce in confidence and we remain realistic on our expectations on what Ramaphosa can and can't fix.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Emerging Markets Equity Income Fund (continued)

In Asia, the trade dispute between the US and China dominated the headlines. The US imposed a 25% tariff on \$50bn of imports from China in July and August. This was followed up with a 10% tariff on \$200bn in September, with a threat to increase it to 25% by the end of the year if no progress was made between the two sides. The remaining \$267bn of imports mostly consists of smartphones, textiles and toys, all of which the American consumer would be most affected by if tariffs were introduced. In December a temporary truce was announced between the two sides where both sides gave themselves three months to come to some sort of an agreement. The uncertainty from this dispute has certainly led to growth in China slowing by more than it otherwise would have done. If China is to rebalance away from investment and towards consumption, which is a more sustainable path, then slower growth is inevitable. But the uncertainty from the trade dispute has impacted investment in China and in the second half of the year, there were clear signs of a slowdown. Industrial profit growth, year-on-year, decelerated in the second half of the year and turned slightly negative in November for the first time since 2015. The government has responded with plans for looser fiscal and monetary policy. Tax rules have been changed to encourage consumption; for example, personal allowances increased and deductions permitted for expenses like education and healthcare. The deleveraging campaign has slowed in order to reduce some stress on small and medium businesses, some of whom are finding it harder to obtain credit from large state owned banks. It will take time for these looser policies to feed through to the economy.

In terms of market performance in Asia it was in fact Korea which was weakest, with China not too far behind. Korea's economy is very well diversified and acts as a bellwether for global trade. The weak Korean stock market reflected slower export growth following greater trade uncertainty and slower global activity following the peak at the end of 2017. On the other hand ASEAN countries like Thailand and Malaysia protected on the downside, perhaps because they could be beneficiaries if supply chains were to diversify outside of China.

The top performing stocks were Porto Seguro (total return of +33.8%), Tata Consultancy Services (+30.3%) and Novatek Microelectronics (+27.9%). Porto Seguro is the leading Brazilian auto insurer and reported consistently strong results over the year. In the auto segment, volumes, as measured by the number of insured vehicles, increased. Margins, as measured by the loss and combined ratios, increased due to lower claims and stringent cost control. Porto Seguro's performance was impressive in what was actually a sluggish Brazilian economy. GDP growth ranged between only 0.9% and 1.3% in the first three quarters of the year while Porto Seguro's earnings are projected to increase by just under 15% in 2018. The company continues to achieve a high return on capital and continues to offer us good dividend growth at a sensible valuation.

Tata Consultancy Services (TCS) benefited from strong earnings growth as well as an improvement in the valuation multiple. It is an Indian consulting and services business with most of its earnings coming from the US and Europe. In the Banking and Financial Services segment, large contracts were signed with M&G Prudential and Scottish Widows to improve their financial infrastructure. Although the Retail industry is facing a difficult time, traditional retailers are investing in new infrastructure and TCS is seeing this segment beginning to recover. Additionally, the weakness of the rupee against the euro and dollar boosted earnings. Overall, we like TCS because it is one of the most efficient businesses of its type not just in India, but globally. TCS has the knowhow to carry through large and complex deals which not all its competitors are trusted to do – this is why TCS now has four clients alone who have signed contracts in excess of \$100m.

Novatek Microelectronics is a designer of integrated circuits, used primarily in flat-screen displays, in a variety of applications including TVs, tablets, smartphones and cars. The company has recently benefited from greater adoption of its chips within TFT panels especially for Touch and Display Driver integrated chips. Competitors have struggled this year but Novatek's leading position has enabled it to obtain priority at chip foundries, where capacity has been tight. They have also been able to pass on higher raw materials costs and so reported higher margins than the market expected.

The worst performers were AAC Technologies (total return of -66.9%), China Medical System (-59.2%) and British American Tobacco (-50.2%). AAC Technologies saw a sharp fall in its share price, having been among our best performers in 2017. Earnings forecasts have been cut and are expected to be 20% down on last year. The share price fall has been exacerbated by its high valuation. It was one of the few stocks in the portfolio that included a significant portion of future growth expectations in its valuation which has now come out. While we are confident in the company and its operational outlook, we ought to have been more alive to this risk. At this point we continue to hold on and add. It is a company in the smartphone supply chain which, due to its constant innovation, has real pricing power. For example, in 2018 AAC has been promoting its new "Super Linear Structure" (SLS) product which produces greater volume for the same sized speaker. These products have an average selling price that is 30-50% higher than existing products.

After touching an all-time high in May, China Medical System's (CMS) share price fell significantly due to several headwinds. In 2015 CMS took a 15.7% stake in Faron Pharmaceuticals in a bid to diversify the business away from generics and towards innovative drugs. Faron's main product, Traumakine, failed its phase II trial in May. Assuming CMS' stake in Faron is completely written off, we estimate the actual reduction in FY17 earnings to be only ~2%. CMS' share price fell further in September following a new government central procurement trial, focusing on 11 cities. The first major tender was conducted in December and on average, prices fell 45%. For now none of CMS' products are on the list but management expects two of CMS' drugs, Deanxit (treats hypertension) and Plendil (treats depression and anxiety), to be added eventually. Total revenue could fall by 5% if the two drugs were to be included in the trial and in a worst case scenario, up to 15% of revenue could be affected. Management argues that for many of its remaining products, competitors have not passed the bioequivalence test. For some products management does not see any competitor likely doing so which should limit price cuts. We think the share price implies a worst case scenario for CMS but we think it can defend its position. We await details of the final policy.

In its most recent financial year, British American Tobacco (BAT) derived 34% of its revenue from developed markets (defined as OECD) and 66% from emerging markets (defined as non-OECD). The share price was weak in the first half of the year as markets were concerned with the industry's shift towards newer and more competitive markets e.g. heated tobacco and vaping. First half results were better than expected and the share price bounced. However in November the US Food and Drug Administration proposed banning menthol in cigarettes and introducing age restricted, in person sales for e-cigarettes. Around 20-25% of BAT's profits are at play. Against its history shares are trading at two standard deviations below its historic average. Against peers it is one of the cheapest in the market. Earnings are expected to grow, in spite of the negative sentiment, along with the return on capital.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Emerging Markets Equity Income Fund (continued)

Portfolio Changes

We made one switch in the portfolio during the first half, selling Hollysys Automation and buying China Minsheng Bank. Hollysys has been a respectable performer for the Fund, particularly over the second half of last year. The company released good results in February, showing new orders in its railway division and an increase in revenues from Industrial Automation. However, the yield contribution from the stock was insufficient, so we exited the position.

At its place we purchased China Minsheng Bank, which joins China Construction Bank as the second Chinese bank in the portfolio. Minsheng has lagged the broader market notably over the past year, as deleveraging efforts by the authorities have hurt the bank's business model, which is dependent on borrowing in the interbank market. As a consequence, Minsheng has been restructuring its balance sheet on the Funding side as well as addressing regulatory requirement for off/on balance sheet items. Asset quality in the banking sector in general has improved, as the slowdown in non-performing loan formation has demonstrated. At a 0.6x price-to-book ratio and a 5x P/E ratio, we felt that the stock was acutely undervalued. The stock also offers a 4% dividend yield.

Portfolio Position

The Fund is significantly overweight to the Consumer Discretionary and Consumer Staples sectors, which is offset by significant underweight exposure to Energy, Materials and Telecommunication Services. Looking at countries where the Fund has direct exposure, overweight positions are in Taiwan, India, Colombia and Peru. The Fund has underweight positions in South Korea, China, Russia and Malaysia.

Outlook

These have been testing times for investors and it seems likely that the same worries will persist into 2019. We are still very positive, but then we would say that. However, our confidence stems from the disconnect between the local conditions that the market is pricing in, and the conditions that actually prevail.

In Asia, where the majority of the Fund is invested, macro-economic indicators show the region to be in sound economic health. Most countries are running a surplus on their national current account and those that don't are willing and able to take steps to prevent further deterioration. Banking sectors across the region are well capitalised; bad debt is not an issue for many and for those for whom there is a problem (China and India) there are capital resources and ample liquidity available to manage these. In the immediate term, we are heartened that contrary to earlier times, policy responses to currency weakness (Indonesia, China), bad debts (China, India) or overall deceleration of economic growth (China, Korea, Thailand) have been met with orthodox economic responses and not by a politically driven release of extra liquidity. This speaks to rational long-term economic management and this is important because it is the long term that we are buying into.

The Asian region in aggregate is a creditor region. This is where much of the world's capital now resides and from whom the indebted nations in the developed world must borrow. This Asian wealth is underpinned by long term industrial policies that have made the region a manufacturing hub in global production. The upgrading of skills, capacity and efficiency have brought with them higher wages and rising investment into long term productive assets. China now focuses relentlessly on the quality and utility investment to deliver long term growth over the next twenty to fifty years; it is this process and policies in place to support it which complicates the trade discussions now underway.

Outside of Asia, problems in Turkey and Argentina were well documented but we think these were isolated cases. Yes, some economies outside of Asia look vulnerable (e.g. Brazilian government debt looks high as is South African's current account deficit, in our opinion) but this is very different to the crisis Asia in the 1990s. Back then many major Asian economies were funding growth through current account deficits and all sorts of mismatches. Today there are economies with some of these problems but it is incorrect to say most emerging markets are exposed.

That being said, the Fund is focused on investing in individual businesses that we believe have a long-term role to play in emerging markets. The businesses we choose from have demonstrated success, which we measure using return on capital compared to the cost of capital over at least the last eight years. Macroeconomic factors do play a role in our thinking in terms of the risks they present to individual businesses, in terms of currency risk and also the impact on the overall return to investors.

We believe that now presents a very good opportunity to buy into these businesses. We believe with sentiment so poor on a twelve-month horizon that the market is undervaluing the long-term operational superiority of these businesses, delivered in the form of profits and dividends, over the next 3, 5, 10 years.

Value opportunities, when they arise, are generally accompanied by the very things we want to stay away from and so they are the hardest opportunities to take. We believe that so long as we invest in businesses, that make things that people want to buy, can grow steadily and can continue to do so profitably, producing a regular dividend stream along the way, our investors should be confident in spite of market conditions today.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Fund (the "Fund")

Performance

The MSCI World Index (the benchmark for the Fund) had a net total return of -3.04% (in GBP) over 2018. The Fund had a total return of -12.73% (in GBP) over the same period, thereby underperforming the MSCI World Index by 9.69%.

Performance summary in US Dollars: Class X compared with MSCI World Index Net Return

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-17.8%	n/a	n/a	n/a	n/a	n/a	+20.9%	-17.8%
Index	-8.7%	+6.3%	+4.6%	+4.9%	-0.9%	+7.5%	+22.4%	-8.7%

Review

2018 proved to be a volatile year for equities as uncertainty increased around trade tensions, central bank policy tightening and continued fears over equity valuations. Whilst the MSCI World returned 5.4% (in USD) in the first 3 quarters of 2018, a sharp sell-off in Q4 left some equity markets in bear territory with the MSCI World returning -8.7% (in USD) over the full year.

Earnings continue to rise:

The year picked up where 2017 left off, with equity markets extending their surge off the back of continued strength in corporate earnings helped in large by US tax cuts. Robust economic and corporate data ensured major equity markets continued their run with growth stocks the main beneficiaries for the first three quarters. Earnings continued their advancement throughout the year, however, as turbulence entered the market in Q4, earnings growth was not enough to stem the selloff that companies later endured.

Volatility returns:

With corporate earnings continuing to rise and US jobs reports indicating wages were rising faster than expected, fears of heightened inflation spread. This led to an increased expectation of multiple interest rate hikes from the US FED, prompting increases in bond yields. The uptick in bond yields had a knock-on effect in equity markets, spiking volatility (as measured by the VIX index) and erasing 10% off the S&P 500 in a swift February sell-off.

Trade tensions:

2018 saw President Trump continue to repeal agreements he deemed unfair to the United States, including the North American Free Trade Agreement and the re-imposition of economic sanctions on Iran that were waived in 2015.

Tensions between the US and China were high throughout the year as a series of escalating trade tariffs were enacted upon each other. This came as Donald Trump looked to reduce the trade deficit the US has with China – China exports around \$370bn more to the US than is bought from US producers - alongside addressing fears surrounding IP protection on US technology. The year ended with the US and China agreeing to a 2-month truce until March 1st in order to negotiate a more material agreement.

Central bank policies:

Much of investor's focus going into 2018 was on central banks' policies with an end to quantitative easing on the horizon and the prospect of rising interest rates from historic lows starting in the US. In Europe, the European Central Bank (ECB) announced the widely anticipated halting of the multi-trillion-dollar stimulus programme enacted post financial crisis, although signalled caution on interest rate rises for now. The US, which has been steadily increasing its interest rates over the last two years, continued on its rate hiking path much to the distaste of the President Trump. However, with equity markets experiencing sharp sell-offs in the last quarter of the year, Jerome Powell, the FED chairman, pointed to a possible slowdown going into 2019, much to the (brief) relief of equity markets.

Brexit:

As the Brexit saga continues and with the looming March 29th, 2019 deadline approaching, the outcome is still very much uncertain. The year has seen fierce opposition to Theresa May and her negotiations with a divided cabinet, ministerial resignations and challenges for the prime minister's leadership. In July, the prime minister released her Chequers plan – the governments proposed Brexit plan – which was met with the resignations of two pro-Brexit cabinet members. Come November, some progress seemed to have been made with a withdrawal agreement reached between the EU and UK. However, it is yet to be seen whether Theresa May can rally her supporters enough for the government to pass the proposal through parliament.

Oil:

By October, oil prices had risen almost 30%, with Brent crude reaching \$86 a barrel and talk of a possible \$100 a barrel discussed in the market once again. However, strong headwinds approached as stronger than expected US oil output, weakening global oil demand and Iranian sanction waivers to select countries, sent oil prices into a bear market with prices falling more than 35% below their October peak. This was much to the delight of Donald Trump, who has been keen to keep oil prices low and has been placing pressure on Saudi Arabia to not cut oil production. This comes as the US surpasses Saudi Arabia to become the global leader in oil production.

Red October:

As equity markets continued to soar into late September, October proved to be one of the worst months for equity markets since October 2011 erasing previous gains and sending global stocks into correction and even bear market territory. Although there was not any one specific catalyst for the sell-off, bullish comments from the US FED off the back of strong economic data, the continued sell-off in bonds on interest rate rises and geopolitical tensions seemed to come together to cause investors to become substantially 'risk-off'. The result was the MSCI World losing 7.3% (in USD) within the space of the month.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Global Equity Fund (continued)

Activity

During the year, we sold our positions in Aryzta, Envision and Freenet and bought new positions in Sabre, Cognex and Inficon.

Positive contributions to returns came from our underweight exposures to energy – for which we hold no positions - and financials. However, stock selection was a drag with regard to financials, as asset managers Affiliated Managers Group and Janus Henderson underperformed. Additionally, our overweight position to IT contributed negatively to the portfolio with AAC Technologies in particular underperforming.

Outlook

2018 brought uncertainty and volatility back into the markets despite companies' continuing their strong earnings growth post the financial crisis. A tightening Fed rate cycle, US-China tensions, weakness in EM currencies, slowing economic growth indicators in Europe and Asia and a fall from grace of market leaders of the 2017 tech rally, were in stark contrast to the 'unified global growth' consensus of 2017 which fueled a significant equity rally, a good proportion of which was from multiple expansion and not just earnings growth. However, after the recent market falls, global equity valuations on a sector and regional level now mostly trade at a discount to their 5 and 10-year valuations based on rolling 1-year forward P/E ratios, creating better prospects for higher future returns, despite current headwinds.

The Fund at the end of the year was trading on 13.5X 2019e expected earnings, and 12.4X 2020e expected earnings; a discount of 5.9% and a discount of 7.1%, respectively to the broad market.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness US Equity Fund (the "Fund")

Performance summary in US Dollars: Class X compared with MSCI USA Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-7.1%	n/a	n/a	n/a	n/a	n/a	+23.1%	-7.1%
Index	-5.0%	+8.5%	+7.7%	+12.7%	+0.7%	+10.9%	+21.2%	-5.0%

Review of 2018

2018 provided a firm reminder that geopolitics matter. In stark contrast to the conditions of 2017, the past year was characterised by weaker markets and a return of volatility. Markets were no longer immune to uncertainty, and thus were prone to turbulence as investors digested the various economic, corporate, and political news releases.

At the start of 2018, global equity markets surged ever higher on optimism over the strength of the world economy, big US tax cuts, and upbeat corporate earnings releases. This was, however, followed by the largest ever one-day spike in the CBOE Volatility (VIX) Index; the first 10% market correction since early 2016; and a subsequent 8% rebound (all in USD). February's sell-off was triggered by an unexpected acceleration in wage growth in the US, strengthening the prospect of more aggressive rate hikes. This was all before March, a month in which the year's early optimism faced increasingly strong headwinds from rising inflationary pressures, Federal Reserve (FED) rate hikes, and protectionist threats. These headwinds would go on to dominate the rhetoric for much of the year that followed. As many anticipated, the FED did indeed raise rates by 25 basis points in March, June, September and December – ending the year at a range of 2.25-2.5%. This had severe knock-on effects on equity markets, particularly in the third quarter.

October in fact became the pivotal month when the outperformance of growth companies shifted to outperformance of value. We also saw a shift in the market, with investors switching from Cyclical sectors to Defensive ones. Strong performance seen in the first three quarters of the year from sectors such as IT and Consumer Discretionary experienced some of the largest reversals during the final quarter of the year.

By the end of the year, utilities and healthcare were the only two sectors in positive territory. Healthcare stocks have had a persistently strong run in 2018 after many stocks surpassed analyst's earnings and revenue growth expectations. Being overweight here benefitted the Fund's performance.

In a rare occurrence, Utilities were the best performing over the year. Power companies surged in the sell-offs in the year, particularly in October when they had their best month relative to the market since 2001 – the sector rallied more than 3% in October and beat the S&P 500 by 12%. Such an outperformance has occurred only four times previously, all surrounding market crashes. Although the Fund has zero exposure to the sector, the drag on active performance was minimal considering that Utilities make up only 3% of the MSCI USA Index.

Among the worst performing sectors were Materials, Financials and Energy. The Fund holds no positions in Materials and Energy, which benefited performance, and also holds no banks. Banks and asset managers notably underperformed due to cyclical concerns and contagion from rising bond yields. Concerns over the general health of the economy, slower anticipated growth and rising interest rates led us to subsequently make the decision to sell three of the asset manager positions in the Fund. These dragged on performance throughout the year. Energy also underperformed this year, and the Fund was somewhat immune given it holds no positions in the sector. The price of oil peaked in October at around US\$85 a barrel and then started its rather rapid decline in November, tumbling to 15-month lows mid-December. The weakness was driven by concerns over demand not meeting expectations as global growth concerns increased.

The Fund's largest overweight is to IT (31%). IT – the star performer of 2017 – started the year strongest before tailing off. Some technology stocks were priced for significant growth at the start of the year and were vulnerable to bad news. The first of this came in March as claims that analysis group Cambridge Analytica had mined the personal data of 50 million Facebook users for use in the US presidential election, crystallised fears that big tech risked tougher regulation. The Fund's exposure to the 'high flying' FAANG-type stocks was limited to Apple and this was a drag on performance particularly in the October sell-off due to concerns over slower smartphone growth and slower Chinese economic growth.

In terms of individual holdings in the sector, CA was the standout performer after it was subject to a bid (from Broadcom) and was subsequently sold. Following the bid, Broadcom fell ~20% (as the market saw a bid for a software company as tangential to Broadcom's core semi-conductor business) and the Fund took advantage by initiating a new position in the stock. Broadcom subsequently rallied and has added to fund performance over the short term.

Looking at the year from a geographical standpoint, performance was influenced heavily by political drama and global equities were particularly rocked by fears of a global trade war. The outcome of the US-China trade discussions – if any – remains one of the biggest uncertainties going into the new year. Amid the tensions, Chinese growth has disappointed throughout the year and left the region as one of the worst performing in 2018 (MSCI China Index returned -18.7% in USD in 2018). In contrast the US was the best performer (MSCI US Index returned -4.5% in USD in 2018). The US was supported by robust corporate profitability leading on from the initial tax cuts, as well as strong economic growth numbers. Asia and Emerging Markets performed particularly poorly due to the uncertainty surrounding trade tariffs and the persistently strong US Dollar that characterised much of the year. Europe also faced its fair share of issues. The European Central Bank began to unwind its Quantitative Easing programme and markets have been treading sluggishly due to the various political events in the UK, Italy, Germany, Spain, France and Turkey.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness US Equity Fund (continued)

Changes to the Portfolio

In 2018 we sold six positions and bought six new positions, leaving the portfolio with 35 positions at year end. Overall, this reduced Financial and Consumer Staple exposures whilst added to IT and Communication Services.

In the first and second quarter, we made no changes to the portfolio.

In the third quarter, we made one change to the portfolio. We bought a new position in Broadcom and sold our holding in CA Technologies.

In the fourth quarter of the year, we made 5 changes. We sold Hain Celestial, Cardinal Health, Invesco, Affiliated Managers Group and T-Rowe Price. We replaced these with Booking.com, Microsoft, Visa, Paychex and Activision Blizzard.

Positioning

Asset allocation as %NAV	Current	Previous year ends	
	31/12/2018	31/12/2017	31/12/2016
Consumer Discretionary	14%	12%	11%
Consumer Staples	5%	9%	11%
Energy	0%	0%	0%
Financials	3%	12%	11%
Health Care	20%	20%	20%
Industrials	17%	17%	17%
Information Technology	31%	24%	26%
Materials	0%	0%	0%
Communication Services	6%	0%	0%
Utilities	0%	0%	0%
Real Estate	3%	3%	3%
Cash	1%	3%	1%

Outlook

The Fund at the end of the quarter was trading on 14.6X 2019e expected earnings, and 13.3X 2020e expected earnings; a discount of 6.0% and a discount of 7.6%, respectively to the broad market. We therefore see the portfolio as providing good value to our investors on these simple metrics.

As we enter 2019, analysts are cutting their forecasts for corporate earnings, economic data is showing slower growth, trade tensions are still looming, interest rate uncertainty remains, Brexit worries continue, and the slope of the US yield curve, commonly measured by looking at the difference between two- and 10-year Treasury yields, stands at its lowest level since 2007. The big question going into 2019 is whether many of the approaching headwinds prove to be as strong as expectations have factored in. As ever, holding good quality companies, that have persistently generated high levels of return on capital gives us confidence that the Fund is well placed to weather different market conditions.

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Best of Asia Fund (the "Fund")

Performance summary in US Dollars: Class Y compared with MSCI AC Asia Pacific ex Japan Index

	1 year	Annualised		Calendar years				
		3 years	5 years	2014	2015	2016	2017	2018
Fund	-20.8%	n/a	n/a	n/a	n/a	n/a	n/a	-20.8%
Index	-14.5%	+7.9%	+2.9%	+1.5%	-9.6%	+7.5%	+36.9%	-14.5%

Following a strong year last year, 2018 was weaker, with markets falling by 14.5%. In this negative environment, the Fund underperformed, falling by 20.8%. Most of the underperformance came in the second half of the year; the Fund broadly kept pace with the market as it traded sideways until mid-June. We would expect the Fund to fall with the market in weak conditions, and instead generally to capture more upside when markets turn and are stronger.

The best-performing sector in 2018, as measured by the sector indices within the MSCI AC Asia Pacific ex Japan Index in USD terms—and the only one to generate a positive return—was Utilities +0.9%. Other sectors that performed relatively well were Consumer Staples –5.8%, and Energy –5.9%. Weaker sectors were Consumer Discretionary –31.0%, Information Technology –18.9%, and Industrials –11.1%.

All countries in the region (as measured by their respective MSCI country indices) fell, with New Zealand –2.7%, Thailand –5.3% and Malaysia –5.7% falling the least. The worst performing countries were Pakistan –34.2%, Korea –21.1% and China –18.9%.

In the case of China and Korea, much of the weakness is attributable to the rise in trade tensions witnessed over the course of the year, particularly in respect of the US-China trade relationship. The dispute, which essentially began with the imposition of tariffs over imported steel and aluminium in the US, escalated over the course of the year with the imposition of tariffs by the US on a much greater array of goods, accompanied by the threat to increase tariff rates at the beginning of 2019. China reciprocated by targeting imports of US agricultural products. Trade talks continued in an on-off fashion throughout the latter part of the year, but failed to quell the uncertainty in the markets. As the tariffs began to take effect, activity was initially pulled forwards, but then showed signs of slowing towards the end of the year – this was one of the significant contributing factors behind the market sell-offs in the fourth quarter.

Ongoing negotiations are complex – the narrative from the US side has shifted from wanting to address the overall trade imbalance to tackling a variety of issues: intellectual property transfer, market access, and state subsidisation. But we expect China to continue to fight for its own interests fiercely. China is approaching a delicate point in its economic development, as what were demographic tailwinds are gradually shifting to becoming headwinds, as the population ages over time. Made in China 2025, and the associated advances in industrial capabilities, are the Chinese authorities' efforts to move up the income curve in order to combat the changing composition of its population.

Our Technology holdings were generally weak, particularly those companies operating in the smartphone supply chain. Technology was the best performing sector last year, so to some extent this represents giving back some of the gains made in 2017, as investors scaled back their overly-optimistic projections. The companies also suffered as a result of weaker demand for smartphones, a theme that was observed early in the year, and continued throughout. A hoped-for source of demand from the latest iPhone product cycle released in the Autumn ultimately proved rather lacklustre and disappointed relative to expectations. Nevertheless, we are positive on these companies' prospects for two reasons. First, we expect the next wave of new features and technologies (5G and folding screens, for example) to serve as a catalyst for future phone upgrades and stronger consumer demand. Second, the companies we are investing in are often the market leaders in their respective niches, and as such command a degree of pricing power.

Activity

There were no changes to the portfolio in 2018.

Portfolio Position

On a country basis, the Fund is overweight China, India, Singapore, Taiwan and Thailand. The Fund also holds two US-listed stocks that derive more than half of their revenues from the Asia Pacific region. The Fund is underweight Australia, Korea, Malaysia, Indonesia and Hong Kong.

On a sector basis, the largest overweight positions are to Information Technology, Consumer Discretionary and Health Care. The Fund is most underweight Materials, Real Estate, Financials and Energy.

Outlook

Sentiment towards Asian markets is undeniably weak, and valuations are at levels not seen for several years. The difference this time is that economies are coming from a period of strength, and despite some recent weakness in earnings estimates, respectable levels of growth at the portfolio level are still forecast for 2019 and 2020.

If Asian corporations continue to report earnings that meet market expectations, then the prospects for investors look bright. Valuations at these levels augur for attractive shareholder returns in future. The main risks are a significant decline in Chinese economic activity, or potentially a wider global economic slowdown. Nevertheless, Asian equities appear attractive, particularly in the context of higher valuations elsewhere in the world.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Multi-Asset Balanced Fund (the “Fund”)

The Fund was launched on 28th December 2018. It is a multi-asset fund designed to provide investors with long-term capital appreciation.

The Fund invests in a global portfolio of open ended collective investment schemes. It is designed to provide balanced exposure to a range of asset classes, focusing on equities, fixed income and property. The exposure to equities will vary, but is capped at 85% of the Fund. The underlying funds we invest in are mainly passive funds, but we also have some exposure to active products, particularly in the absolute return sector.

We have appointed Brewin Dolphin Limited as investment advisor to the Fund. Brewin, a leading UK wealth manager, are providing advice on asset allocation and the choice of underlying funds. This advice is reviewed by the Guinness investment team, who are ultimately responsible for the make-up of the portfolio.

The Fund will typically hold 15-25 positions.

This approach is one which we believe provides attractive multi-asset exposure, with the aim of outperforming the IA 40-85% Mixed Investment benchmark over the medium term.

Guinness Asset Management Limited

Investment Manager's report (continued)

For the financial period ended 31 December 2018

Guinness Multi-Asset Growth Fund (the "Fund")

The Fund was launched on 28th December 2018. It is a multi-asset fund designed to provide investors with long-term capital appreciation.

The Fund invests in a global portfolio of open ended collective investment schemes. It is designed to provide exposure to a range of asset classes, focusing on equities, fixed income and property. The exposure to equities will vary, but may be up to 100% of the Fund. The underlying funds we invest in are mainly passive funds, but we also have some exposure to active products, particularly in the absolute return sector.

We have appointed Brewin Dolphin Limited as investment advisor to the Fund. Brewin, a leading UK wealth manager, are providing advice on asset allocation and the choice of underlying funds. This advice is reviewed by the Guinness investment team, who are ultimately responsible for the make-up of the portfolio.

The Fund will typically hold 15-25 positions.

This approach is one which we believe provides attractive multi-asset exposure, with the aim of outperforming the IA Flexible Investment benchmark over the medium term

Guinness Asset Management Limited

Report of the Depositary to the Shareholders

We, J.P. Morgan Bank (Ireland) plc, appointed Depositary to Guinness Asset Management Funds Plc ("the Company") provide this report solely in favour of the Shareholders of the Company for the year ended 31/12 /2018 ("the Accounting Period").

This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or to any other person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Company for the Accounting Period and we hereby report thereon to the Shareholders of the Company as follows;

We are of the opinion that the Company has been managed during the Accounting Period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documents and the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.

For and on behalf of

For and on behalf of
J.P. Morgan Bank (Ireland) plc.,
200 Capital Dock,
79 Sir John Rogerson's Quay,
Dublin 2,
D02 RK57.

Independent Auditors' report to the shareholders of Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

Report on the audit of the financial statements

Opinion on the financial statements of Guinness Asset Management Funds plc ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at *financial year* and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 25, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is [the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended)/the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended) and the Commission Delegated Regulation (EU) No.231/2013] ("the applicable Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' report to the shareholders of Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditors' report to the shareholders of Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Brian Jackson
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date:

Statement of financial position

As at 31 December 2018

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Assets									
Financial assets at fair value through profit or loss	3								
- Transferable securities		218,122,838	11,689,285	6,429,190	654,286,641	114,916,606	5,454,153	150,339,125	3,288,480
- Investment funds		-	-	-	-	-	-	-	-
Cash and cash equivalents	4	1,840,242	477,160	192,126	17,216,790	3,512,912	209,949	2,517,122	42,429
Dividends receivable		407,191	8,929	13,019	1,185,477	122,706	-	73,117	-
Subscriptions receivable		383,643	7,980	312	775,109	648,242	75,782	256,703	1,735
Total assets		220,753,914	12,183,354	6,634,647	673,464,017	119,200,466	5,739,884	153,186,067	3,332,644
Liabilities									
Securities purchased payable		-	-	-	-	-	-	-	-
Management fee	5	243,683	11,035	8,106	612,931	85,326	7,211	177,656	4,128
Investment manager administration fee	7	57,886	2,868	1,584	134,831	27,646	1,286	40,616	814
CGT - Provision		-	-	-	-	-	-	-	-
Redemptions payable		2,635,965	50,307	76,199	1,206,225	90,096	2,558	602,034	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		2,937,534	64,210	85,889	1,953,987	203,068	11,055	820,306	4,942
Net assets attributable to holders of redeemable participating shares		217,816,380	12,119,144	6,548,758	671,510,030	118,997,398	5,728,829	152,365,761	3,327,702

The accompanying notes form an integral part of these financial statements

Statement of financial position (continued)

As at 31 December 2018

	Note	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP	Total Company USD
Assets								
Financial assets at fair value through profit or loss	3							
- Transferable securities		1,760,349	405,220	233,821	270,716	-	-	1,167,196,424
- Investment funds		-	-	-		376,032	612,401	1,258,868
Cash and cash equivalents	4	34,244	5,829	4,280	7,119	508,048	238,048	27,010,430
Dividends receivable		3,806	181	142	102	-	-	1,814,670
Subscriptions receivable		383	6,757	-	295	23,750	493,305	2,815,463
Total assets		1,798,782	417,987	238,243	278,232	907,830	1,343,754	1,200,095,855
Liabilities								
Securities purchased payable		-	-	-	-	376,000	612,000	1,258,317
Management fee	5	764	282	101	166	-	-	1,151,389
Investment manager administration fee	7	414	52	57	66	-	-	268,120
CGT - Provision		1,266	-	-	-	-	-	1,266
Redemptions payable		22	6,700	2,554	-	-	-	4,672,660
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		2,466	7,034	2,712	232	376,000	612,000	7,351,752
Net assets attributable to holders of redeemable participating shares		1,796,316	410,953	235,531	278,000	531,830	731,754	1,192,744,103

On behalf of the Board

Johnny McClintock**David McGeough**

Date 25 April 2019

The accompanying notes form an integral part of these financial statements

Statement of financial position (continued)

As at 31 December 2017

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Assets									
Financial assets at fair value through profit or loss	3								
- Transferable securities		282,585,957	11,324,844	9,674,694	467,911,045	94,805,093	20,461,613	153,648,708	1,811,086
Cash and cash equivalents	4	3,943,194	395,275	197,539	7,932,871	1,647,819	633,263	4,615,290	34,336
Dividends receivable		312,625	5,504	11,729	904,093	153,755	-	17,280	1,627
Subscriptions receivable		183,392	78,028	189,176	1,335,284	944,062	49,558	2,391,925	58,399
Total assets		287,025,168	11,803,651	10,073,138	478,083,293	97,550,729	21,144,434	160,673,203	1,905,448
Liabilities									
Securities purchased payable`		-	-	-	-	-	-	-	-
Management fee	5	218,001	8,528	9,595	319,365	42,793	7,412	113,344	1,180
Investment manager administration fee	7	106,722	4,337	3,849	183,863	36,840	8,081	58,923	658
CGT - Provision		-	9,719	-	-	-	-	-	-
Redemptions payable		3,489,946	3,639	2,637	671,898	116,701	70,105	480,824	59,871
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		3,814,669	26,223	16,081	1,175,126	196,334	85,598	653,091	61,709
Net assets attributable to holders of redeemable participating shares		283,210,499	11,777,428	10,057,057	476,908,167	97,354,395	21,058,836	160,020,112	1,843,739

The accompanying notes form an integral part of these financial statements

Statement of financial position (continued)

As at 31 December 2017

	Note	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
Assets						
Financial assets at fair value through profit or loss	3					
- Transferable securities		302,324	245,036	246,571	302,308	1,043,319,279
Cash and cash equivalents	4	1,334	3,300	2,810	264,166	19,671,197
Dividends receivable		709	52	117	-	1,407,491
Subscriptions receivable		-	-	-	-	5,229,824
Total assets		304,367	248,388	249,498	566,474	1,069,627,791
Liabilities						
Securities purchased payable		-	-	-	265,813	265,813
Management fee	5	177	57	55	4	720,511
Investment manager administration fee	7	115	96	97	4	403,585
CGT - Provision		-	-	-	-	9,719
Redemptions payable		-	-	-	-	4,895,621
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		292	153	152	265,821	6,295,249
Net assets attributable to holders of redeemable participating shares		304,075	248,235	249,346	300,653	1,063,332,542

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income

For the financial year ended 31 December 2018

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Investment income									
Dividend Income		8,087,566	222,328	402,556	17,863,724	5,228,853	450,637	3,048,068	123,932
Interest income		1,755	401	168	6,510	-	-	5,894	-
Other income		-	2,467	-	570	26,608	957	-	9
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	(62,521,410)	(2,346,415)	(2,711,107)	(45,936,693)	(24,113,291)	(936,150)	(37,668,725)	(1,244,508)
Total investment (expense)/income		(54,432,089)	(2,121,219)	(2,308,383)	(28,065,889)	(18,857,830)	(484,556)	(34,614,763)	(1,120,567)
Expenses									
Investment manager fees	5	2,792,188	116,941	108,283	4,665,728	745,332	86,153	1,907,960	39,358
Investment manager administration fees	7	1,310,256	61,199	42,199	2,416,857	558,699	51,712	907,360	16,468
CGT - Provision	13	-	(8,588)	-	-	-	-	-	-
Total operating expenses		4,102,444	169,552	150,482	7,082,585	1,304,031	137,865	2,815,320	55,826
Net (expense)/income		(58,534,533)	(2,290,771)	(2,458,865)	(35,148,474)	(20,161,861)	(622,421)	(37,430,083)	(1,176,393)
Finance costs									
Dividend distribution	12	63,273	-	-	11,222,000	2,546,993	82,954	-	-
Interest expense		160	5	10	377	2,489	2,064	633	332
Total finance costs		63,433	5	10	11,222,377	2,549,482	85,018	633	332
Taxation									
Withholding tax on dividends		1,301,581	15,955	50,280	2,868,007	474,994	81,037	600,474	8,364
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations		(59,899,547)	(2,306,731)	(2,509,155)	(49,238,858)	(23,186,337)	(788,476)	(38,031,190)	(1,185,089)

There were no losses/gains in the year other than the (decrease)/increase in net assets attributable to holders of redeemable participating shares.

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income (continued)

For the financial year ended 31 December 2018

	Note	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund ¹ GBP	Guinness Multi- Asset Growth Fund ¹ GBP	Total Company USD
Investment income								
Dividend Income		27,760	4,466	3,622	8,861	-	-	35,472,373
Interest income		-	-	8	-	-	-	14,736
Other Income		1	-	-	-	-	-	30,612
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	(173,585)	(49,343)	(17,494)	(73,502)	11	379	(177,791,726)
Total investment (expense)/income		(145,824)	(44,877)	(13,864)	(64,641)	11	379	(142,274,005)
Expenses								
Investment manager fees	5	3,403	1,587	757	1,544	-	-	10,469,234
Investment manager administration fees	7	3,549	1,155	1,211	1,435	-	-	5,372,100
CGT - Provision		1,675	-	-	-	-	-	(6,913)
Total operating expenses		8,627	2,742	1,968	2,979	-	-	15,834,421
Net (expense)/income		(154,451)	(47,619)	(15,832)	(67,620)	11	379	(158,108,426)
Finance costs								
Dividend distribution	12	3,171	-	-	-	-	-	13,918,391
Interest expense		325	34	-	1	-	-	6,430
Total finance costs		3,496	34	-	1	-	-	13,924,821
Taxation								
Withholding tax on dividends		3,038	626	930	745	-	-	5,406,031
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations		(160,985)	(48,279)	(16,762)	(68,366)	11	379	(177,439,278)

There were no losses/gains in the year other than the (decrease)/increase in net assets attributable to holders of redeemable participating shares.

¹For the financial period 28 December 2018 to 31 December 2018

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income (continued)

For the financial year ended 31 December 2017

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Investment income									
Dividend Income		9,077,056	151,411	246,310	13,380,281	2,469,611	447,933	1,563,761	30,478
Interest income		21	33	7	759	16	1,367	8	-
Other income		-	1,437	-	-	-	-	-	-
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	(11,077,387)	1,685,849	2,025,984	65,163,895	15,245,807	1,849,206	29,974,115	357,802
Total investment (expense)/income		(2,000,310)	1,838,730	2,272,301	78,544,935	17,715,434	2,298,506	31,537,884	388,280
Expenses									
Investment manager fees	5	2,904,131	89,128	83,845	3,255,575	327,482	51,672	990,382	8,781
Investment manager administration fees	7	1,471,054	44,094	35,712	1,964,175	290,601	68,023	529,411	4,895
CGT - Provision		-	7,112	-	-	-	-	-	-
Total operating expenses		4,375,185	140,334	119,557	5,219,750	618,083	119,695	1,519,793	13,676
Net (expense)/income		(6,375,495)	1,698,396	2,152,744	73,325,185	17,097,351	2,178,811	30,018,091	374,604
Finance costs									
Dividend distribution	12	82,328	-	-	8,897,407	1,468,670	368,464	-	-
Interest expense		8,381	291	274	4,096	2,959	4,450	1,778	124
Total finance costs		90,709	291	274	8,901,503	1,471,629	372,914	1,778	124
Taxation									
Withholding tax on dividends		1,713,537	15,490	31,104	2,314,297	223,644	71,169	299,452	1,922
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations		(8,179,741)	1,682,615	2,121,366	62,109,385	15,402,078	1,734,728	29,716,861	372,558

There were no gains/losses in the financial year other than the (decrease)/increase in net assets attributable to holders of redeemable participating shares.

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income (continued)

For the financial year ended 31 December 2017

		Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
	Note					
Investment income						
Dividend Income		7,748	3,826	3,219	-	27,381,634
Interest income		-	-	-	-	2,211
Other Income		-	-	-	-	1,437
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	77,838	42,613	47,370	436	105,393,528
Total investment (expense)/income		85,586	46,439	50,589	436	132,778,810
Expenses						
Investment manager fees	5	1,921	659	633	4	7,714,213
Investment manager administration fees	7	1,252	1,120	1,116	4	4,411,457
CGT - Provision		-	-	-	-	7,112
Total operating expenses		3,173	1,779	1,749	8	12,132,782
Net (expense)/income		82,413	44,660	48,840	428	120,646,028
Finance costs						
Dividend distribution	12	64	-	-	-	10,816,933
Interest expense		5	-	-	-	22,358
Total finance costs		69	-	-	-	10,839,291
Taxation						
Withholding tax on dividends		735	469	740	-	4,672,559
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from continuing operations		81,609	44,191	48,100	428	105,134,178

There were no gains/losses in the year other than the (decrease)/increase in net assets attributable to holders of redeemable participating shares.

The accompanying notes form an integral part of these financial statements

Statement of changes in net assets attributable to holders of redeemable participating shares

For the financial year ended 31 December 2018

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Net assets attributable to holders of redeemable participating shares at the start of the year	283,210,499	11,777,428	10,057,057	476,908,167	97,354,395	21,058,836	160,020,112	1,843,739
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(59,899,547)	(2,306,731)	(2,509,155)	(49,238,858)	(23,186,337)	(788,476)	(38,031,190)	(1,185,089)
Issue of redeemable participating shares	151,199,147	7,005,141	2,190,698	361,924,321	79,233,457	5,003,460	101,962,011	4,255,161
Redemption of redeemable participating shares	(156,693,719)	(4,356,694)	(3,189,842)	(118,083,600)	(34,404,117)	(19,544,991)	(71,585,172)	(1,586,109)
Net assets attributable to holders of redeemable participating shares at the end of the year	217,816,380	12,119,144	6,548,758	671,510,030	118,997,398	5,728,829	152,365,761	3,327,702

	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund ¹ GBP	Guinness Multi- Asset Growth Fund ¹ GBP	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	304,075	248,235	249,346	300,653	-	-	1,063,332,542
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(160,985)	(48,279)	(16,762)	(68,366)	11	379	(177,439,278)
Issue of redeemable participating shares	3,552,871	507,071	5,489	47,556	531,819	731,375	718,495,187
Redemption of redeemable participating shares	(1,899,645)	(296,074)	(2,542)	(1,843)	-	-	(411,644,348)
Net assets attributable to holders of redeemable participating shares at the end of the year	1,796,316	410,953	235,531	278,000	531,830	731,754	1,192,744,103

¹For the financial period 28 December 2018 to 31 December 2018

The accompanying notes form an integral part of these financial statements

Statement of changes in net assets attributable to holders of redeemable participating shares (continued)

For the financial year ended 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Net assets attributable to holders of redeemable participating shares at the start of the year	324,459,561	7,065,592	5,816,755	307,773,627	36,723,975	162,298	77,126,980	605,654
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(8,179,741)	1,682,615	2,121,366	62,109,385	15,402,078	1,734,728	29,716,861	372,558
Issue of redeemable participating shares	175,280,673	5,015,505	4,764,994	229,597,983	55,395,598	21,031,851	88,551,006	1,864,532
Redemption of redeemable participating shares	(208,349,994)	(1,986,284)	(2,646,058)	(122,572,828)	(10,167,256)	(1,870,041)	(35,374,735)	(999,005)
Net assets attributable to holders of redeemable participating shares at the end of the year	283,210,499	11,777,428	10,057,057	476,908,167	97,354,395	21,058,836	160,020,112	1,843,739

	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	210,825	209,573	206,683	-	760,361,523
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	81,609	44,191	48,100	428	105,134,178
Issue of redeemable participating shares	11,641	5,971	63	300,225	581,820,042
Redemption of redeemable participating shares	-	(11,500)	(5,500)	-	(383,983,201)
Net assets attributable to holders of redeemable participating shares at the end of the year	304,075	248,235	249,346	300,653	1,063,332,542

The accompanying notes form an integral part of these financial statements

Statement of cashflows

For the financial year ended 31 December 2018

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Cash flow from operating activities								
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(59,899,547)	(2,306,731)	(2,509,155)	(49,238,858)	(23,186,337)	(788,476)	(38,031,190)	(1,185,089)
<i>Adjustment for:</i>								
Other income	-	(2,467)	-	(570)	(26,608)	(957)	-	(9)
Interest Income	(1,755)	(401)	(168)	(6,510)	-	-	(5,894)	-
Distributions to holders of redeemable shares	63,273	-	-	11,222,000	2,546,993	82,954	-	-
Dividend income	(8,087,566)	(222,328)	(402,556)	(17,863,724)	(5,228,853)	(450,637)	(3,048,068)	(123,932)
Withholding taxes	1,301,581	15,955	50,280	2,868,007	474,994	81,037	600,474	8,364
Interest expense	160	5	10	377	2,489	2,064	633	332
Net operating cash flow before change in operating assets and liabilities	(66,623,854)	(2,515,967)	(2,861,589)	(53,019,278)	(25,417,322)	(1,074,015)	(40,484,045)	(1,300,334)
Net decrease/(increase) in financial assets at fair value through profit or loss	64,463,119	(364,441)	3,245,504	(186,375,596)	(20,111,513)	15,007,460	3,309,583	(1,477,394)
Net (decrease)/increase in other payables	(23,154)	(8,681)	(3,754)	244,534	33,339	(6,996)	46,005	3,104
Cash (used in)/from operations	(2,183,889)	(2,889,089)	380,161	(239,150,340)	(45,495,496)	13,926,449	(37,128,457)	(2,774,624)
Dividend received	6,691,419	202,948	350,986	14,714,333	4,784,908	369,600	2,391,757	117,195
Interest received	1,755	401	168	6,510	-	-	5,894	-
Other income received	-	2,467	-	570	26,608	957	-	9
Interest paid	(160)	(5)	(10)	(377)	(2,489)	(2,064)	(633)	(332)
Net cash from/(used in) operating activities	4,509,125	(2,683,278)	731,305	(224,429,304)	(40,686,469)	14,294,942	(34,731,439)	(2,657,752)
Cash flows from financing activities								
Distributions paid to holders of redeemable shares	(63,273)	-	-	(11,222,000)	(2,546,993)	(82,954)	-	-
Issue of redeemable participating shares	150,998,896	7,075,189	2,379,562	362,484,496	79,529,277	4,977,236	104,097,233	4,311,825
Redemption of participating shares	(157,547,700)	(4,310,026)	(3,116,280)	(117,549,273)	(34,430,722)	(19,612,538)	(71,463,962)	(1,645,980)
Net cash (used in)/from financing activities	(6,612,077)	2,765,163	(736,718)	233,713,223	42,551,562	(14,718,256)	32,633,271	2,665,845
Net (decrease)/increase in cash and cash equivalents	(2,102,952)	81,885	(5,413)	9,283,919	1,865,093	(423,314)	(2,098,168)	8,093
Cash and cash equivalents at the start of the year	3,943,194	395,275	197,539	7,932,871	1,647,819	633,263	4,615,290	34,336
Cash and cash equivalents at the end of the year	1,840,242	477,160	192,126	17,216,790	3,512,912	209,949	2,517,122	42,429
Breakdown of cash and cash equivalents								
Cash and cash equivalents	1,840,242	477,160	192,126	17,216,790	3,512,912	209,949	2,517,122	42,429

The accompanying notes form an integral part of these financial statements

Statement of cashflows (continued)

For the financial year ended 31 December 2018

	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP	Total Company USD
Cash flow from operating activities							
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(160,985)	(48,279)	(16,762)	(68,366)	11	379	(177,439,278)
<i>Adjustment for:</i>							
Other income	(1)	-	-	-	-	-	(30,612)
Interest Income	-	-	(8)	-	-	-	(14,736)
Distributions to holders of redeemable shares	3,171	-	-	-	-	-	13,918,391
Dividend income	(27,760)	(4,466)	(3,622)	(8,861)	-	-	(35,472,373)
Withholding taxes	3,038	626	930	745	-	-	5,406,031
Interest expense	325	34	-	1	-	-	6,430
Net operating cash flow before change in operating assets and liabilities	(182,212)	(52,085)	(19,462)	(76,481)	11	379	(193,626,147)
Net decrease/(increase) in financial assets at fair value through profit or loss	(1,458,025)	(160,184)	12,750	31,592	(376,032)	(612,401)	(125,136,014)
Net (decrease)/increase in other payables	2,152	181	6	(265,589)	376,000	612,000	1,279,464
Cash (used in)/from operations	(1,638,085)	(212,088)	(6,706)	(310,478)	(21)	(22)	(317,482,697)
Dividend received	21,625	3,711	2,667	8,014	-	-	29,659,163
Interest received	-	-	8	-	-	-	14,736
Other income received	1	-	-	-	-	-	30,612
Interest paid	(325)	(34)	-	(1)	-	-	(6,430)
Net cash from/(used in) operating activities	(1,616,784)	(208,411)	(4,031)	(302,465)	(21)	(22)	(287,784,616)
Cash flows from financing activities							
Distributions paid to holders of redeemable shares	(3,171)	-	-	-	-	-	(13,918,391)
Issue of redeemable participating shares	3,552,488	500,314	5,489	47,261	508,069	238,070	720,909,549
Redemption of participating shares	(1,899,623)	(289,374)	12	(1,843)	-	-	(411,867,309)
Net cash (used in)/from financing activities	1,649,694	210,940	5,501	45,418	508,069	238,070	295,123,849
Net (decrease)/increase in cash and cash equivalents	32,910	2,529	1,470	(257,047)	508,048	238,048	7,339,233
Cash and cash equivalents at the start of the year	1,334	3,300	2,810	264,166	-	-	19,671,197
Cash and cash equivalents at the end of the year	34,244	5,829	4,280	7,119	508,048	238,048	27,010,430
Breakdown of cash and cash equivalents							
Cash and cash equivalents	34,244	5,829	4,280	7,119	508,048	238,048	27,010,430

The accompanying notes form an integral part of these financial statements

Statement of cashflows (continued)

For the financial year ended 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Cash flow from operating activities								
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(8,179,741)	1,682,615	2,121,366	62,109,385	15,402,078	1,734,728	29,716,861	372,558
<i>Adjustment for:</i>								
Other income	-	1,437	-	-	-	-	-	-
Interest Income	(21)	(33)	(7)	(759)	(16)	(1,367)	(8)	-
Distributions to holders of redeemable shares	82,328	-	-	8,897,407	1,468,670	368,464	-	-
Dividend income	(9,077,056)	(151,411)	(246,310)	(13,380,281)	(2,469,611)	(447,933)	(1,563,761)	(30,478)
Withholding taxes	1,713,537	15,490	31,104	2,314,297	223,644	71,169	299,452	1,922
Interest expense	8,381	291	274	4,096	2,959	4,450	1,778	124
Net operating cash flow before change in operating assets and liabilities	(15,452,572)	1,548,389	1,906,427	59,944,145	14,627,724	1,729,511	28,454,322	344,126
Net decrease/(increase) in financial assets at fair value through profit or loss	34,728,683	(4,373,005)	(3,973,013)	(171,089,736)	(58,595,423)	(20,299,693)	(77,115,385)	(1,211,076)
Net (decrease)/increase in other payables	(43,925)	11,146	5,893	200,168	48,542	15,364	87,012	1,233
Cash from/(used in) operations	19,232,186	(2,813,470)	(2,060,693)	(110,945,423)	(43,919,157)	(18,554,818)	(48,574,051)	(865,717)
Dividend received	7,358,530	151,500	209,508	10,800,346	2,144,700	376,764	1,293,758	27,471
Interest received	21	33	7	759	16	1,367	8	-
Other income received	-	(1,437)	-	-	-	-	-	-
Interest paid	(8,381)	(291)	(274)	(4,096)	(2,959)	(4,450)	(1,778)	(124)
Net cash from/(used in) operating activities	26,582,356	(2,663,665)	(1,851,452)	(100,148,414)	(41,777,400)	(18,181,137)	(47,282,063)	(838,370)
Cash flows from financing activities								
Distributions paid to holders of redeemable shares	(82,328)	-	-	(8,897,407)	(1,468,670)	(368,464)	-	-
Issue of redeemable participating shares	179,588,626	4,947,813	4,577,067	230,099,293	53,873,681	20,926,440	85,912,558	1,806,133
Redemption of participating shares	(207,536,082)	(2,077,781)	(2,666,082)	(121,587,081)	(9,453,998)	(1,744,083)	(34,747,858)	(939,134)
Net cash (used in)/from financing activities	(28,029,784)	2,870,032	1,910,985	99,614,805	42,951,013	18,813,893	51,164,700	866,999
Net (decrease)/increase in cash and cash equivalents	(1,447,428)	206,367	59,533	(533,609)	1,173,613	632,756	3,882,637	28,629
Cash and cash equivalents at the start of the year	5,390,622	188,908	138,006	8,466,480	474,206	507	732,653	5,707
Cash and cash equivalents at the end of the year	3,943,194	395,275	197,539	7,932,871	1,647,819	633,263	4,615,290	34,336
Breakdown of cash and cash equivalents								
Cash and cash equivalents	3,943,194	395,275	197,539	7,932,871	1,647,819	633,263	4,615,290	34,336

The accompanying notes form an integral part of these financial statements

Statement of cashflows (continued)

For the financial year ended 31 December 2017

	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
Cash flow from operating activities					
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	81,609	44,191	48,100	428	428
<i>Adjustment for:</i>					
Other income	-	-	-	-	-
Interest Income	-	-	-	-	-
Distributions to holders of redeemable shares	64	-	-	-	-
Dividend income	(7,748)	(3,826)	(3,219)	-	-
Withholding taxes	735	469	740	-	-
Interest expense	5	-	-	-	-
Net operating cash flow before change in operating assets and liabilities	74,665	40,834	45,621	428	428
Net decrease/(increase) in financial assets at fair value through profit or loss	(99,050)	(40,828)	(45,622)	(302,308)	(302,308)
Net (decrease)/increase in other payables	242	114	113	265,821	265,821
Cash from/(used in) operations	(24,143)	120	112	(36,059)	(36,059)
Dividend received	6,449	3,354	2,424	-	-
Interest received	-	-	-	-	-
Other income received	-	-	-	-	-
Interest paid	(5)	-	-	-	-
Net cash from/(used in) operating activities	(17,699)	3,474	2,536	(36,059)	(36,059)
Cash flows from financing activities					
Distributions paid to holders of redeemable shares	(64)	-	-	-	-
Issue of redeemable participating shares	11,641	5,971	63	300,225	300,225
Redemption of participating shares	-	(11,500)	(5,500)	-	-
Net cash (used in)/from financing activities	11,577	(5,529)	(5,437)	300,225	300,225
Net (decrease)/increase in cash and cash equivalents	(6,122)	(2,055)	(2,901)	264,166	264,166
Cash and cash equivalents at the start of the year	7,456	5,355	5,711	-	-
Cash and cash equivalents at the end of the year	1,334	3,300	2,810	264,166	264,166
Breakdown of cash and cash equivalents					
Cash and cash equivalents	1,334	3,300	2,810	264,166	264,166

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

For the financial year ended 31 December 2018

1. General information

Guinness Asset Management Funds plc (the "Company") is an open-ended investment company with variable capital incorporated in Ireland on 12 December 2007 under the Irish Companies Acts and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations") with registration number 450670.

The Company is organised in the form of an umbrella fund. Each sub-fund has a distinct portfolio of investments. At the reporting date there are fourteen active sub-funds.

2. Significant accounting policies

(a) Basis of preparation

The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank Regulations. The financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities classified at fair value through profit or loss that have been measured at fair value.

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Actual results could differ from those estimates and these differences could be material.

(b) Standards, interpretations and amendments issued but not yet effective

The following new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018.

Standards and amendments to existing standards effective 1 January 2018

IFRS 9 – Financial Instruments – Classification and Measurement

The Company adopted IFRS 9 Financial Instruments effective 1 January 2018. IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement "IAS 39". It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The standard includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes for liabilities designated as at FVTPL are recognised in profit or loss, under IFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the entity is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

Based on the Company's assessment, this standard does not have a material impact on the classification of financial assets and financial liabilities of the Company, this is because:

- the financial instruments classified as held-for-trading under IAS 39 will continue to be classified as such under IFRS 9;
- financial instruments currently measured at FVTPL under IAS 39 are designated into this category because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial instruments will be mandatorily measured at FVTPL under IFRS 9; and
- financial instruments currently measured at amortised cost are: cash balances and receivables from units issued and debtors. These instruments meet the "solely payments of principal and interest" (SPPI) criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under IFRS 9.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Based on the Company's assessment, changes to the impairment model do not have a material impact on the financial assets of the Company, this is because:

- the majority of the financial assets are measured at FVTPL and the impairment requirements do not apply to such instruments; and
- the financial assets at amortised cost are short-term (i.e. no longer than 12 months), of high credit quality and/or highly collateralised. Accordingly, the ECLs on such assets are expected to be small.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

2. Significant accounting policies (continued)

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. There was no impact on the financial statements of the Company resulting from the introduction of IFRS 15

New standards, amendments and interpretations effective after 1 January 2018 and have not been early adopted

IFRS 16 – Leases

IFRS 16, published in January 2016 with an effective date of 1 January 2019 will replace the existing guidance in IAS 17 - Leases. The new standard requires lessees to recognise nearly all leases on the statement of financial position which will reflect their right to use an asset for a period of time and the associated liability for payments. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

(c) Foreign currency

(ii) Functional and presentation currency

The functional and presentation currency of each sub-fund is U.S. Dollar ("USD") with the exception of Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund which are both have a functional and presentation currency of British Pound ("GBP"). The Company has adopted the USD as its presentation currency.

(iii) Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currencies of the sub-funds are translated into the functional currency using exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates, of assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the year in which they arise.

(d) Financial assets at fair value through profit or loss

(i) Classification

The Company classifies its investments based on the business model in which the financial assets are managed and its contractual cash flow characteristics. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition

All "regular way" purchases and sales of financial instruments are recognised using trade date accounting, the day that the Company commits to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets are recorded. Regular way purchases, or sales, are purchases and sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

(iii) Measurement

At initial recognition financial assets categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the statement of comprehensive income.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- Investments in listed equity securities are valued at their last traded price.
- Investments in CIS are valued at their net asset value ("NAV") as calculated by the relevant Administrator.

In the event that any of the assets or liabilities on the relevant valuation day are not listed or dealt on any recognised exchange, such assets will be valued by a competent person selected by the Directors and approved for such purpose by JP Morgan Bank (Ireland) plc (the "Depositary") with care and in good faith. There were no financial assets valued using this method at the reporting date, see note 3 (ii) for details (2017: nil).

(iv) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(v) Offsetting

The Company only offsets financial assets at fair value through profit or loss if the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

(d) Financial assets at fair value through profit or loss (continued)

(vi) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the last traded price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a last traded price, because this price provides a reasonable approximation of the exit price. If there is no quoted price on an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. This method was not used to price any of the investments held at the reporting date. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

(e) Income

Dividend income, arising on the investments, is recognised as income of the Company on an ex-dividend basis, and interest on deposits of the Company is recognised, on an accrual basis.

(f) Capital gains tax

Capital gains tax includes capital gains tax withheld on the sale of investments and a provision for capital gains tax in respect of unrealised gains on investments.

(g) Securities purchases payable

Securities purchased payable represent payables for securities purchased that have been contracted for but not yet settled or delivered at the reporting date.

(h) Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange

Net gain/(loss) from financial assets at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences. These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade.

(i) Cash and cash equivalents and bank overdrafts

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits held at the Depositary that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Short term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents. Cash and cash equivalents also include cash held in the investor money collection account held at Bank of New York Mellon – London Branch. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. See note 4 for further details of cash balances.

(j) Expenses

Expenses represent fees paid to Guinness Asset Management Limited (the "Investment Manager" and the "Global Distributor"), recorded on an accrual basis. The Investment Manager will be responsible for paying all other administrative expenses of the Company from its fee. All expenses are recognised in the statement of comprehensive income on an accrual basis.

(k) Redeemable participating shares

All redeemable shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Company's net assets at the redemption date. In accordance with IAS 32 Financial Instruments: Presentation (amended) such instruments give rise to a financial liability for the present value of the redemption amount.

(l) Withholding tax

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

(m) Transaction costs

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. The following costs are included in the transaction costs disclosure in note 9:

- identifiable brokerage charges and commissions; and
- identifiable transaction related taxes and other market charges.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

3. Financial assets at fair value through profit or loss

(i) Net gains and losses of financial assets at fair value through profit or loss and foreign exchange

For the financial period ended 31 December 2018

For the financial period ended 31 December 2019								
	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(5,452,091)	492,299	275,417	25,792,809	1,362,709	1,482,379	11,995,488	5,565
Change in unrealised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(57,069,319)	(2,838,714)	(2,986,524)	(71,729,502)	(25,476,000)	(2,418,529)	(49,664,213)	(1,250,073)
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(62,521,410)	(2,346,415)	(2,711,107)	(45,936,693)	(24,113,291)	(936,150)	(37,668,725)	(1,244,508)
	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP	Total Company USD	
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	34,276	1,143	1,246	3,010	-	-	35,994,250	
Change in unrealised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(207,861)	(50,486)	(18,740)	(76,512)	11	379	(213,785,976)	
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(173,585)	(49,343)	(17,494)	(73,502)	11	379	(177,791,726)	

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

3. Financial assets at fair value through profit or loss (continued)

(i) Net gains and losses of financial assets at fair value through profit or loss and foreign exchange (continued)

For the financial period ended 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(3,836,993)	(176,778)	59,951	(7,435,103)	562,669	103,923	158,560	27,047
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	(7,240,394)	1,862,627	1,966,033	72,598,998	14,683,138	1,745,283	29,815,555	330,755
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(11,077,387)	1,685,849	2,025,984	65,163,895	15,245,807	1,849,206	29,974,115	357,802
				Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange				12,464	238	188	36	(10,523,798)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange				65,374	42,375	47,182	400	115,917,326
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange				77,838	42,613	47,370	436	105,393,528

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

3. Financial assets at fair value through profit or loss (continued)

(ii) Fair value of financial instruments

IFRS 13 – Fair Value Measurement establishes a fair value hierarchy for inputs used in measuring fair value that classifies investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 – Inputs that are not observable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Observable data is considered to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the perceived risk of that instrument by the Investment Manager.

There were no transfers between any levels during the financial period ended 31 December 2018 and 31 December 2017.

The following table provides an analysis of financial assets that are measured at fair value, grouped into levels 1 to 3 at the reporting date:

As at 31 December 2018

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Global Energy Fund				
- Equities	218,122,838	-	-	218,122,838
Financial assets at fair value through profit or loss	218,122,838	-	-	218,122,838
Guinness Alternative Energy Fund				
- Equities	11,689,285	-	-	11,689,285
Financial assets at fair value through profit or loss	11,689,285	-	-	11,689,285
Guinness Global Money Managers Fund				
- Equities	6,429,190	-	-	6,429,190
Financial assets at fair value through profit or loss	6,429,190	-	-	6,429,190
Guinness Global Equity Income Fund				
- Equities	654,286,641	-	-	654,286,641
Financial assets at fair value through profit or loss	654,286,641	-	-	654,286,641
Guinness Asian Equity Income Fund				
- Equities	114,916,606	-	-	114,916,606
Financial assets at fair value through profit or loss	114,916,606	-	-	114,916,606
Guinness European Equity Income Fund				
- Equities	5,454,153	-	-	5,454,153
Financial assets at fair value through profit or loss	5,454,153	-	-	5,454,153
Guinness Global Innovators Fund				
- Equities	150,339,125	-	-	150,339,125
Financial assets at fair value through profit or loss	150,339,125	-	-	150,339,125
Guinness Best of China Fund				
- Equities	3,288,480	-	-	3,288,480
Financial assets at fair value through profit or loss	3,288,480	-	-	3,288,480

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

3. Financial assets at fair value through profit or loss (continued)

(ii) Fair value of financial instruments (continued)

The following table provides an analysis of financial assets that are measured at fair value, grouped into levels 1 to 3 at the reporting date (continued):

As at 31 December 2018 (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Emerging Markets Equity Income Fund				
- Equities	1,760,349	-	-	1,760,349
Financial assets at fair value through profit or loss	1,760,349	-	-	1,760,349
Guinness Global Equity Fund				
- Equities	405,220	-	-	405,220
Financial assets at fair value through profit or loss	405,220	-	-	405,220
Guinness US Equity Fund				
- Equities	233,821	-	-	233,821
Financial assets at fair value through profit or loss	233,821	-	-	233,821
Guinness Best of Asia Fund				
- Equities	270,716	-	-	270,716
Financial assets at fair value through profit or loss	270,716	-	-	270,716
	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Guinness Multi-Asset Balanced Fund				
- Investment funds	-	376,032	-	376,032
Financial assets at fair value through profit or loss	-	376,032	-	376,032
Guinness Multi-Asset Growth Fund				
- Investment funds	-	612,401	-	612,401
Financial assets at fair value through profit or loss	-	612,401	-	612,401

As at 31 December 2017

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Global Energy Fund				
- Equities	282,585,957	-	-	282,585,957
Financial assets at fair value through profit or loss	282,585,957	-	-	282,585,957
Guinness Alternative Energy Fund				
- Equities	11,324,844	-	-	11,324,844
Financial assets at fair value through profit or loss	11,324,844	-	-	11,324,844
Guinness Global Money Managers Fund				
- Equities	9,674,694	-	-	9,674,694
Financial assets at fair value through profit or loss	9,674,694	-	-	9,674,694
Guinness Global Equity Income Fund				
- Equities	467,911,045	-	-	467,911,045
Financial assets at fair value through profit or loss	467,911,045	-	-	467,911,045
Guinness Asian Equity Income Fund				
- Equities	94,805,093	-	-	94,805,093
Financial assets at fair value through profit or loss	94,805,093	-	-	94,805,093
Guinness European Equity Income Fund				
- Equities	20,461,613	-	-	20,461,613
Financial assets at fair value through profit or loss	20,461,613	-	-	20,461,613

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

3. Financial assets at fair value through profit or loss (continued)

(iii) Fair value of financial instruments (continued)

The following table provides an analysis of financial assets that are measured at fair value, grouped into levels 1 to 3 at the reporting date (continued):

As at 31 December 2017 (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Global Innovators Fund				
- Equities	153,648,708	-	-	153,648,708
Financial assets at fair value through profit or loss	153,648,708	-	-	153,648,708
Guinness Best of China Fund				
- Equities	1,811,086	-	-	1,811,086
Financial assets at fair value through profit or loss	1,811,086	-	-	1,811,086
Guinness Emerging Markets Equity Income Fund				
- Equities	302,324	-	-	302,324
Financial assets at fair value through profit or loss	302,324	-	-	302,324
Guinness Global Equity Fund				
- Equities	245,036	-	-	245,036
Financial assets at fair value through profit or loss	245,036	-	-	245,036
Guinness US Equity Fund				
- Equities	246,571	-	-	246,571
Financial assets at fair value through profit or loss	246,571	-	-	246,571
Guinness Best of Asia Fund				
- Equities	302,308	-	-	302,308
Financial assets at fair value through profit or loss	302,308	-	-	302,308

All other assets and liabilities held by the sub-funds at the reporting dates 31 December 2018 and 31 December 2017 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities held, outside of those discussed above, have been classified at level 2.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

4. Cash and cash equivalents and bank overdraft

Cash and cash equivalents and bank overdrafts represents the cash balances and bank overdrafts held at JP Morgan Bank (Ireland) plc (the "Depository") and the investor money collection account held at Bank of New York Mellon – London Branch ("BNYM").

As at 31 December 2018

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
J.P. Morgan Bank	A-	EUR	-	-	-	-	(23)	107,074	-	-
J.P. Morgan Bank	A-	GBP	-	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	KRW	-	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	TWD	-	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	USD	1,798,762	390,359	190,255	16,860,940	3,471,053	-	2,429,800	42,302
BNYM – London Branch	AA-	USD	11,143	-	-	50,647	-	5,586	40,090	-
BNYM – London Branch	AA-	EUR	2,983	-	-	9,247	-	7,079	26,651	-
BNYM – London Branch	AA-	GBP	27,354	86,801	1,871	295,956	41,882	90,210	20,581	127
Total			1,840,242	477,160	192,126	17,216,790	3,512,912	209,949	2,517,122	42,429

As at 31 December 2018 (continued)

	Credit Rating (S&P)	Local Currency	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi-Asset Balanced Fund GBP	Guinness Multi-Asset Growth Fund GBP	Total Company USD
J.P. Morgan Bank	A-	EUR	-	-	-	-	2,693	2,693	113,911
J.P. Morgan Bank	A-	GBP	-	-	-	-	503,000	233,000	937,370
J.P. Morgan Bank	A-	KRW	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	TWD	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	USD	31,629	5,829	1,680	7,119	2,355	2,355	25,235,726
BNYM – London Branch	AA-	USD	-	-	2,600	-	-	-	110,066
BNYM – London Branch	AA-	EUR	-	-	-	-	-	-	45,960
BNYM – London Branch	AA-	GBP	2,615	-	-	-	-	-	567,397
Total			34,244	5,829	4,280	7,119	508,048	238,048	27,010,430

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

4. Cash and cash equivalents and bank overdraft (continued)

Cash and cash equivalents and bank overdrafts represents the cash balances and bank overdrafts held at the Depository and the investor money collection account held at BNYM.

As at 31 December 2017

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD
J.P. Morgan Bank	A-	EUR	-	-	-	-	-	631,910	-	-
J.P. Morgan Bank	A-	GBP	-	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	USD	3,165,452	395,004	197,539	7,875,809	1,570,035	-	4,492,119	27,572
J.P. Morgan Bank	A-	TWD	-	-	-	-	-	-	-	-
BNYM – London Branch	AA-	USD	773,179	-	-	20,414	-	-	-	-
BNYM – London Branch	AA-	EUR	4,207	-	-	-	-	-	3,578	-
BNYM – London Branch	AA-	GBP	356	271	-	36,648	77,784	1,353	119,593	6,764
Total			3,943,194	395,275	197,539	7,932,871	1,647,819	633,263	4,615,290	34,336

As at 31 December 2017 (continued)

	Credit Rating (S&P)	Local Currency	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
J.P. Morgan Bank	A-	EUR	-	-	-	-	631,910
J.P. Morgan Bank	A-	GBP	-	-	-	-	-
J.P. Morgan Bank	A-	USD	1,334	3,300	2,810	227,320	17,958,294
J.P. Morgan Bank	A-	TWD	-	-	-	36,846	36,846
BNYM – London Branch	AA-	USD	-	-	-	-	793,593
BNYM – London Branch	AA-	EUR	-	-	-	-	7,785
BNYM – London Branch	AA-	GBP	-	-	-	-	242,769
Total			1,334	3,300	2,810	264,166	19,671,197

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

5. Management fee (formerly Investment Manager fee)

Effective 17 December 2018 the Manager will pay to the Investment Manager out of the assets of the Fund a fee as detailed below. The fee for each share class across all sub-funds, with the exception of Guinness Multi-Asset Growth fund and Guinness Multi-Asset Balanced Fund, is payable on the net asset value of that share class at the following rates:

Share Class	Tier 1 fee	Tier 2 fee	Share Class	Tier 1 fee	Tier 2 fee
Class A	1.49%	1.25%	Class X EUR distribution	1.24%	1.00%
Class B	1.99%	1.75%	Class X GBP accumulation	1.24%	1.00%
Class C	1.99%	1.75%	Class X GBP distribution	1.24%	1.00%
Class C EUR accumulation	1.99%	1.75%	Class X USD accumulation	1.24%	1.00%
Class C EUR distribution	1.99%	1.75%	Class X USD distribution	1.24%	1.00%
Class C GBP accumulation	1.99%	1.75%	Class Y EUR accumulation	0.99%	0.75%
Class C USD accumulation	1.99%	1.75%	Class Y EUR distribution	0.99%	0.75%
Class D	1.49%	1.25%	Class Y GBP accumulation	0.99%	0.75%
Class D EUR accumulation	1.49%	1.25%	Class Y GBP distribution	0.99%	0.75%
Class E	1.24%	1.00%	Class Y USD accumulation	0.99%	0.75%
Class O GBP accumulation	1.24%	1.00%	Class Y USD distribution	0.99%	0.75%
Class O EUR accumulation	1.24%	1.00%	Class Z EUR accumulation	0.74%	0.60%
Class O USD accumulation	1.24%	1.00%	Class Z GBP accumulation	0.74%	0.60%
Class X	1.24%	1.00%	Class Z GBP distribution	0.74%	0.60%
Class X EUR accumulation	1.24%	1.00%	Class Z USD accumulation	0.74%	0.60%

When the sub-fund net asset value is less than the tier 1 value of \$500 million the fee rate for each share class is the tier 1 fee rate. When the sub-fund size exceeds the tier 1 value the fee rate for each share class is calculated as:

Average fee rate = (tier 1 fee rate x tier 1 value / sub-fund net asset value) + (tier 2 fee rate x (sub-fund net asset value – tier 1 value) / sub-fund net asset value)

For Guinness Multi-Asset Growth Fund and Guinness Multi-Asset Balanced Fund the fee for each share class is payable on the net asset value of the relevant share class at the following rates.

Share Class	Fee Rate
Class C GBP accumulation	Up to 1.80%
Class C EUR accumulation	Up to 1.80%
Class C EUR hedged accumulation	Up to 1.80%
Class C USD accumulation	Up to 1.80%
Class C USD hedged accumulation	Up to 1.80%
Class O GBP accumulation	Up to 1.30%
Class O EUR accumulation	Up to 1.30%
Class O EUR hedged accumulation	Up to 1.30%
Class O USD accumulation	Up to 1.30%
Class O USD hedged accumulation	Up to 1.30%
Class R GBP accumulation	Up to 2.00%
Class R EUR accumulation	Up to 2.00%
Class R EUR hedged accumulation	Up to 2.00%
Class R USD accumulation	Up to 2.00%
Class R USD hedged accumulation	Up to 2.00%
Class Y GBP accumulation	Up to 0.60%

For all sub-funds the fee rates may be increased by up to 0.10% to cover any investment research costs which are to be borne by the sub-funds. The fee payable however shall not exceed 2% of the net asset value of the relevant class.

The Investment Manager shall be responsible for paying the administrative expenses of each sub-fund, to include establishment costs, fees and expenses payable to the Manager, the Investment Adviser (where applicable), the Custodian, the Administrator, including transfer agency transaction fees, all fees for investment research (subject to a maximum charge of 0.10% of the Net Asset Value of the Fund), Directors fees, any Paying Agent appointed by or on behalf of the Company, and general administrative expenses, which include but are not limited to legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, taxes and governmental expenses applicable to the Fund, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Fund and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for the Fund or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

5. Management fee (formerly Investment Manager fee) (continued)

Prior to 17 December 2018 Guinness Asset Management Limited (the "Investment Manager") was entitled to receive out of the assets of each sub-fund the following fees subject to a maximum fee of 2% of the NAV:

Class A	1.00% of the NAV	Class X EUR distribution	0.75% of the NAV
Class B	1.50% of the NAV	Class X GBP accumulation	0.75% of the NAV
Class C	1.50% of the NAV	Class X GBP distribution	0.75% of the NAV
Class C EUR accumulation	1.50% of the NAV	Class X USD accumulation	0.75% of the NAV
Class C EUR distribution	1.50% of the NAV	Class X USD distribution	0.75% of the NAV
Class C GBP accumulation	1.50% of the NAV	Class Y EUR accumulation	0.50% of the NAV
Class C USD accumulation	1.50% of the NAV	Class Y EUR distribution	0.50% of the NAV
Class D	1.00% of the NAV	Class Y GBP accumulation	0.50% of the NAV
Class D EUR accumulation	1.00% of the NAV	Class Y GBP distribution	0.50% of the NAV
Class E	0.75% of the NAV	Class Y USD accumulation	0.50% of the NAV
Class O GBP accumulation	0.75% of the NAV	Class Y USD distribution	0.50% of the NAV
Class O EUR accumulation	0.75% of the NAV	Class Z EUR accumulation	0.25% of the NAV
Class O USD accumulation	0.75% of the NAV	Class Z GBP accumulation	0.25% of the NAV
Class X	0.75% of the NAV	Class Z GBP distribution	0.25% of the NAV
Class X EUR accumulation	0.75% of the NAV	Class Z USD accumulation	0.25% of the NAV

The Investment Manager was entitled to be reimbursed by the Company for any reasonable out of pocket expenses incurred by it and any valued added tax ("VAT") on fees and expenses payable to or by it. In relation to Guinness Global Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund the aggregate maximum management fees (excluding performance fees) in relation to investment management/advisory services that may be charged by the underlying funds in which the sub-funds will invest is 2% of the net asset value of the underlying fund.

Total management fees (formerly investment manager fees) accrued at the reporting date and charged during the year are disclosed in the statement of financial position and the statement of comprehensive income respectively.

6. Global Distributor's fee

Link Fund Manager Solutions (Ireland) Limited (the "Manager"), pays Guinness Asset Management Limited (the "Global Distributor") a fee out of the assets of the relevant sub-fund of up to 5% on subscription proceeds in respect of Class B Shares or Class C Shares on each sub-fund. This fee may be waived in whole or in part at the discretion of the Global Distributor. No distribution fee was charged for the financial period ended 31 December 2018 (31 December 2017: nil).

7. Investment Manager Administration fee

Up until 17 December 2018 the Manager paid to the Investment Manager, out of the assets of each sub-fund, an annual administrative fee. The Investment Manager was responsible for paying the administrative expenses of the Company, including establishment costs, fees and expenses payable to the Manager and Link Fund Administrators (Ireland) Limited (the "Administrator"), the Depositary, independent auditor, directors' fees and general administrative expenses. This fee is no longer charged and is now included within the updated management fee (see note 5).

Prior to 17 December 2018 all administrative expenses of the Company were paid by the Investment Manager out of the investment manager and administration fee.

Details of the investment manager administration fee are as follows:

- Up to 0.59% of the NAV of each sub-fund on the first \$500 million
- Up to 0.35% of the NAV of each sub-fund on amounts in excess of \$500 million

The total investment manager administration fees accrued at the reporting date and charged during the year are disclosed in the statement of financial position and the statement of comprehensive income respectively.

8. Administrative expenses

(i) Auditors' remuneration

Fees and expenses charged by the Company's statutory Auditor, Deloitte, in respect of the financial year, entirely relate to the audit of the financial statements of the Company and were €47,250 –exclusive of VAT (2017: €45,000 - exclusive of VAT). Fees charged by the Company's statutory Auditor in relation to VAT services provided amounted to €2,750 (2017: €6,000). There were no other tax compliance fees charged during the year (2017: nil). There were no fees and expenses charged in respect of other assurance, tax advisory or non-audit services provided by the statutory Auditor during the year (2017: nil).

The below provides details of administrative expenses for the financial year ended 31 December 2018. The below fees were paid by the Investment Manager from the investment manager administration fee up to 16 December 2018 and effective 17 December 2018 they were paid from the management fee.

(ii) Directors' fees

Aggregate directors' fees charged during the financial year ended 31 December 2018 amounted to €69,000 (financial year ended 31 December 2017: €69,000).

(iii) Management and administration fees

Effective 1 December 2017, where combined assets for the first eleven sub-funds in the umbrella are greater than €495m, the Manager is entitled to receive out of the assets of the Company a fee as detailed below. The below tiers are increased by €45m for any additional sub-funds.

- For assets up to €495m 10 basis points per annum
- For assets between €495-€750m 8 basis points per annum
- For assets over €750m 2.5 basis points per annum

The Administrator was paid by the Manager out of the fees which the Manager earned. The Administrator is also entitled to be repaid out of the assets of the Company, all of its reasonable out of pocket expenses incurred on behalf of the Company which shall include, inter alia, legal fees, courier's fees and telecommunication costs and expenses.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

8. Administrative expenses (continued)

(iii) Management and administration fees (continued)

Prior to 1 December 2017 where combined assets in the umbrella are greater than €315m, the Manager is entitled to receive out of the assets of the Company a fee as detailed below:

- For assets up to €360m 10 basis points per annum
- For assets over €360m 8 basis points per annum

The Administrator was paid by the Manager out of the fees which the Manager earned. The Administrator is also entitled to be repaid out of the assets of the Company, all of its reasonable out of pocket expenses incurred on behalf of the Company which shall include, inter alia, legal fees, courier's fees and telecommunication costs and expenses.

9. Transaction costs

The transaction costs incurred by the Company are commissions on purchase and sales trades and are included in the net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange, in the statement of comprehensive income, on the trade date. During the year, the Company incurred transaction costs as follows:

Sub-fund	31 December 2018 USD	31 December 2017 USD
Guinness Global Energy Fund	94,117	240,158
Guinness Alternative Energy Fund	8,585	17,670
Guinness Global Money Managers Fund	1,617	7,522
Guinness Global Equity Income Fund	546,232	593,713
Guinness Asian Equity Income Fund	80,680	116,240
Guinness European Equity Income Fund	11,899	31,646
Guinness Global Innovators Fund	87,517	120,284
Guinness Best of China Fund	5,087	3,115
Guinness Emerging Markets Equity Income Fund	2,514	407
Guinness Global Equity Fund	195	2
Guinness US Equity Fund	43	2
Guinness Best of Asia Fund	542	473
Guinness Multi-Asset Balanced Fund	-	-
Guinness Multi-Asset Growth Fund	-	-
Total	839,028	1,131,232

10. Exchange rates

The following exchange rates were used to convert assets and liabilities in foreign currencies into the base currency of the Company at the reporting date:

	31 December 2018 Exchange rate to USD	31 December 2017 Exchange rate to USD
Australian Dollar	1.420454	1.278527
Brazilian Real	3.875750	3.317100
Canadian Dollar	1.365800	1.252950
Columbian Peso	3,247.500000	2,984.500000
Danish Krone	6.527950	6.200400
Euro	0.874775	0.832778
Hong Kong Dollar	7.829350	7.817300
Indian Rupee	69.815000	63.827500
Japanese Yen	109.715000	112.650000
Mexican Peso	19.693750	19.565500
Malaysian Ringgit	4.132500	4.047000
Norwegian Krone	8.659150	8.179350
Pound Sterling	0.785175	0.739235
Singapore Dollar	1.363000	1.336400
South African Rand	14.385000	12.380000
South Korean Won	1,115.800000	1,070.550000
Swedish Krona	8.865850	8.187500
Swiss Franc	0.985800	0.974500
Taiwan Dollar	30.737000	29.758500
Thai Baht	32.560000	32.590000

11. Share capital

Authorised

The authorised share capital of the Company is 500,000,000,000 shares of no par value and 2 redeemable non-participating shares of Euro 1.00 each.

Subscriber shares

There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are held by the Investment Manager. The subscriber shares do not form part of the NAV of the Company and are thus disclosed in the financial statements by way of this note only.

Redeemable participating shares

Redeemable participating shares carry the right to a proportionate share in the assets of the sub-funds and the holders of redeemable participating shares are entitled to attend and vote on all meetings of the Company and the relevant sub-fund. Shares are redeemable by holders of the relevant share class at the respective NAV. Shareholders may redeem their shares with effect from any dealing day at the NAV per share calculated on or with respect to the relevant dealing day in accordance with the procedures specified in the relevant supplements.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018:

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund	Guinness Global Innovators Fund
Class A							
Opening balance	4,846,922.19	64,054.67	47.74	111,468.51	-	-	-
Shares issued	565,437.57	-	-	10,288.71	-	-	-
Shares redeemed	(1,822,466.95)	-	-	(31,023.55)	-	-	-
Closing balance	3,589,892.81	64,054.67	47.74	90,733.67	-	-	-
Class B							
Opening balance	6,025,597.78	296,880.53	45,562.79	860,926.56	-	-	-
Shares issued	4,430,105.72	195,656.93	11,620.82	353,382.85	-	-	-
Shares redeemed	(2,893,290.70)	(59,174.20)	(19,609.71)	(282,675.38)	-	-	-
Closing balance	7,562,412.80	433,363.26	37,573.90	931,634.03	-	-	-
Class C							
Opening balance	1,018,376.04	389,085.00	168,757.15	3,524,739.70	-	-	-
Shares issued	268,562.07	153,691.91	41,063.38	1,062,044.52	-	-	-
Shares redeemed	(381,928.17)	(91,922.15)	(60,720.26)	(1,014,249.62)	-	-	-
Closing balance	905,009.94	450,854.76	149,100.27	3,572,534.60	-	-	-
Class C EUR accumulation							
Opening balance	954,845.57	22,622.84	11,286.29	474,443.39	44,607.84	17,553.96	417,442.04
Shares issued	307,645.02	21,097.10	7,098.81	349,589.22	72,927.08	28,223.88	608,354.06
Shares redeemed	(836,008.57)	(15,793.55)	(1,691.96)	(198,306.22)	(13,675.95)	(1,840.90)	(101,097.26)
Closing balance	426,482.02	27,926.39	16,693.14	625,726.39	103,858.97	43,936.94	924,698.84
Class C EUR distribution							
Opening balance	-	-	-	366,893.24	-	-	-
Shares issued	-	-	-	136,082.64	-	-	-
Shares redeemed	-	-	-	(160,198.98)	-	-	-
Closing balance	-	-	-	342,776.90	-	-	-
Class C GBP accumulation							
Opening balance	-	-	-	2,763,225.50	519,338.14	142,666.78	1,843,634.83
Shares issued	-	-	-	1,419,773.00	393,509.35	131,728.41	1,510,169.55
Shares redeemed	-	-	-	(699,141.97)	(164,327.17)	(47,500.62)	(487,081.17)
Closing balance	-	-	-	3,483,856.53	748,520.32	226,894.57	2,866,723.21
Class C USD accumulation							
Opening balance	-	-	-	1,163,933.71	267,578.19	31,695.22	1,513,341.55
Shares issued	-	-	-	1,154,671.14	734,271.93	15,341.80	1,363,417.15
Shares redeemed	-	-	-	(452,190.12)	(550,166.95)	(10,714.11)	(406,332.65)
Closing balance	-	-	-	1,866,414.73	451,683.17	36,322.91	2,470,426.05

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund	Guinness Multi- Asset Balanced Fund	Guinness Multi- Asset Growth Fund
Class A							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class B							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class C							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class C EUR accumulation							
Opening balance	464.56	-	100.00	100.00	-	-	-
Shares issued	5,722.09	-	-	-	-	100.00	100.00
Shares redeemed	(608.98)	-	-	-	-	-	-
Closing balance	5,577.67	-	100.00	100.00	-	100.00	100.00
Class C EUR distribution							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class C GBP accumulation							
Opening balance	31,123.22	-	100.00	100.00	100.00	-	-
Shares issued	77,548.71	-	-	-	-	52,374.95	72,329.18
Shares redeemed	(17,734.60)	-	-	-	-	-	-
Closing balance	90,937.33	-	100.00	100.00	100.00	52,374.95	72,329.18
Class C USD accumulation							
Opening balance	12,761.52	100.00	100.00	100.00	-	-	-
Shares issued	81,119.21	2,257.82	7,744.20	-	-	100.00	100.00
Shares redeemed	(19,000.81)	-	(46.36)	-	-	-	-
Closing balance	74,879.92	2,357.82	7,797.84	100.00	-	100.00	100.00

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund	Guinness Global Innovators Fund
Class D							
Opening balance	2,177,478.35	230.60	40,063.23	1,685,914.61	-	-	-
Shares issued	1,739,946.06	-	-	668,797.46	-	-	-
Shares redeemed	(1,583,852.04)	-	(14,450.00)	(125,376.77)	-	-	-
Closing balance	2,333,572.37	230.60	25,613.23	2,229,335.30	-	-	-
Class D EUR accumulation							
Opening balance	-	-	-	100.00	-	-	-
Shares issued	-	-	-	8,857,377.58	-	-	-
Shares redeemed	-	-	-	(92,668.45)	-	-	-
Closing balance	-	-	-	8,764,809.13	-	-	-
Class E							
Opening balance	13,732,267.94	754,150.75	79,860.81	2,055,251.78	-	-	-
Shares issued	5,903,623.60	-	-	59,328.96	-	-	-
Shares redeemed	(8,345,567.37)	(543,055.64)	(434.00)	(697,687.56)	-	-	-
Closing balance	11,290,324.17	211,095.11	79,426.81	1,416,893.18	-	-	-
Class O EUR accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	63,877.14	-	-	36,831.63
Shares redeemed	-	-	-	(340.63)	-	-	-
Closing balance	-	-	-	63,536.51	-	-	36,831.63
Class O GBP accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	158,408.46	-	-	16,859.41
Shares redeemed	-	-	-	(5,984.29)	-	-	-
Closing balance	-	-	-	152,424.17	-	-	16,859.41
Class O USD accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	14,970.81	-	-	100.00
Shares redeemed	-	-	-	(280.41)	-	-	-
Closing balance	-	-	-	14,690.40	-	-	100.00
Class R EUR accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund	Guinness Multi- Asset Balanced Fund	Guinness Multi- Asset Growth Fund
Class D							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class D EUR accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class E							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class O EUR accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00
Class O GBP accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00
Class O USD accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00
Class R EUR accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund	Guinness Global Innovators Fund
Class R GBP accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class R USD accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class X							
Opening balance	1,587,932.30	343,742.85	45,723.09	-	-	-	-
Shares issued	780,469.34	111,359.87	23,500.33	-	-	-	-
Shares redeemed	(681,485.59)	(90,893.31)	(23,737.76)	-	-	-	-
Closing balance	1,686,916.05	364,209.41	45,485.66	-	-	-	-
Class X EUR accumulation							
Opening balance	-	-	-	-	440.71	100.00	2,004,553.07
Shares issued	1,349,772.06	-	-	-	-	1,220.96	525,143.72
Shares redeemed	(62,561.02)	-	-	-	-	-	(2,005,235.11)
Closing balance	1,287,211.04	-	-	-	440.71	1,320.96	524,461.68
Class X EUR distribution							
Opening balance	-	-	-	-	552,223.51	3,582.64	-
Shares issued	-	-	-	128,849.37	143,493.27	3.67	-
Shares redeemed	-	-	-	(100.40)	(126,479.00)	-	-
Closing balance	-	-	-	128,748.97	569,237.78	3,586.31	-
Class X GBP accumulation							
Opening balance	-	-	-	-	167,841.92	15,230.22	125,504.03
Shares issued	-	-	-	-	70,586.59	11,480.49	114,795.34
Shares redeemed	-	-	-	-	(102,449.66)	(7,365.14)	(7,470.91)
Closing balance	-	-	-	-	135,978.85	19,345.57	232,828.46
Class X GBP distribution							
Opening balance	-	-	-	326,918.08	14,529.70	9,043.81	-
Shares issued	-	-	-	367,091.52	17,336.91	7,603.24	-
Shares redeemed	-	-	-	(54,782.05)	(7,007.31)	(9,106.91)	-
Closing balance	-	-	-	639,227.55	24,859.30	7,540.14	-

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund	Guinness Multi-Asset Balanced Fund	Guinness Multi-Asset Growth Fund
Class R GBP accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00
Class R USD accumulation							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	100.00	100.00
Class X							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class X EUR accumulation							
Opening balance	100.00	-	100.00	100.00	-	-	-
Shares issued	-	-	675.05	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	100.00	-	775.05	100.00	-	-	-
Class X EUR distribution							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class X GBP accumulation							
Opening balance	4,134.99	-	553.03	105.00	-	-	-
Shares issued	7,249.76	-	17,069.19	188.18	-	-	-
Shares redeemed	(3,009.48)	-	(3,762.61)	(188.18)	-	-	-
Closing balance	8,375.27	-	13,859.61	105.00	-	-	-
Class X GBP distribution							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund	Guinness Global Innovators Fund
Class X USD accumulation							
Opening balance	-	-	-	-	2,888.88	100.00	44,939.23
Shares issued	-	-	-	-	-	-	92,799.00
Shares redeemed	-	-	-	-	-	-	(10,100.36)
Closing balance	-	-	-	-	2,888.88	100.00	127,637.87
Class X USD distribution							
Opening balance	809,117.69	-	-	-	115.91	111.89	-
Shares issued	78,817.21	-	-	-	4.27	3.78	-
Shares redeemed	(398,890.01)	-	-	-	-	-	-
Closing balance	489,044.89	-	-	-	120.18	115.67	-
Class Y EUR accumulation							
Opening balance	-	-	-	125,068.39	700,100.00	-	832,813.71
Shares issued	-	-	-	54,083.83	541,909.10	5,540.86	349,164.01
Shares redeemed	-	-	-	(69,945.01)	(100.00)	-	(785,598.80)
Closing balance	-	-	-	109,207.21	1,241,909.10	5,540.86	396,378.92
Class Y EUR distribution							
Opening balance	-	-	-	698,123.62	100.76	-	-
Shares issued	-	-	-	854,485.89	3.72	102.94	-
Shares redeemed	-	-	-	(157,385.94)	-	-	-
Closing balance	-	-	-	1,395,223.57	104.48	102.94	-
Class Y GBP accumulation							
Opening balance	-	-	-	630,001.62	90,147.88	-	408,571.63
Shares issued	-	-	-	1,824,978.89	751,673.87	1,179.10	634,000.45
Shares redeemed	-	-	-	(216,391.13)	(268,705.19)	-	(188,627.77)
Closing balance	-	-	-	2,238,589.38	573,116.56	1,179.10	853,944.31
Class Y GBP distribution							
Opening balance	-	-	-	6,715,578.12	558,240.82	-	-
Shares issued	-	-	-	5,711,122.36	1,839,989.80	102.90	-
Shares redeemed	-	-	-	(1,870,791.71)	(107,071.57)	-	-
Closing balance	-	-	-	10,555,908.77	2,291,159.05	102.90	-
Class Y USD accumulation							
Opening balance	-	-	-	153,426.19	56,150.00	-	663,202.23
Shares issued	-	-	-	47,624.45	188,803.85	100.00	479,439.89
Shares redeemed	-	-	-	(114,468.48)	(4,732.95)	-	(300,244.83)
Closing balance	-	-	-	86,582.16	240,220.90	100.00	842,397.29

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund	Guinness Multi- Asset Balanced Fund	Guinness Multi- Asset Growth Fund
Class X USD accumulation							
Opening balance	89.82		100.00	100.00	-	-	-
Shares issued	20,255.06	-	-	-	-	-	-
Shares redeemed	(20,307.18)	-	-	-	-	-	-
Closing balance	37.70	-	100.00	100.00	-	-	-
Class X USD distribution							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Class Y EUR accumulation							
Opening balance	-	100.00	-	-	100.00	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	100.00	-	-	100.00	-	-
Class Y EUR distribution							
Opening balance	-	101.18	-	-	-	-	-
Shares issued	-	2.83	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	104.01	-	-	-	-	-
Class Y GBP accumulation							
Opening balance	-	538.55	-	-	100.00	-	-
Shares issued	-	3,624.77	-	-	-	100.00	100.00
Shares redeemed	-	(2,358.12)	-	-	-	-	-
Closing balance	-	1,805.20	-	-	100.00	100.00	100.00
Class Y GBP distribution							
Opening balance	-	107.38	-	-	-	-	-
Shares issued	-	3,704.60	-	-	-	-	-
Shares redeemed	-	(900.71)	-	-	-	-	-
Closing balance	-	2,911.27	-	-	-	-	-
Class Y USD accumulation							
Opening balance	-	20,543.27	-	-	29,500.00	-	-
Shares issued	-	110,664.29	-	-	851.65	-	-
Shares redeemed	-	(131,124.90)	-	-	-	-	-
Closing balance	-	82.66	-	-	30,351.65	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund	Guinness Global Innovators Fund
Class Y USD distribution							
Opening balance	-	-	-	234,394.99	100.71	-	-
Shares issued	-	-	-	35,476.12	2,929.63	103.04	-
Shares redeemed	-	-	-	(35,487.77)	-	-	-
Closing balance	-	-	-	234,383.34	3,030.34	103.04	-
Class Z EUR accumulation							
Opening balance	-	-	-	-	-	-	78,625.74
Shares issued	-	100.00	-	-	-	-	36,592.47
Shares redeemed	-	-	-	-	-	-	(62,200.00)
Closing balance	-	100.00	-	-	-	-	53,018.21
Class Z GBP accumulation							
Opening balance	-	-	-	-	-	-	870,620.62
Shares issued	-	-	-	-	-	-	29,477.06
Shares redeemed	-	-	-	-	-	-	(86,566.94)
Closing balance	-	-	-	-	-	-	813,530.74
Class Z GBP distribution							
Opening balance	-	-	-	3,895,365.21	2,079,138.80	958,859.63	-
Shares issued	-	18,772.28	-	242,285.20	446,117.77	87,091.97	-
Shares redeemed	-	(3,192.28)	-	(490,416.74)	(640,317.39)	(1,004,490.22)	-
Closing balance	-	15,580.00	-	3,647,233.67	1,884,939.18	41,461.38	-
Class Z USD accumulation							
Opening balance	-	-	-	-	-	-	191,621.71
Shares issued	-	315,195.74	-	-	-	-	3,843.08
Shares redeemed	-	-	-	-	-	-	(20,254.49)
Closing balance	-	315,195.74	-	-	-	-	175,210.30

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2018 (continued):

	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund	Guinness Multi- Asset Balanced Fund	Guinness Multi- Asset Growth Fund
Class Y USD distribution							
Opening balance	-	101.10	-	-	-	-	-
Shares issued	-	2.82	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	103.92	-	-	-	-	-
Class Z EUR accumulation							
Opening balance	-	-	100.00	100.00	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
Closing balance	-	-	100.00	100.00	-	-	-
Class Z GBP accumulation							
Opening balance	34,902.37	-	100.00	100.00	100.00	-	-
Shares issued	30,616.39	-	-	-	3,243.22	-	-
Shares redeemed	(25,541.34)	-	-	-	(141.45)	-	-
Closing balance	39,977.42	-	100.00	100.00	3,201.77	-	-
Class Z GBP distribution							
Opening balance	-	101.14	-	-	-	-	-
Shares issued	-	129,610.80	-	-	-	-	-
Shares redeemed	-	(8,680.39)	-	-	-	-	-
Closing balance	-	121,031.55	-	-	-	-	-
Class Z USD accumulation							
Opening balance	-	-	19,020.96	19,589.67	-	-	-
Shares issued	-	-	16,992.96	235.84	-	-	-
Shares redeemed	-	-	(20,926.99)	-	-	-	-
Closing balance	-	-	15,086.93	19,825.51	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017:

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
Class A						
Opening balance	3,938,698.27	69,782.58	47.74	118,343.65	-	-
Shares issued	3,322,462.72	2,461.07	-	4,605.18	-	-
Shares redeemed	(2,414,238.80)	(8,188.98)	-	(11,480.32)	-	-
Closing balance	4,846,922.19	64,054.67	47.74	111,468.51	-	-
Class B						
Opening balance	4,690,817.29	321,980.12	26,056.71	503,826.06	-	-
Shares issued	3,240,593.68	64,218.30	33,444.56	609,853.16	-	-
Shares redeemed	(1,905,813.19)	(89,317.89)	(13,938.48)	(252,752.66)	-	-
Closing balance	6,025,597.78	296,880.53	45,562.79	860,926.56	-	-
Class C						
Opening balance	1,130,286.92	306,693.33	77,578.39	1,982,782.28	-	-
Shares issued	379,340.88	198,278.29	124,847.70	2,128,700.72	-	-
Shares redeemed	(491,251.76)	(115,886.62)	(33,668.94)	(586,743.30)	-	-
Closing balance	1,018,376.04	389,085.00	168,757.15	3,524,739.70	-	-
Class C EUR accumulation						
Opening balance	877,765.22	9,124.41	5,155.37	229,484.89	11,412.63	100.00
Shares issued	364,266.82	13,498.43	10,771.78	301,694.47	40,179.82	21,195.36
Shares redeemed	(287,186.47)	-	(4,640.86)	(56,735.97)	(6,984.61)	(3,741.40)
Closing balance	954,845.57	22,622.84	11,286.29	474,443.39	44,607.84	17,553.96
Class C EUR distribution						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	407,935.22	-	-
Shares redeemed	-	-	-	(41,041.98)	-	-
Closing balance	-	-	-	366,893.24	-	-
Class C GBP accumulation						
Opening balance	-	-	-	1,543,296.62	297,621.88	100.00
Shares issued	-	-	-	1,794,634.39	373,249.54	158,873.32
Shares redeemed	-	-	-	(574,705.51)	(151,533.28)	(16,306.54)
Closing balance	-	-	-	2,763,225.50	519,338.14	142,666.78
Class C USD accumulation						
Opening balance	-	-	-	882,171.32	140,071.29	100.00
Shares issued	-	-	-	782,899.92	195,208.70	31,695.22
Shares redeemed	-	-	-	(501,137.53)	(67,701.80)	(100.00)
Closing balance	-	-	-	1,163,933.71	267,578.19	31,695.22

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund
Class A						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class B						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class C						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class C EUR accumulation						
Opening balance	176,421.03	100.00	-	100.00	100.00	-
Shares issued	479,010.99	364.56	-	-	-	-
Shares redeemed	(237,989.98)	-	-	-	-	-
Closing balance	417,442.04	464.56	-	100.00	100.00	-
Class C EUR distribution						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class C GBP accumulation						
Opening balance	951,016.02	7,376.66	-	100.00	100.00	-
Shares issued	1,353,737.35	31,925.24	-	-	-	100.00
Shares redeemed	(461,118.54)	(8,178.68)	-	-	-	-
Closing balance	1,843,634.83	31,123.22	-	100.00	100.00	100.00
Class C USD accumulation						
Opening balance	802,597.76	100.00	100.00	100.00	100.00	-
Shares issued	1,045,863.69	12,761.52	-	-	-	-
Shares redeemed	(335,119.90)	(100.00)	-	-	-	-
Closing balance	1,513,341.55	12,761.52	100.00	100.00	100.00	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
Class D						
Opening balance	1,741,188.23	230.60	67,625.06	2,278,334.71	-	-
Shares issued	1,601,720.15	-	-	1,325,219.82	-	-
Shares redeemed	(1,165,430.03)	-	(27,561.83)	(1,917,639.92)	-	-
Closing balance	2,177,478.35	230.60	40,063.23	1,685,914.61	-	-
Class D EUR accumulation						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	100.00	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	100.00	-	-
Class E						
Opening balance	18,689,341.34	810,585.34	80,980.81	727,319.15	-	-
Shares issued	11,235,227.09	-	-	1,328,682.63	-	-
Shares redeemed	(16,192,300.49)	(56,434.59)	(1,120.00)	(750.00)	-	-
Closing balance	13,732,267.94	754,150.75	79,860.81	2,055,251.78	-	-
Class X						
Opening balance	2,520,623.58	169,419.69	50,373.29	-	-	-
Shares issued	515,758.54	237,181.41	24,333.47	-	-	-
Shares redeemed	(1,448,449.82)	(62,858.25)	(28,983.67)	-	-	-
Closing balance	1,587,932.30	343,742.85	45,723.09	-	-	-
Class X EUR accumulation						
Opening balance	-	-	-	-	100.00	100.00
Shares issued	-	-	-	-	340.71	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	440.71	100.00
Class X EUR distribution						
Opening balance	-	-	-	-	393,777.29	108.34
Shares issued	-	-	-	-	214,006.74	3,474.30
Shares redeemed	-	-	-	-	(55,560.52)	-
Closing balance	-	-	-	-	552,223.51	3,582.64
Class X GBP accumulation						
Opening balance	-	-	-	-	80,916.24	3,452.37
Shares issued	-	-	-	-	121,685.73	22,143.82
Shares redeemed	-	-	-	-	(34,760.05)	(10,365.97)
Closing balance	-	-	-	-	167,841.92	15,230.22

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund
Class D						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class D EUR accumulation						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class E						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class X						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class X EUR accumulation						
Opening balance	1,816,428.74	100.00	100.00	100.00	100.00	-
Shares issued	501,207.47	-	-	-	-	-
Shares redeemed	(313,083.14)	-	-	-	-	-
Closing balance	2,004,553.07	100.00	100.00	100.00	100.00	-
Class X EUR distribution						
Opening balance	-	-	100.00	-	-	-
Shares issued	-	-	1.18	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	101.18	-	-	-
Class X GBP accumulation						
Opening balance	11,091.38	100.00	100.00	100.00	100.00	-
Shares issued	123,235.79	5,020.12	438.55	453.03	5.00	-
Shares redeemed	(8,823.14)	(985.13)	-	-	-	-
Closing balance	125,504.03	4,134.99	538.55	553.03	105.00	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
Class X GBP distribution						
Opening balance	-	-	-	169,787.74	17,168.89	780.28
Shares issued	-	-	-	184,283.55	34,295.86	10,487.10
Shares redeemed	-	-	-	(27,153.21)	(36,935.05)	(2,223.57)
Closing balance	-	-	-	326,918.08	14,529.70	9,043.81
Class X USD accumulation						
Opening balance	-	-	-	-	2,888.88	100.00
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	2,888.88	100.00
Class X USD distribution						
Opening balance	1,264,636.84	-	-	-	111.38	108.50
Shares issued	499,746.00	-	-	-	4.53	3.39
Shares redeemed	(955,265.15)	-	-	-	-	-
Closing balance	809,117.69	-	-	-	115.91	111.89
Class Y EUR accumulation						
Opening balance	-	-	-	150,497.41	-	-
Shares issued	-	-	-	91,386.22	700,100.00	-
Shares redeemed	-	-	-	(116,815.24)	-	-
Closing balance	-	-	-	125,068.39	700,100.00	-
Class Y EUR distribution						
Opening balance	-	-	-	104.62	-	-
Shares issued	-	-	-	1,037,711.98	100.76	-
Shares redeemed	-	-	-	(339,692.98)	-	-
Closing balance	-	-	-	698,123.62	100.76	-
Class Y GBP accumulation						
Opening balance	-	-	-	323,863.32	-	-
Shares issued	-	-	-	431,477.92	96,493.96	-
Shares redeemed	-	-	-	(125,339.62)	(6,346.08)	-
Closing balance	-	-	-	630,001.62	90,147.88	-
Class Y GBP distribution						
Opening balance	-	-	-	4,619,102.16	-	-
Shares issued	-	-	-	3,365,859.34	581,511.83	-
Shares redeemed	-	-	-	(1,269,383.38)	(23,271.01)	-
Closing balance	-	-	-	6,715,578.12	558,240.82	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund
Class X GBP distribution						
Opening balance	-	-	100.00	-	-	-
Shares issued	-	-	7.38	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	107.38	-	-	-
Class X USD accumulation						
Opening balance	4,783.47	26,244.00	20,100.00	100.00	100.00	-
Shares issued	43,348.80	20,377.56	443.27	-	-	-
Shares redeemed	(3,193.04)	(46,531.74)	-	-	-	-
Closing balance	44,939.23	89.82	20,543.27	100.00	100.00	-
Class X USD distribution						
Opening balance	-	-	100.00	-	-	-
Shares issued	-	-	1.10	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	101.10	-	-	-
Class Y EUR accumulation						
Opening balance	810,100.00	-	-	-	-	-
Shares issued	533,813.71	-	-	-	-	100.00
Shares redeemed	(511,100.00)	-	-	-	-	-
Closing balance	832,813.71	-	-	-	-	100.00
Class Y EUR distribution						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class Y GBP accumulation						
Opening balance	68,545.35	-	-	-	-	-
Shares issued	441,249.44	-	-	-	-	100.00
Shares redeemed	(101,223.16)	-	-	-	-	-
Closing balance	408,571.63	-	-	-	-	100.00
Class Y GBP distribution						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
Class Y USD accumulation						
Opening balance	-	-	-	118,365.94	-	-
Shares issued	-	-	-	71,530.09	56,150.00	-
Shares redeemed	-	-	-	(36,469.84)	-	-
Closing balance	-	-	-	153,426.19	56,150.00	-
Class Y USD distribution						
Opening balance	-	-	-	111,512.51	-	-
Shares issued	-	-	-	139,198.56	100.71	-
Shares redeemed	-	-	-	(16,316.08)	-	-
Closing balance	-	-	-	234,394.99	100.71	-
Class Z EUR accumulation						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class Z GBP accumulation						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class Z GBP distribution						
Opening balance	-	-	-	4,696,832.49	1,334,822.93	5,624.47
Shares issued	-	-	-	440,401.54	930,994.96	1,027,476.05
Shares redeemed	-	-	-	(1,241,868.82)	(186,679.09)	(74,240.89)
Closing balance	-	-	-	3,895,365.21	2,079,138.80	958,859.63
Class Z USD accumulation						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

11. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2017:

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Guinness Best of Asia Fund
Class Y USD accumulation						
Opening balance	100.00	-	-	-	-	-
Shares issued	663,202.23	-	-	-	-	29,500.00
Shares redeemed	(100.00)	-	-	-	-	-
Closing balance	663,202.23	-	-	-	-	29,500.00
Class Y USD distribution						
Opening balance	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Class Z EUR accumulation						
Opening balance	974.33	-	-	100.00	100.00	-
Shares issued	77,751.41	-	-	-	-	-
Shares redeemed	(100.00)	-	-	-	-	-
Closing balance	78,625.74	-	-	100.00	100.00	-
Class Z GBP accumulation						
Opening balance	816,578.35	13,866.88	-	100.00	100.00	-
Shares issued	223,830.48	30,362.19	-	-	-	100.00
Shares redeemed	(169,788.21)	(9,326.70)	-	-	-	-
Closing balance	870,620.62	34,902.37	-	100.00	100.00	100.00
Class Z GBP distribution						
Opening balance	-	-	100.00	-	-	-
Shares issued	-	-	1.14	-	-	-
Shares redeemed	-	-	-	-	-	-
Closing balance	-	-	101.14	-	-	-
Class Z USD accumulation						
Opening balance	266,284.82	-	-	20,100.00	20,100.00	-
Shares issued	56,336.04	-	-	-	-	-
Shares redeemed	(130,999.15)	-	-	(1,079.04)	(510.33)	-
Closing balance	191,621.71	-	-	19,020.96	19,589.67	-

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

12. Financial instruments and risk management

The Company's risks are set out in the prospectus and any consideration of the risks here should be viewed in the context of the prospectus which is the primary document governing the operation of the Company. The Company's investing activities expose it to various types of risks that are associated with the financial investments and markets in which it invests. Asset allocation is determined by the Investment Manager, who manages the distribution of assets to achieve the investment objectives. Divergence from target asset allocation and the composition of the portfolio is closely monitored by the Investment Manager.

The Investment Manager has developed mechanisms designed to ensure that risk is controlled effectively and systematically in all markets, strategies and sectors and if total risk deviates outside pre-determined thresholds, the risk is brought back within acceptable limits. The nature and extent of the financial instruments outstanding at the reporting date and the specific risk management policies employed by the sub-funds are discussed below.

Market risk

Market risk arises from uncertainty about future prices of financial investments held by a sub-fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments.

Market risk consists of currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. A substantial portion of the net assets of the Company are denominated in currencies other than the functional currency of the sub-funds with the effect that the financial statements and total return can be significantly affected by currency movements. The Company did not invest in financial derivative instruments in order to mitigate against currency risk.

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2018:

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD
Australian Dollar	-	-	-	17,915,433	11,923,248	-	-
Brazilian Real	-	476,551	-	-	-	-	-
Canadian Dollar	25,193,693	-	199,118	-	-	-	-
Swiss Franc	-	-	367,212	37,640,148	-	1,339,939	4,962,387
Colombian Peso	-	-	-	-	-	-	-
Danish Krone	-	516,754	-	19,443,052	-	199,879	-
Euro	34,064,463	1,853,094	466,473	92,649,355	(23)	3,460,778	25,641,618
British Pound	17,476,051	387,531	1,559,806	110,974,977	19,378	(2,558)	28,057
Hong Kong Dollar	17,269,750	3,656,353	274,643	38,177,288	37,389,984	-	14,970,144
Indian Rupee	-	-	-	-	-	-	-
Japanese Yen	-	-	-	19,186,696	-	-	5,354,334
South Korean Won	-	482,228	-	1	6,520,958	-	-
Malaysian Ringgit	-	-	-	-	3,505,645	-	-
Mexican Peso	-	-	-	-	-	-	-
Norwegian Krone	8,364,523	-	-	-	-	200,972	-
Swedish Krona	-	405,291	-	-	-	359,658	-
Singapore Dollar	-	-	-	-	13,577,804	-	-
Thai Baht	-	-	-	-	10,198,469	-	-
Taiwan Dollar	-	-	-	19,368,188	25,095,579	-	5,255,881
United States Dollar	-	-	-	-	-	-	-
South African Rand	-	-	201,475	19,003,595	-	-	-
	102,368,480	7,777,802	3,068,727	374,358,733	108,231,042	5,558,668	56,212,421

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2018 (continued):

	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi-Asset Balanced Fund GBP	Guinness Multi-Asset Growth Fund GBP
Australian Dollar	-	-	20,591	-	24,975	-	-
Brazilian Real	-	93,361	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-
Swiss Franc	-	-	20,685	-	-	-	-
Colombia Peso	-	44,150	-	-	-	-	-
Danish Krone	-	-	9,885	-	-	-	-
Euro	-	49,512	62,463	-	-	2,693	2,693
British Pound	345	91,161	-	-	-	-	-
Hong Kong Dollar	1,961,146	369,390	8,708	-	78,272	-	-
Indian Rupee	-	161,605	-	-	36,259	-	-
Japanese Yen	-	-	-	-	-	-	-
South Korean Won	-	99,822	-	-	16,998	-	-
Malaysian Ringgit	-	-	-	-	-	-	-
Mexican Peso	-	46,586	-	-	-	-	-
Norwegian Krone	-	-	-	-	-	-	-
Swedish Krona	-	-	31,348	-	-	-	-
Singapore Dollar	106,566	-	-	-	23,654	-	-
Thai Baht	-	48,065	-	-	7,931	-	-
Taiwan Dollar	496,062	351,870	-	-	32,943	-	-
United States Dollar	-	-	-	-	-	2,356	2,356
South African Rand	-	151,637	-	-	-	-	-
	2,564,119	1,507,159	153,680	-	221,032	5,049	5,049

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

12. Financial instruments and risk management (continued)

Market risk (continued)

(i) Currency risk (continued)

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2017:

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD
Australian Dollar	636,475	-	-	11,687,681	8,319,764	-	-
Brazilian Real	-	396,886	-	-	-	-	-
Canadian Dollar	31,597,208	381,117	371,898	-	-	-	-
Danish Krone	-	-	738,917	11,693,889	-	4,088,184	-
Euro	-	-	-	-	-	-	-
Hong Kong Dollar	-	-	-	13,565,797	-	682,228	-
Japanese Yen	39,901,623	1,819,331	692,122	66,899,809	-	12,979,959	25,981,513
Mexican Peso	22,096,144	721,898	2,147,479	92,782,950	6,115	(71,001)	5,230,467
Malaysian Ringgit	19,900,781	3,899,492	372,673	30,834,227	31,657,475	-	10,871,919
Norwegian Krone	-	-	-	-	-	-	-
Pound Sterling	-	-	-	14,902,871	2,676,201	-	5,212,623
Singapore Dollar	-	370,495	-	-	5,309,307	-	-
South African Rand	-	-	-	-	-	-	-
South Korean Won	10,371,572	-	-	-	-	668,495	-
Swedish Krona	-	362,410	-	-	-	2,674,657	-
Swiss Franc	-	-	-	-	10,455,616	-	-
Taiwan Dollar	-	-	-	-	10,208,128	-	-
Thai Baht	-	-	-	-	21,139,525	-	5,246,501
United States Dollar	-	-	394,392	14,985,271	-	-	-
	124,503,803	7,951,629	4,717,481	257,352,495	89,772,131	21,022,522	52,543,023

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2017 (continued):

	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD
Australian Dollar	-	-	10,868	-	(279)
Brazilian Real	-	17,014	-	-	-
Canadian Dollar	-	-	-	-	-
Danish Krone	-	-	11,396	-	-
Euro	-	7,895	-	-	-
Hong Kong Dollar	-	-	8,367	-	-
Japanese Yen	-	9,572	46,122	-	-
Mexican Peso	(383)	16,197	-	-	-
Malaysian Ringgit	1,213,884	62,621	8,916	-	299
Norwegian Krone	-	23,709	-	-	319
Pound Sterling	-	-	-	-	-
Singapore Dollar	-	17,907	-	-	(18)
South African Rand	-	6,300	-	-	-
South Korean Won	-	-	-	-	-
Swedish Krona	-	-	19,626	-	-
Swiss Franc	52,139	-	-	-	(42)
Taiwan Dollar	-	9,776	-	-	16
Thai Baht	332,874	53,094	-	-	383
United States Dollar	-	29,355	-	-	-
	1,598,514	253,440	105,295	-	678

The following table demonstrates the impact on net assets attributable to holders of redeemable participating shares of a movement in local currencies against the sub-funds' functional currency. The table assumes a 10% upwards movement in the value of the local currencies (a negative 10% would have an equal but opposite effect).

Sub-fund	Currency	31 December 2018	31 December 2017
Guinness Global Energy Fund	USD	10,236,848	12,450,380
Guinness Alternative Energy Fund	USD	777,780	795,163
Guinness Global Money Managers Fund	USD	306,873	274,738
Guinness Global Equity Income Fund	USD	37,435,873	25,735,250
Guinness Asian Equity Income Fund	USD	10,823,104	8,977,213
Guinness European Equity Income Fund	USD	555,867	2,102,463
Guinness Global Innovators Fund	USD	5,621,242	5,254,302
Guinness Best of China Fund	USD	256,412	159,851
Guinness Emerging Markets Equity Income Fund	USD	150,716	25,344
Guinness Global Equity Fund	USD	15,368	10,530
Guinness US Equity Fund	USD	-	-
Guinness Best of Asia Fund	USD	22,103	68
Guinness Multi-Asset Balanced Fund	GBP	505	-
Guinness Multi-Asset Growth Fund	GBP	505	-

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

12. Financial instruments and risk management (continued)

Market risk (continued)

(ii) Interest rate risk

Interest rate risk represents the potential losses that a sub-fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates. Other than cash and cash equivalents, none of the sub-funds have a material exposure to interest rate risk as 100% of their investments are in non-interest bearing securities.

(iii) Other price risk

Other price risk arises mainly from uncertainty about future prices of investments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. Details of all investments held at the reporting date are listed in the schedule of investments. The Investment Manager manages each sub-fund's other price risk on a daily basis in accordance with each sub-fund's investment objective and policies. The sub-fund's overall market positions are monitored on a quarterly basis by the Board of Directors.

The following table demonstrates the impact on net assets attributable to holders of redeemable participating shares of a movement in investments market prices. The table assumes a 10% upwards movement in investment market prices (a negative 10% would have an equal but opposite effect).

Sub-fund	Currency	31 December 2018	31 December 2017
Guinness Global Energy Fund	USD	21,812,284	28,258,596
Guinness Alternative Energy Fund	USD	1,168,929	1,132,484
Guinness Global Money Managers Fund	USD	642,919	967,469
Guinness Global Equity Income Fund	USD	65,428,664	46,791,105
Guinness Asian Equity Income Fund	USD	11,491,661	9,480,509
Guinness European Equity Income Fund	USD	545,415	2,046,161
Guinness Global Innovators Fund	USD	15,033,913	15,364,871
Guinness Best of China Fund	USD	328,848	181,109
Guinness Emerging Markets Equity Income Fund	USD	176,035	30,232
Guinness Global Equity Fund	USD	40,522	24,504
Guinness US Equity Fund	USD	23,382	24,657
Guinness Best of Asia Fund	USD	27,072	30,231
Guinness Multi-Asset Balanced Fund	GBP	37,603	-
Guinness Multi-Asset Growth Fund	GBP	61,240	-

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the sub-fund's ability to respond to market movements may be impaired and the sub-fund may experience adverse price movements upon liquidation of its investments. There can be no assurance that the liquidity of the investments of underlying funds will always be sufficient to meet redemption requests as and when made. Any lack of liquidity may affect the liquidity of the shares of a sub-fund and the value of its investments.

The liquidity of the exchanges and that of the individual stocks are monitored by the Investment Manager and where liquidity issues arise the Investment Manager will trade accordingly. The main liability of the Company is the net assets attributable to holders of redeemable participating shares, which may be redeemed by shareholders in writing on any dealing day.

The contractual date of the financial liabilities for each sub-fund at the reporting dates 31 December 2018 and 31 December 2017 is less than one month.

Credit risk

Credit risk is the risk that a sub-fund's counterparty or investment issuer will be unable or unwilling to meet a commitment that it has entered into and cause a sub-fund to incur a financial loss. A sub-fund will be exposed to settlement risk on parties with whom it trades and depositary risk on parties with whom the sub-fund has placed its assets in custody. In managing this risk, the Investment Manager, on behalf of the Company, seeks to do business with institutions that are well known, financially sound and where appropriate well rated by rating agencies.

Settlement risk: Most transactions in listed securities are settled on a cash versus delivery basis ("DVP") with settlement a few days after execution. Default by the Broker could expose the sub-fund to an adverse price movement in the security between execution and default. Because the sub-fund would only be exposed to a potentially adverse market move (rather than 100% of the principal sum) during a short period, this risk is limited. In addition, default by regulated Brokers in the major markets is rare.

Depositary risk: Depositary risk is the risk of loss of assets held in custody. This is not a "primary credit risk" as the unencumbered assets of the sub-fund are segregated from the Depositary's own assets and the Depositary requires its sub-custodians likewise to segregate non-cash assets. This mitigates depositary risk but does not entirely eliminate it. The Depositary has the power to appoint sub-custodians, although, in accordance with the terms of the Depositary agreement, the Depositary's liability shall not be affected by the fact that it has entrusted some or all of the assets in safekeeping to any third party (in order for the Depositary to discharge this responsibility, the Depositary must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and the Depositary must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged).

The S&P long term credit rating of JP Morgan Chase & Co, the parent company of the Depositary, is A- as at the reporting date (2017: A-). The Depositary is not rated.

The Company uses the commitment approach to calculate its global exposure.

13. Taxation

The Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Consolidation Act, 1997 (the "Taxes Act"). Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains. However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of an eight year period beginning with the acquisition of such shares) of shares or the appropriation or cancellation of shares of a shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a shareholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that a relevant declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct and certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) which the Company or any sub-fund receives with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the NAV will not be restated and the benefit will be allocated to the existing shareholders rateably at the time of the repayment. Any reclaims due to the sub-funds are accounted for on a receipt basis. In addition, where the Company invests in securities that are not subject to local taxes, for example withholdings tax, at the time of acquisition, there can be no assurance that tax may not be charged or withheld in the future as a result of any change in the applicable laws, treaties, rules or regulations or the interpretation thereof.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of shares in the Company. Where any subscription for or redemption of shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets. No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of the Taxes Act) which is registered in Ireland. Further details on tax applicable to the Company can be found in the prospectus.

Effective 17 March 2016, the Company is exposed to Brazilian tax when it disposes (or is deemed to dispose) of assets located in Brazil.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

14. Net asset values

Net asset value	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness Global Energy Fund				
Class A	USD	\$23,355,377	\$39,374,480	\$32,501,985
Class B	USD	\$47,179,683	\$47,175,786	\$37,492,468
Class C EUR accumulation	EUR	€2,938,057	€7,858,791	€8,396,461
Class C	GBP	£8,160,796	£10,850,015	£13,458,909
Class D	EUR	€20,067,138	€22,258,427	€20,583,468
Class E	USD	\$78,293,984	\$118,607,846	\$163,566,311
Class X EUR accumulation	EUR	€9,867,917	-	-
Class X	GBP	£14,282,094	£15,765,205	£27,760,380
Class X USD distribution	USD	\$2,825,143	\$5,883,846	\$9,399,547
Guinness Alternative Energy Fund				
Class A	USD	\$143,192	\$169,850	\$153,207
Class B	USD	\$916,680	\$748,648	\$675,630
Class C EUR accumulation	EUR	€209,500	€192,609	€73,594
Class C	GBP	£1,728,678	£1,674,431	£1,202,350
Class D	EUR	€843	€952	€897
Class E	USD	\$624,525	\$2,639,902	\$2,343,475
Class X	GBP	£4,022,892	£4,229,540	£1,884,857
Class Z EUR accumulation	EUR	€926	-	-
Class Z GBP accumulation	GBP	£146,142	-	-
Class Z USD accumulation	USD	€2,681,904	-	-
Guinness Global Money Managers Fund				
Class A	USD	\$672	\$925	\$686
Class B	USD	\$502,671	\$843,542	\$359,796
Class C EUR accumulation	EUR	€172,069	€153,264	€59,430
Class C	GBP	£2,460,605	£3,628,621	£1,362,107
Class D	EUR	€419,989	€861,154	€1,228,096
Class E	USD	\$1,132,504	\$1,563,990	\$1,174,003
Class X	GBP	£865,476	£1,125,017	£1,004,460
Guinness Global Equity Income Fund				
Class A	USD	\$1,218,697	\$1,631,805	\$1,493,339
Class B	USD	\$12,040,350	\$12,188,355	\$6,179,265
Class C EUR accumulation	EUR	€8,768,383	€6,740,867	€3,124,626
Class C EUR distribution	EUR	€3,382,761	€3,774,258	-
Class C GBP accumulation	GBP	£46,367,554	£36,876,644	£18,980,182
Class C	GBP	£56,731,555	£57,700,901	£30,780,981
Class C USD accumulation	USD	\$21,170,842	\$14,061,149	\$8,970,942
Class D EUR accumulation	EUR	€91,169,265	€1,049	-
Class D	EUR	€35,206,222	€27,613,083	€36,621,534
Class E	USD	\$19,431,779	\$30,642,503	\$9,323,780
Class O EUR accumulation	EUR	€615,565	-	-
Class O GBP accumulation	GBP	£1,507,957	-	-
Class O USD accumulation	USD	\$137,209	-	-
Class X EUR distribution	EUR	€1,298,459	-	-
Class X GBP distribution	GBP	£10,601,400	£5,547,057	£2,711,460
Class Y EUR accumulation	EUR	€1,192,276	€1,370,582	€1,564,825
Class Y EUR distribution	EUR	€13,769,662	€7,109,744	€1,040
Class Y GBP accumulation	GBP	£30,951,497	£8,647,090	£4,055,740
Class Y GBP distribution	GBP	£132,090,448	£85,758,371	£55,377,816
Class Y USD accumulation	USD	\$1,020,365	\$1,906,458	\$1,225,784
Class Y USD distribution	USD	\$2,496,376	\$2,707,221	\$1,104,629
Class Z GBP distribution	GBP	£64,357,676	£69,969,406	£79,006,956
Guinness Asian Equity Income Fund				
Class C EUR accumulation	EUR	€1,588,565	€776,525	€167,157
Class C GBP accumulation	GBP	£10,099,298	£7,886,880	£3,656,920
Class C USD accumulation	USD	\$5,192,936	\$3,677,919	\$1,422,885
Class X EUR accumulation	EUR	€7,007	€7,914	€1,500
Class X EUR distribution	EUR	€7,543,687	€8,578,839	€5,321,370
Class X GBP accumulation	GBP	£2,322,481	£3,202,429	£1,239,824
Class X GBP distribution	GBP	£354,146	£239,961	£237,177
Class X USD accumulation	USD	\$38,401	\$45,564	\$33,423
Class X USD distribution	USD	\$1,329	\$1,578	\$1,160
Class Y EUR accumulation	EUR	€11,915,026	€7,567,990	-
Class Y EUR distribution	EUR	€958	€1,081	-
Class Y GBP accumulation	GBP	£5,842,201	£1,023,907	-
Class Y GBP distribution	GBP	£22,353,151	£6,298,112	-
Class Y USD accumulation	USD	\$2,411,432	\$667,098	-
Class Y USD distribution	USD	\$29,068	\$1,188	-
Class Z GBP distribution	GBP	£27,539,150	£35,038,328	£18,720,628

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

14. Net asset values (continued)

Net asset value (continued)	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness European Equity Income Fund				
Class C EUR accumulation	EUR	€521,131	€232,970	€1,257
Class C GBP accumulation	GBP	£2,791,782	£1,942,785	£1,240
Class C USD accumulation	USD	\$381,561	\$391,337	\$1,026
Class X EUR accumulation	EUR	€16,291	€1,370	€1,287
Class X EUR distribution	EUR	€38,186	€43,807	€1,286
Class X GBP accumulation	GBP	£256,957	£222,172	£45,505
Class X GBP distribution	GBP	£86,553	£117,900	£9,489
Class X USD accumulation	USD	\$1,036	\$1,208	\$997
Class X USD distribution	USD	\$1,033	\$1,207	\$997
Class Y EUR accumulation	EUR	€48,683	-	-
Class Y EUR distribution	EUR	€878	-	-
Class Y GBP accumulation	GBP	£10,461	-	-
Class Y GBP distribution	GBP	£886	-	-
Class Y USD accumulation	USD	\$820	-	-
Class Y USD distribution	USD	\$819	-	-
Class Z GBP distribution	GBP	£487,859	£12,746,584	£69,399
Guinness Global Innovators Fund				
Class C EUR accumulation	EUR	€11,104,845	€5,810,205	€2,114,128
Class C GBP accumulation	GBP	£39,457,863	£29,086,157	£12,421,758
Class C USD accumulation	USD	\$27,069,605	-	-
Class O EUR accumulation	EUR	€306,630	-	-
Class O GBP accumulation	GBP	£143,317	-	-
Class O USD accumulation	USD	\$803	\$20,188,069	\$8,096,886
Class X EUR accumulation	EUR	€6,495,421	€28,557,144	€22,113,220
Class X GBP accumulation	GBP	£3,306,459	£2,027,576	£147,245
Class X USD accumulation	USD	\$1,443,056	\$613,912	\$49,050
Class Y EUR accumulation	EUR	€4,957,146	€11,950,391	€9,908,945
Class Y GBP accumulation	GBP	£12,253,755	£6,652,910	£914,908
Class Y USD accumulation	USD	\$9,649,224	\$9,155,880	\$1,034
Class Z EUR accumulation	EUR	€670,463	€1,137,957	€11,991
Class Z GBP accumulation	GBP	£11,796,133	£14,288,922	£10,958,350
Class Z USD accumulation	USD	\$2,022,447	\$2,659,202	\$2,759,986
Guinness Best of China Fund				
Class C EUR accumulation	EUR	€60,390	€6,459	€1,059
Class C GBP accumulation	GBP	£1,218,646	£529,682	£91,964
Class C USD accumulation	USD	\$849,829	\$195,386	\$1,024
Class X EUR accumulation	EUR	€1,109	€1,414	€1,069
Class X GBP accumulation	GBP	£114,860	£71,477	£1,257
Class X USD accumulation	USD	\$437	\$1,394	\$270,785
Class Z GBP accumulation	GBP	£556,517	£609,340	£175,140
Guinness Emerging Markets Equity Income Fund				
Class C USD accumulation	USD	\$27,409	\$1,382	\$1,010
Class Y GBP accumulation	GBP	£20,512	£6,784	£1,002
Class Y GBP distribution	GBP	£31,800	£1,337	£1,002
Class Y EUR accumulation	EUR	€1,080	€1,211	€1,002
Class Y EUR distribution	EUR	€1,079	€1,211	€1,002
Class Y USD accumulation	USD	\$976	\$285,694	\$202,979
Class Y USD distribution	USD	\$1,179	\$1,390	\$1,010
Class Z GBP distribution	GBP	£1,332,961	£1,266	£1,002
Guinness Global Equity Fund				
Class C EUR accumulation	EUR	€894	€1,042	€988
Class C GBP accumulation	GBP	£949	£1,095	£1,000
Class C USD accumulation	USD	\$76,155	\$1,198	\$998
Class X EUR accumulation	EUR	€7,014	€1,049	€988
Class X GBP accumulation	GBP	£133,554	£6,106	£1,000
Class X USD accumulation	USD	\$992	\$1,208	\$999
Class Z EUR accumulation	EUR	€914	€1,054	€988
Class Z GBP accumulation	GBP	£973	£1,110	£1,000
Class Z USD accumulation	USD	\$151,178	\$230,809	\$200,743
Guinness US Equity Fund				
Class C GBP accumulation	GBP	£1,080	£1,100	£986
Class C EUR accumulation	EUR	€1,012	€1,044	€974
Class C USD accumulation	USD	\$1,109	\$1,203	\$985
Class X GBP accumulation	GBP	£1,149	£1,163	£986
Class X EUR accumulation	EUR	€1,027	€1,053	€974
Class X USD accumulation	USD	\$1,126	\$1,212	\$985
Class Z GBP accumulation	GBP	£1,105	£1,114	£986
Class Z EUR accumulation	EUR	€1,037	€1,058	€974
Class Z USD accumulation	USD	\$225,533	\$238,573	\$197,975

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

14. Net asset values (continued)

Net asset value (continued)	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness Best of Asia Fund				
Class C GBP accumulation	GBP	£829	£995	-
Class Y GBP accumulation	GBP	£836	£995	-
Class Y EUR accumulation	EUR	€ 828	€996	-
Class Y USD accumulation	USD	\$240,725	\$295,421	-
Class Z GBP accumulation	GBP	£26,859	£995	-
Guinness Multi-Asset Balanced Fund				
Class C EUR accumulation	EUR	€1,004	-	-
Class C GBP accumulation	GBP	£523,760	-	-
Class C USD accumulation	USD	\$1,004	-	-
Class O EUR accumulation	EUR	€1,004	-	-
Class O GBP accumulation	GBP	£1,000	-	-
Class O USD accumulation	USD	\$1,004	-	-
Class R EUR accumulation	EUR	€1,004	-	-
Class R GBP accumulation	GBP	£1,000	-	-
Class R USD accumulation	USD	\$1,004	-	-
Class Y GBP accumulation	GBP	£1,001	-	-
Guinness Multi-Asset Growth Fund				
Class C EUR accumulation	EUR	€1,005	-	-
Class C GBP accumulation	GBP	£723,681	-	-
Class C USD accumulation	USD	\$1,005	-	-
Class O EUR accumulation	EUR	€1,005	-	-
Class O GBP accumulation	GBP	£1,001	-	-
Class O USD accumulation	USD	\$1,005	-	-
Class R EUR accumulation	EUR	€1,005	-	-
Class R GBP accumulation	GBP	£1,001	-	-
Class R USD accumulation	USD	\$1,005	-	-
Class Y GBP accumulation	GBP	£1,000	-	-
Net asset value per share	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness Global Energy Fund				
Class A	USD	\$6.5059	\$8.1236	\$8.2520
Class B	USD	\$6.2387	\$7.8292	\$7.9927
Class C EUR accumulation	EUR	€6.8891	€8.2304	€11.9075
Class C	GBP	£9.0174	£10.6542	£9.5657
Class D	EUR	€8.5993	€10.2221	€11.8215
Class E	USD	\$6.9346	\$8.6372	\$8.7518
Class X EUR accumulation	EUR	€7.6661	-	-
Class X	GBP	£8.4664	£9.9281	£11.0133
Class X USD distribution	USD	\$5.7769	\$7.2719	\$7.4326
Guinness Alternative Energy Fund				
Class A	USD	\$2.2355	\$2.6516	\$2.1955
Class B	USD	\$2.1153	\$2.5217	\$2.0984
Class C EUR accumulation	EUR	€7.5019	€8.5139	€3.9204
Class C	GBP	£3.8342	£4.3035	£8.0656
Class D	EUR	€3.6570	€4.1291	€3.8901
Class E	USD	\$2.9585	\$3.5005	\$2.8911
Class X	GBP	£11.0455	£12.3044	£11.1254
Class Z EUR accumulation	EUR	€9.2616	-	-
Class Z GBP accumulation	GBP	£9.3801	-	-
Class Z USD accumulation	USD	\$8.5087	-	-
Guinness Global Money Managers Fund				
Class A	USD	\$14.0681	\$19.3708	\$14.3674
Class B	USD	\$13.3782	\$18.5138	\$13.8082
Class C EUR accumulation	EUR	€10.3078	€13.5796	€17.5578
Class C	GBP	£16.5030	£21.5020	£11.5278
Class D	EUR	€16.3974	€21.4949	€18.1604
Class E	USD	\$14.2585	\$19.5840	\$14.4973
Class X	GBP	£19.0275	£24.6050	£19.9403

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

14. Net asset values (continued)

Net asset value per share (continued)	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness Global Equity Income Fund				
Class A	USD	\$13.432	\$14.6392	\$12.6187
Class B	USD	\$12.924	\$14.1573	\$12.2647
Class C EUR accumulation	EUR	€14.0131	€14.2079	€15.5241
Class C EUR distribution	EUR	€9.8687	€10.2871	€13.6158
Class C GBP accumulation	GBP	£13.3093	£13.3455	-
Class C	GBP	£15.8799	£16.3703	£12.2985
Class C USD accumulation	USD	\$11.3431	\$12.0807	\$10.1692
Class D EUR accumulation	EUR	€10.4017	€10.4949	€16.0738
Class D	EUR	€15.7923	€16.3787	-
Class E	USD	\$13.7144	\$14.9094	\$12.8194
Class O EUR accumulation	EUR	€9.6884	-	-
Class O GBP accumulation	GBP	£9.8932	-	-
Class O USD accumulation	USD	\$9.3401	-	-
Class X EUR distribution	EUR	€10.0852	-	-
Class X GBP distribution	GBP	£16.5847	£16.9677	£15.9697
Class Y EUR accumulation	EUR	€10.9176	€10.9587	€10.3977
Class Y EUR distribution	EUR	€9.8691	€10.1841	€9.9446
Class Y GBP accumulation	GBP	£13.8263	£13.7255	£12.5230
Class Y GBP distribution	GBP	£12.5134	£12.7701	£11.9889
Class Y USD accumulation	USD	\$11.7849	\$12.4259	\$10.3559
Class Y USD distribution	USD	\$10.6508	\$11.5498	\$9.9059
Class Z GBP distribution	GBP	£17.6456	£17.9622	£16.8213
Guinness Asian Equity Income Fund				
Class C EUR accumulation	EUR	€15.2954	€17.4078	€14.6467
Class C GBP accumulation	GBP	£13.4924	£15.1864	£12.2871
Class C USD accumulation	USD	\$11.4969	\$13.7452	\$10.1583
Class X EUR accumulation	EUR	€15.8984	€17.9580	€14.9965
Class X EUR distribution	EUR	€13.2523	€15.5351	€13.5137
Class X GBP accumulation	GBP	£17.0797	£19.0800	£15.3223
Class X GBP distribution	GBP	£14.246	£16.5152	£13.8144
Class X USD accumulation	USD	\$13.2928	\$15.7722	\$11.5695
Class X USD distribution	USD	\$11.0548	\$13.6144	\$10.4107
Class Y EUR accumulation	EUR	€9.5941	€10.8099	-
Class Y EUR distribution	EUR	€9.1650	€10.7261	-
Class Y GBP accumulation	GBP	£10.1937	£11.3581	-
Class Y GBP distribution	GBP	£9.7563	£11.2821	-
Class Y USD accumulation	USD	\$10.0384	\$11.8806	-
Class Y USD distribution	USD	\$9.5922	\$11.7952	-
Class Z GBP distribution	GBP	£14.6101	£16.8523	£14.0248
Guinness European Equity Income Fund				
Class C EUR accumulation	EUR	€11.8609	€13.2717	€12.5673
Class C GBP accumulation	GBP	£12.3043	£13.6176	£12.3999
Class C USD accumulation	USD	\$10.5047	\$12.3469	\$10.2634
Class X EUR accumulation	EUR	€12.3328	€13.6958	€12.8671
Class X EUR distribution	EUR	€10.6477	€12.2275	€11.8682
Class X GBP accumulation	GBP	£13.2825	£14.5876	£13.1809
Class X GBP distribution	GBP	£11.4789	£13.0365	£12.1609
Class X USD accumulation	USD	\$10.3567	-	-
Class X USD distribution	USD	\$8.9339	-	-
Class Y EUR accumulation	EUR	€8.7862	-	-
Class Y EUR distribution	EUR	€8.5290	-	-
Class Y GBP accumulation	GBP	£8.8722	-	-
Class Y GBP distribution	GBP	£8.6071	-	-
Class Y USD accumulation	USD	\$8.1977	\$12.0801	\$9.9669
Class Y USD distribution	USD	\$7.9439	\$10.7902	\$9.1860
Class Z GBP distribution	GBP	£11.7666	£13.2935	£12.3388
Guinness Global Innovators Fund				
Class C EUR accumulation	EUR	€12.0091	€13.9186	€11.9834
Class C GBP accumulation	GBP	£13.7641	£15.7765	£13.0616
Class C USD accumulation	USD	\$10.9575	\$13.3401	\$10.0883
Class O EUR accumulation	EUR	€8.3252	-	-
Class O GBP accumulation	GBP	£8.5007	-	-
Class O USD accumulation	USD	\$8.0256	-	-
Class X EUR accumulation	EUR	€12.3849	€14.2461	€12.1740
Class X GBP accumulation	GBP	£14.2013	£16.1555	£13.2757
Class X USD accumulation	USD	\$11.3059	\$13.6609	\$10.2541
Class Y EUR accumulation	EUR	€12.5061	€14.3494	€12.2318
Class Y GBP accumulation	GBP	£14.3496	£16.2833	£13.3475
Class Y USD accumulation	USD	\$11.4545	\$13.8056	\$10.3366
Class Z EUR accumulation	EUR	€12.6459	€14.4731	€12.3071
Class Z GBP accumulation	GBP	£14.4999	£16.4123	£13.4198
Class Z USD accumulation	USD	\$11.543	\$13.8774	\$10.3648

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

14. Net asset values (continued)

Net asset value per share (continued)	Currency	31 December 2018	31 December 2017	31 December 2016
Guinness Best of China Fund				
Class C EUR accumulation	EUR	€10.8271	€13.9034	€10.5908
Class C GBP accumulation	GBP	£13.4009	£17.0189	£12.4670
Class C USD accumulation	USD	\$11.3492	\$15.3106	\$10.2449
Class X EUR accumulation	EUR	€11.0918	€14.1356	€10.6889
Class X GBP accumulation	GBP	£13.7141	£17.2860	£12.5657
Class X USD accumulation	USD	\$11.5883	\$15.5224	\$10.3180
Class Z GBP accumulation	GBP	£13.9208	£17.4584	£12.6301
Guinness Emerging Markets Equity Income Fund				
Class C USD accumulation	USD	\$11.6246	\$13.8176	\$10.0974
Class Y GBP accumulation	EUR	€11.3625	€12.1106	€10.0170
Class Y GBP distribution	EUR	€10.9231	€11.9667	€10.0170
Class Y EUR accumulation	GBP	£10.7995	£12.5969	£10.0162
Class Y EUR distribution	GBP	£10.3754	£12.4539	£10.0162
Class Y USD accumulation	USD	\$11.8073	\$13.9069	\$10.0985
Class Y USD distribution	USD	\$11.3430	\$13.7479	\$10.0985
Class Z GBP distribution	GBP	£11.0133	£12.5175	£10.0180
Guinness Global Equity Fund				
Class C EUR accumulation	EUR	€8.9372	€10.4222	€9.8756
Class C GBP accumulation	GBP	£9.4888	£10.9549	£9.9982
Class C USD accumulation	USD	\$9.7662	\$11.9786	\$9.9843
Class X EUR accumulation	EUR	€9.0499	€10.4907	€9.8777
Class X GBP accumulation	GBP	£9.6362	£11.0415	£9.9999
Class X USD accumulation	USD	\$9.9229	\$12.0765	\$9.9862
Class Z EUR accumulation	EUR	€9.1354	€10.5387	€9.8788
Class Z GBP accumulation	GBP	£9.7312	£11.0956	£10.0012
Class Z USD accumulation	USD	\$10.0205	\$12.1345	\$9.9872
Guinness US Equity Fund				
Class C GBP accumulation	GBP	£10.7986	£11.0032	£9.8598
Class C EUR accumulation	EUR	€10.1190	€10.4439	€9.7399
Class C USD accumulation	USD	\$11.0890	\$12.0279	\$9.8466
Class X GBP accumulation	GBP	£10.9420	£11.0797	£9.8621
Class X EUR accumulation	EUR	€10.2726	€10.53	€9.7416
Class X USD accumulation	USD	\$11.2611	\$12.1249	\$9.8484
Class Z GBP accumulation	GBP	£11.0511	£11.1357	£9.8634
Class Z EUR accumulation	EUR	€10.3714	€10.5761	€9.7427
Class Z USD accumulation	USD	\$11.3759	\$12.1785	\$9.8495
Guinness Best of Asia Fund				
Class C GBP accumulation	GBP	£8.2898	£9.9483	-
Class Y GBP accumulation	GBP	£8.3648	£9.9484	-
Class Y EUR accumulation	EUR	€8.2800	€9.9558	-
Class Y USD accumulation	USD	\$7.9312	\$10.0143	-
Class Z GBP accumulation	GBP	£8.3887	£9.9485	-
Guinness Multi-Asset Balanced Fund				
Class C EUR accumulation	EUR	€10.0435	-	-
Class C GBP accumulation	GBP	£10.0002	-	-
Class C USD accumulation	USD	\$10.0407	-	-
Class O EUR accumulation	EUR	€10.0435	-	-
Class O GBP accumulation	GBP	£10.0002	-	-
Class O USD accumulation	USD	\$10.0407	-	-
Class R EUR accumulation	EUR	€10.0435	-	-
Class R GBP accumulation	GBP	£10.0002	-	-
Class R USD accumulation	USD	\$10.0407	-	-
Class Y GBP accumulation	GBP	£10.0002	-	-
Guinness Multi-Asset Growth Fund				
Class C EUR accumulation	EUR	€10.0486	-	-
Class C GBP accumulation	GBP	£10.0054	-	-
Class C USD accumulation	USD	\$10.0459	-	-
Class O EUR accumulation	EUR	€10.0486	-	-
Class O GBP accumulation	GBP	£10.0054	-	-
Class O USD accumulation	USD	\$10.0459	-	-
Class R EUR accumulation	EUR	€10.0486	-	-
Class R GBP accumulation	GBP	£10.0054	-	-
Class R USD accumulation	USD	\$10.0459	-	-
Class Y GBP accumulation	GBP	£10.0054	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

15. Net asset value reconciliation

The published NAV is adjusted for subscriptions receivable and redemptions payable which have a value date of the last NAV of each sub-fund in the accounting period.

As at 31 December 2018

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD
Net asset value per financial statements	217,816,380	12,119,144	6,548,758	671,510,030	118,997,398	5,728,829	152,365,761
Subscriptions receivable ¹	(61,962)	(4,620)	(312)	(257,533)	(19,800)	-	(72,195)
Redemptions payable ¹	19,851	35,697	-	93,304	422	2,558	73,571
Published net asset value	217,774,269	12,150,221	6,548,446	671,345,801	118,978,020	5,731,387	152,367,137

As at 31 December 2018 (continued)

	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP
Net asset value per financial statements	3,327,702	1,796,316	410,953	235,531	278,000	531,830	731,754
Subscriptions receivable ¹	(345)	(162)	-	-	-	(23,750)	(25,000)
Redemptions payable ¹	-	2	-	-	-	-	-
Published net asset value	3,327,357	1,796,156	410,953	235,531	278,000	508,080	706,754

As at 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD
Net asset value per financial statements	283,210,499	11,777,428	10,057,057	476,908,167	97,354,395	21,058,836	160,020,112
Subscriptions receivable ¹	-	(1,154)	-	(149,395)	(40,251)	-	(398,859)
Redemptions payable ¹	8,312	334	-	102,704	465	1,054	94,240
Published net asset value	283,218,811	11,776,608	10,057,057	476,861,476	97,314,609	21,059,890	159,715,493

As at 31 December 2017 (continued)

	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD
Net asset value per financial statements	1,843,739	304,075	248,235	249,346	300,653
Subscriptions receivable ¹	(2,029)	-	-	-	-
Redemptions payable ¹	58,000	-	-	-	-
Published net asset value	1,899,710	304,075	248,235	249,346	300,653

¹ Subscriptions and redemptions effective 31 December 2018 and 31 December 2017

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

16. Distribution

All share classes of the Company have obtained "Reporting Fund Status" under the United Kingdom Offshore Funds (Tax) Regulations 2009 for the purpose of United Kingdom taxation.

Dividends may be paid out of the net investment income as declared by the Directors. Otherwise all income and gains of the sub-funds will be accumulated within the sub-funds.

Where the amount of any distribution payable to an individual shareholder would be less than US\$100 the Directors in their sole discretion may determine that such amount shall not be distributed but shall be retained and reinvested within and for the benefit of the sub-fund.

Income equalisation is applied to all share classes of the Guinness Global Equity Income Fund, class X USD distribution shares on the Guinness Global Energy Fund, and to distributing share classes of Guinness Asian Equity Income Fund and Guinness European Equity Income Fund.

The following distributions were declared during the financial year ended 31 December 2018:

Guinness Global Energy Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X USD distribution	USD	\$0.0782	\$63,273	\$63,273	(\$26,738)	\$14,635	\$51,170	02-Jan-18
			<u>\$63,273</u>					

Guinness Global Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A	USD	\$0.1622	\$18,080	\$18,080	(\$258)	\$908	\$18,730	02-Jan-18
Class B	USD	\$0.1570	\$135,165	\$135,165	(\$15,807)	\$13,330	\$132,688	02-Jan-18
Class C GBP distribution	GBP	£0.1864	\$892,190	£657,011	(£55,742)	£32,988	£634,257	02-Jan-18
Class C EUR distribution	EUR	€ 0.1165	\$51,484	€ 42,761	(€ 5,726)	€ 250	€ 37,285	02-Jan-18
Class D EUR distribution	EUR	€ 0.1853	\$376,286	€ 312,400	(€ 21,299)	€ 1,821	€ 292,922	02-Jan-18
Class E	USD	\$0.1651	\$339,322	\$339,322	(\$51,539)	\$5	\$287,788	02-Jan-18
Class X GBP distribution	GBP	£0.1929	\$85,636	£63,063	(£3,111)	£1,939	£61,891	02-Jan-18
Class Y EUR distribution	EUR	€ 0.1151	\$96,786	€ 80,354	(€ 9,910)	€ 9,933	€ 80,377	02-Jan-18
Class Y GBP distribution	GBP	£0.1451	\$1,323,229	£974,430	(£64,595)	£101,370	£1,011,205	02-Jan-18
Class Y USD distribution	USD	\$0.1278	\$29,956	\$29,956	(\$3,070)	\$225	\$27,111	02-Jan-18
Class Z GBP distribution	GBP	£0.2040	\$1,079,102	£794,655	(£14,708)	£59,011	£838,958	02-Jan-18
Class A	USD	\$0.2393	\$19,717	\$19,717	-	\$2,132	\$21,849	02-Jul-18
Class B	USD	\$0.2311	\$213,393	\$213,393	(\$16,731)	\$8,069	\$204,731	02-Jul-18
Class C	GBP	£0.2626	\$1,201,124	£915,106	(£47,406)	£56,882	£924,582	02-Jul-18
Class D	EUR	€ 0.2656	\$ 544,093	€468,782	(€11,538)	€ 2,087	€459,331	02-Jul-18
Class E	USD	\$0.2439	\$338,676	\$338,676	(\$4,109)	\$46,993	\$381,560	02-Jul-18
Class X GBP distribution	GBP	£0.2729	\$156,812	£119,471	(£18,089)	£2,427	£103,809	02-Jul-18
Class Y EUR distribution	EUR	£0.1654	\$189,814	£163,541	(£10,238)	£437	£153,740	02-Jul-18
Class Y GBP distribution	GBP	£0.2055	\$2,587,010	£1,970,978	(£478,952)	£81,139	£1,573,165	02-Jul-18
Class Y USD distribution	USD	\$0.1891	\$44,598	\$44,598	(\$625)	\$1,464	\$45,437	02-Jul-18
Class C EUR distribution	EUR	€ 0.1666	\$67,120	€57,829	(€2,741)	€ 6,342	€61,430	02-Jul-18
Class X EUR distribution	EUR	€ 0.0436	\$193	€166	-	-	€166	02-Jul-18
Class Z GBP distribution	GBP	£0.2895	\$1,432,214	£1,091,169	(£15,604)	£20,251	£1,095,816	02-Jul-18
			<u>\$11,222,000</u>					

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

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16. Distribution (continued)

The following distributions were declared during the financial year ended 31 December 2018 (continued):

Guinness Asian Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X EUR distribution	EUR	€ 0.3023	\$201,076	€ 166,937	(€ 8,507)	€ 783	€ 159,213	02-Jan-18
Class X GBP distribution	GBP	£0.3231	\$6,375	£4,695	(£696)	£544	£4,543	02-Jan-18
Class X USD distribution	USD	\$0.2592	\$30	\$30	-	-	\$30	02-Jan-18
Class Y EUR distribution	EUR	€ 0.2084	\$25	€ 21	-	-	€ 21	02-Jan-18
Class Y GBP distribution	GBP	£0.2204	\$167,077	£123,036	(£70,134)	£4,287	£57,189	02-Jan-18
Class Y USD distribution	USD	\$0.2244	\$23	\$23	-	-	\$23	02-Jan-18
Class Z GBP distribution	GBP	£0.3292	\$929,453	£684,452	(£53,913)	£10,848	£641,387	02-Jan-18
Class X GBP distribution	GBP	£0.2683	\$6,743	£5,137	(£378)	£146	£4,905	02-Jul-18
Class X USD distribution	USD	\$0.2251	\$27	\$27	-	-	\$27	02-Jul-18
Class Y EUR distribution	EUR	€0.1757	\$21	€18	-	-	€18	02-Jul-18
Class Y GBP distribution	GBP	£0.1834	\$270,690	£206,232	(£36,337)	£3,758	£173,653	02-Jul-18
Class Y USD distribution	USD	\$0.1950	\$20	\$20	-	-	\$20	02-Jul-18
Class Z GBP distribution	GBP	£0.2742	\$803,935	£612,498	(£12,142)	£8,784	£609,140	02-Jul-18
			\$2,546,993					

Guinness European Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X EUR distribution	EUR	€ 0.0400	\$173	€ 143	-	-	€ 143	02-Jan-18
Class X GBP distribution	GBP	£0.0429	\$527	£388	(£236)	£16	£168	02-Jan-18
Class X USD distribution	USD	\$0.0347	\$4	\$4	-	-	\$4	02-Jan-18
Class Z GBP distribution	GBP	£0.0437	\$56,900	£41,902	(£5,400)	£918	£37,420	02-Jan-18
Class X EUR distribution	EUR	€ 0.3537	\$1,471	€ 1,267	-	-	€ 1,267	02-Jul-18
Class X GBP distribution	GBP	£0.3740	\$3,687	£2,809	(£1,344)	£111	£1,576	02-Jul-18
Class X USD distribution	USD	\$0.3147	\$35	\$35	-	-	\$35	02-Jul-18
Class Y EUR distribution	EUR	€ 0.2827	\$33	€ 28	-	-	€ 28	02-Jul-18
Class Y GBP distribution	GBP	£0.2797	\$37	£28	-	-	£28	02-Jul-18
Class Y USD distribution	USD	\$0.2786	\$28	\$28	-	-	\$28	02-Jul-18
Class Z GBP distribution	GBP	£0.3816	\$20,059	£15,283	(£6,625)	£138,906	£147,564	02-Jul-18
			\$82,954					

Guinness Emerging Markets Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X EUR distribution	EUR	€ 0.1674	\$20	€ 17	-	-	€ 17	02-Jan-18
Class X GBP distribution	GBP	£0.1750	\$26	£19	-	-	£19	02-Jan-18
Class X USD distribution	USD	\$0.1885	\$19	\$19	-	-	\$19	02-Jan-18
Class Z GBP distribution	GBP	£0.1758	\$24	£18	-	-	£18	02-Jan-18
Class Y EUR distribution	EUR	€ 0.1603	\$19	€ 16	-	-	€ 16	02-Jul-18
Class Y GBP distribution	GBP	£0.1654	\$24	£18	(£87)	£114	£45	02-Jul-18
Class Y USD distribution	USD	\$0.1857	\$19	\$19	-	-	\$19	02-Jul-18
Class Z GBP distribution	GBP	£0.1665	\$3,020	£2,300	(£2,349)	£929	£880	02-Jul-18
			\$3,171					

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

16. Distribution (continued)

The following distributions were declared during the financial period ended 31 December 2017:

Guinness Global Energy Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X USD distribution	USD	\$0.0651	\$82,328	\$82,328	(\$7,005)	\$181,922	\$257,245	03-Jan-17
			\$82,328					

Guinness Global Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A	USD	\$0.1687	\$19,966	\$19,966	(\$692)	\$765	\$20,039	03-Jan-17
Class B	USD	\$0.1642	\$82,729	\$82,729	(\$17,643)	\$4,587	\$69,673	03-Jan-17
Class C	GBP	£0.2012	\$488,336	£398,936	(£133,082)	£13,335	£279,189	03-Jan-17
Class D	EUR	€0.2067	\$489,017	€470,932	(€37,182)	€1,351	€435,101	03-Jan-17
Class E	USD	\$0.1713	\$124,591	\$124,591	(\$40,338)	-	\$84,253	03-Jan-17
Class X GBP distribution	GBP	£0.2066	\$42,940	£35,078	(£10,210)	£559	£25,427	03-Jan-17
Class Y EUR distribution	EUR	€0.1280	\$15	€13	-	-	€13	03-Jan-17
Class Y GBP distribution	GBP	£0.1550	\$876,405	£715,961	(£275,695)	£7,253	£447,519	03-Jan-17
Class Y USD distribution	USD	\$0.1323	\$14,754	\$14,754	(\$4,898)	-	\$9,856	03-Jan-17
Class Z GBP distribution	GBP	£0.2174	\$1,249,915	£1,021,091	(£30,177)	£44,714	£1,035,628	03-Jan-17
Class A	USD	\$0.2096	\$24,874	\$24,874	(\$286)	\$61	\$24,649	03-Jul-17
Class B	USD	\$0.2034	\$160,579	\$160,579	(\$33,261)	\$7,943	\$135,261	03-Jul-17
Class C	GBP	£0.2529	\$1,010,216	£780,873	(£117,356)	£24,811	£688,328	03-Jul-17
Class C EUR distribution	EUR	€0.1570	\$33,430	€29,407	(€14,985)	€4,080	€18,502	03-Jul-17
Class D	EUR	€0.2603	\$463,983	€408,148	(€130,659)	€23,855	€301,344	03-Jul-17
Class E	USD	\$0.2131	\$357,560	\$357,560	(\$67,973)	\$69	\$289,656	03-Jul-17
Class X GBP distribution	GBP	£0.2607	\$97,638	£75,472	(£14,437)	£840	£61,875	03-Jul-17
Class Y EUR distribution	EUR	€0.1613	\$150,754	€132,612	(€40,764)	€6	€91,854	03-Jul-17
Class Y GBP distribution	GBP	£0.1959	\$1,672,728	£1,292,979	(£143,912)	£17,528	£1,166,595	03-Jul-17
Class Y USD distribution	USD	\$0.1648	\$29,753	\$29,753	(\$3,231)	\$833	\$27,355	03-Jul-17
Class Z GBP distribution	GBP	£0.2751	\$1,507,224	£1,165,049	(£28,986)	£96,861	£1,232,924	03-Jul-17
			\$8,897,407					

Guinness Asian Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.3290	\$6,914	£5,649	(£3,659)	£1,463	£3,453	03-Jan-17
Class X EUR distribution	EUR	€0.3198	\$130,767	€125,930	(€15,643)	-	€110,287	03-Jan-17
Class X USD distribution	USD	\$0.2565	\$29	\$29	-	-	\$29	03-Jan-17
Class Z GBP distribution	GBP	£0.3335	\$544,923	£445,163	(£33,126)	£67,126	£479,163	03-Jan-17
Class X GBP distribution	GBP	£0.2600	\$5,414	£4,185	(£2,741)	£5,613	£7,057	03-Jul-17
Class X EUR distribution	EUR	€0.2525	\$152,014	€133,721	(€22,624)	€9,123	€120,220	03-Jul-17
Class X USD distribution	USD	\$0.1998	\$23	\$23	-	-	\$23	03-Jul-17
Class Y EUR distribution	EUR	€0.0766	\$9	€8	-	-	€8	03-Jul-17
Class Y GBP distribution	GBP	£0.0778	\$13,962	£10,792	(£5,430)	£3	£5,365	03-Jul-17
Class Y USD distribution	USD	\$0.0760	\$8	\$8	-	-	\$8	03-Jul-17
Class Z GBP distribution	GBP	£0.2644	\$614,607	£475,077	(£81,527)	£10,729	£404,279	03-Jul-17
			\$1,468,670					

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

16. Distribution (continued)

The following distributions were declared during the financial period ended 31 December 2017:

Guinness European Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.0672	\$64	£52	(£30)	£43	£65	03-Jan-17
Class X EUR distribution	EUR	€0.0652	\$7	€7	-	-	€7	03-Jan-17
Class X USD distribution	USD	\$0.0524	\$6	\$6	-	-	\$6	03-Jan-17
Class Z GBP distribution	GBP	£0.0681	\$469	£383	(£86)	£170	£467	03-Jan-17
Class X GBP distribution	GBP	£0.3533	\$1,586	£1,226	(£517)	£122	£831	03-Jul-17
Class X EUR distribution	EUR	€0.3422	\$1,393	€1,225	(€1,153)	-	€72	03-Jul-17
Class X USD distribution	USD	\$0.2719	\$30	\$30	-	-	\$30	03-Jul-17
Class Z GBP distribution	GBP	£0.3591	\$364,909	£282,066	(£51,705)	£6,165	£236,526	03-Jul-17
			\$368,464					

Guinness Emerging Markets Equity Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.1321	\$18	£14	-	-	£14	03-Jul-17
Class X EUR distribution	EUR	€0.1312	\$15	€13	-	-	€13	03-Jul-17
Class X USD distribution	USD	\$0.1357	\$14	\$14	-	-	\$14	03-Jul-17
Class Z GBP distribution	GBP	£0.1326	\$17	£13	-	-	£13	03-Jul-17
			\$64					

17. Transactions involving connected persons

Chapter 10 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the "Central Bank Regulations") headed 'Transactions involving Connected Persons' states in regulation 41 that a responsible person shall ensure that any transaction between a UCITS and the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected persons") is conducted at arm's length and is in the best interests of the unitholders of the UCITS.

The Manager is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in regulation 41 of the Central Bank Regulations are applied to all transactions with connected persons; and the Board of Directors is satisfied that transactions with connected persons entered into during the financial period complied with the obligations set out in this paragraph.

18. Related party disclosures

In accordance with IAS 24 'Related Party Disclosures' the related parties of the Company and the required disclosures relating to material transactions with parties are outlined below.

Manager

The Manager is considered a related party to the Company as it is considered to have significant influence over the Company in its role as manager. The Manager receives fees as set out in note 8.

Investment Manager

The Investment Manager was appointed by the Manager on behalf of the Company to provide investment management and advisory services to the Company. Directors, Edward Guinness and Andrew E Martin Smith are employees of the Investment Manager. Each sub-fund pays the Investment Manager fees at the rates set out in note 5.

The Investment Manager is responsible for paying the administrative expenses of the Company, to include establishment costs, fees and expenses payable to the Manager and Administrator, the Depositary, independent auditor, directors' fees and general administrative expenses. Up to 15 December 2018 each sub-fund paid the Investment Manager an administration fee at the rates set out in note 7. Effective 17 December 2018 all administrative expenses were paid by the Investment Manager out of the management fee.

Details of fees charged are outlined below:

	31 December 2018 USD	31 December 2017 USD
Management fees (formerly investment management fees)	10,469,234	7,714,213
Investment manager administration fees	5,372,100	4,411,457
Total	15,841,334	12,125,670

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

18. Related party disclosures (continued)

Distributor

Guinness Asset Management Limited was appointed by the Manager on behalf of the Company to promote and market the sale of shares and to use all reasonable endeavours to procure subscribers for shares. The Manager pays the Global Distributor a fee out of the assets of the relevant sub-fund, as per note 6. This fee may be waived in whole or in part at the discretion of the Global Distributor. No fee was charged for the financial year ended 31 December 2018 (2017: nil).

Directors

The Directors are also considered to be related parties. The Company pays the Directors remuneration for acting as Directors of the Company. Aggregate directors' fees charged during the financial year ended 31 December 2018 amounted to €69,000 (financial year ended 31 December 2017: €69,000).

Share transactions

The below table provides details of shares held by related parties:

As at 31 December 2018

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Mrs Joan E. Throssell	Spouse of Director	Guinness Global Equity Income Fund	Class Y	6,724.17
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.80
Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,558.36
Jennifer Martin Smith	Spouse of Director	Guinness Global Money Managers Fund	Class E	3,083.92
Jennifer Martin Smith	Spouse of Director	Guinness Global Equity Income Fund	Class Z	4,445.94

As at 31 December 2017

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.80
Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,558.36
Jennifer Martin Smith	Spouse of Director	Guinness Global Money Managers Fund	Class E	3,083.92
Jennifer Martin Smith	Spouse of Director	Guinness Global Equity Income Fund	Class Z	4,445.94

The Investment Manager held the following shares in the Company as detailed below:

As at 31 December 2018

	Guinness Alternative Energy Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP
Class B shares	108,834.83	-	-	-	-
Class C GBP accumulation	-	-	-	50,000.00	25,498.65
Class Z USD accumulation	-	2,846.47	19,489.67	-	-

As at 31 December 2017

	Guinness Alternative Energy Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD
Class B	108,834.83	-	-	-
Class X USD accumulation	-	20,000.00	-	-
Class Z USD accumulation	-	-	18,920.96	19,489.67

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

18. Related party disclosures (continued)

Shares transactions (continued)

Guinness Capital Management Limited (an associated company of the Investment Manager) held the following shares in the Company as detailed below:

As at 31 December 2018

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD
Class A	-	-	47.74	-	-	-	-
Class C EUR accumulation	-	-	-	-	-	-	-
Class C GBP accumulation	-	-	-	-	-	-	-
Class C USD accumulation	-	-	-	-	-	-	-
Class D	-	230.60	100.00	-	-	-	-
Class E	116,722.20	302.52	-	-	-	-	-
Class O EUR Accumulation	-	-	-	-	-	-	100.00
Class O GBP Accumulation	-	-	-	-	-	-	100.00
Class O USD Accumulation	-	-	-	-	-	-	100.00
Class R EUR Accumulation	-	-	-	-	-	-	-
Class R GBP Accumulation	-	-	-	-	-	-	-
Class R USD Accumulation	-	-	-	-	-	-	-
Class X EUR accumulation	-	-	-	-	100.00	100.00	-
Class X EUR distribution	-	-	-	-	-	115.59	-
Class X GBP accumulation	-	-	-	-	-	-	-
Class X	-	-	4,827.22	-	-	-	-
Class X USD accumulation	-	-	-	-	90.98	100.00	-
Class X USD distribution	-	-	-	-	120.18	115.67	-
Class Y EUR accumulation	-	-	-	-	-	3,914.26	-
Class Y EUR distribution	-	-	-	-	104.48	102.94	-
Class Y GBP accumulation	-	-	-	-	-	100.00	-
Class Y GBP distribution	-	-	-	-	-	102.90	-
Class Y USD accumulation	-	-	-	-	-	100.00	-
Class Y USD distribution	-	-	-	-	104.41	103.04	-
Class Z EUR accumulation	-	100.00	-	-	-	-	-
Class Z GBP accumulation	-	-	-	-	-	-	-
Class Z USD accumulation	-	100.00	-	-	-	-	-

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

18. Related party disclosures (continued)

Shares transactions (continued)

Guinness Capital Management Limited (an associated company of the Investment Manager) held the following shares in the Company as detailed below:

As at 31 December 2018

	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Guinness Multi- Asset Balanced Fund GBP	Guinness Multi- Asset Growth Fund GBP
Class A	-	-	-	-	-	-	-
Class C EUR accumulation	-	-	100.00	100.00	-	100.00	100.00
Class C GBP accumulation	-	-	100.00	100.00	100.00	-	-
Class C USD accumulation	-	100.00	100.00	100.00	-	100.00	100.00
Class D	-	-	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class O EUR Accumulation	-	-	-	-	-	100.00	100.00
Class O GBP Accumulation	-	-	-	-	-	100.00	100.00
Class O USD Accumulation	-	-	-	-	-	100.00	100.00
Class R EUR Accumulation	-	-	-	-	-	100.00	100.00
Class R GBP Accumulation	-	-	-	-	-	100.00	100.00
Class R USD Accumulation	-	-	-	-	-	100.00	100.00
Class X EUR accumulation	100.00	-	100.00	100.00	-	-	-
Class X EUR distribution	-	-	-	-	-	-	-
Class X GBP accumulation	-	-	-	100.00	-	-	-
Class X	-	-	-	-	-	-	-
Class X USD accumulation	37.70	-	100.00	100.00	-	-	-
Class X USD distribution	-	-	-	-	-	-	-
Class Y EUR accumulation	-	100.00	-	-	100.00	-	-
Class Y EUR distribution	-	104.01	-	-	-	-	-
Class Y GBP accumulation	-	-	-	-	100.00	100.00	100.00
Class Y GBP distribution	-	103.96	-	-	-	-	-
Class Y USD accumulation	-	82.66	-	-	30,351.65	-	-
Class Y USD distribution	-	103.92	-	-	-	-	-
Class Z EUR accumulation	-	-	100.00	100.00	-	-	-
Class Z GBP accumulation	-	-	100.00	100.00	-	-	-
Class Z USD accumulation	-	-	12,240.46	335.84	-	-	-

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

18. Related party disclosures (continued)

Shares transactions (continued)

Guinness Capital Management Limited (an associated company of the Investment Manager) held the following shares in the Company as detailed below (continued):

As at 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternativ e Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovator s Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD
Class A	-	-	47.74	-	-	-	-	-	-	-	-	-
Class C EUR accumulation	-	-	-	-	-	-	-	100.00	-	100.00	100.00	-
Class C GBP accumulation	-	-	-	-	-	-	-	-	-	100.00	100.00	100.00
Class C USD accumulation	-	-	-	-	-	-	-	-	100.00	100.00	100.00	-
Class D	-	230.60	100.00	-	-	-	-	-	-	-	-	-
Class D EUR accumulation	-	-	-	100.00	-	-	-	-	-	-	-	-
Class E	116,722.20	302.52	-	-	-	-	-	-	-	-	-	-
Class X	-	-	4,827.22	-	-	-	-	-	-	-	-	-
Class X EUR accumulation	-	-	-	-	100.00	100.00	-	100.00	100.00	100.00	100.00	-
Class X EUR distribution	-	-	-	-	-	111.92	-	-	101.18	-	-	-
Class X GBP accumulation	-	-	-	-	-	-	-	100.00	100.00	100.00	100.00	-
Class X GBP distribution	-	-	-	-	-	-	-	-	101.14	-	-	-
Class X USD accumulation	-	-	-	-	90.98	100.00	-	89.82	543.27	100.00	100.00	-
Class X USD distribution	-	-	-	-	115.91	111.89	-	-	101.10	-	-	-
Class Y EUR accumulation	-	-	-	-	100.00	-	-	-	-	-	-	100.00
Class Y EUR distribution	-	-	-	-	100.76	-	-	-	-	-	-	-
Class Y GBP accumulation	-	-	-	-	-	-	-	-	-	-	-	100.00
Class Y USD accumulation	-	-	-	-	100.00	-	-	-	-	-	-	29,500.00
Class Y USD distribution	-	-	-	-	100.71	-	-	-	-	-	-	-
Class Z EUR accumulation	-	-	-	-	-	-	-	-	-	100.00	100.00	-
Class Z GBP accumulation	-	-	-	-	-	-	-	100.00	-	100.00	100.00	100.00
Class Z GBP distribution	-	-	-	-	-	-	-	-	101.14	-	-	-
Class Z USD accumulation	-	-	-	-	-	-	-	-	-	100.00	100.00	-

At the reporting dates 31 December 2018 and 31 December 2017, the two non-participating shares taken by the subscribers to the Company were held by the Investment Manager.

Notes to the financial statements (continued)

For the financial year ended 31 December 2018

Guinness Asset Management Funds plc

19. Soft commission arrangements

During the financial year ended 31 December 2018 there were no soft commission arrangements in place.

During the financial year ended 31 December 2017, the Investment Manager continued to have a commission sharing arrangement (CSA) in place with Bloomberg Tradebook on the following terms:

CSA pool was based on the following commission rates:

US: 10bps split 6bps for research and 4bps for execution

Europe/Canada: 15bps split 10bps for research and 5bps for execution

Asia/Hong Kong: 20bps split 13bps for research and 7bps for execution.

The CSA pool was used to purchase specialist research in the Energy sector, including £18,060 to Evaluate Energy, \$10,000 to Heikkinen Energy and \$5,000 to Cornerstone Analytics.

The CSA was terminated on 31 December 2017.

20. Fund Asset regime

The Company operates under a Fund Asset Model, whereby umbrella cash accounts designated in different currencies at umbrella level are held in the name of the Company. The umbrella cash accounts are used to collect subscription monies from investors and pay out redemption monies and also dividends (where applicable) to shareholders. The balances held in the accounts are reconciled on a daily basis and monies are not intended to be held in the accounts for long periods. The monies held in the umbrella cash accounts are considered an asset of the Company and are disclosed in the statement of financial position within cash and cash equivalents.

21. Efficient portfolio management

No efficient portfolio management techniques were used during the financial year ended 31 December 2018 (2017 nil).

22. Capital management

The redeemable shares issued by the Company provide an investor with the right to require redemption for cash at a value proportionate to the investor's shares in the sub-fund's net assets at each redemption date and are classified as liabilities. The sub-funds' objectives in managing the redeemable shares are to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemptions.

23. Changes to prospectus

Effective 12 January 2018, the Prospectus was updated to provide for the ability to pay research costs out of the assets of the relevant sub-funds. Effective 17 December 2018 an updated prospectus was released to take into account the launch of Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth fund and the new fee structure which came into effect.

Other general changes included the acquisition of Capita Financial Managers (Ireland) Limited and Capita Financial Administrators (Ireland) Limited by Link Group, and disclosures relating to efficient portfolio management and risk factors in respect of collateral management.

24. Significant events during the period

Effective, 28 December 2018 Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund were launched.

Effective, 17 December 2018 a new fee structure came into effect. See note 5 for details.

25. Events after the reporting date

Effective 18 April 2019, Guinness Alternative Energy Fund changed its name to Guinness Sustainable Energy Fund.

The following distributions were declared after the reporting date:

Guinness Global Energy Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X USD distribution	USD	\$0.0895	\$43,770	\$43,770	(\$1,970)	\$17,665	\$59,465	02-Jan-19
			\$43,770					

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

25. Events after the reporting date (continued)

The following distributions were declared after the reporting date: (continued)

Guinness Global Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A USD distribution	USD	\$0.1681	\$15,252	\$15,252	(\$802)	\$89	\$14,539	02-Jan-2019
Class B USD distribution	USD	\$0.1619	\$150,832	\$150,832	(\$12,594)	\$12,151	\$150,389	02-Jan-2019
Class C EUR distribution	EUR	€0.1227	\$47,756	€42,059	(€3,852)	€2,800	€41,007	02-Jan-2019
Class C GBP distribution	GBP	£0.1957	\$881,063	£699,145	(£48,829)	£37,707	£688,023	02-Jan-2019
Class D EUR distribution	EUR	€0.1961	\$496,388	€437,173	(€57,501)	€2,619	€382,291	02-Jan-2019
Class E USD distribution	USD	\$0.1715	\$242,997	\$242,997	(\$3,893)	\$745	\$239,849	02-Jan-2019
Class X EUR distribution	EUR	€0.1252	\$18,303	€16,119	(€7,736)	€11	€8,394	02-Jan-2019
Class X GBP distribution	GBP	£0.2041	\$164,414	£130,466	(£21,893)	£3,622	£112,195	02-Jan-2019
Class Y EUR distribution	EUR	€0.1224	\$193,907	€170,775	(€17,048)	€806	€154,533	02-Jan-2019
Class Y GBP distribution	GBP	£0.1539	\$2,047,266	£1,624,554	(£119,902)	£44,002	£1,548,654	02-Jan-2019
Class Y USD distribution	USD	\$0.1331	\$31,196	\$31,196	(\$1,229)	\$866	\$30,833	02-Jan-2019
Class Z GBP distribution	GBP	£0.2169	\$996,926	£791,085	(£10,913)	£15,198	£795,370	02-Jan-2019
			\$5,286,300					

Guinness Asian Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X EUR distribution	EUR	€0.3228	\$208,639	€183,750	-€6,247	€1,297	€178,800	02-Jan-2019
Class X GBP distribution	GBP	£0.3439	\$10,774	£8,549	-£3,057	£1,444	£6,936	02-Jan-2019
Class X USD distribution	USD	\$0.2713	\$33	\$33	-	-	\$33	02-Jan-2019
Class Y EUR distribution	EUR	€0.2230	\$26	€23	-	-	€23	02-Jan-2019
Class Y GBP distribution	GBP	£0.2353	\$679,387	£539,110	-£163,450	£9,693	£385,353	02-Jan-2019
Class Y USD distribution	USD	\$0.2352	\$713	\$713	-\$527	-	\$186	02-Jan-2019
Class Z GBP distribution	GBP	£0.3522	\$836,617	£663,876	-£47,835	£84,646	£700,687	02-Jan-2019
			\$1,736,189					

Guinness Emerging Markets Equity Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class Y EUR distribution	EUR	€0.1833	\$22	€19	-	-	€19	02-Jan-2019
Class Y GBP distribution	GBP	£0.1913	\$702	£557	(£383)	£1	£175	02-Jan-2019
Class Y USD distribution	USD	\$0.2020	\$21	\$21	-	-	\$21	02-Jan-2019
Class Z GBP distribution	GBP	£0.1928	\$29,407	£23,335	(£11,536)	£65	£11,864	02-Jan-2019
			\$30,152					

Notes to the financial statements (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

25. Events after the reporting date (continued)

The following distributions were declared after the reporting date: (continued)

Guinness European Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X EUR distribution	EUR	€0.0441	\$180	€158	-	-	€158	02-Jan-2019
Class X GBP distribution	GBP	£0.0471	\$448	£355	(£175)	£43	£223	02-Jan-2019
Class X USD distribution	USD	\$0.0371	\$4	\$4	-	-	\$4	02-Jan-2019
Class Y EUR distribution	EUR	€0.0351	\$4	€4	-	-	€4	02-Jan-2019
Class Y GBP distribution	GBP	£0.0353	\$5	£4	-	-	£4	02-Jan-2019
Class Y USD distribution	USD	\$0.0332	\$3	\$3	-	-	\$3	02-Jan-2019
Class Z GBP distribution	GBP	£0.0483	\$2,524	£2,003	(£65)	£26	£1,964	02-Jan-2019
			<u>\$3,168</u>					

26. Approval of financial statements

The audited financial statements were approved for issue by the Board of Directors on 25 April 2019.

Schedule of Investments

As at 31 December 2018

Guinness Global Energy Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Exploration & Production				
Anadarko Petroleum Corp	USD	166,500	7,299,360	3.35%
Apache Corp	USD	264,407	6,940,684	3.19%
Canadian Natural Resources Ltd	CAD	355,131	8,564,955	3.93%
CNOOC Ltd	HKD	5,684,000	8,784,433	4.03%
Devon Energy Corp	USD	316,576	7,135,623	3.28%
EnQuest PLC	GBP	5,544,597	1,550,022	0.71%
JKX Oil & Gas PLC	GBP	562,972	283,216	0.13%
Newfield Exploration Co	USD	498,875	7,313,508	3.36%
Noble Energy Inc	USD	373,525	7,007,329	3.22%
Oasis Petroleum Inc	USD	540,600	2,989,518	1.37%
Occidental Petroleum Corp	USD	142,650	8,755,857	4.02%
Ophir Energy PLC	GBP	129,200	58,744	0.03%
QEP Resources Inc	USD	487,390	2,744,006	1.26%
Soco International PLC	GBP	1,487,900	1,288,593	0.59%
Tullow Oil PLC	GBP	1,810,183	4,129,061	1.90%
Valero Energy Corp	USD	118,447	8,879,972	4.08%
			83,724,881	38.45%
Integrated Oil & Gas				
BP PLC	GBP	1,359,431	8,586,740	3.94%
Chevron Corp	USD	78,000	8,485,620	3.90%
ConocoPhillips	USD	137,500	8,573,125	3.94%
Eni SpA	EUR	542,165	8,520,683	3.89%
Gazprom PJSC	USD	1,914,722	8,480,304	3.89%
Imperial Oil Ltd	CAD	326,766	8,275,616	3.80%
OMV AG	EUR	187,685	8,206,621	3.77%
PetroChina Co Ltd	HKD	13,396,679	8,350,092	3.83%
Royal Dutch Shell PLC	EUR	296,280	8,689,158	3.99%
Statoil ASA	NOK	394,175	8,364,523	3.84%
Suncor Energy Inc	CAD	294,962	8,234,662	3.78%
TOTAL SA	EUR	161,313	8,515,824	3.91%
			101,282,968	46.48%
Oil Equipment & Services				
Cluff Natural Resources PLC	GBP	23,303,370	690,041	0.32%
Halliburton Co	USD	290,886	7,731,749	3.55%
Helix Energy Solutions Group Inc	USD	594,195	3,214,595	1.48%
Schlumberger Ltd	USD	223,100	8,049,448	3.70%
Shandong Molong Petroleum Machinery Co Ltd	HKD	814,400	135,225	0.06%
Unit Corp	USD	217,823	3,110,511	1.43%
			22,931,569	10.54%
Pipelines				
Enbridge Inc	USD	273,600	8,503,488	3.90%
			8,503,488	3.90%
Renewable Energy Equipment				
SunPower Corp	USD	168,500	837,445	0.38%
			837,445	0.38%
Specialty Finance				
Reabold Resources PLC	GBP	90,000,000	842,487	0.39%
			842,487	0.39%
Total equities			218,122,838	100.14%
Total financial assets at fair value through profit or loss			218,122,838	100.14%
Cash and cash equivalents and other net liabilities			(306,458)	(0.14%)
Net assets attributable to holders of redeemable participating shares			217,816,380	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				98.81%
Other current assets				1.19%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Alternative Energy Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Biofuels				
Cosan SA Industria e Comercio	BRL	55,200	476,551	3.93%
			476,551	3.93%
Efficiency				
Acuity Brands Inc	HKD	3,000	344,850	2.85%
Boer Power Holdings Ltd	HKD	1,401,000	112,734	0.93%
Johnson Controls International plc	USD	12,077	358,083	2.95%
Kingspan Group PLC	EUR	9,520	406,799	3.36%
LG Chem Ltd	KRW	1530	475,811	3.93%
Nibe Industrier AB	SEK	39,521	405,291	3.34%
Prysmian SpA	EUR	18,450	355,807	2.94%
Ricardo PLC	GBP	43,430	346,256	2.86%
Schneider Electric SE	EUR	5,940	405,518	3.35%
Sensata Technologies Holding PLC	HKD	9,000	403,560	3.33%
Wasion Group Holdings Ltd	HKD	910,000	442,834	3.65%
			4,057,543	33.49%
Geothermal				
Ormat Technologies Inc	USD	8,420	440,366	3.63%
			440,366	3.63%
Hydro				
Iniziativa Bresciane - Inbre - SpA	EUR	10,856	235,791	1.95%
			235,791	1.95%
Solar				
Albioma SA	EUR	20,790	449,179	3.71%
Canadian Solar Inc	USD	30,800	441,672	3.64%
China Singyes Solar Technologies Holdings Ltd	HKD	1,476,400	405,431	3.35%
Daqo New Energy Corp	HKD	14,800	346,320	2.86%
First Solar Inc	USD	9,600	407,568	3.36%
Good Energy Group PLC	GBP	60,759	72,353	0.60%
JinkoSolar Holding Co Ltd	USD	37,990	375,721	3.10%
SunPower Corp	USD	71,577	355,738	2.94%
Xinyi Solar Holdings Ltd	HKD	1,658,000	582,360	4.81%
			3,436,342	28.37%
Wind				
China Datang Corp Renewable Power Co Ltd	HKD	3,458,000	415,171	3.43%
China Longyuan Power Group Corp Ltd	HKD	582,000	396,209	3.27%
China Suntien Green Energy Corp Ltd	HKD	1,780,000	459,246	3.79%
Concord New Energy Group Ltd	HKD	10,890,000	431,185	3.56%
Huaneng Renewables Corp Ltd	HKD	1,533,000	411,184	3.39%
TPI Composites Inc	USD	16,800	412,943	3.37%
Vestas Wind Systems A/S	HKD	6,855	516,754	4.26%
			3,042,692	25.07%
Total equities			11,689,285	96.44%
Total financial assets at fair value through profit or loss			11,689,285	96.44%
Cash and cash equivalents and other net assets			429,859	3.56%
Net assets attributable to holders of redeemable participating shares			12,119,144	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				95.94%
Other current assets				4.06%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Global Money Managers Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Asset Managers				
Affiliated Managers Group Inc	USD	2,190	213,394	3.26%
AllianceBernstein Holding LP	USD	11,440	312,541	4.77%
Ameriprise Financial Inc	USD	2,050	213,959	3.27%
Associated Capital Group Inc	USD	3,000	105,690	1.61%
Azimut Holding SpA	EUR	19,981	217,769	3.33%
Banca Generali SpA	EUR	12,000	248,704	3.80%
BlackRock Inc	USD	660	259,261	3.96%
Blackstone Group LP/The	USD	9,840	293,330	4.48%
Brewin Dolphin Holdings PLC	GBP	72,180	296,377	4.53%
CI Financial Corp	CAD	15,600	197,370	3.01%
Coronation Fund Managers Ltd	ZAR	70,090	201,475	3.08%
Franklin Resources Inc	USD	8,040	238,466	3.64%
GAM Holding AG	CHF	27,350	106,981	1.63%
GAMCO Investors Inc	USD	3,000	50,670	0.77%
Invesco Ltd	USD	10,920	182,801	2.79%
Janus Henderson Group PLC	USD	9,323	193,173	2.95%
Jupiter Fund Management PLC	GBP	51,060	191,969	2.93%
KKR & Co Inc	USD	12,700	249,301	3.81%
Liontrust Asset Management PLC	GBP	42,850	317,619	4.85%
Och-Ziff Capital Management Group LLC	USD	23,200	21,344	0.33%
Polar Capital Holdings PLC	GBP	44,318	266,413	4.07%
Rathbone Brothers PLC	GBP	9,330	278,293	4.25%
River & Mercantile Group PLC	GBP	69,347	200,487	3.06%
State Street Corp	USD	3,710	233,990	3.57%
T Rowe Price Group Inc	USD	2,900	267,728	4.09%
Value Partners Group Ltd	HKD	396,000	274,643	4.19%
			5,633,748	86.03%
Banks				
Vontobel Holding AG	CHF	5,090	260,231	3.97%
			260,231	3.97%
Investment Banking & Brokerage				
Raymond James Financial Inc	USD	3,630	270,108	4.12%
			270,108	4.12%
Specialised Finance				
Nasdaq Inc	USD	3,250	265,103	4.05%
			265,103	4.05%
Total equities			6,429,190	98.17%
Total financial assets at fair value through profit or loss			6,429,190	98.17%
Cash and cash equivalents and other net assets			119,568	1.83%
Net assets attributable to holders of redeemable participating shares			6,548,758	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				96.90%
Other current assets				3.10%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Global Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Aerospace & Defense				
BAE Systems PLC	GBP	3,119,200	18,242,248	2.72%
United Technologies Corp	USD	160,680	17,109,206	2.55%
			35,351,454	5.27%
Business Training Employment Agency				
Randstad Holding NV	EUR	406,160	18,613,867	2.77%
			18,613,867	2.77%
Clothing & Accessories				
VF Corp	USD	245,470	17,511,830	2.61%
			17,511,830	2.61%
Electrical Components & Equipment				
Eaton Corp PLC	USD	256,640	17,620,902	2.62%
Schneider Electric SE	EUR	265,840	18,148,616	2.70%
			35,769,518	5.32%
Food Products				
Nestle SA	CHF	229,300	18,561,716	2.76%
			18,561,716	2.76%
Financial Administration				
Paychex Inc	USD	290,000	18,893,500	2.83%
			18,893,500	2.83%
Footwear				
ANTA Sports Products Ltd	HKD	4,317,000	20,704,573	3.08%
			20,704,573	3.08%
Healthcare Providers				
Sonic Healthcare Ltd	AUD	1,150,975	17,915,433	2.67%
			17,915,433	2.67%
Household Products				
Procter & Gamble Co/The	USD	211,050	19,399,716	2.89%
Reckitt Benckiser Group PLC	GBP	232,340	17,792,970	2.65%
			37,192,686	5.54%
Industrial Machinery				
Illinois Tool Works Inc	USD	142,210	18,016,585	2.68%
			18,016,585	2.68%
Integrated Oil & Gas				
Royal Dutch Shell PLC	EUR	644,380	18,898,070	2.81%
			18,898,070	2.81%
Investment Services				
Deutsche Boerse AG	EUR	154,730	18,563,521	2.76%
CME Group Inc	USD	105,610	19,867,353	2.96%
			38,430,874	5.72%
Life Insurance				
Aflac Inc	USD	433,060	19,730,214	2.94%
			19,730,214	2.94%
Media Agencies				
WPP PLC	GBP	1,756,600	18,940,193	2.82%
			18,940,193	2.82%
Mobile Telecommunications				
Vodacom Group Ltd	ZAR	2,070,960	19,003,595	2.83%
			19,003,595	2.83%
Packaged Foods & Meats				
Danone SA	EUR	262,200	18,436,641	2.75%
			18,436,641	2.75%
Personal Products				
Hengan International Group Co Ltd	HKD	2,400,000	17,472,715	2.60%
Unilever PLC	GBP	359,930	18,833,654	2.80%
			36,306,369	5.40%
Pharmaceuticals				
AbbVie Inc	USD	220,210	20,301,160	3.02%
Johnson & Johnson	USD	134,860	17,403,683	2.59%
Merck & Co Inc	USD	253,160	19,343,956	2.88%
Novo Nordisk A/S	DKK	426,060	19,443,052	2.90%
Roche Holding AG	CHF	77,270	19,078,432	2.84%
			95,570,283	14.23%
Property & Casualty Insurance				
Arthur J Gallagher & Co	USD	251,320	18,522,284	2.76%
			18,522,284	2.76%
Semiconductors				
Broadcom Inc	USD	83,320	21,186,610	3.18%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	2,640,000	19,368,188	2.88%
			40,554,798	6.06%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Global Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Software				
Microsoft Corp	USD	177,560	18,034,769	2.69%
			18,034,769	2.69%
Telecommunications Equipment				
Cisco Systems Inc	USD	414,140	17,944,686	2.67%
			17,944,686	2.67%
Tobacco				
British American Tobacco PLC	GBP	549,190	17,486,221	2.60%
Imperial Brands PLC	GBP	633,100	19,166,144	2.85%
Japan Tobacco Inc	JPY	785,400	18,730,338	2.79%
			55,382,703	8.24%
Total equities			654,286,641	97.45%
Total financial assets at fair value through profit or loss			654,286,641	97.45%
Cash and cash equivalents and other net assets			17,223,389	2.55%
Net assets attributable to holders of redeemable participating shares			671,510,030	100.00%
Analysis of total Net assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				97.15%
Other current assets				2.85%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Asian Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Apparel Retailers				
Luk Fook Holdings International Ltd	HKD	1,035,000	2,954,556	2.48%
			2,954,556	2.48%
Asset Managers				
Janus Henderson Group PLC	AUD	120,021	2,454,574	2.06%
			2,454,574	2.06%
Auto Parts				
Hanon Systems	KRW	306,160	2,963,370	2.49%
			2,963,370	2.49%
Banks				
BOC Hong Kong Holdings Ltd	HKD	877,000	3,259,619	2.74%
China Construction Bank Corp	HKD	3,944,000	3,254,196	2.73%
Public Bank Bhd	MYR	585,100	3,505,645	2.95%
China Merchants Bank Co Ltd	HKD	890,500	3,264,300	2.74%
China Minsheng Banking Corp Ltd	HKD	4,437,460	3,060,571	2.57%
DBS Group Holdings Ltd	SGD	186,663	3,244,348	2.73%
Industrial & Commercial Bank of China Ltd	HKD	4,911,000	3,506,356	2.95%
Tisco Financial Group PCL	THB	1,464,400	3,519,327	2.96%
			26,614,362	22.37%
Clothing & Accessories				
China Lilang Ltd	HKD	3,879,000	3,269,927	2.74%
Li & Fung Ltd	HKD	15,116,000	2,374,741	2.00%
Pacific Textiles Holdings Ltd	HKD	3,158,000	2,807,344	2.36%
			8,452,012	7.10%
Commercial Vehicles & Trucks				
Yangzijiang Shipbuilding Holdings Ltd	SGD	3,505,700	3,215,059	2.70%
			3,215,059	2.70%
Computer Hardware				
Asustek Computer Inc	TWD	400,000	2,622,247	2.20%
			2,622,247	2.20%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	442,500	2,568,748	2.16%
Delta Electronics Thailand PCL	THB	1,602,700	3,420,997	2.87%
Hon Hai Precision Industry Co Ltd	TWD	1,360,000	3,132,641	2.63%
			9,122,386	7.66%
Exploration & Production				
PTT PCL	THB	2,306,200	3,258,145	2.74%
			3,258,145	2.74%
Health Care Providers				
Sonic Healthcare Ltd	AUD	178,804	2,783,163	2.34%
			2,783,163	2.34%
Industrial & Office REITs				
Ascendas Real Estate Investment Trust	SGD	1,780,200	3,356,650	2.82%
			3,356,650	2.82%
Industrial Machinery				
Catcher Technology Co Ltd	TWD	394,600	2,888,538	2.43%
			2,888,538	2.43%
Life Insurance				
Aflac Inc	USD	75,300	3,430,668	2.88%
			3,430,668	2.88%
Medical Supplies				
St Shine Optical Co Ltd	TWD	195,040	3,413,850	2.87%
			3,413,850	2.87%
Mobile Telecommunications				
China Mobile Ltd	HKD	341,500	3,286,611	2.76%
			3,286,611	2.76%
Recreational Products				
Largan Precision Co Ltd	TWD	31,000	3,242,509	2.72%
			3,242,509	2.72%
Retail REITs				
Link REIT	HKD	373,500	3,783,015	3.18%
			3,783,015	3.18%
Semiconductors				
Novatek Microelectronics Corp	TWD	751,300	3,470,885	2.92%
QUALCOMM Inc	USD	59,690	3,396,958	2.85%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	435,000	3,191,349	2.68%
			10,059,192	8.45%
Specialty Retailers				
JB Hi-Fi Ltd	AUD	208,156	3,244,436	2.73%
			3,244,436	2.73%
Travel & Tourism				
Corporate Travel Management Ltd	AUD	227,980	3,441,076	2.89%
			3,441,076	2.89%
Tobacco				
KT&G Corp	KRW	37,760	3,434,881	2.89%
			3,434,881	2.89%
Electrical Components & Equipment				
Elite Material Co Ltd	TWD	1,466,000	3,133,559	2.63%
			3,133,559	2.63%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness Asian Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Retail REITs				
CapitalLand Mall Trust	SGD	2,268,700	3,761,747	3.16%
			3,761,747	3.16%
Total equities			114,916,606	96.55%
Total financial assets at fair value through profit or loss			114,916,606	96.55%
Cash and cash equivalents and other net assets			4,080,792	3.45%
Net assets attributable to holders of redeemable participating shares			118,997,398	100.00%
Analysis of total Net assets				% total assets
Transferrable securities listed on an official stock exchange or another regulated market				96.41%
Other current assets				3.59%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness European Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Apparel Retailers				
Kering SA	EUR	400	188,208	3.29%
			188,208	3.29%
Asset Managers				
Amundi SA	EUR	3500	184,687	3.22%
Azimut Holding SpA	EUR	12,660	137,979	2.41%
			322,666	5.63%
Brewers				
Heineken NV	EUR	2,170	191,505	3.34%
			191,505	3.34%
Broadcasting & Entertainment				
Metropole Television SA	EUR	9,991	160,354	2.80%
Modern Times Group MTG AB	SEK	5,236	173,040	3.02%
			333,394	5.82%
Business Training Employment Agency				
Adecco Group AG	CHF	3,799	177,001	3.09%
			177,001	3.09%
Commercial Vehicles & Trucks				
Konecranes OYJ	EUR	5,395	162,755	2.84%
			162,755	2.84%
Computer Services				
Tieto OYJ	EUR	6,080	163,889	2.86%
			163,889	2.86%
Delivery Services				
Deutsche Post AG	EUR	5,430	148,417	2.59%
			148,417	2.59%
Diversified Industrials				
Siemens AG	EUR	1,610	179,225	3.13%
			179,225	3.13%
Electrical Components & Equipment				
Schneider Electric SE	EUR	2,556	174,495	3.05%
			174,495	3.05%
Farming				
Salmar ASA	NOK	4,066	200,973	3.51%
			200,973	3.51%
Food Products				
Danone SA	EUR	2,729	191,890	3.35%
Nestle SA	CHF	2,377	192,417	3.36%
			384,307	6.71%
Full Line Insurance				
Helvetia Holding AG	CHF	336	195,813	3.42%
Mapfre SA	EUR	67,305	178,500	3.12%
			374,313	6.54%
Industrial Machinery				
ABB Ltd	CHF	8,527	161,709	2.82%
ANDRITZ AG	EUR	3,355	153,871	2.69%
Atlas Copco AB	SEK	7860	186,618	3.26%
Inficon Holding AG	CHF	405	204,432	3.57%
			706,630	12.34%
Investment Services				
Deutsche Boerse AG	EUR	1,522	182,600	3.19%
Euronext NV	EUR	3,160	181,701	3.17%
			364,301	6.36%
Media Agencies				
Publicis Groupe SA	EUR	3,439	196,879	3.44%
			196,879	3.44%
Personal Products				
Unilever NV	EUR	3,721	201,709	3.52%
			201,709	3.52%
Pharmaceuticals				
Novartis AG	CHF	2,380	202,896	3.54%
Novo Nordisk A/S	DKK	4,380	199,880	3.48%
Roche Holding AG	CHF	833	205,673	3.59%
Sanofi	EUR	2,429	210,086	3.67%
			818,535	14.28%
Tires				
Continental AG	EUR	1,195	164,951	2.88%
			164,951	2.88%
Total equities			5,454,153	95.22%
Total financial assets at fair value through profit or loss			5,454,153	95.22%
Cash and cash equivalents and other net assets			274,676	4.78%
Net assets attributable to holders of redeemable participating shares			5,728,829	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				95.02%
Other current assets				4.98%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Global Innovators Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Broadcasting & Entertainment				
Comcast Corp	USD	138,900	4,729,545	3.10%
			4,729,545	3.10%
Computer Services				
Cognizant Technology Solutions Corp	USD	76,760	4,872,725	3.20%
			4,872,725	3.20%
Consumer Electronics				
Samsung Electronics Co Ltd	USD	5,870	5,089,290	3.34%
			5,089,290	3.34%
Diversified Industrials				
Danaher Corp	USD	50,660	5,224,059	3.43%
Eaton Corp PLC	USD	72,400	4,970,984	3.26%
Siemens AG	EUR	45,210	5,032,777	3.30%
			15,227,820	9.99%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	811,000	4,707,920	3.09%
Schneider Electric SE	EUR	74,270	5,070,335	3.33%
			9,778,255	6.42%
Electronic Equipment				
Roper Technologies Inc	USD	18,620	4,962,602	3.26%
			4,962,602	3.26%
Financial Administration				
PayPal Holdings Inc	USD	59,470	5,000,832	3.28%
			5,000,832	3.28%
Footwear				
ANTA Sports Products Ltd	HKD	1,061,000	5,088,615	3.34%
NIKE Inc	USD	71,540	5,303,976	3.48%
			10,392,591	6.82%
Industrial Machinery				
ABB Ltd	CHF	261,670	4,962,387	3.26%
Catcher Technology Co Ltd	TWD	718,000	5,255,881	3.45%
FANUC Corp	JPY	35,240	5,354,334	3.51%
			15,572,602	10.22%
Internet				
Alphabet Inc	USD	4,830	5,047,157	3.31%
Baidu Inc	USD	29,170	4,626,362	3.04%
Facebook Inc	USD	35,340	4,632,721	3.04%
Tencent Holdings Ltd	GBP	129,000	5,173,609	3.40%
			19,479,849	12.79%
Investment Services				
Intercontinental Exchange Inc	USD	66,220	4,988,353	3.27%
			4,988,353	3.27%
Semiconductors				
Applied Materials Inc	USD	152,550	4,994,486	3.28%
KLA-Tencor Corp	USD	56,250	5,033,813	3.30%
Lam Research Corp	USD	39,110	5,325,609	3.50%
Tencent Music Entertainment Group ADR	USD	33	436	0.00%
Infineon Technologies AG	EUR	274,170	5,442,496	3.57%
NVIDIA Corp	USD	34,680	4,629,780	3.04%
			25,426,620	16.69%
Software				
Check Point Software Technologies Ltd	USD	47,960	4,923,093	3.23%
SAP SE	EUR	50,700	5,038,265	3.31%
			9,961,358	6.54%
Specialized Consumer Services				
New Oriental Education & Technology Group Inc	USD	90,190	4,943,314	3.24%
			4,943,314	3.24%
Telecommunications Equipment				
Cisco Systems Inc	USD	112,160	4,859,893	3.19%
			4,859,893	3.19%
Tires				
Continental AG	EUR	36,610	5,053,476	3.32%
			5,053,476	3.32%
Total equities			150,339,125	98.67%
Total financial assets at fair value through profit or loss			150,339,125	98.67%
Cash and cash equivalents and other net assets			2,026,636	1.33%
Net assets attributable to holders of redeemable participating shares			152,365,761	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				98.14%
Other current assets				1.86%
				100.00%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness Best of China Fund	Currency	Nominal	Fair value in	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Apparel Retailers				
Luk Fook Holdings International Ltd	HKD	37,000	105,622	3.17%
			105,622	3.17%
Asset Managers				
Noah Holdings Ltd	USD	2,600	112,632	3.38%
			112,632	3.38%
Automobiles				
Geely Automobile Holdings Ltd	HKD	55,000	96,943	2.91%
			96,943	2.91%
Banks				
BOC Hong Kong Holdings Ltd	HKD	29,000	107,787	3.24%
China Construction Bank Corp	HKD	130,000	107,263	3.22%
China Merchants Bank Co Ltd	HKD	28,000	102,639	3.08%
			317,689	9.54%
Building Materials & Fixtures				
Anhui Conch Cement Co Ltd	HKD	19,000	92,217	2.77%
			92,217	2.77%
Clothing & Accessories				
China Lilang Ltd	HKD	123,000	103,687	3.12%
Li & Fung Ltd	HKD	522,000	82,007	2.46%
Pacific Textiles Holdings Ltd	HKD	113,000	100,453	3.02%
			286,147	8.60%
Commercial Vehicles & Trucks				
Yangzijiang Shipbuilding Holdings Ltd	SGD	116,200	106,566	3.20%
			106,566	3.20%
Durable Household Products				
Haier Electronics Group Co Ltd	HKD	42,000	103,319	3.10%
			103,319	3.10%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	15,500	89,979	2.70%
Elite Material Co Ltd	TWD	49,000	104,737	3.15%
Hollysys Automation Technologies Ltd	USD	5,670	99,282	2.98%
			293,998	8.83%
Industrial Machinery				
Catcher Technology Co Ltd	TWD	11,500	84,182	2.53%
China Lesso Group Holdings Ltd	HKD	202,000	101,137	3.04%
Tencent Music Entertainment Group ADR	USD	1	10	0.00%
Haitian International Holdings Ltd	HKD	51,000	98,361	2.96%
Tongda Group Holdings Ltd	HKD	880,000	87,670	2.63%
			371,360	11.16%
Internet				
Baidu Inc	USD	510	80,886	2.43%
Autohome Inc	USD	1,460	114,216	3.43%
NetEase Inc	USD	475	111,801	3.36%
Tencent Holdings Ltd	HKD	3,100	124,327	3.74%
			431,230	12.96%
Life Insurance				
Ping An Insurance Group Co of China Ltd	HKD	11,000	97,154	2.92%
			97,154	2.92%
Medical Supplies				
St Shine Optical Co Ltd	TWD	5,609	98,176	2.95%
			98,176	2.95%
Pharmaceuticals				
China Medical System Holdings Ltd	HKD	85,000	79,036	2.38%
Sino Biopharmaceutical Ltd	HKD	101,000	66,564	2.00%
			145,600	4.38%
Real Estate Holding & Development				
China Overseas Land & Investment Ltd	HKD	38,000	130,560	3.92%
			130,560	3.92%
Semiconductors				
Novatek Microelectronics Corp	TWD	23,000	106,256	3.19%
QUALCOMM Inc	USD	1,990	113,251	3.40%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	14,000	102,710	3.09%
			322,217	9.68%
Specialized Consumer Services				
New Oriental Education & Technology Group Inc	USD	1,690	92,629	2.81%
			92,629	2.81%
Telecommunications Equipment				
VTech Holdings Ltd	HKD	10,200	84,421	2.54%
			84,421	2.54%
Total equities			3,288,480	98.82%
Total financial assets at fair value through profit or loss			3,288,480	98.82%
Cash and cash equivalents and other net assets			39,222	1.18%
Net assets attributable to holders of redeemable participating shares			3,327,702	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				98.67%
Other current assets				1.33%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Emerging Markets Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Apparel Retailers				
Truworths International Ltd	ZAR	7,924	48,530	2.70%
			48,530	2.70%
Auto Parts				
Bajaj Auto Ltd	INR	1,310	51,041	2.84%
Hanon Systems	KRW	5,024	48,628	2.71%
			99,669	5.55%
Banks				
Banco Davivienda SA	COP	4,637	44,150	2.46%
China Construction Bank Corp	HKD	58,000	47,856	2.66%
China Minsheng Banking Corp Ltd	HKD	70,700	48,763	2.71%
Credicorp Ltd	USD	220	48,767	2.71%
Tisco Financial Group PCL	THB	20,000	48,065	2.68%
			237,601	13.22%
Clothing & Accessories				
China Lilang Ltd	HKD	56,000	47,207	2.63%
Shenzhou International Group Holdings Ltd	HKD	4,000	45,342	2.52%
			92,549	5.15%
Computer Services				
Infosys Ltd	USD	5,320	50,646	2.82%
Tata Consultancy Services Ltd	INR	1,890	51,248	2.85%
			101,894	5.67%
Consumer Finance				
Indiabulls Housing Finance Ltd	INR	4,850	59,316	3.30%
			59,316	3.30%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	7,800	45,280	2.52%
Elite Material Co Ltd	TWD	21,200	45,315	2.52%
Hon Hai Precision Industry Co Ltd	TWD	21,000	48,372	2.69%
			138,967	7.73%
Food Products				
Grape King Bio Ltd	TWD	8,000	49,582	2.76%
SPAR Group Ltd/The	ZAR	3,741	53,963	3.00%
			103,545	5.76%
Full Line Insurance				
Porto Seguro SA	BRL	3,400	45,749	2.55%
			45,749	2.55%
Industrial Machinery				
Catcher Technology Co Ltd	TWD	7,100	51,973	2.89%
Haitian International Holdings Ltd	HKD	22,000	42,430	2.36%
			94,403	5.25%
Internet				
NetEase Inc	USD	230	54,135	3.01%
			54,135	3.01%
Investment Services				
B3 SA - Brasil Bolsa Balcao	BRL	6,900	47,730	2.66%
JSE Ltd	ZAR	4,270	49,144	2.74%
			96,874	5.40%
Life Insurance				
Ping An Insurance Group Co of China Ltd	HKD	5,000	44,161	2.46%
			44,161	2.46%
Medical Supplies				
St Shine Optical Co Ltd	TWD	2,900	50,760	2.83%
			50,760	2.83%
Personal Products				
Unilever PLC	GBP	883	46,204	2.57%
			46,204	2.57%
Pharmaceuticals				
China Medical System Holdings Ltd	HKD	52,000	48,351	2.69%
			48,351	2.69%
Semiconductors				
Broadcom Inc	USD	210	53,399	2.97%
Novatek Microelectronics Corp	TWD	11,800	54,514	3.03%
QUALCOMM Inc	USD	860	48,943	2.72%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	7,000	51,355	2.89%
			208,211	11.61%
Soft Drinks				
Coca-Cola Femsa SAB de CV	MXN	7,700	46,586	2.59%
			46,586	2.59%
Tobacco				
British American Tobacco PLC	GBP	1,380	43,939	2.45%
KT&G Corp	KRW	543	49,395	2.75%
			93,334	5.20%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Emerging Markets Equity Income Fund (continued)	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Toys				
JUMBO SA	EUR	3,405	49,510	2.76%
			49,510	2.76%
Total equities			1,760,349	98.00%
Total financial assets at fair value through profit or loss			1,760,349	98.00%
Cash and cash equivalents and other net liabilities			35,967	2.00%
Net assets attributable to holders of redeemable participating shares			1,796,316	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				97.86%
Other current assets				2.14%
				100.00%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness Global Equity Fund	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Asset Managers				
Affiliated Managers Group Inc	USD	107	10,426	2.54%
Janus Henderson Group PLC	USD	521	10,795	2.63%
			21,221	5.17%
Auto Parts				
LKQ Corp	USD	417	9,895	2.41%
			9,895	2.41%
Business Support Services				
Genpact Ltd	USD	375	10,121	2.46%
Securitas AB	SEK	644	10,333	2.51%
			20,454	4.97%
Business Training Employment Agency				
Randstad Holding NV	EUR	229	10,495	2.55%
			10,495	2.55%
Clothing & Accessories				
VF Corp	USD	140	9,988	2.43%
			9,988	2.43%
Diversified Industrials				
Carlisle Cos Inc	USD	108	10,856	2.64%
			10,856	2.64%
Drug Retailers				
Cardinal Health Inc	USD	216	9,634	2.34%
			9,634	2.34%
Durable Household Products				
Stanley Black & Decker Inc	USD	86	10,298	2.51%
			10,298	2.51%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	1,500	8,708	2.12%
			8,708	2.12%
Electronic Equipment				
Cognex Corp	USD	263	10,170	2.47%
			10,170	2.47%
Financial Administration				
Deluxe Corp	USD	253	9,725	2.37%
Euronet Worldwide Inc	USD	102	10,443	2.54%
			20,168	4.91%
Food Products				
Kerry Group PLC	EUR	101	9,901	2.41%
Hain Celestial Group Inc/The	USD	613	9,722	2.37%
JM Smucker Co/The	USD	105	9,816	2.39%
			29,439	7.17%
Food Retailers & Wholesalers				
Axfood AB	SEK	615	10,523	2.56%
			10,523	2.56%
Health Care Providers				
MEDNAX Inc	USD	286	9,438	2.30%
Sonic Healthcare Ltd	AUD	668	10,398	2.53%
			19,836	4.83%
Industrial Machinery				
Inficon Holding AG	CHF	20	10,095	2.46%
Ingersoll-Rand PLC	USD	109	9,944	2.42%
			20,039	4.88%
Investment Services				
Deutsche Boerse AG	EUR	88	10,558	2.57%
			10,558	2.57%
Media Agencies				
Publicis Groupe SA	EUR	184	10,534	2.56%
			10,534	2.56%
Medical Equipment				
Sonova Holding AG	CHF	65	10,589	2.58%
Varian Medical Systems Inc	USD	89	10,085	2.45%
William Demant Holding A/S	DKK	349	9,885	2.41%
			30,559	7.44%
Property & Casualty Insurance				
Arthur J Gallagher & Co	USD	142	10,465	2.55%
			10,465	2.55%
Restaurants & Bars				
Sodexo SA	EUR	101	10,334	2.51%
			10,334	2.51%
Software				
Amdocs Ltd	USD	174	10,193	2.48%
Check Point Software Technologies Ltd	USD	98	10,058	2.45%
Citrix Systems Inc	USD	96	9,836	2.39%
Hexagon AB	SEK	228	10,492	2.55%
			40,579	9.87%
Specialty Chemicals				
FMC Corp	USD	134	9,911	2.41%
FUCHS PETROLUB SE	EUR	266	10,643	2.59%
Innospec Inc	USD	162	10,005	2.43%
			30,559	7.43%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness Global Equity Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Specialty Retailers				
IHS Markit Ltd	USD	207	9,930	2.42%
JB Hi-Fi Ltd	AUD	654	10,194	2.48%
			20,124	4.90%
Telecommunications Equipment				
F5 Networks Inc	USD	62	10,046	2.44%
			10,046	2.44%
Travel & Tourism				
Sabre Corp	EUR	450	9,738	2.37%
			9,738	2.37%
Total equities			405,220	98.60%
Total financial assets at fair value through profit or loss			405,220	98.60%
Cash and cash equivalents and other net assets			5,733	1.40%
Net assets attributable to holders of redeemable participating shares			410,953	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				96.95%
Other current assets				3.05%
				100.00%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness US Equity Fund	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Auto Parts				
LKQ Corp	USD	258	6,122	2.60%
			6,122	2.60%
Biotechnology				
Biogen Inc	USD	23	6,921	2.94%
			6,921	2.94%
Clothing & Accessories				
PVH Corp	USD	63	5,856	2.49%
VF Corp	USD	86	6,135	2.60%
			11,991	5.09%
Computer Hardware				
Apple Inc	USD	41	6,467	2.75%
			6,467	2.75%
Computer Services				
Cognizant Technology Solutions Corp	USD	104	6,602	2.80%
			6,602	2.80%
Consumer Finance				
Visa Inc	USD	51	6,729	2.86%
			6,729	2.86%
Diversified Industrials				
Carlisle Cos Inc	USD	72	7,237	3.07%
Eaton Corp PLC	USD	85	5,836	2.48%
Honeywell International Inc	USD	50	6,606	2.80%
			19,679	8.35%
Drug Retailers				
CVS Health Corp	USD	98	6,421	2.73%
			6,421	2.73%
Durable Household Products				
Stanley Black & Decker Inc	USD	62	7,424	3.15%
			7,424	3.15%
Financial Administration				
Paychex Inc	USD	102	6,645	2.82%
			6,645	2.82%
Food Products				
JM Smucker Co/The	USD	64	5,983	2.54%
Mondelez International Inc	USD	171	6,845	2.91%
			12,828	5.45%
Footwear				
NIKE Inc	USD	94	6,969	2.96%
			6,969	2.96%
Health Care Providers				
Anthem Inc	USD	26	6,828	2.90%
Cigna Corp	USD	33	6,267	2.66%
			13,095	5.56%
Industrial Machinery				
Ingersoll-Rand PLC	USD	76	6,933	2.94%
			6,933	2.94%
Internet				
Alphabet Inc	USD	7	7,315	3.11%
			7,315	3.11%
Medical Equipment				
Medtronic PLC	USD	81	7,370	3.13%
Thermo Fisher Scientific Inc	USD	30	6,714	2.85%
			14,084	5.98%
Pharmaceuticals				
Johnson & Johnson	USD	51	6,582	2.79%
			6,582	2.79%
Property & Casualty Insurance				
Arthur J Gallagher & Co	USD	93	6,854	2.91%
			6,854	2.91%
Real Estate Services				
Jones Lang LaSalle Inc	USD	57	7,216	3.06%
			7,216	3.06%
Semiconductors				
Broadcom Inc	GBP	27	6,866	2.92%
			6,866	2.92%
Software				
Amdocs Ltd	USD	112	6,561	2.79%
Check Point Software Technologies Ltd	USD	68	6,980	2.96%
Citrix Systems Inc	USD	64	6,557	2.78%
Microsoft Corp	USD	67	6,805	2.89%
			26,903	11.42%

Schedule of Investments (continued)

Guinness Asset Management Funds plc

As at 31 December 2018

Guinness US Equity Fund (continued)	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Specialty Finance				
IHS Markit Ltd	USD	136	6,524	2.77%
			6,524	2.77%
Toys				
Activision Blizzard Inc	USD	140	6,520	2.77%
			6,520	2.77%
Telecommunications Equipment				
Cisco Systems Inc	USD	156	6,759	2.87%
F5 Networks Inc	USD	40	6,480	2.75%
			13,239	5.62%
Travel and Tourism				
Booking Holdings Inc	USD	4	6,892	2.92%
			6,892	2.92%
Total equities			233,821	99.27%
Total financial assets at fair value through profit or loss			233,821	99.27%
Cash and cash equivalents and other net assets			1,710	0.73%
Net assets attributable to holders of redeemable participating shares			235,531	100.00%
Analysis of total assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				98.14%
Other current assets				1.86%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Best of Asia Fund	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss				
Equities				
Asset Managers				
Noah Holdings Ltd	USD	200	8,664	3.12%
			8,664	3.12%
Auto Parts				
Hanon Systems	KRW	930	9,002	3.24%
			9,002	3.24%
Automobiles				
Bajaj Auto Ltd	INR	220	8,572	3.08%
Geely Automobile Holdings Ltd	HKD	5,000	8,813	3.17%
			17,385	6.25%
Banks				
BOC Hong Kong Holdings Ltd	HKD	2,000	7,434	2.67%
China Merchants Bank Co Ltd	HKD	2,500	9,164	3.30%
DBS Group Holdings Ltd	SGD	400	6,952	2.50%
Tisco Financial Group PCL	THB	3,300	7,931	2.85%
			31,481	11.32%
Clothing & Accessories				
Li & Fung Ltd	HKD	36,000	5,656	2.03%
			5,656	2.03%
Commercial Vehicles & Trucks				
Yangzijiang Shipbuilding Holdings Ltd	SGD	10,400	9,538	3.43%
			9,538	3.43%
Computer Services				
Infosys Ltd	INR	1,120	10,571	3.80%
Tata Consultancy Services Ltd	INR	320	8,677	3.12%
			19,248	6.92%
Consumer Finance				
Indiabulls Housing Finance Ltd	INR	690	8,439	3.04%
			8,439	3.04%
Durable Household Products				
Haier Electronics Group Co Ltd	HKD	4,000	9,840	3.54%
			9,840	3.54%
Electrical Components & Equipment				
AAC Technologies Holdings Inc	HKD	1,000	5,805	2.09%
Elite Material Co Ltd	TWD	4,300	9,191	3.31%
Venture Corp Ltd	SGD	700	7,164	2.58%
			22,160	7.98%
Financial Administration				
Link Administration Holdings Ltd	AUD	1,802	8,588	3.09%
			8,588	3.09%
Food Products				
Dali Foods Group Co Ltd	HKD	11,500	8,505	3.06%
			8,505	3.06%
Health Care Providers				
Sonic Healthcare Ltd	AUD	500	7,783	2.80%
			7,783	2.80%
Industrial Machinery				
Haitian International Holdings Ltd	HKD	4,000	7,715	2.78%
			7,715	2.78%
Internet				
Autohome Inc	USD	110	8,605	3.10%
Baidu Inc	USD	40	6,344	2.28%
NetEase Inc	USD	36	8,473	3.05%
			23,422	8.43%
Life Insurance				
Ping An Insurance Group Co of China Ltd	HKD	1,000	8,832	3.18%
			8,832	3.18%
Medical Supplies				
St Shine Optical Co Ltd	TWD	400	7,001	2.52%
			7,001	2.52%
Personal Products				
LG Household & Health Care Ltd	KRW	8	7,894	2.84%
			7,894	2.84%
Pharmaceuticals				
China Medical System Holdings Ltd	HKD	7,000	6,509	2.34%
			6,509	2.34%
Recreational Products				
Largan Precision Co Ltd	TWD	90	9,414	3.39%
			9,414	3.39%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Best of Asia Fund (continued)	Currency	Nominal Holdings	Fair value in USD	% of NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
Semiconductors				
Applied Materials Inc	USD	230	7,530	2.71%
Broadcom Inc	USD	40	10,170	3.64%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	1,000	7,336	2.64%
			25,036	8.99%
Travel & Tourism				
Corporate Travel Management Ltd	AUD	570	8,604	3.09%
			8,604	3.09%
Total equities			270,716	97.38%
Total financial assets at fair value through profit or loss			270,716	97.38%
Cash and cash equivalents and other net assets			7,284	2.62%
Net assets attributable to holders of redeemable participating shares			278,000	100.00%
Analysis of Total Assets				% of total assets
Transferrable securities listed on an official stock exchange or another regulated market				97.30%
Other current assets				2.70%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Multi-Asset Balanced Fund	Currency	Nominal Holdings	Fair Value GBP	% NAV
Financial assets at fair value through profit or loss				
Investment funds¹				
Ireland				
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	GBP	12,538	20,956	3.94%
			20,956	3.94%
United Kingdom				
Fidelity Investment Funds - Index Japan Fund	GBP	15,376	23,186	4.36%
Fidelity Investment Funds - Index Pacific ex Japan Fund	GBP	18,820	27,846	5.24%
Fidelity Investment Funds ICVC - Index UK Fund	GBP	40,536	49,227	9.26%
Fidelity Investment Funds ICVC - Index US Fund	GBP	30,434	58,763	11.05%
Fidelity Investment Funds - Index Emerging Markets Fund	GBP	3,465	4,999	0.94%
iShares Corporate Bond Index Fund UK	GBP	13,780	20,848	3.92%
iShares Global Property Securities Equity Index Fund UK	GBP	5,038	9,929	1.87%
Janus Henderson UK Absolute Return Fund	GBP	4,947	8,000	1.50%
JPM Global Macro Opportunities Fund	GBP	3,390	5,000	0.94%
Jupiter Absolute Return Fund/United Kingdom	GBP	23,156	12,998	2.44%
Legal & General UK MID Cap Index Fund	GBP	46,757	23,252	4.37%
Mellon Investments Funds ICVC - Newton Global Dynamic Bond Fund	GBP	11,926	13,006	2.45%
Vanguard FTSE UK All Share Index Unit Trust	GBP	249	45,784	8.61%
Vanguard US Equity Index Fund	GBP	125	52,238	9.82%
			355,076	66.77%
Total Investment funds			376,032	70.71%
Total financial assets at fair value through profit or loss			376,032	70.71%
Cash and cash equivalents and other net assets			155,798	29.29%
Net assets attributable to holders of redeemable participating shares			531,830	100.00%
¹ Compliant with UCITS regulations				
Analysis of total Net assets				% of total assets
Investment funds				41.42%
Other current assets				58.58%
				100.00%

Schedule of Investments (continued)

As at 31 December 2018

Guinness Asset Management Funds plc

Guinness Multi-Asset Growth Fund	Currency	Nominal Holdings	Fair Value GBP	% NAV
Financial assets at fair value through profit or loss				
Investment funds¹				
Ireland				
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	GBP	17,314	28,939	3.95%
			28,939	3.95%
United Kingdom				
Fidelity Investment Funds - Index Japan Fund	GBP	26,742	40,324	5.51%
Fidelity Investment Funds - Index Pacific ex Japan Fund	GBP	34,279	50,719	6.93%
Fidelity Investment Funds ICVC - Index UK Fund	GBP	60,390	73,338	10.02%
Fidelity Investment Funds ICVC - Index US Fund	GBP	56,226	108,561	14.84%
Fidelity Investment Funds - Index Emerging Markets Fund	GBP	4,850	6,999	0.96%
iShares Corporate Bond Index Fund UK	GBP	16,404	24,820	3.39%
iShares Global Property Securities Equity Index Fund UK ¹	GBP	7,557	14,894	2.04%
JPM Global Macro Opportunities Fund	GBP	2,712	4,000	0.55%
Jupiter Absolute Return Fund/United Kingdom	GBP	7,125	3,999	0.55%
Legal & General UK MID Cap Index Fund ¹	GBP	134,174	66,725	9.12%
Mellon Investments Funds ICVC - Newton Global Dynamic Bond Fund	GBP	22,934	25,011	3.42%
Vanguard FTSE UK All Share Index Unit Trust	GBP	394	72,658	9.93%
Vanguard US Equity Index Fund	GBP	218	91,414	12.49%
			583,462	79.75%
Total collective investment schemes			612,401	83.70%
Total financial assets at fair value through profit or loss			612,401	83.70%
Cash and cash equivalents and other net assets			119,353	16.30%
Net assets attributable to holders of redeemable participating shares			731,754	100.00%
¹ Compliant with UCITS regulations				
Analysis of total Net assets				% of total assets
Investment funds				45.57%
Other current assets				54.43%
				100.00%

Statement of significant portfolio movements (unaudited)

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Global Energy Fund

Purchases	Cost USD
Anadarko Petroleum Corp	11,495,020
Schlumberger Ltd	5,163,918
Newfield Exploration Co	4,642,262
Halliburton Co	4,380,433
OMV AG	4,257,989
Gazprom PJSC	3,637,947
Royal Dutch Shell PLC	3,147,226
Devon Energy Corp	2,958,694
Noble Energy Inc	2,890,613
Canadian Natural Resources Ltd	2,754,949
Enbridge Inc	2,624,919
Chevron Corp	2,593,296
BP PLC	2,442,216
Valero Energy Corp	2,384,905
TOTAL SA	2,350,619
Equinor ASA	1,951,936
Apache Corp	1,895,774
PetroChina Co Ltd	1,866,756
Imperial Oil Ltd	1,649,759
Occidental Petroleum Corp	1,643,450
Eni SpA	1,631,808
CNOOC Ltd	1,462,705
Oasis Petroleum Inc	1,172,551
Suncor Energy Inc	1,162,318

Sales	Proceeds USD
Hess Corp	13,614,947
Gazprom PJSC	4,817,861
Equinor ASA	3,712,907
CNOOC Ltd	3,382,745
Royal Dutch Shell PLC	3,104,844
TOTAL SA	3,014,223
Chevron Corp	2,834,306
Noble Energy Inc	2,753,132
ConocoPhillips	2,737,867
JA Solar Holdings Co Ltd	2,695,931
BP PLC	2,618,241
Eni SpA	2,451,488
Valero Energy Corp	2,282,923
OMV AG	2,211,968
PetroChina Co Ltd	2,113,576
Schlumberger Ltd	2,112,244
Enbridge Inc	1,926,755
Tullow Oil PLC	1,893,452
Halliburton Co	1,810,865
Oasis Petroleum Inc	1,721,966
Imperial Oil Ltd	1,636,481
Helix Energy Solutions Group Inc	1,615,729
Occidental Petroleum Corp	1,331,156
Newfield Exploration Co	1,326,322
Unit Corp	1,184,861
Devon Energy Corp	1,180,057
Apache Corp	1,098,363
QEP Resources Inc	1,062,803
Sino Gas & Energy Holdings Ltd	953,334
Suncor Energy Inc	897,532

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Alternative Energy Fund

Purchases	Cost USD
Daqo New Energy Corp	645,343
Acuity Brands Inc	579,799
Vestas Wind Systems A/S	571,323
Albioma SA	468,160
JinkoSolar Holding Co Ltd	401,622
Cosan SA	268,847
Xinyi Solar Holdings Ltd	247,740
Prysmian SpA	228,832
First Solar Inc	223,285
LG Chem Ltd	208,898
Ormat Technologies Inc	205,525
Johnson Controls International plc	190,324
China Datang Corp Renewable Power Co Ltd	184,965
SunPower Corp	181,152
Ricardo PLC	174,513
Canadian Solar Inc	157,167
China Singyes Solar Technologies Holdings Ltd	152,081
Schneider Electric SE	148,035
Huaneng Renewables Corp Ltd	137,563
Sensata Technologies Holding PLC	129,415
Nibe Industrier AB	127,125
Concord New Energy Group Ltd	121,189
Kingspan Group PLC	101,606
China Suntien Green Energy Corp Ltd	89,519
Wasion Holdings Ltd	83,263

Sales	Proceeds USD
Tianneng Power International Ltd	618,520
Senvion SA	410,134
Boralex Inc	381,064
JA Solar Holdings Co Ltd	378,388
Mytrah Energy Ltd	238,579
China Datang Corp Renewable Power Co Ltd	210,333
Acuity Brands Inc	189,295
Nibe Industrier AB	132,697
TPI Composites Inc	116,158
Johnson Controls International plc	105,463
Kingspan Group PLC	90,291
Vestas Wind Systems A/S	78,252
Ormat Technologies Inc	76,811
Ricardo PLC	74,888
Prysmian SpA	71,018
Daqo New Energy Corp	65,466
Sensata Technologies Holding PLC	46,713
China Suntien Green Energy Corp Ltd	42,996
Cosan SA	42,437
Xinyi Solar Holdings Ltd	41,419

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Global Money Managers Fund

Purchases	Cost USD
Coronation Fund Managers Ltd	87,636
Invesco Ltd	64,169
Jupiter Fund Management PLC	63,310
Rathbone Brothers PLC	61,285
Affiliated Managers Group Inc	60,789
GAM Holding AG	52,938
Azimut Holding SpA	50,222
Banca Generali SpA	49,926
Value Partners Group Ltd	36,175
Sales	Proceeds USD
KKR & Co Inc	151,278
Nasdaq Inc	114,238
Coronation Fund Managers Ltd	101,804
Rathbone Brothers PLC	86,342
T Rowe Price Group Inc	84,818
Polar Capital Holdings PLC	84,676
AllianceBernstein Holding LP	75,619
Liontrust Asset Management PLC	70,859
Azimut Holding SpA	59,928
Vontobel Holding AG	58,127
BlackRock Inc	54,433
Blackstone Group LP/The	54,187
Raymond James Financial Inc	48,210

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all purchases and sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Global Equity Income Fund

	Cost USD
Purchases	
Taiwan Semiconductor Manufacturing Co Ltd	19,560,939
Nestle SA	19,218,588
Paychex Inc	18,988,121
Broadcom Inc	18,172,699
British American Tobacco PLC	17,857,627
WPP PLC	13,219,056
Imperial Brands PLC	11,937,952
Japan Tobacco Inc	11,557,559
Vodacom Group Ltd	11,280,422
BAE Systems PLC	10,740,088
Randstad NV	10,629,245
Hengan International Group Co Ltd	10,044,752
AbbVie Inc	9,761,838
Sonic Healthcare Ltd	8,590,324
Schneider Electric SE	8,521,694
Danone SA	8,109,603
Royal Dutch Shell PLC	8,063,375
Novo Nordisk A/S	8,049,681
United Technologies Corp	7,960,915
Illinois Tool Works Inc	7,661,168
Unilever PLC	7,624,074
Roche Holding AG	7,392,718
Eaton Corp PLC	6,881,488
Reckitt Benckiser Group PLC	6,769,015
Procter & Gamble Co/The	6,350,374
ANTA Sports Products Ltd	6,184,223
Johnson & Johnson	5,839,527
Aflac Inc	5,786,538
VF Corp	5,412,602
Deutsche Boerse AG	5,379,663
Merck & Co Inc	4,559,030
Cisco Systems Inc	4,183,872
Microsoft Corp	4,093,776
Arthur J Gallagher & Co	3,540,190
CME Group Inc	3,421,525
	Proceeds USD
Sales	
NEX Group Ltd	19,875,474
CA Inc	17,503,226
Walmart Inc	15,448,270
General Dynamics Corp	13,061,169
British American Tobacco PLC	6,236,046
CME Group Inc	4,482,783
Vodacom Group Ltd	4,152,317
Japan Tobacco Inc	3,114,890
Microsoft Corp	3,023,979
Royal Dutch Shell PLC	2,664,784
AbbVie Inc	2,281,288
ANTA Sports Products Ltd	2,172,124
Hengan International Group Co Ltd	2,086,940
Cisco Systems Inc	1,998,560

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Asian Equity Income Fund

	Cost USD
Purchases	
Corporate Travel Management Ltd	4,516,915
Janus Henderson Group PLC	3,789,454
Public Bank Bhd	3,569,764
AAC Technologies Holdings Inc	3,566,811
China Lilang Ltd	3,322,064
Elite Material Co Ltd	2,835,376
Li & Fung Ltd	2,820,594
Largan Precision Co Ltd	2,675,433
Luk Fook Holdings International Ltd	2,578,041
St Shine Optical Co Ltd	2,574,949
Yangzijiang Shipbuilding Holdings Ltd	2,501,598
Hon Hai Precision Industry Co Ltd	2,237,803
Hanon Systems	1,726,406
QUALCOMM Inc	1,700,866
China Minsheng Banking Corp Ltd	1,684,915
Pacific Textiles Holdings Ltd	1,663,949
Catcher Technology Co Ltd	1,656,629
Janus Henderson Group PLC	1,655,856
Delta Electronics Thailand PCL	1,608,013
BOC Hong Kong Holdings Ltd	1,532,946
KT&G Corp	1,455,319
Tisco Financial Group PCL	1,283,968
China Mobile Ltd	1,282,587
Link REIT	1,242,317
Industrial & Commercial Bank of China Ltd	1,180,618
Asustek Computer Inc	1,135,254
JB Hi-Fi Ltd	1,087,323
CapitaLand Mall Trust	1,030,324
Ascendas Real Estate Investment Trust	1,020,517
LPN Development PCL	988,439
Aflac Inc	885,118
China Merchants Bank Co Ltd	866,603
China Construction Bank Corp	846,266
DBS Group Holdings Ltd	822,625
Sonic Healthcare Ltd	743,598
Taiwan Semiconductor Manufacturing Co Ltd	708,885
	Proceeds USD
Janus Henderson Group PLC	3,789,454
LPN Development PCL	2,945,411
China Lilang Ltd	2,833,695
Relo Group Inc	2,785,281
Largan Precision Co Ltd	1,640,581
Yangzijiang Shipbuilding Holdings Ltd	1,372,580
Elite Material Co Ltd	1,178,491
Luk Fook Holdings International Ltd	1,095,270
Pacific Textiles Holdings Ltd	1,050,534
Hanon Systems	767,807
QUALCOMM Inc	634,617
China Minsheng Banking Corp Ltd	607,765
Corporate Travel Management Ltd	595,867
Link REIT	453,031
China Mobile Ltd	388,613
Sonic Healthcare Ltd	300,387
Delta Electronics Thailand PCL	293,909
Catcher Technology Co Ltd	288,339
St Shine Optical Co Ltd	281,055
China Lilang Ltd	277,621

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness European Equity Income Fund

	Cost USD
Purchases	
Hennes & Mauritz AB	321,883
Continental AG	208,970
Euronext NV	206,994
Inficon Holding AG	206,741
Atlas Copco AB	185,463
Amundi SA	184,663
Kering SA	184,423
Sanofi	181,474
Freenet AG	177,099
Deutsche Post AG	175,551
Salmar ASA	164,641
Adecco Group AG	147,472
JM AB	147,202
Danone SA	137,189
Novo Nordisk A/S	135,532
Mapfre SA	130,516
ABB Ltd	129,790
Heineken NV	122,347
Konecranes OYJ	118,033
Siemens AG	117,886
Schneider Electric SE	113,490
Unilever NV	101,666
Roche Holding AG	91,066
Novartis AG	89,204
Axfood AB	80,060
Nestle SA	79,624
Azimut Holding SpA	68,890
Publicis Groupe SA	65,079
Metropole Television SA	64,699
Hugo Boss AG	50,907
	Proceeds USD
Salmar ASA	1,106,925
Hugo Boss AG	751,857
Hennes & Mauritz AB	740,618
JM AB	722,074
Tecnicas Reunidas SA	700,664
Axfood AB	698,065
Freenet AG	676,972
Deutsche Boerse AG	649,315
Heineken NV	630,084
Schneider Electric SE	604,553
Deutsche Post AG	590,615
Azimut Holding SpA	588,296
Mapfre SA	586,559
Sanofi	582,119
Danone SA	581,756
Helvetia Holding AG	573,273
Publicis Groupe SA	567,906
Tieto OYJ	566,113
Siemens AG	554,130
ANDRITZ AG	552,210
Metropole Television SA	551,438
Unilever NV	550,375
ABB Ltd	541,317
Modern Times Group MTG AB	532,622
Konecranes OYJ	529,973
Novo Nordisk A/S	528,751
Novartis AG	526,995
Adecco Group AG	508,192
Roche Holding AG	492,851
Nestle SA	490,517

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Global Innovators Fund

Purchases	Cost USD
Lam Research Corp	7,912,785
Baidu Inc	7,714,465
KLA-Tencor Corp	7,393,858
ABB Ltd	7,168,127
Tencent Holdings Ltd	7,148,399
AAC Technologies Holdings Inc	6,603,839
Continental AG	4,650,348
New Oriental Education & Technology Group Inc	3,715,425
Applied Materials Inc	3,304,214
FANUC Corp	2,905,038
NVIDIA Corp	2,697,041
Catcher Technology Co Ltd	2,487,964
Comcast Corp	2,324,295
Siemens AG	2,289,689
Samsung Electronics Co Ltd	2,200,878
Infineon Technologies AG	2,145,256
Eaton Corp PLC	2,049,169
Facebook Inc	2,044,845
Check Point Software Technologies Ltd	1,792,453
Schneider Electric SE	1,719,108
SAP SE	1,346,566
Shire PLC	1,334,963
Danaher Corp	1,306,523
Roper Technologies Inc	1,275,287
ANTA Sports Products Ltd	1,241,090
Alphabet Inc	1,214,750
Intercontinental Exchange Inc	1,128,797
Cognizant Technology Solutions Corp	1,061,054
Sales	Proceeds USD
Shire PLC	7,583,868
Boeing Co/The	7,399,928
Intel Corp	5,161,313
WisdomTree Investments Inc	3,560,144
VeriFone Systems Inc	3,168,821
Comcast Corp	2,413,861
ANTA Sports Products Ltd	2,173,181
Check Point Software Technologies Ltd	2,085,331
Danaher Corp	1,875,397
Cisco Systems Inc	1,867,120
Intercontinental Exchange Inc	1,851,933
PayPal Holdings Inc	1,784,481
Roper Technologies Inc	1,715,107
Tencent Holdings Ltd	1,714,974
Eaton Corp PLC	1,683,196
NIKE Inc	1,645,475
NVIDIA Corp	1,627,176
Alphabet Inc	1,204,558
Siemens AG	1,055,743
Facebook Inc	892,815
New Oriental Education & Technology Group Inc	878,757
KLA-Tencor Corp	868,789
ABB Ltd	804,800
SAP SE	688,512
Continental AG	652,096
Cognizant Technology Solutions Corp	641,741

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Best of China Fund

	Cost USD
Purchases	
Tongda Group Holdings Ltd	165,934
Li & Fung Ltd	156,607
AAC Technologies Holdings Inc	152,917
Autohome Inc	139,432
Noah Holdings Ltd	125,413
Baidu Inc	121,599
Hollysys Automation Technologies Ltd	121,059
Yangzijiang Shipbuilding Holdings Ltd	118,642
China Medical System Holdings Ltd	113,609
NetEase Inc	112,585
China Lilang Ltd	110,061
Haitian International Holdings Ltd	109,420
Geely Automobile Holdings Ltd	105,553
St Shine Optical Co Ltd	104,018
VTech Holdings Ltd	103,486
Tencent Holdings Ltd	101,322
New Oriental Education & Technology Group Inc	97,724
Elite Material Co Ltd	95,051
Luk Fook Holdings International Ltd	92,717
QUALCOMM Inc	92,325
Ping An Insurance Group Co of China Ltd	86,703
Pacific Textiles Holdings Ltd	86,606
BOC Hong Kong Holdings Ltd	85,069
China Merchants Bank Co Ltd	82,439
Sino Biopharmaceutical Ltd	82,019
China Lesso Group Holdings Ltd	79,235
Taiwan Semiconductor Manufacturing Co Ltd	78,472
Anhui Conch Cement Co Ltd	75,669
Haier Electronics Group Co Ltd	73,561
Catcher Technology Co Ltd	73,381
China Construction Bank Corp	70,659
China Overseas Land & Investment Ltd	69,490
Novatek Microelectronics Corp	59,641
PICC Property & Casualty Co Ltd	50,913
Lenovo Group Ltd	49,620
Hon Hai Precision Industry Co Ltd	43,156
	Proceeds USD
Sales	
PICC Property & Casualty Co Ltd	97,307
Lenovo Group Ltd	92,446
Hon Hai Precision Industry Co Ltd	87,628
China Lilang Ltd	80,308
Yangzijiang Shipbuilding Holdings Ltd	58,914
Hollysys Automation Technologies Ltd	44,992
Tongda Group Holdings Ltd	43,581
Anhui Conch Cement Co Ltd	34,172
Pacific Textiles Holdings Ltd	30,489
QUALCOMM Inc	29,871
NetEase Inc	26,002
VTech Holdings Ltd	25,718
Taiwan Semiconductor Manufacturing Co Ltd	24,135
Ping An Insurance Group Co of China Ltd	23,896
Sino Biopharmaceutical Ltd	23,185
China Merchants Bank Co Ltd	22,921
Novatek Microelectronics Corp	22,062
Haitian International Holdings Ltd	21,746
Tongda Hong Tai Holdings Ltd	1,737

*Total value of disposal is less than 1 per cent of the total value of sales for the financial year; however the Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed. Due to trading volumes the above details all sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Emerging Markets Equity Income Fund

	Cost USD
Purchases	
China Medical System Holdings Ltd	71,721
AAC Technologies Holdings Inc	70,202
Indiabulls Housing Finance Ltd	67,507
Catcher Technology Co Ltd	66,194
Hon Hai Precision Industry Co Ltd	61,029
British American Tobacco PLC	60,573
China Lilang Ltd	59,746
Grape King Bio Ltd	56,237
China Minsheng Banking Corp Ltd	55,840
St Shine Optical Co Ltd	54,683
Elite Material Co Ltd	54,364
Taiwan Semiconductor Manufacturing Co Ltd	53,524
Novatek Microelectronics Corp	50,628
QUALCOMM Inc	49,302
Bajaj Auto Ltd	48,385
Banco Davivienda SA	47,841
KT&G Corp	47,638
Infosys Ltd	47,594
China Construction Bank Corp	47,422
Hanon Systems	46,623
SPAR Group Ltd/The	46,330
Tata Consultancy Services Ltd	46,073
Coca-Cola Femsa SAB de CV	45,735
JUMBO SA	45,570
Unilever PLC	45,245
Broadcom Inc	43,836
NetEase Inc	43,703
B3 SA - Brasil Bolsa Balcao	43,583
Tisco Financial Group PCL	43,350
Truworths International Ltd	43,303
JSE Ltd	43,006
Haitian International Holdings Ltd	42,094
Ping An Insurance Group Co of China Ltd	41,844
Credicorp Ltd	41,477
Shenzhou International Group Holdings Ltd	39,507
Porto Seguro SA	39,141
	Proceeds USD
Sales	
B3 SA - Brasil Bolsa Balcao	14,424
Hollysys Automation Technologies Ltd	8,297
China Lilang Ltd	7,930
Grape King Bio Ltd	7,855
Taiwan Semiconductor Manufacturing Co Ltd	7,688
JSE Ltd	7,432
China Lilang Ltd	6,739
AAC Technologies Holdings Inc	6,592
Broadcom Inc	5,268
Ping An Insurance Group Co of China Ltd	5,017
Novatek Microelectronics Corp	4,914
Banco Davivienda SA	4,804
China Medical System Holdings Ltd	4,673
Infosys Ltd	4,496
Elite Material Co Ltd	4,406
Truworths International Ltd	4,297
QUALCOMM Inc	4,187
China Construction Bank Corp	4,181
Hon Hai Precision Industry Co Ltd	3,920
Bajaj Auto Ltd	3,864
Tata Consultancy Services Ltd	3,861
China Minsheng Banking Corp Ltd	3,844
Shenzhou International Group Holdings Ltd	3,690
Hanon Systems	3,641
KT&G Corp	3,633
Catcher Technology Co Ltd	3,575
Indiabulls Housing Finance Ltd	3,557
Tisco Financial Group PCL	3,510
British American Tobacco PLC	3,442
Coca-Cola Femsa SAB de CV	3,433
Unilever PLC	3,293
JUMBO SA	2,894
St Shine Optical Co Ltd	2,774
SPAR Group Ltd/The	2,654

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Emerging Markets Equity Income Fund (continued)

	Proceeds USD
Sales	
Haitian International Holdings Ltd	2,640
NetEase Inc	2,396
Credicorp Ltd	2,311
Porto Seguro SA	2,191

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness Global Equity Fund

	Cost USD
Purchases	
Cognex Corp	12,161
Sabre Corp	11,087
Inficon Holding AG	10,250
Hain Celestial Group Inc/The	9,309
Deluxe Corp	8,042
MEDNAX Inc	8,013
Affiliated Managers Group Inc	7,318
Janus Henderson Group PLC	7,153
Cardinal Health Inc	7,151
JM Smucker Co/The	6,549
JB Hi-Fi Ltd	6,465
LKQ Corp	6,312
Publicis Groupe SA	6,303
AAC Technologies Holdings Inc	6,113
Randstad NV	6,007
Carlisle Cos Inc	5,926
Sodexo SA	5,635
Innospec Inc	5,607
William Demant Holding A/S	5,575
Hexagon AB	5,399
Sonova Holding AG	5,359
VF Corp	5,240
Amdocs Ltd	5,195
Sonic Healthcare Ltd	5,100
FUCHS PETROLUB SE	5,096
Stanley Black & Decker Inc	5,055
Securitas AB	5,019
Deutsche Boerse AG	5,002
Axfood AB	4,716
Kerry Group PLC	4,622
IHS Markit Ltd	4,557
F5 Networks Inc	4,489
Genpact Ltd	4,402
Citrix Systems Inc	4,263
Ingersoll-Rand PLC	4,069
Check Point Software Technologies Ltd	3,974
Varian Medical Systems Inc	3,697
Euronet Worldwide Inc	3,397
FMC Corp	3,359
Arthur J Gallagher & Co	3,134
	Proceeds USD
Sales	
Freenet AG	6,051
William Demant Holding A/S	5,542
Envision Healthcare Corp	3,584
Sonova Holding AG	2,425
VF Corp	2,235
Deutsche Boerse AG	2,175
Hexagon AB	2,092
Kerry Group PLC	1,999
IHS Markit Ltd	1,639
Aryzta AG	1,107

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

Guinness US Equity Fund

	Cost USD
Purchases	
Booking Holdings Inc	7,155
Broadcom Inc	7,130
Microsoft Corp	6,961
Paychex Inc	6,629
Activision Blizzard Inc	6,590
Visa Inc	6,569
JM Smucker Co/The	2,047
LKQ Corp	1,997
Carlisle Cos Inc	1,908
CVS Health Corp	1,764
Mondelez International Inc	1,565
Apple Inc	1,412
Stanley Black & Decker Inc	1,302
Amdocs Ltd	925
Biogen Inc	903
	Proceeds USD
Sales	
CA Inc	7,816
T Rowe Price Group Inc	6,545
Cardinal Health Inc	4,018
Apple Inc	3,819
Affiliated Managers Group Inc	3,732
Hain Celestial Group Inc/The	3,693
Anthem Inc	3,688
Invesco Ltd	2,996
Thermo Fisher Scientific Inc	2,511
Cigna Holding Co	2,068
VF Corp	1,702
Cisco Systems Inc	1,534
IHS Markit Ltd	1,512
Arthur J Gallagher & Co	1,476
Broadcom Inc	1,451
NIKE Inc	1,371
Resideo Technologies Inc*	172
Garrett Motion Inc*	74

*Total value of disposal is less than 1 per cent of the total value of sales for the financial year; however the Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed. Due to trading volumes the above details all purchases and sales during the financial year

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales for the year.

Guinness Best of Asia Fund

	Cost USD
Purchases	
Li & Fung Ltd	5,483
AAC Technologies Holdings Inc	4,917
Venture Corp Ltd	4,059
China Medical System Holdings Ltd	3,849
Geely Automobile Holdings Ltd	3,551
St Shine Optical Co Ltd	2,900
NetEase Inc	2,739
Indiabulls Housing Finance Ltd	2,727
Broadcom PTE Ltd	2,569
Elite Material Co Ltd	2,562
Largan Precision Co Ltd	2,413
Link Administration Holdings Ltd	2,340
Corporate Travel Management Ltd	2,331
Applied Materials Inc	2,261
Haier Electronics Group Co Ltd	2,251
Bajaj Auto Ltd	2,205
Hanon Systems	2,162
Yangzijiang Shipbuilding Holdings Ltd	2,102
Haitian International Holdings Ltd	2,001
Dali Foods Group Co Ltd	1,261
	Proceeds USD
Sales	
Venture Corp Ltd	4,358
Tata Consultancy Services Ltd	3,351
Corporate Travel Management Ltd	2,728
Autohome Inc	2,516
DBS Group Holdings Ltd	2,254

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all of the sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales for the year.

Guinness Multi-Asset Balanced Fund

	Cost GBP
Purchases	
Fidelity Investment Funds ICVC - Index US Fund	59,000
Vanguard US Equity Index Fund	52,000
Fidelity Investment Funds ICVC - Index UK Fund	49,000
Vanguard FTSE UK All Share Index Unit Trust	46,000
Fidelity Investment Funds - Index Pacific ex Japan Fund	28,000
Fidelity Investment Funds - Index Japan Fund	23,000
Legal & General UK MID Cap Index Fund	23,000
iShares Corporate Bond Index Fund UK	21,000
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	21,000
Jupiter Absolute Return Fund/United Kingdom	13,000
Mellon Investments Funds ICVC - Newton Global Dynamic Bond Fund	13,000
iShares Global Property Securities Equity Index Fund UK	10,000
Janus Henderson UK Absolute Return Fund	8,000
JPM Global Macro Opportunities Fund	5,000
Fidelity Investment Funds - Index Emerging Markets Fund	5,000

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all of the purchases during the financial year.

There were no sales during the financial year.

Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2018

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales for the year.

Guinness Multi-Asset Growth Fund

	Cost GBP
Purchases	
Fidelity Investment Funds ICVC - Index US Fund	109,000
Vanguard US Equity Index Fund	91,000
Vanguard FTSE UK All Share Index Unit Trust	73,000
Fidelity Investment Funds ICVC - Index UK Fund	73,000
Legal & General UK MID Cap Index Fund	66,000
Fidelity Investment Funds - Index Pacific ex Japan Fund	51,000
Fidelity Investment Funds - Index Japan Fund	40,000
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	29,000
iShares Corporate Bond Index Fund UK	25,000
Mellon Investments Funds ICVC - Newton Global Dynamic Bond Fund	25,000
iShares Global Property Securities Equity Index Fund UK	15,000
Fidelity Investment Funds - Index Emerging Markets Fund	7,000
JPM Global Macro Opportunities Fund*	4,000
Jupiter Absolute Return Fund/United Kingdom*	4,000

Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed. Due to trading volumes the above details all purchases during the financial year. There were no sales during the financial year

Appendix 1 – Fund performance and Total Expense Ratio (unaudited)

Class	Currency	Launch date	Price 31 December 2018	Performance to period ended 31 December 2018	Performance cumulative since launch	Total expense ratio (TER) annualised
Guinness Global Energy Fund						
Class A	USD	28.03.08	\$6.5059	-19.91%	-34.15%	1.49%
Class B	USD	28.03.08	\$6.2387	-20.31%	-37.56%	1.99%
Class C	GBP	02.09.08	£9.0174	-15.36%	-9.83%	1.99%
Class C EUR accumulation	EUR	29.11.13	€6.8891	-16.30%	-31.11%	1.99%
Class D	EUR	02.09.08	€8.5993	-15.88%	-13.92%	1.49%
Class E	USD	02.09.08	\$6.9346	-19.71%	-30.54%	1.24%
Class X	GBP	15.02.12	£8.4664	-14.72%	-15.34%	1.24%
Class X USD distribution	USD	29.11.13	\$7.6661	n/a	-23.34%	1.24%
Class X EUR accumulation	EUR	25.05.18	€5.7769	-19.71%	-39.90%	1.24%
Guinness Alternative Energy Fund						
Class A	USD	19.12.07	\$2.2355	-15.69%	-77.65%	1.49%
Class B	USD	19.12.07	\$2.1153	-16.12%	-78.85%	1.99%
Class C	GBP	02.09.08	£3.8342	-10.91%	-61.66%	1.99%
Class C EUR accumulation	EUR	29.11.13	€7.5019	-11.89%	-24.98%	1.99%
Class D	EUR	02.09.08	€3.6570	-11.43%	-63.43%	1.49%
Class E	USD	02.09.08	\$2.9585	-15.48%	-70.42%	1.24%
Class X	GBP	15.02.12	£11.0455	-10.23%	10.46%	1.24%
Class Z GBP accumulation	GBP	16.02.18	£9.2616	n/a	-7.38%	0.74%
Class Z EUR accumulation	EUR	16.02.18	€9.3801	n/a	-6.20%	0.74%
Class Z USD accumulation	USD	16.02.18	\$8.5087	n/a	-14.91%	0.74%
Guinness Global Money Managers Fund						
Class A	USD	31.12.10	\$14.0681	-27.37%	40.68%	1.49%
Class B	USD	31.12.10	\$13.3782	-27.74%	33.78%	1.99%
Class C	GBP	31.12.10	£16.5030	-23.25%	65.03%	1.99%
Class C EUR accumulation	EUR	29.11.13	€10.3078	-24.09%	3.08%	1.99%
Class D	EUR	31.12.10	€16.3974	-23.71%	63.97%	1.49%
Class E	USD	31.12.10	\$14.2585	-27.19%	42.59%	1.24%
Class X	GBP	15.02.12	£19.0275	-22.67%	90.28%	1.24%
Guinness Global Equity Income Fund						
Class A	USD	31.12.10	\$13.4316	-5.63%	70.41%	1.48%
Class B	USD	31.12.10	\$12.9239	-6.11%	64.09%	1.98%
Class C	GBP	31.12.10	£15.8799	-0.27%	101.38%	1.98%
Class C EUR accumulation	EUR	29.11.13	€14.0131	-1.37%	40.13%	1.98%
Class C EUR distribution	EUR	20.01.17	€9.8687	-1.37%	3.03%	1.98%
Class C GBP accumulation	GBP	11.03.15	£13.3093	-0.27%	33.09%	1.98%
Class C USD accumulation	USD	11.03.15	\$11.3431	-6.11%	13.43%	1.98%
Class D	EUR	31.12.10	€15.7923	-0.87%	100.01%	1.48%
Class D EUR accumulation	EUR	20.01.17	€10.4017	-0.89%	4.02%	1.48%
Class E	USD	31.12.10	\$13.7144	-5.39%	73.93%	1.23%
Class O EUR accumulation	EUR	15.05.18	€9.6884	n/a	-3.12%	1.23%
Class O GBP accumulation	GBP	15.05.18	£9.8932	n/a	-1.07%	1.23%
Class O USD accumulation	USD	15.05.18	\$9.3401	n/a	-6.60%	1.23%
Class X GBP distribution	GBP	15.02.12	£16.5847	0.48%	102.05%	1.23%
Class Y EUR accumulation	EUR	11.03.15	€10.9176	-0.38%	9.18%	0.98%
Class Y EUR distribution	EUR	11.03.15	€9.8691	-0.38%	9.22%	0.98%
Class Y GBP accumulation	GBP	11.03.15	£13.8263	0.73%	38.26%	0.98%
Class Y GBP distribution	GBP	11.03.15	£12.5134	0.74%	38.27%	0.98%
Class Y USD accumulation	USD	11.03.15	\$11.7849	-5.16%	17.85%	0.98%
Class Y USD distribution	USD	11.03.15	\$10.6508	-5.16%	18.84%	0.98%
Class X EUR distribution	EUR	05.03.18	€10.0852	n/a	1.28%	1.23%
Class Z GBP distribution	GBP	30.12.11	£17.6456	0.99%	115.58%	0.73%
Guinness Asian Equity Income Fund						
Class C EUR accumulation	EUR	19.12.13	€15.2954	-12.13%	52.95%	1.99%
Class C GBP accumulation	GBP	11.03.15	£13.4924	-11.15%	34.92%	1.99%
Class C USD accumulation	USD	11.03.15	\$11.4969	-16.36%	14.97%	1.99%
Class X EUR accumulation	EUR	19.12.13	€15.8984	-11.47%	58.98%	1.24%
Class X EUR distribution	EUR	19.12.13	€13.2523	-11.47%	58.94%	1.24%
Class X GBP accumulation	GBP	19.12.13	£17.0797	-10.48%	70.80%	1.24%
Class X GBP distribution	GBP	19.12.13	£14.2460	-10.48%	70.79%	1.24%
Class X USD accumulation	USD	19.12.13	\$13.2928	-15.72%	32.93%	1.24%
Class X USD distribution	USD	19.12.13	\$11.0548	-15.71%	33.02%	1.24%
Class Y EUR accumulation	EUR	08.05.17	€9.5941	-11.25%	-4.86%	0.99%
Class Y EUR distribution	EUR	08.05.17	€9.1650	-11.33%	-4.96%	0.99%
Class Y GBP accumulation	GBP	08.05.17	£10.1937	-10.25%	1.53%	0.99%
Class Y GBP distribution	GBP	08.05.17	£9.7563	-10.26%	1.61%	0.99%
Class Y USD accumulation	USD	08.05.17	\$10.0384	-15.51%	-0.08%	0.99%
Class Y USD distribution	USD	08.05.17	\$9.5922	-15.58%	-0.16%	0.99%
Class Z GBP distribution	GBP	19.12.13	£14.6101	-10.03%	75.12%	0.74%

Appendix 1 – Fund performance and Total Expense Ratio (unaudited) (continued)

Class	Currency	Launch date	Price 31 December 2018	Performance to period ended 31 December 2018	Performance cumulative since launch	Total expense ratio (TER) annualised
Guinness European Equity Income Fund						
Class C EUR accumulation	EUR	19.12.13	€11.8609	-10.63%	18.61%	1.99%
Class C GBP accumulation	GBP	11.03.15	£12.3043	-9.64%	23.04%	1.99%
Class C USD accumulation	USD	11.03.15	\$10.5047	-14.92%	5.05%	1.99%
Class X EUR accumulation	EUR	19.12.13	€12.3328	-9.95%	23.33%	1.24%
Class X EUR distribution	EUR	19.12.13	€10.6477	-9.95%	23.32%	1.24%
Class X GBP accumulation	GBP	19.12.13	£13.2825	-8.95%	32.83%	1.24%
Class X GBP distribution	GBP	19.12.13	£11.4789	-8.96%	32.82%	1.24%
Class X USD accumulation	USD	19.12.13	\$10.3567	-14.27%	3.57%	1.24%
Class X USD distribution	USD	19.12.13	\$8.9339	-14.27%	3.56%	1.24%
Class Y EUR accumulation	EUR	15.01.18	€8.7862	-12.14%	-12.14%	0.99%
Class Y EUR distribution	EUR	15.01.18	€8.5290	-12.09%	-12.09%	0.99%
Class Y GBP accumulation	GBP	15.01.18	£8.8722	-11.28%	-11.28%	0.99%
Class Y GBP distribution	GBP	15.01.18	£8.6071	-11.30%	-11.30%	0.99%
Class Y USD accumulation	USD	15.01.18	\$8.1977	-18.02%	-18.02%	0.99%
Class Y USD distribution	USD	15.01.18	\$7.9439	-18.02%	-18.02%	0.99%
Class Z GBP distribution	GBP	19.12.13	£11.7666	-8.49%	36.13%	0.74%
Guinness Global Innovators Fund						
Class C EUR accumulation	EUR	31.10.14	€12.0091	-13.72%	20.09%	1.99%
Class C GBP accumulation	GBP	31.10.14	£13.7641	-12.76%	37.64%	1.99%
Class C USD accumulation	USD	31.10.14	\$10.9575	-17.86%	9.58%	1.99%
Class O EUR accumulation	EUR	15.05.18	€8.3252	n/a	-16.75%	1.24%
Class O GBP accumulation	GBP	15.05.18	£8.5007	n/a	-14.99%	1.24%
Class O USD accumulation	USD	15.05.18	\$8.0256	n/a	-19.74%	1.24%
Class X EUR accumulation	EUR	31.10.14	€12.3849	-13.06%	23.85%	1.24%
Class X GBP accumulation	GBP	31.10.14	£14.2013	-12.10%	42.01%	1.24%
Class X USD accumulation	USD	31.10.14	\$11.3059	-17.24%	13.06%	1.24%
Class Y EUR accumulation	EUR	31.10.14	€12.5061	-12.85%	25.06%	0.99%
Class Y GBP accumulation	GBP	31.10.14	£14.3496	-11.88%	43.50%	0.99%
Class Y USD accumulation	USD	31.10.14	\$11.4545	-17.03%	14.55%	0.99%
Class Z EUR accumulation	EUR	31.10.14	€12.6459	-12.62%	26.46%	0.74%
Class Z GBP accumulation	GBP	31.10.14	£14.4999	-11.65%	45.00%	0.74%
Class Z USD accumulation	USD	31.10.14	\$11.5430	-16.82%	15.43%	0.74%
Guinness Best of China Fund						
Class C EUR accumulation	EUR	15.12.15	€10.8271	-22.13%	8.27%	1.99%
Class C GBP accumulation	GBP	15.12.15	£13.4009	-21.26%	34.01%	1.99%
Class C USD accumulation	USD	15.12.15	\$11.3492	-25.87%	13.49%	1.99%
Class X EUR accumulation	EUR	15.12.15	€11.0918	-21.53%	10.92%	1.24%
Class X GBP accumulation	GBP	15.12.15	£13.7141	-20.66%	37.14%	1.24%
Class X USD accumulation	USD	15.12.15	\$11.5883	-26.78%	15.88%	1.24%
Class Z GBP accumulation	GBP	15.12.15	£13.9208	-20.26%	39.21%	0.74%
Guinness Emerging Markets Equity Income Fund						
Class C USD accumulation	USD	23.12.16	\$11.6246	-15.87%	16.25%	1.99%
Class Y EUR accumulation	EUR	23.12.16	€10.7995	-10.83%	8.00%	0.99%
Class Y EUR distribution	EUR	23.12.16	€10.3754	-10.82%	8.00%	0.99%
Class Y GBP accumulation	GBP	23.12.16	£11.3625	-9.80%	13.63%	0.99%
Class Y GBP distribution	GBP	23.12.16	£10.9231	-9.78%	13.68%	0.99%
Class Y USD accumulation	USD	23.12.16	\$11.0133	-9.50%	14.62%	0.99%
Class Y USD distribution	USD	23.12.16	\$11.6246	-15.87%	16.25%	0.99%
Class Z GBP distribution	GBP	23.12.16	£10.7995	-10.83%	8.00%	0.74%
Guinness Global Equity Fund						
Class C EUR accumulation	EUR	21.12.16	€8.9372	-14.25%	-10.63%	1.99%
Class C GBP accumulation	GBP	21.12.16	£9.4888	-13.38%	-5.11%	1.99%
Class C USD accumulation	USD	21.12.16	\$9.7662	-18.47%	-2.34%	1.99%
Class X EUR accumulation	EUR	21.12.16	€9.0499	-13.73%	-9.50%	1.24%
Class X GBP accumulation	GBP	21.12.16	£9.6362	-12.73%	-3.64%	1.24%
Class X USD accumulation	USD	21.12.16	\$9.1354	-13.32%	-8.65%	1.24%
Class Z EUR accumulation	EUR	21.12.16	€9.7312	-12.30%	-2.69%	0.74%
Class Z GBP accumulation	GBP	21.12.16	£10.0205	-17.42%	0.21%	0.74%
Class Z USD accumulation	USD	21.12.16	\$9.4888	-13.38%	-5.11%	0.74%

Appendix 1 – Fund performance and Total Expense Ratio (unaudited) (continued)

Class	Currency	Launch date	Price 31 December 2018	Performance to period ended 31 December 2018	Performance cumulative since launch	Total expense ratio (TER) annualised
Guinness US Equity Fund						
Class C GBP accumulation	GBP	21.12.16	£10.119	-3.11%	1.19%	1.99%
Class C EUR accumulation	EUR	21.12.16	€10.7986	-1.86%	7.99%	1.99%
Class C USD accumulation	USD	21.12.16	\$11.089	-7.81%	10.89%	1.99%
Class X GBP accumulation	GBP	21.12.16	£10.2726	-2.44%	2.73%	1.24%
Class X EUR accumulation	EUR	21.12.16	€11.2611	-7.12%	12.61%	1.24%
Class X USD accumulation	USD	21.12.16	\$10.942	-1.24%	9.42%	1.24%
Class Z GBP accumulation	GBP	21.12.16	£10.3714	-1.94%	3.71%	0.74%
Class Z EUR accumulation	EUR	21.12.16	€11.0511	-0.76%	10.51%	0.74%
Class Z USD accumulation	USD	21.12.16	\$11.3759	-6.59%	13.76%	0.74%
Guinness Best of Asia Fund						
Class C GBP accumulation	GBP	28.12.17	£8.2898	-16.67%	-17.10%	1.99%
Class Y GBP accumulation	GBP	28.12.17	£8.2800	-16.83%	-17.20%	0.99%
Class Y EUR accumulation	EUR	28.12.17	€8.3648	-15.92%	-16.35%	0.99%
Class Y USD accumulation	USD	28.12.17	\$7.9312	-20.80%	-20.69%	0.99%
Class Z GBP accumulation	GBP	28.12.17	£8.3887	-15.68%	-16.11%	0.74%
Guinness Multi-Asset Balanced Fund						
Class C GBP accumulation	GBP	17.12.18	£10.0054	0.05%	0.05%	1.99%
Class C EUR accumulation	EUR	17.12.18	€10.0486	0.49%	0.49%	1.99%
Class C USD accumulation	USD	17.12.18	\$10.0459	0.46%	0.46%	1.99%
Class O GBP accumulation	GBP	17.12.18	£10.0054	0.05%	0.05%	1.49%
Class O EUR accumulation	EUR	17.12.18	€10.0486	0.49%	0.49%	1.49%
Class O USD accumulation	USD	17.12.18	\$10.0459	0.46%	0.46%	1.49%
Class R GBP accumulation	GBP	17.12.18	£10.0054	0.05%	0.05%	2.19%
Class R EUR accumulation	EUR	17.12.18	€10.0486	0.49%	0.49%	2.19%
Class R USD accumulation	USD	17.12.18	\$10.0459	0.46%	0.46%	2.19%
Class Y GBP accumulation	GBP	17.12.18	£10.0054	0.05%	0.05%	0.79%
Guinness Multi-Asset Growth Fund						
Class C GBP accumulation	GBP	17.12.18	£10.0002	0.00%	0.00%	1.96%
Class C EUR accumulation	EUR	17.12.18	€10.0435	0.43%	0.43%	1.96%
Class C USD accumulation	USD	17.12.18	\$10.0407	0.41%	0.41%	1.96%
Class O GBP accumulation	GBP	17.12.18	£10.0002	0.00%	0.00%	1.46%
Class O EUR accumulation	EUR	17.12.18	€10.0435	0.43%	0.43%	1.46%
Class O USD accumulation	USD	17.12.18	\$10.0407	0.41%	0.41%	1.96%
Class R GBP accumulation	GBP	17.12.18	£10.0002	0.00%	0.00%	2.16%
Class R EUR accumulation	EUR	17.12.18	€10.0435	0.43%	0.43%	2.16%
Class R USD accumulation	USD	17.12.18	\$10.0407	0.41%	0.41%	2.16%
Class Y GBP accumulation	GBP	17.12.18	£10.0002	0.00%	0.00%	0.76%

Appendix 2 – Portfolio Turnover Ratio (PTR) (unaudited)

UCITS calculation	PTR for 12 months to 31 December 2018	PTR for 12 months to 31 December 2017
Guinness Global Energy Fund	-58%	-71%
Guinness Alternative Energy Fund	-15%	11%
Guinness Global Money Managers Fund	-43%	-52%
Guinness Global Equity Income Fund	-10%	-23%
Guinness Asian Equity Income Fund	-18%	-27%
Guinness European Equity Income Fund	-18%	-32%
Guinness Global Innovators Fund	-11%	-36%
Guinness Best of China Fund	-46%	-165%
Guinness Emerging Markets Equity Income Fund	-440%	53%
Guinness Global Equity Fund	-217%	-7%
Guinness US Equity Fund	38%	-2%
Guinness Best of Asia Fund	7%	1%
Guinness Multi-Asset Balanced Fund	15%	-
Guinness Multi-Asset Growth Fund	-65%	-

PTR is calculated as follows: ((purchases + sales) – (subscriptions + redemptions)) / average fund size

SEC calculation	PTR for 12 months to 31 December 2018	PTR for 12 months to 31 December 2017
Guinness Global Energy Fund	27%	24%
Guinness Alternative Energy Fund	36%	29%
Guinness Global Money Managers Fund	9%	9%
Guinness Global Equity Income Fund	40%	19%
Guinness Asian Equity Income Fund	39%	4%
Guinness European Equity Income Fund	106%	0%
Guinness Global Innovators Fund	40%	17%
Guinness Best of China Fund	62%	16%
Guinness Emerging Markets Equity Income Fund	126%	24%
Guinness Global Equity Fund	54%	0%
Guinness US Equity Fund	21%	0%
Guinness Best of Asia Fund	12%	0%
Guinness Multi-Asset Balanced Fund	43%	-
Guinness Multi-Asset Growth Fund	37%	-

PTR is calculated as follows: (lower of purchases or sales) / average fund size

Appendix 3 – Remuneration disclosure (unaudited)

UCITS V Remuneration disclosure

The UCITS Regulations requires certain disclosures to be made with regard to the remuneration policy of Link Fund Manager Solutions (Ireland) Limited ("LFMSI").

Details of LFMSI's remuneration policy are disclosed on the LFMSI's website. In accordance with the UCITS Regulations remuneration requirements, LFMSI is committed to ensuring that its remuneration policies and practices are consistent with and promote sound and effective risk management. This remuneration policy is designed to ensure that excessive risk taking is not encouraged within LFMSI and to enable LFMSI to achieve and maintain a sound capital base. In order to reduce the potential for conflicts of interests, none of the staff of LFMSI receive remuneration, either fixed or variable, which depends on the performance of any UCITS which LFMSI manages.

Remuneration costs are based on the direct employees of LFMSI plus a portion of the shared resources. These costs are allocated to funds based on the number of sub-funds managed by LFMSI.

The remuneration policy is in line with the business strategy, objectives, values and interests of the UCITS management company and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest. The remuneration policy is adopted by the management body of the management company in its supervisory function, and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation. There were no material changes to the policy during the year.

Total remuneration paid by the Investment Manager to employees during the year to 31 December 2018	EUR
Fixed remuneration	3,017,494
Variable remuneration	3,802,580
Total remuneration paid	6,820,074

Number of beneficiaries	30
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Remuneration paid to employees of the Investment Manager attributable to the Company	EUR
Fixed remuneration	2,231,067
Variable remuneration	2,448,946
Total remuneration paid	4,680,013

Total remuneration paid to employees of the Manager during the year to 31 December 2018	EUR
Fixed remuneration	1,038,236
Variable remuneration	132,532
Total remuneration paid	1,170,768

Number of beneficiaries	27
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Remuneration paid to employees of the Manager attributable to the Company	EUR
Fixed remuneration	288,180
Variable remuneration	36,786
Total remuneration paid	324,966

Remuneration of employees whose actions have a material impact on the risk profile of the UCITS managed by the Manager	-
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