

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 2019

<b>Table of contents</b>	<b>Page</b>
Company information	3
Directors' report	4
Investment Manager's report	6
Report of the Depositary to the Shareholders	41
Independent Auditors' report to the shareholders of Guinness Asset Management Funds plc	42
Statement of financial position	45
Statement of comprehensive income	49
Statement of changes in net assets attributable to holders of redeemable participating shares	53
Statement of cashflows	55
Notes to the financial statements	59
Schedule of Investments	94
Statement of significant portfolio movements (unaudited)	118
Appendix 1 – Fund performance and Total Expense Ratio (unaudited)	132
Appendix 2 – Portfolio Turnover Ratio (PTR) (unaudited)	135
Appendix 3 – Remuneration disclosure (unaudited)	136

## Company information

<b>Directors of the Company</b>	<p>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)          Anthony Joyce (Irish) (Independent) (resigned effective 30 September 2019)</p> <p>* Employee of the Investment Manager</p>
<b>Registered Office</b>	<p>1<sup>st</sup> Floor, 2 Grand Canal Square          Grand Canal Harbour          Dublin 2          Ireland          D02 A342</p>
<b>Manager</b>	<p>Link Fund Manager Solutions (Ireland) Limited          1<sup>st</sup> Floor, 2 Grand Canal Square          Grand Canal Harbour          Dublin 2 Ireland          D02 A342</p>
<b>Investment Manager and Global Distributor</b>	<p>Guinness Asset Management Limited          18 Smith Square          Westminster          London SW1P 3HZ          United Kingdom</p>
<b>Administrator, Registrar and Company Secretary</b>	<p>Link Fund Administrators (Ireland) Limited          1<sup>st</sup> Floor, 2 Grand Canal Square          Grand Canal Harbour          Dublin 2          Ireland          D02 A342</p>
<b>Independent Auditor</b>	<p>Deloitte Ireland LLP          Chartered Accountants and Statutory Audit Firm          Deloitte &amp; Touche House          29 Earlsfort Terrace          Dublin 2          Ireland          D02 AY28</p>
<b>Irish Legal Advisors</b>	<p>Dillon Eustace Solicitors          33-34 Sir John Rogerson's Quay          Grand Canal Dock          Dublin 2          Ireland          D02 XK09</p>
<b>Depository</b>	<p>JP Morgan Bank (Ireland) plc          200 Capital Dock          79 Sir John Rogerson's Quay          Dublin 2          Ireland          D02 RK57</p>
<b>Company number</b>	450670 (Registered in Ireland)

## Directors' report

For the financial year ended 31 December 2019

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 2019. 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 1<sup>st</sup> Floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland, D02 A342.

### 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 11 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.

The Annual Financial Statements and the reports therein were compiled in early January 2020 before the COVID-19 epidemic which is believed to have originated in Wuhan, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020. The Board of Directors have been monitoring and reacting to the outbreak. Global financial markets have experienced increased volatility and uncertainty since the onset of the pandemic. The Board of Directors has also noted and are managing the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by many countries' governments. Business Continuity Plans have been implemented and are working well in the circumstances. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and financial markets will largely depend on the scale and duration of the outbreak. The Board of Directors will continue to monitor this situation. The ultimate and full extent of the effect of this on the Company and your investments is not possible to estimate at this time. Shareholders will be kept up to date with our views on an ongoing basis through the normal channels.

### Directors

The names of the Directors during the financial year ended 31 December 2019 are set out below:

Edward Guinness  
 Andrew E. Martin Smith  
 Johnny McClintock  
 David McGeough  
 Timothy W.N. Guinness (Alternate Director to Edward Guinness)  
 Anthony Joyce (resigned effective 30 September 2019)

### Directors and company secretary interests

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

#### As at 31 December 2019

Related Party	Related Party Type	Sub-fund	Class	Shares
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
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class C	1,900.79
Timothy W.N. Guinness	Director	Guinness Global Innovators Fund	Class Z	189,413.47
Timothy W.N. Guinness	Director	Guinness Global Equity Income Fund	Class E	20,000
Timothy W.N. Guinness	Director	Guinness Global Money Managers Fund	Class E	42,687.08
Timothy W.N. Guinness	Director	Guinness Global Energy Fund	Class A	60,414.57

#### As at 31 December 2018

Related Party	Related Party Type	Sub-fund	Class	Shares
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
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class C	1,900.79

### Transactions involving Directors

Other than as disclosed in note 17 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 2019 are outlined in note 15 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 24 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 2019

### 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 2019 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 330 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

David McGeough

Johnny McClintock

Date: 22 April 2020

## Investment Manager's report

For the financial year ended 31 December 2019

### Guinness Global Energy Fund (the "Fund")

The Guinness Global Energy Fund in 2019 produced a total return of 9.8%. This compares to the total return of the MSCI World Energy Index of 11.4% and the MSCI World Index's total return of 27.7%.

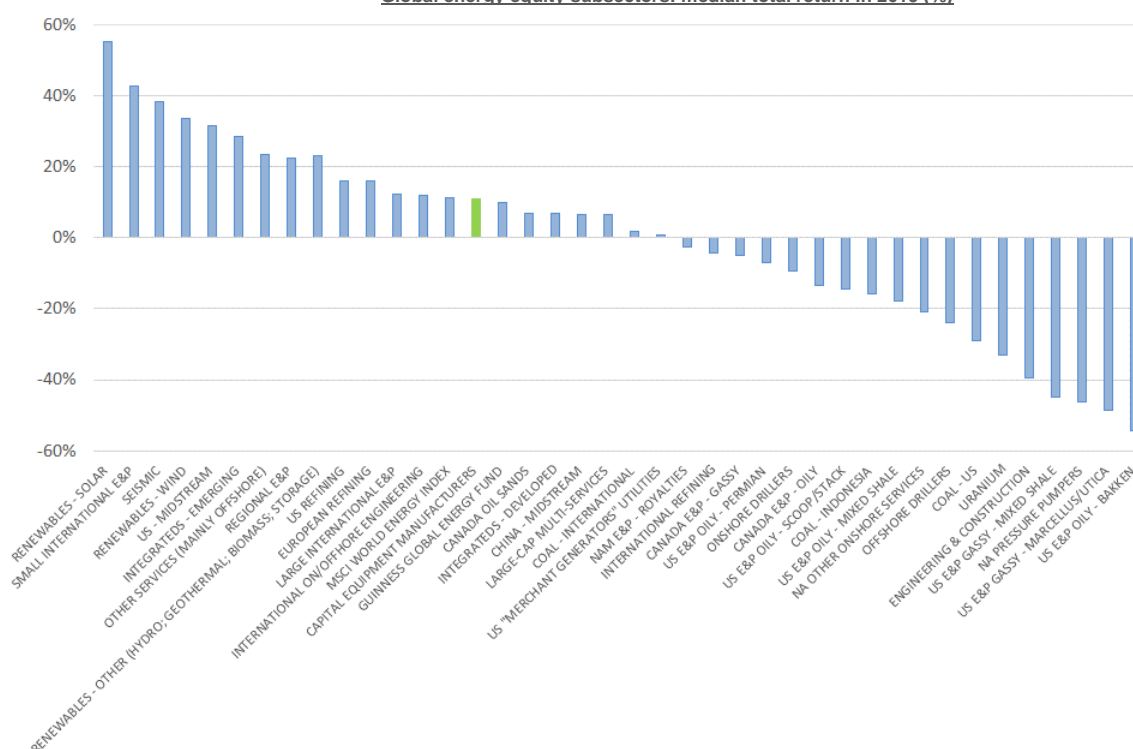
#### Performance summary in US Dollars: Class E compared with MSCI World Energy NR Index

	2019	Annualised		Calendar years				
	1 year	3 years	5 years	2014	2015	2016	2017	2018
Fund	+9.8%	-4.5%	-4.2%	-19.1%	-27.8%	+27.9%	-1.3%	-19.7%
Index	+11.4%	-0.5%	-0.8%	-11.6%	-22.8%	+26.6%	+5.0%	-15.8%

After a strong first half of the year, uncertainty over the direction of the oil market led to weaker returns for energy equities in 2019. The sector (MSCI World Energy Index) finished +11.4%, behind the broad market (MSCI World +27.7%). So, although spot oil prices rallied nicely in 2019, the decline in the long dated end of the oil price curve (i.e. the five year forward price) acted as an anchor to energy equity performance. Valuation appears subdued relative to the improving levels of free cash flow and return on capital employed from the sector, as we explore in more detail in our equities outlook.

As ever, the performance of the MSCI World Energy Index was only part of the story, with 2019 being a year of extreme divergence between the energy equity subsectors.

Global energy equity subsectors: median total return in 2019 (%)



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 2019:

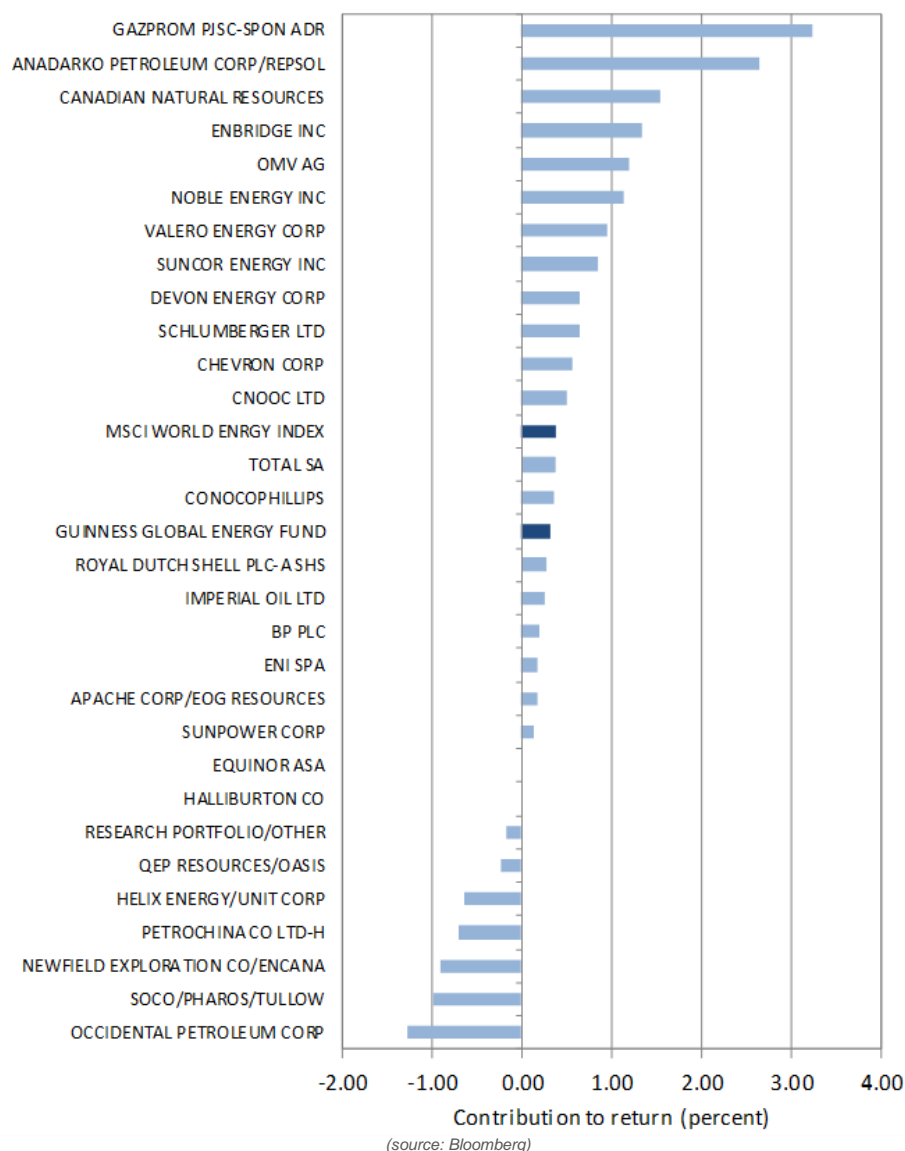
- **Integrated oil and gas companies** again delivered above average performance. Emerging Market integrated companies outperformed the developed market integrated companies, and all were strong versus other subsectors. On average, the big '5' supermajors delivered a total return of 9% as their underlying financial profitability, general commitment to capital discipline (Exxon aside), growing dividends and share buybacks provided relative support against a weak long dated oil price 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 healthy performance across the board. Companies involved in the installation of solar and wind assets were particularly strong, as global installations in both sectors rebounded to new highs. Generation assets also performed very well, helped by a combination of lower interest rate expectations and greater expectations for the pace of expansion of the installed renewables base of assets.
- **Exploration and production** was a mixed bag. Typically, non-North American E&Ps fared better, being exposed to global Brent oil prices rather than WTI prices, and enjoying a renaissance in offshore activity. 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 in a range of -5% to -55% over the year. As well as the weakness in WTI and Henry Hub, North American E&Ps generally suffered from a downgrade in growth expectations.
- **Energy services** were also mixed, though generally on the weak side. North American pressure pumpers were hardest hit, falling by 60% or more, as issues over excess capacity were compounded by a slowdown in activity. Large cap diversified service providers (e.g. Halliburton, Schlumberger and Baker Hughes) were up a little, rebounding after a particularly weak 2018. Some parts of the international service industry fared better (e.g. diversified offshore services) but offshore drillers suffered another year of overcapacity and excess financial gearing.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

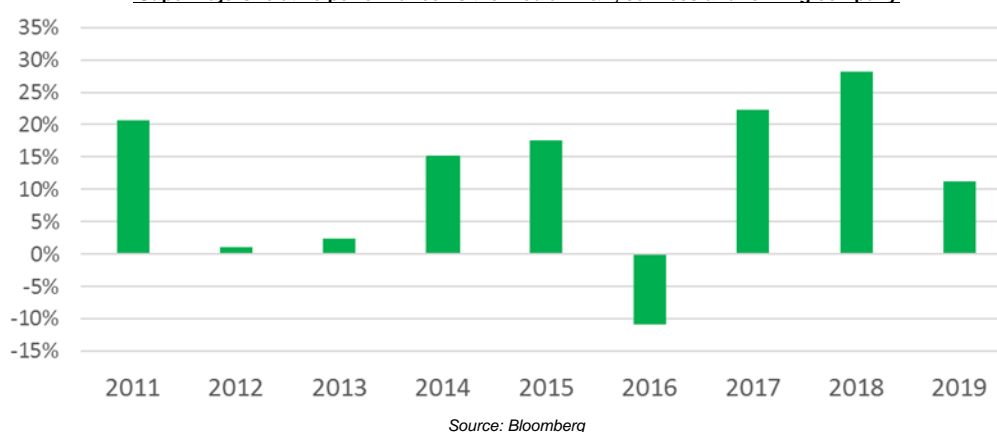
### Guinness Global Energy Fund (continued)

#### Indicative portfolio contribution analysis



The underperformance of the Fund versus the Index 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 median total return for a super-major in 2019 was 11% greater than that of the exploration & production, services and refining sectors. Regular observers of the energy fund sector will recognise this explanation as it has recurred over the last few years. 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. The divergence in performance between large cap and small cap energy stocks is also exemplified by the MSCI World Energy Small Cap Index, which produced a total return (net) in 2019 of -2.8%, more than 14% behind the MSCI World Energy Index.

#### Supermajors relative performance vs the median E&P, services and refining company



## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Energy Fund (continued)

On a stock by stock basis in the Fund, we saw particularly strong performance from Gazprom (+99%) as the market rewarded the arrival in May of new management and more progressive dividend policy. We had long viewed Gazprom as an extremely cheap stock in our portfolio, so were pleased to see this recognised. Anadarko (+70% to the point that we sold in July) was our best performing E&P stock, benefitting from a bidding war for the company between Chevron and Occidental, which eventually resulted in a sale to Occidental. In the large cap E&P space, we also saw strength from Canadian Natural Resources (+40%), enjoying another year of improved profitability and the narrowing of light-heavy oil price differentials in Canada.

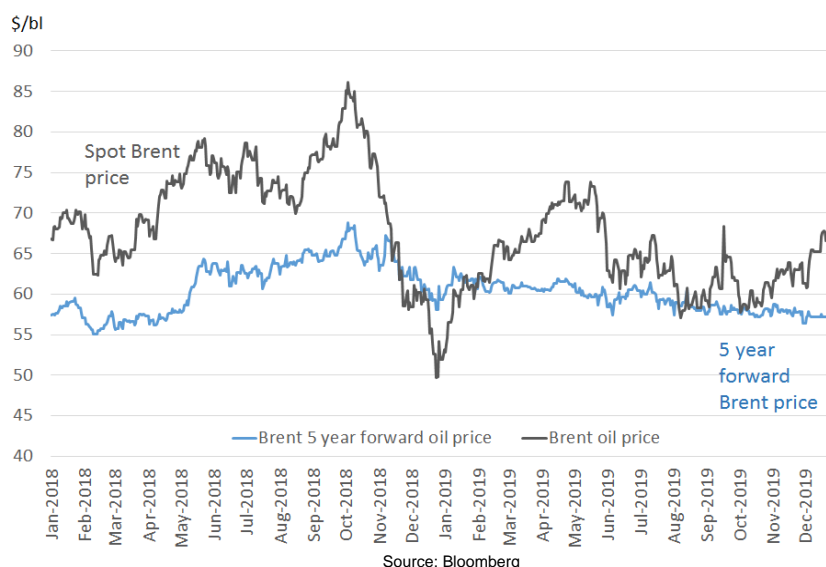
It was a poor year for our holding in international E&P, Tullow (-61%), as the stock was pulled lower by operational issues at its West African production sites, plus poor exploration results offshore Guyana. Occidental (-28%), which we held in the portfolio alongside Anadarko, reacted poorly to the acquisition, with shareholders concerned about the high valuation implied by Occidental's winning bid. And we saw mixed results in the service names we owned, with Schlumberger (+18%) doing fine thanks to international exposure, but Halliburton's (-5%) greater focus on US onshore activity saw it caught up in a second year of excess capacity and slowdown.

**Turning to the commodities**, 2019 was a year of attrition for the oil market. OPEC strived to keep spot oil prices in their desired range (Brent at around \$60-70/bl), and were made to work for it by growth in non-OPEC supply that exceeded growth in global oil demand. OPEC started the year with a cut in production quotas of just over 1m b/day, which they anticipated would be needed in 2019 to keep markets balanced. In the event, OPEC's quota cuts were compounded by further reductions in supply from Iran and Venezuela, both seeing exports impacted by US sanctions, bringing average OPEC production down by 1.7m b/day versus 2018. However, the additional reduction in OPEC supply proved necessary for a balanced market, set against weaker global demand growth (+1.0m b/day vs +1.1m b/day in 2018) and strong non-OPEC supply growth (+1.9m b/day).

Towards the end of the year, it became apparent that OPEC would need to cut further into 2020, and together with non-OPEC partners, the group resolved to remove a further 0.5m b/day of production in January 2020. At the heart of OPEC, Saudi acted throughout 2019 as the swing producer, adjusting their own supply by as much as 1m b/day (ignoring the September 2019 outages) to ensure that inventories did not tighten or loosen excessively.

Spot oil prices traded in a relatively wide range during the first half of 2019, then settled into a narrower range in the second half. Brent oil started 2019 at \$53/bl before peaking at \$74/bl in April/May. Since June, the price has traded between around \$60/bl and \$67/bl, before closing at \$66/bl, up by 25% over the year. The average Brent spot oil price in 2019 was \$64.1/bl, \$7/bl lower than the 2018 average of \$71.1/bl. Longer dated crude prices were more sluggish however, with the Brent five year forward price finishing the year down 3% at \$59/bl. WTI spot averaged \$57.0/bl, a discount of \$7/bl to Brent, as continued growth in US production held the discount to Brent at a similar level to 2018 (though by year end it had closed in to \$5/bl). Similar to Brent, the futures curve for WTI remained in backwardation for most of the year, with five year forward WTI closing 2019 down by 4% at \$57/bl.

**Brent spot vs five year forward oil prices (2018-19)**



The major components of oil supply/demand for 2019 were as follows:

- OPEC oil supply**, measured for OPEC-14, is likely to have decreased by around 1.7m b/day, averaging 29.8m b/day, versus 31.5m b/day in 2018. The losers included Venezuela, which suffered a second year of significant production decline (falling from an average of 1.4m b/day in 2018 to 0.9m b/day in 2019) together with Iran (a decline of 1.2m b/day) and Saudi (a decline of 0.5m b/day). There were small offsets from Iraq (up 0.2m b/day), Libya and Nigeria (both up 0.1m b/day). OPEC, and various non-OPEC partners, met in December 2019 and resolved to reduce their supply by a further 0.5m b/day at the start of 2020, bringing total production quota cuts since January 2019 to 1.7m b/day. December 2019 also saw the completion of the IPO of Saudi Aramco, though the eventual sale of 1.5% of the company on the local stock exchange was something of a climbdown compared to original ambitions. During the year, we also saw Qatar leave OPEC, and the Democratic Republic of Congo join it.
- Non-OPEC oil and liquids supply** is likely to have grown by 1.9m b/day over the year (64.8m b/day, versus 62.9m b/day in 2018) and was driven almost entirely by growth from the US (+1.6m b/day). US onshore oil supply is expected to have averaged 9.8m b/day in 2019, delivering 1.1m b/day growth for the year. Whilst still impressive, this growth rate was well down on 2018 (+1.8 m b/day), a product of a falling drilling rig count and the growing challenge of overcoming high natural decline rates. Increases in production were also reported in Canada (+0.1m b/day), Russia (+0.1m b/day) and Brazil (0.2m b/day) offset by declines in Norway (-0.1m b/day) and Mexico (-0.1m b/day).
- Global oil demand** is estimated to have grown by around 1.0m b/day in 2019, according to the IEA. This comprises non-OECD oil demand growth of 1.0m b/day (with China up 0.6m b/day and the rest of Asia up 0.3m b/day) and OECD oil demand flat. If confirmed, these final figures will be a downgrade to the forecasts for 2019 that were made at the beginning of the year, reflecting the lower global GDP growth now expected for 2019 (the IMF were expecting GDP growth of around 3.4%, but this has now been revised to 3.0%). We regard demand growth of 1.0m b/day to be healthy, but would be the slowest since 2013.
- OECD oil inventories** at the end of November 2019 were estimated to be at 2,880 million barrels, up slightly from 2,860 million barrels a year before, and still 7% above the 2005-2014 average level. We expect inventories to end 2019 broadly flat with the end of 2018, similar to the previous year.



## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Energy Fund (continued)

For **natural gas**, 2019 was a year of weak prices across the globe. In the US, the gas price was anchored around \$2.50/mcf for most of the year. The key features were strong growth in associated (by-product) gas supply from shale oil production; a return to strong growth in low-cost Marcellus and neighbouring Utica fields in the north-east of the country as pipeline infrastructure came into operation; and an offset of strong demand growth, led by LNG exports. European and Asian gas prices were higher than US gas prices in 2019, though well down on 2018. The European price averaged \$4.4/mcf (vs \$8/mcf in 2018) whilst Asia averaged \$5.2/mcf (2018: \$10/mcf). The key factor behind weaker international prices was a warmer than average European/Asian winter at the start of the year. In response to gas shortages in 2018, China and other Asian nations had stockpiled gas to avoid repeat shortages over the winter. In the event, the initial surpluses, plus dampened heating demand due to the warmer conditions, combined to create an oversupply that persisted for much of 2019.

### Fund activity

- In **February**, the all share acquisition of Newfield Exploration by EnCana Corporation was completed. EnCana is a Canadian listed exploration and production company with onshore assets across North America, including the Permian Basin and the Eagle Ford. The deal, which was announced in early November 2018 (at a time of sharply falling oil prices and depressed North American E&P equity valuations) adds further diversification to EnCana's onshore operations and provides more options for flexibility in capital allocation. Newfield Exploration's onshore assets were dominated by its 400,000 net acres in the SCOOP/STACK play in the Anadarko Basin but also included stakes in the Bakken and the Uinta Basins.
- In **April**, we sold our position in QEP Resources. QEP was subject to an acquisition bid in January by an activist investor, Elliot Advisors. Given that little clarity emerged on the acquisition process after the bid, but that QEP was trading close enough to the proposed takeover price, we took the opportunity to sell our holding.
- In **April**, we also purchased a research position in Diversified Gas & Oil (DGOC). DGOC is a UK listed stock that specialises in mature conventional gas production in the Marcellus and Utica fields in the US. The company completed a transformational deal in 2018, buying \$575m of producing gas assets from EQT, and has raised money in 2019 for further acquisitions. Whilst we are cautious about US gas macro generally, we are attracted by DGOC's impressive returns on capital at low gas prices, and dividend yield of over 7%.
- In **August**, we sold our position in Anadarko and switched to a position in Repsol. Anadarko was the strongest performer in the portfolio this year thanks to the proposed acquisition by Occidental. We sold our stake in the company just prior to the deal completing. We purchased a stake in Repsol, the Spanish integrated oil & gas company, owing to its improving free cashflow and profitability, and positive refining leverage to the IMO 2020 regulations. At a 2019 P/E of 7.5x, Repsol is also trading as one of the cheapest integrated oil & gas companies, versus a European peer median of 10.4x.
- In **December**, we sold our position in Apache Corp and switched to a position in EOG Resources. We sold Apache because our assessment of resource value and associated cash generation has continued to deteriorate. The company's reliance on its new gas/liquids shale play, called the Alpine High, implies to us that existing oil-oriented shale acreage is of poorer quality than initially anticipated. In place of Apache, we now hold EOG Resources. EOG Resources is one of the largest crude oil and natural gas producers in the US with a good track record of delivering attractive growth together with good returns on capital. Based on a \$60/bl Brent oil price for 2020, we assess EOG to be trading at 6.1x EV/EBITDA and 15x P/E, both of which are at a discount to long-run averages. The equity appears to be pricing in a long-term Brent oil prices assumption of around \$53/bl.

### Outlook for 2020

As we look ahead into 2020, we expect OPEC and their partners to remain disciplined in their 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 supply grows in a controlled manner. Saudi are acting as the swing producer within OPEC, and will continue in this role in 2020.

On the supply side, the US onshore shale system will grow again this year, albeit at a slower rate than 2019. A lower average drilling rig count and the 'treadmill' challenge of overcoming high natural declines rates, will stunt US shale oil growth, which we expect at around 0.7m b/day (vs 1.2m b/day in 2019). We believe independent producers will remain more disciplined with their capital, with the market rewarding an appropriate balance of growth and free cashflow. Oil majors will remain more aggressively in 'shale oil growth' mode. Non-OPEC (ex US onshore) supply will grow by around 1m b/day in 2020 but major project additions then dry up. Additions in 2020 come mainly from the start-up of the giant Johann Svedrup field offshore Norway, plus production coming through in sub-salt fields offshore Brazil. We see no repeat of this in 2021/22, even if oil prices rise from here, as upstream capex cuts from 2015-19 take effect.

Global oil demand will depend on GDP growth, currently expected at around 1.2m b/day if the IMF's GDP global forecast of 3.4% holds up. The non-OECD will deliver most of the growth in 2019, with China and India leading the way. We will see more than 3m electric vehicles sold this year but they will pose a negligible threat to oil demand growth.

As a result of supply and demand being broadly in balance, we expect OECD oil inventories to be similar to end-2019 but the path will be bumpy. Looking further ahead, we believe that continued oil demand growth, and a softening of non-OPEC supply growth, will allow OPEC greater control of the market. Meanwhile, global gas demand will grow handsomely again in 2020 led by strong Asian GDP growth and a shift in the region from coal to gas consumption by power utilities, though international gas prices will remain muted as oversupply persists.

Energy equity valuations remain at depressed levels. The MSCI World Energy Index now trades on a price to book ratio of 1.5x, the lowest level since 1991. This compares to the S&P500 on 3.6x, consistent with late 2001. The relative P/B vs the S&P500 is at a 55 year low. We believe that improving ROCE (we forecast 7% for our portfolio in 2020 assuming \$60 Brent prices, up from 1% in 2016) should drive a higher P/B ratio.

Free cash flow remains a priority in 2020. 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.

Energy equities offer attractive upside if our oil price and profitability scenario plays out. We believe energy equities currently discount an oil price of around \$50/bl. Adopting \$60/bl Brent as a long-term oil price (consistent with the bottom end of OPECs desired range), we see 40-50% upside across the energy complex.

### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global energy market. It is reasonable to describe current events as the biggest oil shock in living memory. The most analogous shock occurred in 1998, when oil production increased at a time when demand was hit by the Asian financial crisis. But the scale of the demand contraction this time, combined with promised increased from OPEC+ members, is unprecedented.

Global oil demand in the first quarter of 2020 is estimated to have contracted by around 3m b/day, much of which relates to COVID-19 mitigation measures in China. Today, it is reported that 118 countries, representing 92% of global GDP, have enacted some form of social distancing. As a result, transportation is taking a disproportionate hit. Building an accurate picture of annual global oil demand for 2020 depends of course on the path of the COVID-19 crisis, and that is unknowable. In the last few days, the IEA has published an estimate of global oil demand declining by 9mn b/d in 2020. By comparison, global oil demand contracted by around 1m b/day in each of 2008 and 2009, before bouncing by nearly 3m b/day in 2010.

The extent of oil oversupply globally is putting extreme pressure on physical oil markets. Oil production therefore needs to be halted in certain areas, and this will be achieved either by co-ordinated action (i.e. quotas), or by uncoordinated shut-ins by the most distressed producers.

# Investment Manager's report (continued)

For the financial year ended 31 December 2019

## Guinness Sustainable Energy Fund (the "Fund")

### Review

2019 was positive for sustainable energy equities, with your Fund delivering a total return of 30.7%, outperforming the MSCI World Net Total Return Index (+27.7%) by 3.0%.

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

	2019	Annualised		Calendar years				
	1 year	3 years	5 years	2014	2015	2016	2017	2018
Fund	+30.7%	10.2%	0.2%	-11.4%	-11.4%	-14.8%	21.1%	-15.5%
Index*	+27.7%	-0.8%	+1.3%	-16.9%	-10.4%	-22.1%	39.8%	-14.6%

\* Index is MSCI World NR Index for 2019 and is the Wilderhill Clean Energy Index for 2014-2018

Jonathan Waghorn and Will Riley joined Edward Guinness as co-managers of the Guinness Alternative Energy Fund at the start of 2019. Edward Guinness remained a named manager on the Fund but is taking on wider corporate responsibilities, so Will and Jonathan have taken on the portfolio management of the Fund. Will and Jonathan are also co-managers of the Guinness Global Energy Fund and have been managing funds in the energy sector since 2010 and 2008. This has included coverage of the alternative energy sector and investing in alternative energy stocks. The transition resulted in a number of changes for the Fund, including:

- **Change of Fund name.** The Fund name changed from the Guinness Alternative Energy Fund to the Guinness Sustainable Energy Fund. We believe that the new name more fairly reflects the fact that renewable energy sources (such as wind, solar, geothermal and hydro) are no longer considered to be 'alternative' energy sources. In fact, they are now very much a part of global energy mix and, given that they are renewable in nature, we believe that it is fair to refer to them as being 'sustainable'.
- **Change of benchmark.** The benchmark for the Fund has changed from the Wilderhill Clean Energy Index (the ECO Index) to the MSCI World Net Return Index. The Fund now considers companies involved in the entire sustainable energy value chain (including the generation of renewable energy as well as its consumption and storage) and the portfolio managers expect to deliver a portfolio performance and volatility profile in the future that is more closely aligned to that of world equities. The Wilderhill Clean Energy Index is a very specialist and volatile index and, given the portfolio management changes, it no longer represents the full extent of the investment universe for the Fund. While there are likely to be periods of divergence between the Fund and the MSCI World Equity Index, the portfolio managers believe that the growth and improving economics of sustainable energy companies should allow the Fund to outperform global equities, in general, on a three to five-year view.

In terms of 2019 performance, as ever, there was significant divergence between the equity sub sectors so we provide a tour of our four key subsectors to highlight their share price performance trends in 2019 and their current valuation outlook.

The **Displacement** sector of our universe contains 28 equities with businesses focused on energy efficiency and covering multiple technologies. The majority of these technologies have fared well so far in 2019 with the median equity delivering a return of around 15% (those focused on energy efficiency delivered stronger returns while those focused on alternative fuels were weaker). Better performing technology areas included LED equipment manufacturing companies (waste management companies and heating efficiency companies).

Companies participating in the ethanol market, mainly in the US, experienced a volatile year despite a positive macro tailwind as US ethanol mandates expanded in 2019 to 20bn gallons (with 16bn gallons from corn ethanol). However, the sector was buffeted by political crosswinds, with ethanol prices falling sharply mid-year as the US government announced plans to reduce the number of refineries needing to blend in ethanol, then rallying on a possible reversal of that plan. The ethanol subsector of our universe delivered a total return of 10% in 2019 with a number of companies including Future Fuel and The Andersons delivering negative total returns.

**Electrification** was generally the weakest of the sustainable energy subsectors in 2019, with companies involved in the battery supply chain producing particularly poor total returns. Our universe of Electrification equities contains 65 companies with nearly one third of them delivering a negative total return for the year so far, and the median equity delivering around a 10% return.

Electric vehicle component manufacturers, particularly on the high-tech side, delivered the best total returns. The shift to a cleaner, safer, and more efficient auto sector is positive news for many of the more sophisticated component manufacturers (e.g. of thermal management systems, power management and sensors) which are seeing their dollar content per vehicle rise. Physical car component manufacturers delivered a 16% total return while those manufacturing electronic car components delivered close to 30% total return.

Many of the producers of key battery metals, such as lithium and cobalt, suffered as the prices of those metals fell in 2019, after a strong run-up in 2017/18. Spot lithium carbonate prices fell by more than 20% in 2019 to around \$10,000/mt amid a global glut of supply. Lithium supply, spurred by high prices, has been growing more quickly than demand, even with the acceleration in lithium-ion battery manufacturing for electric vehicles. Similarly, cobalt prices have dropped this year (albeit only back to the level at the start of 2017) as the cobalt market has looked in better balance than many had anticipated. Our Sustainable Energy universe contains 10 raw materials companies and only one, Toyo Tanso, delivered a positive total return over the year.

Battery manufacturers were also held back as the race for lower battery costs (to make electric vehicles competitive with combustion engine vehicles) resulted in profit margins remaining low. Only GS Yuasa, Panasonic and Samsung SDI sneaked out positive returns for the year.

The **Generation** sector of our investment universe contains 50 equities with key business areas being either IPPs (independent power producers) or utilities. As a whole, the Generation sector performed very well in 2019, delivering a total return of over 20% which left it as the joint best-performing subsector of the four (broadly in line with the Installation sub sector).

Within Generation, utility companies delivered around a 25% total return while the IPPs performed particularly well, delivering a slightly higher total return. The overall strength was driven in part by falling interest rates and interest rate expectations, which lowered long-term discount rates in the sector. Wind and solar IPPs were assisted by continued falls in the cost of variable renewable energy developments, making them increasingly cost competitive versus incumbent sources of power generation. Allied to this, there was also growing positive sentiment towards the growth that can be achieved in wind and solar over the next few years.

Solar IPPs, both residential and utility-focused, were the strongest subsector within IPPs as the pace of expansion accelerated. Residential solar in the US, for example, has grown by around 25% in 2019 and is expected to grow by a similar rate in 2020.

The **Installation** subsector of our universe contains 53 companies that are involved in the supply chain associated with growth in renewable electricity generation. On the whole, these companies had a positive year and many recovered strongly from poor performance suffered in 2018. In 2019, they delivered a total average return of around 25%, with some subsectors in negative territory (grid storage companies and hydroelectric equipment manufacturers, for example) while some specialist subsectors have so far returned in excess of 50% total return.

## Investment Manager's report (continued)

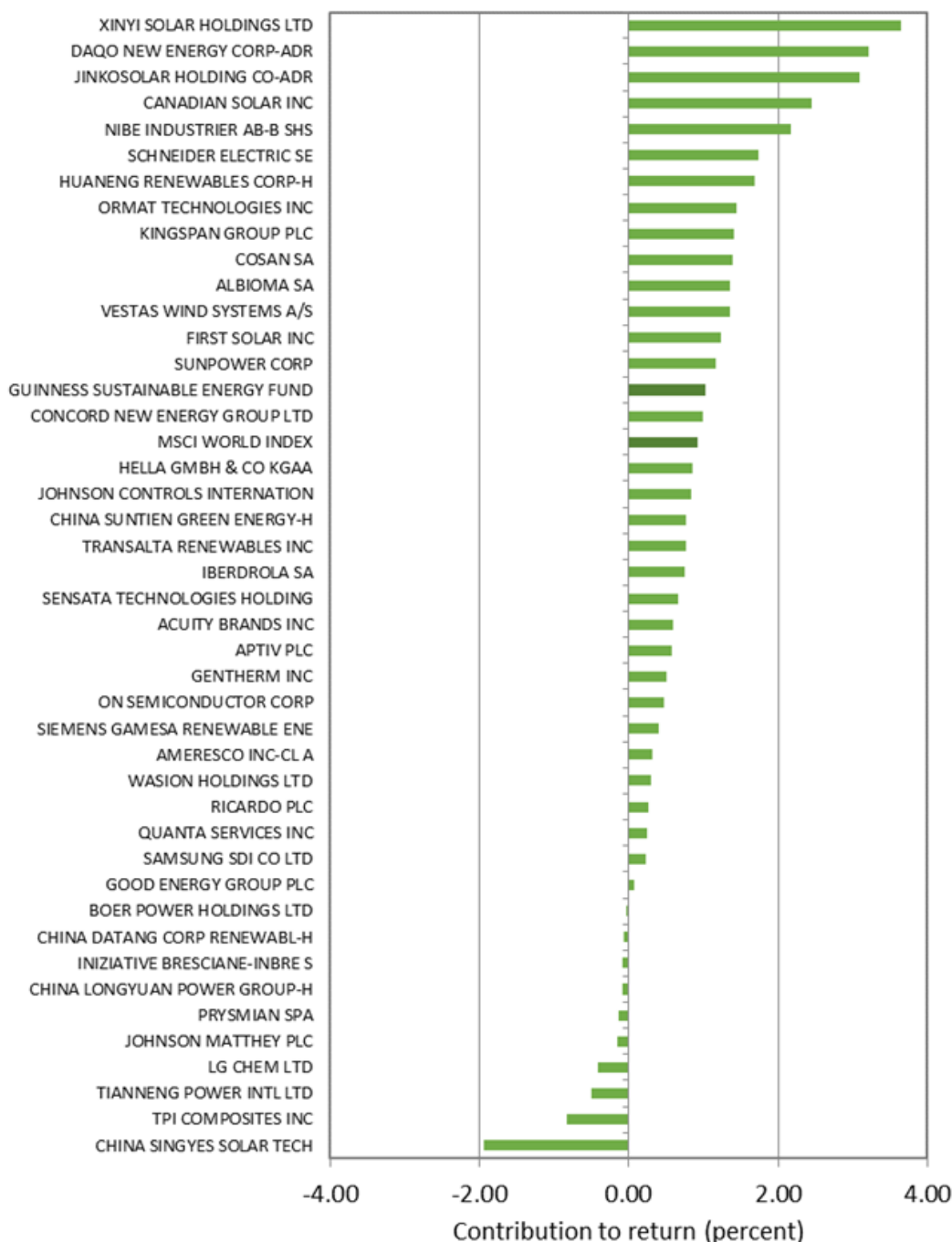
For the financial year ended 31 December 2019

### Guinness Sustainable Energy Fund (continued)

For upstream solar, non-Chinese polysilicon manufacturers were weak as intense competition in the sector saw polysilicon prices fall (by around 20%). Chinese polysilicon manufacturers, which have expanded capacity rapidly at the lower end of the cost curve, performed better. Solar wafer and module manufacturers suffered in 2018 as a Chinese pull-back on solar subsidies dented demand in the sector. However, they bounced back well in 2019 as global demand for solar installations picked up by over 10%. The solar PV inverter sector was also particularly strong; smaller US players benefitted from Huawei's withdrawal from the US inverter market.

Wind equipment installers generally did well in 2019, benefitting in particular from the sharp rise in offshore wind developments (more than doubling from 4GW in 2018 to 9GW in 2019) and tax incentives in the US and China, which drove strong uptake of onshore wind in 2019 and 2020.

#### Indicative portfolio contribution analysis



Source: Bloomberg, Guinness Asset Management

Overall, sustainable energy equities delivered a strong return in 2019. Underlying sustainable energy company profitability continued to improve; our portfolio of sustainable energy equities likely delivered in excess of 10% return on capital employed in 2019, up from 9% in 2018 and materially higher than the post-financial crisis level of 6% in 2009.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Sustainable Energy Fund (continued)

#### Activity

There were twelve switches in the portfolio during the first quarter of 2019:

Stocks that were added to the portfolio:

Name	Level 2	BB Code
Ameresco Inc	Displacement	AMRC US Equity
Aptiv PLC	Electrification	APTV US Equity
Gentherm Inc	Electrification	THRM US Equity
Hella	Electrification	HLE GY Equity
Samsung SDI	Electrification	006400 KS Equity
Johnson Matthey PLC	Electrification	JMAT LN Equity
ON Semiconductor Corp	Electrification	ON US Equity
Tianneng Power International Ltd	Electrification	819 HK Equity
Iberdrola	Generation	IBE SM Equity
TransAlta Renewables Inc	Generation	RNW CN Equity
Quanta Services Inc	Installation	PWR US Equity
Siemens Gamesa Renewable Energy SA	Installation	SGRE SM Equity

Stocks that were sold from the portfolio:

Name	Level 2	BB Code
Cosan SA Industria e Comercio	Displacement	CSAN3 BZ Equity
Johnson Controls International plc	Displacement	JCI US Equity
Ricardo PLC	Electrification	RCDO LN Equity
China Datang Corp Renewable Power Co Ltd	Generation	1798 HK Equity
Concord New Energy Group Limited	Generation	182 HK Equity
Good Energy Group	Generation	GOOD LN Equity
Iniziate Bresciane Spa	Generation	IB IM Equity
Boer Power Holdings Limited	Installation	1685 HK Equity
China Singyes Solar Technologies	Installation	750 HK Equity
JinkoSolar Holding Co Ltd	Installation	JKS US Equity
Prysmian SpA	Installation	PRY IM Equity
SunPower Corp	Installation	SPWR US Equity

There were no other stock switches during the year but the portfolio was actively rebalanced on several occasions.

#### Portfolio Position

The sector and geographic weightings of the portfolio at 31 December 2019 were as follows:

Sector breakdown	Dec. 31, 2019
<b>Displacement</b>	
Efficiency	13.4%
<b>Electrification</b>	
Battery	12.6%
Electric vehicles	15.7%
<b>Generation</b>	
IPP	18.9%
Utility	3.2%
<b>Installation</b>	
Equipment	32.0%
Cash	4.2%
Total	100%

Geographic breakdown	Dec. 31, 2019
US	27.2%
China	19.2%
Canada	6.9%
Spain	6.8%
South Korea	6.7%
Ireland	6.5%
France	6.5%
Sweden	3.7%
Denmark	3.5%
UK	3.3%
Germany	3.1%
Hong Kong	2.6%
Cash	4.2%

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Sustainable Energy Fund (continued)

#### Outlook

We expect the 'energy transition' theme to remain central to political debate in 2020 and beyond as it offers an economic solution to energy security, urban pollution and carbon emissions for most countries.

Despite pushes for greater efficiency, world energy demand will grow again in 2020. Renewables will likely have satisfied only one-third of total global energy demand growth over the five years up to end-2020. Carbon emissions, from the combustion of fossil fuels, will reach new peaks. A ratcheting of carbon prices, to reward the development of lower carbon investments, is inevitable if governments keep to their Paris Agreement commitments.

We need to see energy efficiency take a centre stage. The slowdown in energy efficiency gains since 2015 is unlikely to be turned around in 2020 unless energy prices rise (forcing consumers to be more efficient) or social pressures on energy consumption, sustainability and carbon emissions broaden. Whilst we expect to see new appliance efficiency standards, new building insulation codes and a stronger take up of heat pumps and LEDs, we need to see an acceleration of government-mandated energy efficiency measures.

We expect the rate of cost reduction in lithium ion batteries to slow somewhat in 2020 as raw material deflation slows. On our estimates, the raw materials in a lithium ion battery currently cost over \$100/kWh, leaving little room for all additional costs and margin for the manufacturers. Despite the higher manufacturing cost of EVs, the global auto industry will nearly double the size of its EV model range in 2020 with higher battery costs having to be either passed on to consumers or subsidised by government.

Solar installations will grow from 129GW in 2019 to 137GW in 2020 with China still being dominant (at 40GW), although less dominant than in previous years. The supply chain is likely to remain reasonably loose, although more concentrated than in recent years. Higher-cost players and those reliant on older technologies (such as multi rather than mono-silicon based solar modules) are likely to see profitability under pressure.

Wind installations will grow from 68GW in 2019 to 71GW in 2020 as changes in Chinese feed-in tariffs and lower US tax credits cause slower growth after a bumper year in 2019. The supply chain for wind is more consolidated than for solar, but pricing is still likely to remain under pressure as manufacturers compete for the limited market growth in 2020.

Our portfolio of Sustainable Energy equities is likely to witness further ROCE improvement in 2020 as a result of top line growth and improving underlying economics. While near-term profitability will be impacted by the arrival and removal of individual subsidies and incentives, we believe that ROCE should improve from 2019 levels.

If ROCE achieves 12% and the stock market were to reflect it sustainably in the valuation of the equities, we would expect the portfolio to offer about 50% valuation upside. Coupled with P/E and EV/EBITDA metrics that are 10-20% lower than the MSCI World, we believe that the Guinness Sustainable Energy portfolio offers reasonably valued, concentrated exposure to an attractive 'mega trend'.

#### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global energy markets. Today, it is reported that 118 countries, representing 92% of global GDP, have enacted some form of social distancing. As a result, transportation and manufacturing are taking a disproportionate hit.

We believe that there is a structural 20 to 30 year opportunity in many of the companies associated with our sustainable energy theme. The world is transitioning to a more efficient energy system in order to satisfy population and GDP growth and to fight climate change and pollution. Many of the companies we consider are going to benefit significantly in this transition, yet their share prices have also suffered in the current downturn.

Having reviewed our five key drivers of the global energy transition, we believe that COVID-19 should prove to be just a bump in the road for the sustainable energy sector and a number of the companies currently present very good investment opportunities.

**Guinness Asset Management Limited**

# Investment Manager's report (continued)

For the financial year ended 31 December 2019

## 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	2015	2016	2017	2018	2019
Fund	+32.1%	+9.1%	+2.0%	-10.9%	-4.7%	+35.1%	-27.2%	+32.1%
Index	+27.7%	+12.6%	+8.7%	-0.9%	+7.5%	+22.4%	-8.7%	+27.7%

The Global Money Managers Fund (class E, in USD) in 2019 produced a total return of +32.1%. This compares to the return of the MSCI World Index (net return) of +27.7% and the MSCI World Financials Index of +25.5%.

After a period of weak performance in 2018, the money management sector rebounded well in 2019. Strength across asset classes, particularly equities, acted as a major support, since nearly all participants are operationally geared to rises and falls in the market.

With the exception of wealth managers, all subsectors within the money management industry performed very strongly in 2019. As a group, alternative asset managers were the runaway winners, benefitting from record net inflows, whilst defending fees and margins more successfully than public equity and fixed income oriented managers. Mid and smaller cap traditional asset managers generally enjoyed better flows than their large cap peers, the latter group suffering more from active-to-passive rotation. That said, rising markets caused the average manager in all three groups to increase AuM over the year. 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.

The best performers in the Fund over the year (on a total return basis) were: Azimut (+139.2%), Liontrust Asset Management (+103.7%) and Blackstone (+96.3%).

Azimut was significantly oversold at the end of 2018, caught up in the general sell-off of Italian equities, and enjoyed a healthy bounce throughout 2019. The company remains the leading independent asset manager in Italy. AuM growth accelerated in 2019 thanks to positive market movements and net inflows of over EUR4bn (taking total AuM to c.EUR58bn). Azimut's five year growth plan sees them focusing on expanding the equities portion of their business, and their presence in private markets and alternatives.

Liontrust, which we purchased for the Fund in 2012, continues to enjoy a transformational period. 2018 saw impressive net inflows and the acquisition of the Sustainable Investment Team from Alliance Trust, and last year the company built on that success. AuM reached £17.9bn in the middle of November 2019, up from £12.7bn at the end of March. Overall, Liontrust has achieved one of the highest rates of organic inflows in the industry. At the start of October, the company also completed the acquisition of Neptune Investment Management, adding a further £2.7bn of AuM.

In the alternatives sector, Blackstone was our strongest performer. The company is likely to end 2019 with well over \$100bn of new funds, led by good inflows into flagship funds and new initiatives. One of Blackstone's growing successes is in its perpetual capital funds. The majority of this growth comes in the company's real estate strategies, which now comprise around \$42bn of Blackstone's \$97bn total perpetual capital. Other successes included good flows into the company's flagship European Fund (BREP Europe VI), plus new initiatives in infrastructure and insurance. With cashflow estimates for the company improving, Blackstone raised their share buyback authorization during the year.

The worst performers in 2019 were: GAM Holding (-26.0%), Affiliated Managers Group (-11.8%) and Value Partners (-10.2%).

Fallout from the liquidation of GAM's absolute return bond funds continued in 2019, with the company attempting to restructure. Late in the year, the company announced senior management departures, with the Head of Investments and Head of Operations both leaving the business. GAM also suffered from the news in December that the Swiss stock exchange was seeking sanction against the company over its accounting treatment of financial liabilities in relation to the acquisition of Cantab Capital Partners in 2016. The company responded, assuring of no cashflow impact from the treatment. We sit nursing our losses with this investment after a torrid 2018, but importantly, underlying investment performance at the company remains strong, with the majority of assets under management ranking first or second quartile over the last three years.

Hong Kong based asset manager Value Partners faced various challenges in 2019. The stock suffered due to the downturn in sentiment towards Hong Kong's market, amidst unrest between locals and Chinese authorities. The company also saw personnel changes, with the departure of its head of sales particularly unsettling the market. And importantly for profitability, performance fees generated were well down, with key funds remaining below their high watermark levels. Value Partner's AuM ended 2019 flat at US\$15bn, with rising markets being offset by net outflows of US\$1.7bn.

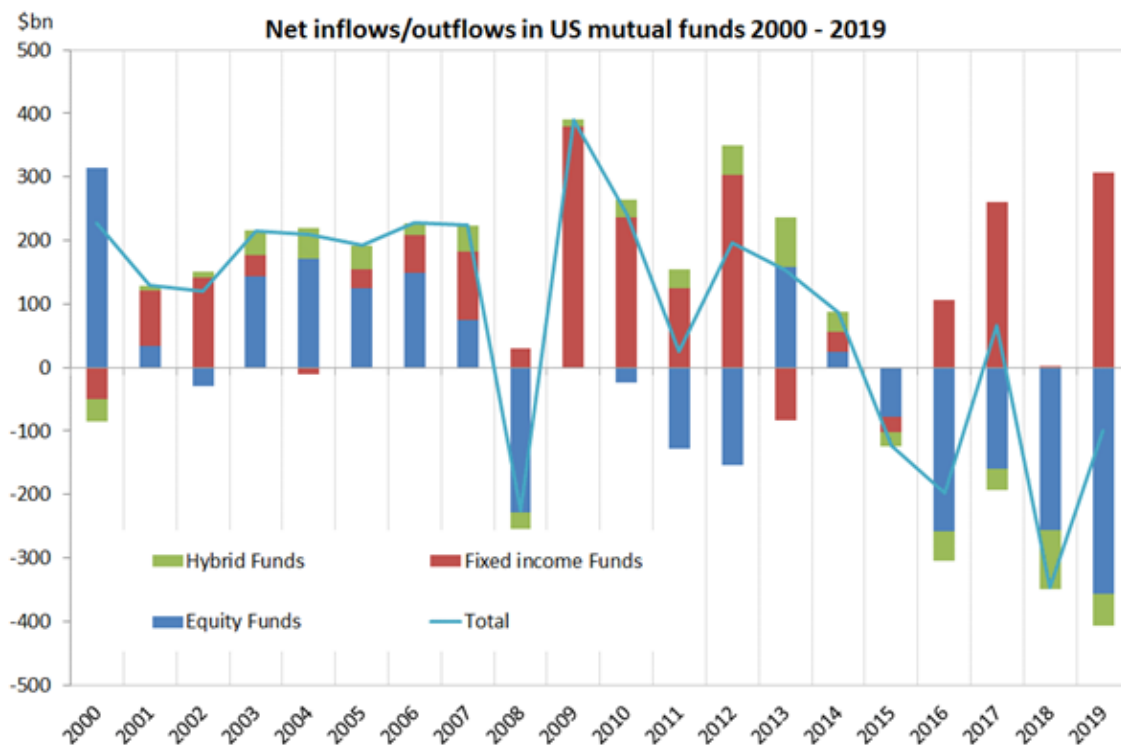
Affiliated Managers Group saw net outflows of 1.5% of AuM in 2018, and this is expected to have accelerated in 2019 to around 2.5% of AuM. A number of AMG's key investee companies had funds trading averagely versus peer groups, which has been enough in some cases (e.g. AQR) to turn steady net inflows into outflows. Against this, the company trades on one of the lowest 2019 P/E ratios in our portfolio, at 6.1x 2020 earnings.

Within the asset management sector, data for US mutual fund flows (which we treat as a proxy for global flows) indicated record outflows from active equity funds in 2019, surpassing the outflows seen in 2018. The picture for active bond & income funds was better, with strong positive flows in every quarter.

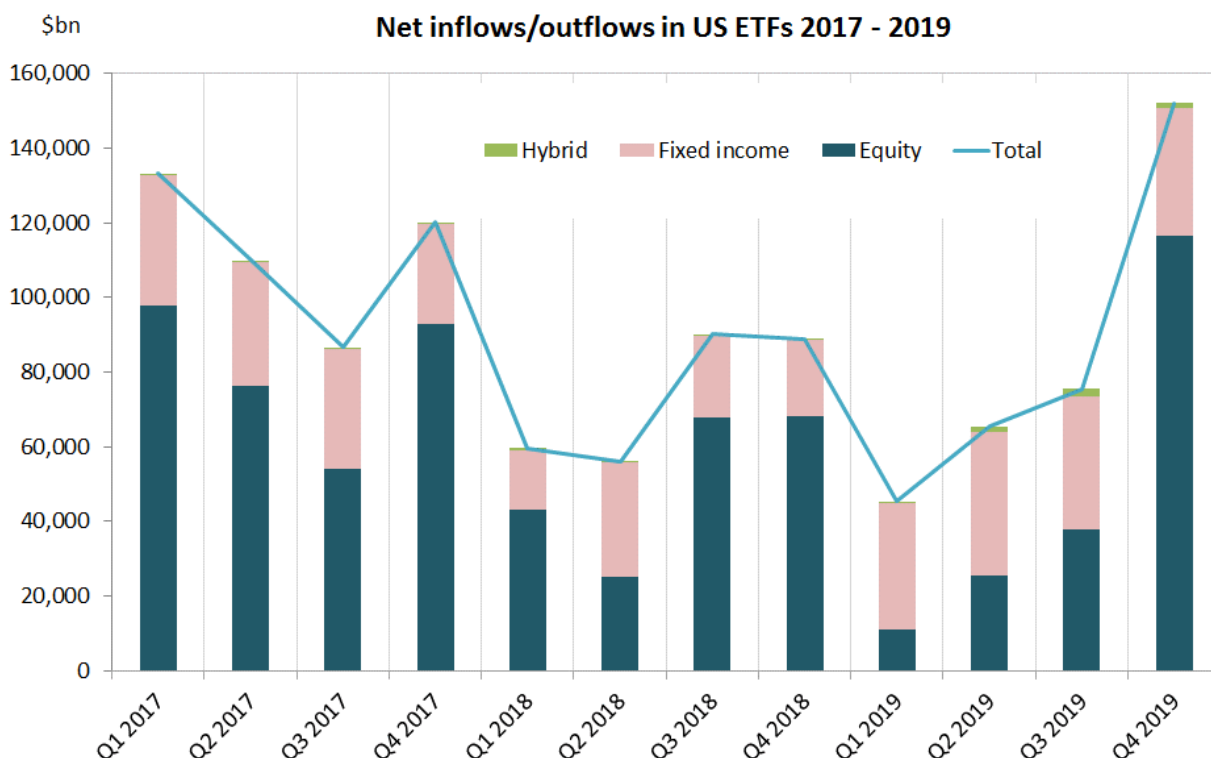
## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Money Managers Fund (continued)



Data from the US ETF industry shows a contrasting picture, with inflows across equity ETFs, bond & income ETFs and hybrid ETFs in every quarter since the start of 2017:



### Outlook

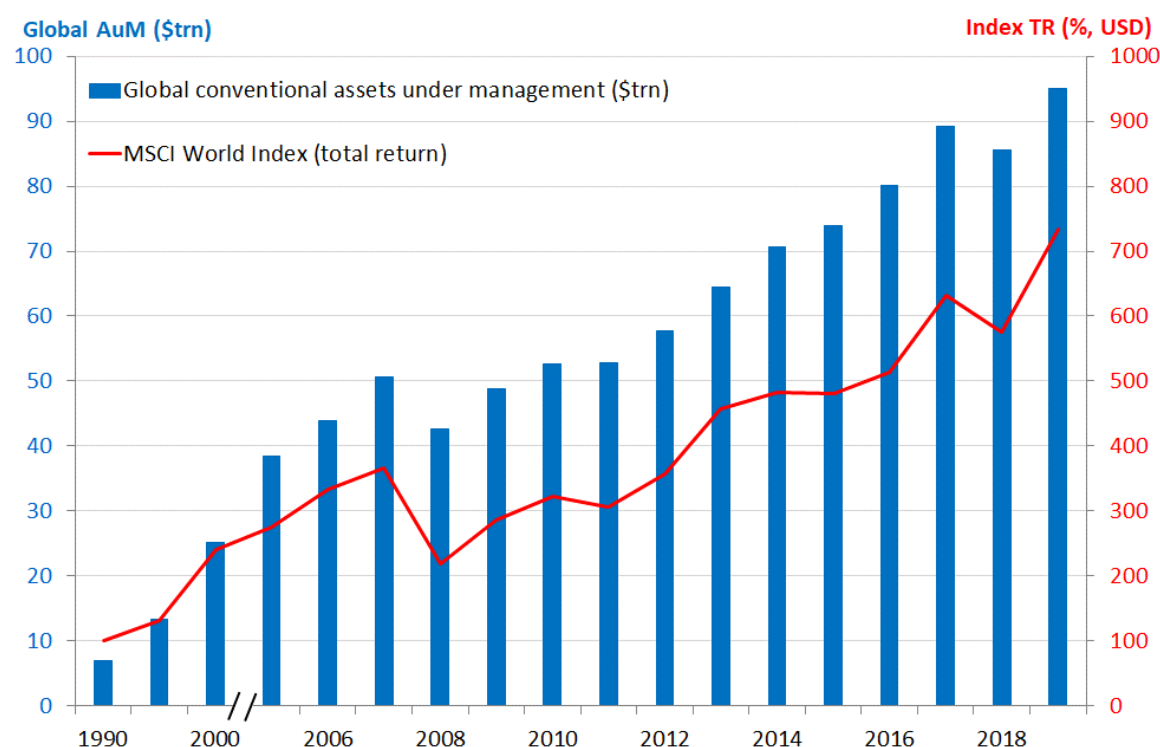
The assets under management of many companies in our investment universe reached new highs in 2019, helped by the bull market in global equities and also the secular forces of wealth creation, expansion in the breadth of investible assets, and demographic shifts. It was an environment where many firms achieved record profits. And yet, 2019 was also a year when the pressures of active to passive rotation in equities, associated fee pressures, plus the burden of increased regulation, were as visible as any point in the last decade.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Money Managers Fund (continued)

#### Global assets under management vs MSCI World Index (total return) 1990-2019



So, how do these countervailing trends play out in the 2020s?

We continue to believe 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, quality remains the key facet when defining a successful asset manager, and manifests itself in various ways, not just via scale.

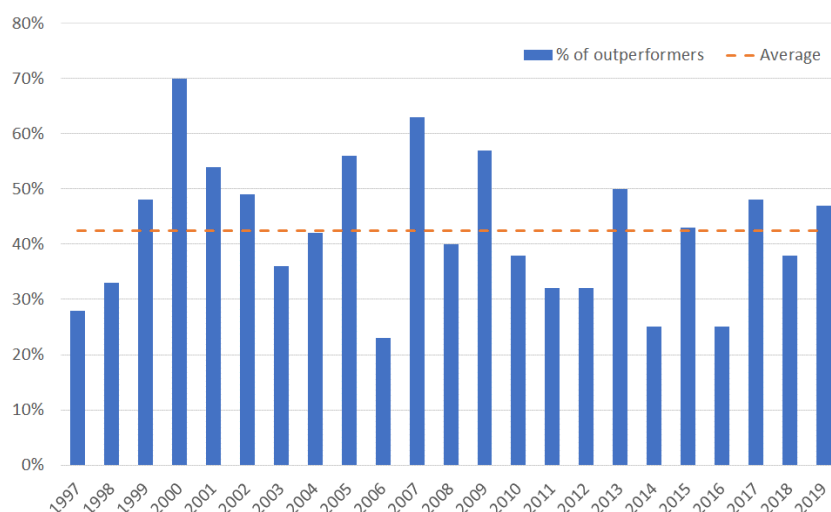
We define quality as "the ability of a manager to consistently meet stated and relevant objectives". For a smaller traditional asset manager, it likely means the provision of high active share, alpha-generating portfolios. For a passive provider, quality increasingly looks like the delivery of easily accessible, very low tracking-error, low cost ETF products. For an alternatives provider it is the consistent delivery of differentiated absolute returns. If quality is sustained, in whatever form, 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 have reached interesting 'value' territory, 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, our job is of course 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). Across the sector, 2019 was a better year than 2018 for active manager outperformance, but the numbers still illustrate the importance of picking the 'right' active manager:

#### % of active funds outperforming vs benchmark (1 year)



Source: Credit Suisse; Guinness Asset Management



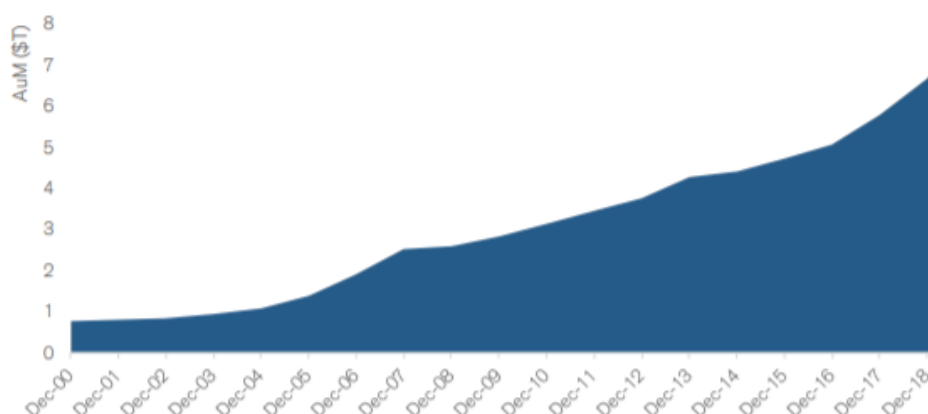
## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Money Managers Fund (continued)

- **Cost-efficient beta (ETFs/passives).** The next few years will see significant growth in the use of easily-accessible passive products, notably ETFs. Indeed, we expect the global ETF market to more than double 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 at low cost, so maximising their operating leverage.
- **Alternative asset managers.** There has been a strong secular migration in the institutional channel to illiquid alternatives (e.g. private equity, real estate, private debt, infrastructure). This is particularly benefitting the largest alternative firms like Blackstone and Apollo. '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.

#### Global alternative assets under management (2000-18)



Source: Credit Suisse; Guinness Asset Management

The benefits of alternative managers converting from partnership to C-Corp structures, a key theme for the past two years, has largely played out now. We do think, however, that there are opportunities to see higher dividends in the sector, fixed in ratio to management fee-earning assets to provide more consistent and transparent returns to investors.

- **Wealth management consolidators.** Similar to traditional asset managers, the wealth management industry has been under pressure to reduce fees, as competition intensifies. Nevertheless, this is still providing opportunities for well organized wealth management firms to scale up via acquisition and consolidation.
- **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 14x, versus world equity returns of around 7x. We expect this trend to continue. An expanding pool of assets provides an attractive environment for sectors such as stock exchanges and custody banks. Growth in the stock exchange industry is being driven not only by transactional volume, but also by rising demand for data and the commercialization of new technology.

We believe that the most successful money management investments over the coming years will be companies that deliver a quality product 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.

#### **Key man / concentration risk**

The biggest story in UK asset fund management in 2019 was the fall of Woodford Investment Management. The issues around the company and the lack of liquidity in the company's flagship Equity Income Fund, which spiraled to the point of fund closure, have been very well publicised. Woodford is a private company, so not open to investment from a fund like ours. However, the saga does of course raise questions over wider liquidity risk, and the significant reputational impact that asset management firms can suffer in a short space of time owing to an event like this.

Our Fund invests in the equities of around thirty asset managers, and associated businesses, globally. As part of our investment process, we look hard at the composition of assets under management. In particular, we consider:

- Concentration risk: is there an excessive proportion of assets under the control of a single manager or a single team within the organisation?
- Investment oversight risk: does the organisation have sufficient resources to monitor investment risk? Is there sufficient segregation between the fund managers in an organisation and their colleagues in the risk team? Is the risk team strong enough to challenge their fund managers in times of stress?
- Liquidity risk: is there an excessive concentration of assets in potentially unsuitable investments (e.g. property, emerging market bonds, private equity in open ended funds)

This process is not infallible, see for example the fallout from GAM's closure in 2018 of their absolute return bonds funds. But generally we find that finding answers to these questions, coupled with the diversification benefits that owning around thirty equally weighted positions gives, combine to mitigate the brand risks that investment in individual asset managers can bring.

#### **Dividends and valuation**

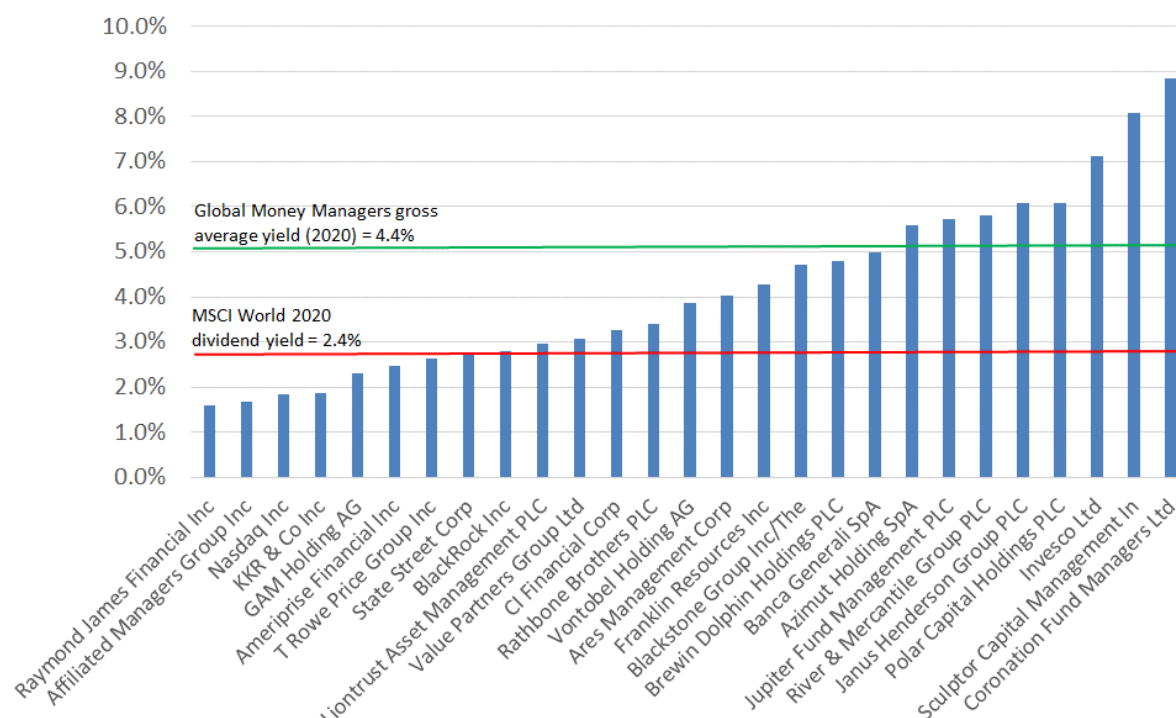
We continue to focus on the dividend being generated by companies in our portfolio. Companies in this sector tend to generate significant excess cash, and usually, Boards are willing to return the cash to shareholders in the form of dividends. At 31 December 2019, the portfolio currently shows an average gross dividend yield for 2020 of 4.4% (n.b. this is rolled up in the Fund rather than paid out), well ahead of the MSCI World at 2.4%.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Money Managers Fund (continued)

Guinness Global Money Managers Fund: estimated dividend yields (2020 %)



Source: Bloomberg; Guinness Asset Management

It is of course important to consider the sustainability of the portfolio's yield: dividend harvesting is of little use if it represents a return of capital rather than a return on capital. At 31 December 2019, the median dividend cover (defined as the ratio of estimated 2019 net earnings to dividends paid to ordinary shareholders) of the Fund stood at around 1.9x, with all companies owned achieving at least 1x cover. By comparison, the MSCI World's dividend cover stands at around 2.4x. 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 dividend remains high. Indeed, despite the dividend yield for the portfolio being as high as it is, the payout ratio is in line with the last ten years.

At 31 December 2019, the P/E ratio of the Fund was 13.8x 2019 earnings. This sits at a significant discount to the broad market, with the S&P 500 trading on a 2019 P/E ratio of 20.4x earnings.

#### Fund P/E ratios versus the S&P 500 Index (31.12.19)

	'16	'17	'18	'19	'20
<b>Fund P/E</b>	18.6	12.5	13.5	13.8	12.8
<b>S&amp;P 500 P/E</b>	20.5	26.0	21.3	20.4	18.4
<b>Premium (+)/ Discount (-)</b>	-9%	-52%	-37%	-32%	-30%

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.

#### COVID-19 update

At the time of writing (17 April 2020) the Coronavirus pandemic has had a material impact on the global economy. Governments around the world have shifted their approach in combating the crisis to one of 'suppression', in realisation that anything less would overwhelm health system capacity. Equity and corporate fixed income sectors have fallen sharply in response, with the financial sector, including money managers, amongst the more negatively impacted.

Given these events, the Fund has performed in line with expectation so far in 2020, underperforming the MSCI World Index but outperforming the MSCI World Financials Index. For as long as equity and fixed income markets remain depressed during this crisis, the money management sector will also suffer. However, the sector is reasonably well placed to weather the storm, given that money managers tend to maintain healthy balance sheets with little or no debt. Also, companies in the sector tend to have a flexible cost base, with their main asset (people) being paid less while profitability is lower. Assuming a recovery in broader equity markets post the worst of the Coronavirus, it seems reasonable to assume that underperformance by the money management sector on the downside should be recovered on the upside.

Guinness Asset Management Limited

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### 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	2015	2016	2017	2018	2019
Fund	+25.7%	+12.5%	+7.8%	-3.6%	+6.1%	+19.7%	-5.4%	+25.7%
Index	+27.7%	+12.6%	+8.7%	-0.9%	+7.5%	+22.4%	-8.7%	+27.7%

#### Review

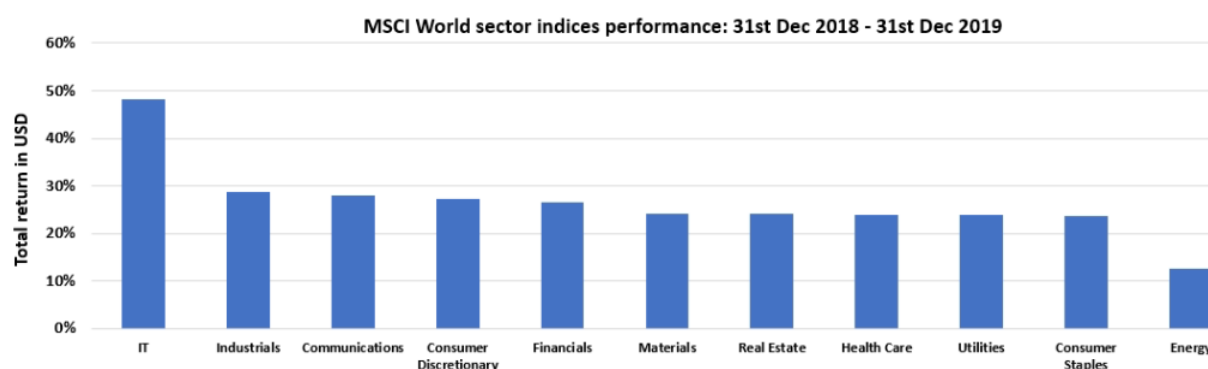
In 2019 the Guinness Global Equity Income Fund produced a total return of 25.7% (TR in USD), compared to the MSCI World Net TR Index return of 27.7%. The Fund therefore underperformed the Index by 2.0%. The Fund has now outperformed its IA Global Equity Income sector peers in seven of the nine years the Fund has been in existence, and is in the top quartile over 3-years, 5-years and since launch in 2010.

2019 saw consistently strong equity markets and the Fund outperformed in the bouts of market weakness. The start of the year saw global equity markets surge higher and this period led to the Fund's largest underperformance in the year. Markets kicked off the year surprisingly strongly and favoured the Information Technology stocks that had sold-off heavily in Q4 2018. The bounce back came after the FED pivoted at the start of the year, reversing course on interest rate rises. This set the tone for Growth stocks to continue their ascent and the trend persisted for most of the year.

The Fund managed to keep up with a very strong market overall in 2019, from the recovery early in the year – post the large sell-off seen in Q4 2018 – and also into the end of the year, when markets continued to rally due to improved sentiment around the potential for a US-China 'Phase 1' trade and more certainty in Europe post the convincing Conservative election victory in the UK.

The Fund outperformed in May and August, the only two months of negative returns (in USD) in 2019. Markets fell in May after an eventful month included a breakdown of US-China trade talks, the UK Prime Minister Theresa May resigned, North Korea fired missiles, and the US expanded the tariff war to Mexico. In August, market pessimism came via a surprising tweet by President Trump which announced that a new set of tariffs would be imposed on Chinese imports in September. That was swiftly followed by China allowing its currency to depreciate below 7 Renminbi-to-the-Dollar – a key historical threshold – and the US declaring that China was a currency manipulator. The tit-for-tat continued and led to a flight for safety, which subsequently favoured defensive stocks and bonds. The rally in bond prices and depressed bond yields led to the first yield curve inversion – between the two-year and 10-year US Treasury bonds – since 2006. The move was significant because such inversions of the yield curve – in which short-maturity yields exceed those for longer-maturity bonds – have preceded nearly all recessions dating back to the 1950s; the occurrence spooked markets and exacerbated the equity sell off.

The Fund outperformed in both of the sell-offs and in fact, looking longer term, we see that the Fund has actually outperformed in each of the largest drawdowns seen in the last 9 years, i.e. since the launch of the Fund in 2010.



MSCI World sector performance in 2019 (TR in USD). As of 31st December 2019. Source: Bloomberg.

By some margin, IT was the best performing sector of the year, up 47.6% in USD. Energy was the worst performer, up 11.0% in USD, whilst all the other sectors closed the year within a narrow range (23-28% in USD).

Being underweight IT was a drag on Fund performance in the year, however looking more intricately:

- Semiconductors led within the sector with a 55% return (in USD) over the year. The Fund is c.3% overweight Semiconductors vs the MSCI World Index, and participated in the rally via positions in TSMC (+57%) and Broadcom (+27%).
- Software & Services rose 42% in the year, and though we are c.3% underweight, we benefited from good stock selection in the industry, via our holding of Microsoft (+58%) and Paychex (+35%).
- Technology Hardware rose 56% in the year and the Fund is c.3% underweight. This proved to be a drag on active performance since our only holding in the space, Cisco (+14%), struggled to keep up with the industry lifted higher by a surging Apple (+89%). Apple was the largest contributor to the MSCI World Index return in the year. Its low dividend yield screens it out of our Fund selection.

Energy was the worst performer of the year, and the Fund was somewhat immune given it only holds one position in the sector. The price of oil has stayed low due to oversupply and low demand conditions. Furthermore, investors fretted over increases in supply as shale oil production in the US continued to grow, and OPEC seemed unwilling to cut production, all of which had a negative impact on the sector's performance. The drone attack on oil processing systems in Saudi Arabia, in September, wiped out 5% of global supply, though market reaction was fairly muted, and supply was reinstated.

The Fund's largest overweight positions are in Consumer Staples (c.18% vs the MSCI World Index) and Industrials (c.9%). Overall, the allocation effect from both sectors did not meaningfully add or subtract from Fund performance relative to the benchmark over the year, though stock selection within each sector contributed significantly. Good stock selection within the Capital Goods industry (Industrials sector) benefitted the Fund's active performance, whereas poor performance in the Tobacco industry (Consumer Staples) dragged on performance. Overall, investors favoured growthier and more cyclical stocks, aiding Industrials and IT, and thwarting Consumer Staples and Healthcare stocks.

The big question going into 2020 is whether the bull run may continue and what exactly may lead to its downfall. As ever, rather than trying to pick which way the macro or political winds will blow in the near term, we maintain our focus on companies that can deliver a sustainable, rising income stream alongside capital growth over the long term. 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 the majority of market conditions.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Equity Income Fund (continued)

As an income Fund we target a moderate yield (currently 2.7% net) but look for good potential for dividend growth. In January 2020 the Fund declared its final dividend pay-out which represented the income we received in the second half of 2019. The total dividend distributed for 2019 grew 11.7% compared to 2018, and we have grown the distribution every year since launch. The annualised growth of the dividend since launch is now 5.6%.

We are seeing plenty of interest in the Guinness Global Equity Income strategy, which has grown from £535mn assets under management at the start of the year to £1.2bn today.

### Activity

In 2019 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 Merck with Blackrock.

In the third quarter, we also made one change to the portfolio. We replaced our position in Vodacom with a position in Henkel.

In the fourth quarter, we made two changes, whereby we replaced Hengan International and Japan Tobacco, with Diageo and ABB.

### Portfolio Positioning

The major effect of the changes we made to the portfolio in 2019 was to increase our Industrials and Financials exposure, whilst reducing our Communications and Healthcare exposure. 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 and Industrials.

When we look at how individual companies within the portfolio performed in 2019 we see that out of the top five, we have two IT, two Consumer Discretionary, and one Industrial stock. This highlights the benefit of our moderate dividend yield and sector-agnostic approach, which can identify opportunities outside of the traditional high-yield or 'defensive' areas typically associated with income funds

In terms of geographic allocation, we reduced our Asia-Pacific and Africa/ME weighting, while increasing our exposure to Europe and the UK.

The Fund is currently approx.24% underweight the US, and though this was the best performing region in 2019, there was no meaningful effect on attribution. 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, 5 were US domiciled.

### 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 these measures relative to the MSCI World Index benchmark.

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 16.3x 2020 expected price to earnings; a discount of 5% to the broad market. Additionally, on a free cashflow basis, the Fund trades at a 35% discount to the market.

As we look ahead to 2020, it is clear that central banks are still shouldering the burden for stimulating the economy via monetary policy, as has been the case since the Global Financial Crisis. After a nascent attempt at normalising, some major central banks have become more accommodative as 2019 progressed. That should bode well for 2020, as the rate cuts enacted by the US Federal Reserve in 2019 have already resulted in an acceleration in money and credit growth. Monetary easing proved to be more fruitful for equity markets than the overall economy in 2019, and there does not seem any reason at the outset as to why that may change going into 2020.

Countering the positive effects of monetary stimulus is geopolitical disruption — and the economic policy uncertainty that comes with it. Though markets have tended to shrug these off longer term, current sources of policy uncertainty include:

- US-China trade war and Brexit, which have been the most prominent creators of uncertainty in 2019
- The 2020 US Presidential Election, which will kick into higher gear in the second half of 2020
- The conflict between China and Hong Kong
- Tensions in the Middle East

Economic and political uncertainty is perhaps likely to continue to depress capital spending and we must watch vigilantly to notice any spill over into greater unemployment or inflation. Nonetheless, our perpetual approach of focusing on quality compounders and dividend-growers (which in fact act as inflation-hedges) should stand us in good stead in our search for rising income streams and long-term capital growth.

As ever we would like to thank you for your continued support, and we wish you all a prosperous 2020.

### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global economy. Since the Fund focuses on investing in consistently profitable companies with strong balance sheets, we entered the crisis with no exposure to banks, travel companies, hotels, airlines, luxury goods, restaurants, etc. — areas of the market that have been hardest hit. These industries tend to show up less in our universe due to their cyclical and/or regulated nature. We do not believe that any of our companies will require government bail outs or support and at the time of writing no companies held in the portfolio have announced cuts or suspensions of their dividends.

The outbreak continues to fuel global uncertainty and increases recessionary fears. Although we cannot predict the future impact of this outbreak, we believe our approach of focusing on the quality of the underlying companies we own and not chasing unsustainably high dividend yields should stand us in good stead.

### Guinness Asset Management Limited

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Asian Equity Income Fund (the "Fund")

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2015	2016	2017	2018	2019
Fund	+18.7%	+10.9%	+7.0%	-4.4%	+7.5%	+36.3%	-15.7%	+18.7%
Index	+20.3%	+12.1%	+6.5%	-9.6%	+7.5%	+36.9%	-14.5%	+20.3%

The Fund rose 18.7% in 2019 compared to the benchmark which rose 20.3%. In the context of a Fund style which expects to lag strongly rising markets, we think capturing 92% of the rise was a very good outcome. The Fund delivered a reported dividend yield of 4%. Capital growth accounted for approximately 70% of the annual return and the dividend, 30%.

Performance was bookended by strong rallies at the beginning and end of the year and marked weakness in the middle. The ebb and flow of the trade dispute between the US and China resulted in significant valuation contractions and expansions in amongst our north Asia and technology holdings. Trade was not the only issue. China is also in the midst of a structural growth deceleration which has been exacerbated both by trade matters and by China's need to address legacy debt issues. Indeed, most countries have had to contend with political or economic headwinds this year whether it be Korea's trade dispute with Japan coupled with slowing domestic growth, banking issues in India along with signs of religious tensions, slower domestic growth and currency strength in Thailand and never mind North Korea and upheavals in Hong Kong...there has been plenty to occupy the mind.

The best performing markets over the year were Australia, New Zealand, China and Taiwan. From a top down perspective, in a year when trade tensions were running high it may seem counter-intuitive that the best markets were the safer havens alongside those perceived to be in the eye of the storm but of course, they have followed rather different paths. The explanation lies in the sharp recovery in the last three months of the year as President Trump pared back his trade rhetoric. In China, this was evident most especially amongst consumer discretionary names. Chinese real estate, health care, technology, materials and even consumer staples, which together account for 20% of the China Index, also rose. Australia's performance however, was much more broad-based and spread across the year. All sectors outperformed apart from, utilities, technology and the troubled financial sector.

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

Stock market returns in India, Indonesia, Malaysia and Thailand were notably weaker on slowing domestic growth while Singapore benefitted from its developed market and relatively safer haven status. Korea was weaker last year as the country faced trade pressures on two fronts, from Japan as well as the overspill from the China/US dispute. Thailand has been an interesting case this year because economic growth has been held back by its unusually strong currency, up 9% against the dollar, which closed the year below THB30 to US\$1 for the first time since 1996.

#### Portfolio Changes

We sold Asustek Computer which has been undergoing a reorganisation to realign its component manufacturing business and its branded consumer electronics division which is split between computers and tablets on the one hand and smartphones on the other. Progress has been slow and the smartphone side has struggled to keep pace first with the growth of Apple and Samsung and subsequently with arrival of the Chinese makers.

We took the decision to reduce Chinese banking exposure selling China Minsheng Bank and Industrial & Commercial Bank of China. We see macro-economic conditions becoming more challenging for Chinese heavy industry and we see government efforts to lighten the burden by cutting interest rates to be headwinds for the banks. We do not see China slipping toward anything like a financial crisis but we also see these banks as fully valued.

Pacific Textiles has failed to meet our expectations and we now think offers little prospect for growth. Environmental matters had put this stock on our watch list and with weaker demand prospects also becoming evident we concluded the high dividend was insufficient compensation. The final position sold was Delta Electronics Thailand by means of a tender to the parent company which sought to take full ownership of the business.

In their places we bought China Medical System, a pharmaceutical distributor of both branded and generic drugs. China Resources Gas (CRG) is one of the few utility companies that make it into our universe. Its focus is on the provision of gas to urban household customers. Ping An Insurance is a financial conglomerate the bulk of which is made up of life insurance, property and casualty insurance and banking. We think this company is well-placed for the structural story that we think is underway in China with its ageing and increasingly wealthy population.

Godrej Consumer Products is an Indian consumer staples company whose products fall into four broad categories: Soap, hair care, household insecticides (mosquito repellent) and air care (fresheners). A little over half their revenue comes from India, with Indonesia, Africa, Middle East, US and Latin America the other main markets. Tech Mahindra was the final new purchase. It has the highest exposure to telecoms of the Indian IT consultants. We believe the dynamics for this sector are about to change with the advent of 5G which is based on different technology, requiring different hardware and with wider application than just smartphones.

#### Portfolio Position

The main change to the portfolio on a country basis has been the introduction of two Indian companies at the expense of one Thai position and one Taiwanese. On a sector basis, the changes made included a utility name, China Resources Gas, for the first time since we sold Thai Tap Water in 2014. The addition of Godrej Consumer Products brings our Consumer Staples exposure to two positions (5.5%). The purchase of China Medical System added a third name to healthcare exposure alongside Sonic Healthcare and St Shine Optical. Financial exposure has been adjusted by scaling back Chinese banking exposure and the addition of Chinese insurer, Ping An. This has brought our overall Chinese financials exposure down from four positions to three. Finally, the Fund's technology exposure has been realigned a little by the sale of Taiwanese manufacturer, Asustek and the purchase of Indian IT consultant, Tech Mahindra.

Compared to the benchmark, the Fund is underweight relative to Australia, China and Korea and is overweight relative to Singapore, Taiwan and Thailand. On a sector basis, underweight exposures to communication services, industrials and materials are matched by overweight exposure to consumer discretionary, health care, technology and real estate.

#### Outlook

Consensus earnings estimates for the portfolio indicate a compound average annual growth rate in profits for the 3 years 2018-2021 of 6.2%. This is the product of estimated earnings growth for the portfolio's holdings of 3.3% for full year 2019 followed by 6.6% for 2020 and 8.8% for 2021. These estimates can, and probably will, change significantly in the months ahead. We expect the companies in the portfolio to stick to their dividend distribution policies and thus, so long as profits are expected to grow, we would hope to see another year of underlying core dividend growth.

It is undeniable that most countries in Asia are experiencing downward pressure on economic growth and given the size of the Chinese and Indian economies where pressure is perhaps greater, we would expect to see regional economic growth in 2020 to be slower than that of 2019, which in turn is likely to be down on 2018. Numbers collected by Bloomberg however still paint a reasonable picture: regional growth was 4.8% in 2018 and is expected to fall to 4.3% in 2019 and then to 4.2% in 2020 followed by 4.5% in 2021. The 2019 drop should not come as a surprise given the degree to which the trade dispute has distorted demand and exacerbated China's cyclical deceleration. The good news is that most countries, with the exceptions of India and Indonesia, have room to respond through monetary policy (interest rates) and fiscal moves (tax cuts, stimulus and spending).

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

**Investment Manager's report (continued)**

For the financial year ended 31 December 2019

**Guinness Asian Equity Income Fund (the "Fund") (continued)****COVID-19 update**

The Coronavirus pandemic has had a material impact on the global economy. The Fund focuses on investing in businesses with strong business models; that is, an operating model that delivers superior profitability over time which rests on a solid financial platform. In normal times, which will return, we believe the companies in the portfolio have the operating models and core competitive strengths to continue to deliver superior profitability. In these abnormal times we believe it is a strong financial platform which defines them: cash and liquid assets on hand, low debt, high interest cover, lower working capital requirements with higher rates of cash conversion and low refinancing requirements over the next year. We do not believe that any of our companies will require government bail outs.

Estimates as the extent of the economic impact of this pandemic and its duration vary widely; there are no models that enable an accurate assessment of low frequency events such as this. We believe our approach that requires companies to demonstrate both profitability and financial strength provides the portfolio with fundamental resilience.

**Guinness Asset Management Limited**



## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness European Equity Income Fund (the "Fund")

#### Summary

In 2019 your Fund rose +28.3% (in USD) over the year, ahead versus the MSCI Europe Ex UK Net Return Index, which rose +24.8% (in GBP). The fund therefore outperformed the index by 3.5% over the year and was best in class vs IA Europe ex UK income peers.

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2015	2016	2017	2018	2019
Fund	+28.3%	+10.1%	+7.1%	-2.0%	+7.8%	+21.2%	-14.3%	+28.3%
Index	+24.8%	+10.3%	+5.8%	-0.6%	-0.6%	+26.8%	-15.1%	+24.8%

Over the year performance benefitted from the Fund's exposure to high quality companies with widening moats and long runways for growth trading at attractive valuations.

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 since we launched the Fund in December 2013. This year the Fund grew the dividend by 4.1% (X-class, in EUR), whilst the annualised growth rate over the last six years has been 6.3%. The current fund dividend yield based on last year's pay-out is 3.2% post withholding tax, inline with the MSCI Europe ex UK Index 2019 dividend yield.

Your Fund has outperformed its Benchmark the MSCI Europe ex UK Net Return Index over most main timeframes: one year, five years and since inception. Whilst at the same time delivering on its mandate to provide a growing income stream to investors.

#### Performance

European and global equity markets climbed a wall of worry through 2019 following the setback of Q4 2018. The twin panacea of rate cuts and renewed unconventional monetary stimulus more than offset concern over rising trade tariffs. Though the latter did make itself felt in export led and manufacturing segments of European markets. The service sector and consumer however held up well in Europe, supported by ongoing robust bank lending growth alongside falling political risk premia as concern over the Italian political debacle evaporated as quickly as it had arrived. In the final quarter of 2019 sentiment improved as the market began to sniff out an improving policy mix, culminating in mid-December in an initial phase one trade deal between the US and China alongside reduced probabilities of an ugly Brexit. Good news for Europe and particularly Germany given its position as a large net exporter.

As we enter 2020 European sovereign yields have bounced off their lows (with the German 10Y yield rebounding to -0.2% from around -0.8%). While Sweden even raised benchmark rates back to 0%, a nod to an improving outlook, but also highlighting increasing awareness of the impact of negative rates in Europe. Including reduced pension pay-outs, unaffordable housing and increasing inequality, an impaired banking system alongside reduced incentives for those with cash to spend and for CEOs to increase capital expenditure over buybacks. Despite which there are signs that the latest round of ECB led stimulus is having a positive effect (albeit at diminishing returns). M1 and M3 (cash and near cash measures of money in circulation) are up sharply over the last quarter, suggesting a pickup in PMI manufacturing data ahead, arguably with potential to run given low capex/depreciation levels versus history. Whilst some of this upcoming pick up has been priced, it remains good news for our ongoing significant overweight in European industrials and more cyclical areas of the market.

In our December European equity outlook, we highlighted structural drivers supporting our fundamental quality value long-term stock picks. Particularly with reference to our overweight in Industrials which looks set to benefit from long-term shifts towards increased levels of green investment and potential for higher fiscal spending across conservatively financed European countries displaying large current account surpluses (collectively incentivised to increase fiscal spending through their dislike of QE). We also discussed potential for continued consolidation both at the company level (as Europe looks to redress the balance vs. growing US and Chinese industrial might) and at the political level as Europe looks to take advantage of Brexit to consolidate its own markets. Pushing ahead with banking union, creation of a single asset, an insurance deposit scheme and playing a more outward role in the world. The latter supported by increased defense cooperation and export of European environmental and regulatory standards in exchange for market access. The moves towards financial consolidation coupled with an improving economy should support our other large sector overweight, Financials.

Regarding the potential for fiscal stimulus, the quantum will likely prove reflexive and inverse to the direction of the economy. However, the good news in Europe is that if things did deteriorate again (not our base case as the dual drags of the trade war and Brexit fade somewhat) Europe has something of a put option. Having significantly more firepower for stimulus than the US and other regions thanks to a superior funding advantage some 200bps below US 10Y yields, and a markedly better fiscal position with an aggregate Eurozone current account surplus of ~3% of GDP vs. the US's -3% of GDP, all supported by a longer runway for low inflation growth in the form of higher labour slack at ~7.5% unemployment vs. 3.5% in the US. There is also significant political will to meet upgraded climate targets, that make green fiscal expenditure almost certain whatever the weather.

Overall European equities look fair value vs. history and attractive vs. the US and bonds. Where it becomes more nuanced however is when one considers intra sector and regional valuation and performance disparities versus history; skewed by years of declining rates, QE and political interference. This is a setup that argues for a continued emphasis on value within our usual quality value focus. Low growth, QE and ultra-low rates have pushed value to generational lows vs. growth. Markets have been skewed towards long-duration, bond proxies and international growth equities and away from their domestic counterparts as GDP growth slowed and rates fell. Meanwhile the Euro is at lows vs. the dollar (ahead of likely consolidation of the European financial framework alongside a difficult election in the US). Capital intensive has been handicapped vs. capital light amid near unlimited near zero cost capital. But if the tonic does shift from top down QE towards bottom up direct fiscal stimulus, we could find ourselves in a new more reflationary regime increasingly favoring value, domestic and capital intensive over growth, high asset prices and trickle down effects.

It doesn't seem too farfetched to imagine that Europe might manage to forge a path and consolidate its position (having surprised on the upside in 2019), while taking advantage of its superior funding options and exporting its higher environmental standards. While the US, could, from a higher starting point, suffer uncertainties relating to election outcomes and its growing deficit. The net net being growth becoming a bit less scarce amid reflation and improved confidence in domestic Europe (helpful for sectors like financials, industrials and infrastructure). In the event that this did happen it could of course also suggest upside for the Euro.

In our view the outperformance of the Fund in both Q4 and over the course of 2019 was predominantly driven by two factors. First, our overweight positioning in high quality cyclicals, notably Industrials and Financials. These sectors hold many high-quality companies that are both good value and positioned to capture any reflation that softening in trade and Brexit concerns alongside nascent European fiscal stimulus may bring. Second, our focus on companies with identifiable barriers to entry, leading market positions (no.1, 2 or 3 or dominates a niche), widening moats, aligned interests and long runways for growth.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness European Equity Income Fund (continued)

**Atlas Copco**, our top performing industrial over the year and in Q4 is a great example of this. The company is the global **market leader** in one big niche, compression technologies. **Identifiable barriers to entry** are abundant due not just to the company's scale and technological lead but also due to the amount of kit that the company has installed across its client base, which requires regular servicing. This means that the company benefits from both high switching costs and allied to that higher margin scalable repeat service revenue. On the basis of fundamentals over valuation we remain comfortable and confident holding the stock because we can see that the company has a **widening moat**. Evidence of a widening moat includes ongoing market share gains, high levels of investment in R&D and allied to that new product introductions. Further a review of the supply side shows no new entrants into the market and relatively depressed capex/sales levels vs. history. We also feel confident holding the shares because interests across management, employees, customers and shareholders are aligned. The guiding hand of Investor AB (23.18% of shares outstanding) lends valuable advice and support to group companies, management also have plenty of "skin in the game" and are incentivised on a returns basis (ROCE). While the decentralised and locally focused company structure enables employees to have a real focus on and understanding of their local markets. This means customer service is excellent and, importantly, Atlas Copco is delivering product that makes the world a better place, much of its equipment having significant resource efficiency benefits to its clients and the world at large. This is a company where **aligned interests** are apparent across shareholders, management and company impact. We also have confidence that the company isn't going to run out of opportunities any time soon given the **long runway for growth** apparent across its end markets, characterised by high exposure to young and growing industries like semiconductors, electric vehicles and buildings efficiency.

### Activity

**In 2019 we sold 5 positions and bought 5 new positions**, three switches in the second and two in fourth quarters of the year, leaving the portfolio with 30 equally weighted positions at the end of the year.

**In April** we bought **AXA Group SA**, to replace **Sanofi SA** which had fallen out of our universe amid declining cash flow returns on investment.

**In May** we bought **C&C Group** replacing our longstanding position in **Heineken**. Also in May we acquired a new position in **Millicom** and sold our holding in **MTG Group** (after the company split in two, one side taking the unprofitable gaming operations and the other cash generative side assuming all the debt, leaving us unable to hold either).

**In October**, we made two more portfolio changes, acquiring **Aalberts Industries** which replaced **Azimut** (+111% YTD at sale), and **Smurfit Kappa** replacing **Novartis** which had fallen out of our universe.

### 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				
	31/12/2019	31/12/2018		31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Consumer Discretionary	6%	6%	0%	20%	23%	15%	16%	17%
Consumer Staples	16%	17%	-1%	19%	19%	17%	16%	16%
Energy	0%	0%	0%	4%	4%	3%	3%	3%
Financials	19%	19%	0%	13%	14%	14%	13%	13%
Health Care	7%	14%	-7%	13%	13%	10%	10%	10%
Industrials	30%	23%	7%	23%	19%	24%	25%	27%
Information Technology	7%	6%	1%	3%	4%	10%	10%	10%
Materials	4%	0%	4%	0%	0%	0%	0%	0%
Communication Services	9%	9%	0%	3%	3%	4%	3%	3%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%
Real Estate	0%	0%	0%	0%	0%	0%	0%	0%
Cash	2%	5%	-3%	3%	0%	3%	3%	0%

\*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 Frent was sold 1st October 2018

The big changes in sector exposure over the year have been the 7% increase in Industrials exposure, taking our exposure up to our maximum sector exposure of 30%, and our -7% reduction in our Healthcare exposure due to the sale of Novartis and Sanofi. Also notable is the increase in exposure to Materials, due to the addition of Smurfit Kappa to the portfolio.

In contrast to many income funds, the Guinness European Equity Income Fund has no exposure to highly regulated and commodity sectors of the market. Whilst Smurfit Kappa is in the Materials it is an increasingly high-quality company in transition from good to great due to high local economies of scale and its focus on sustainable packaging resulting in increased pricing power due to a rapidly improving supply and demand profile.

### Outlook

Whatever the economic weather in 2020, we believe our focus on quality companies that generate persistent high cash returns supported by strong balance sheets will serve investors well for the long-term. Guinness European Equity Income Fund holdings are characterized by high levels of self-determination; namely identifiable barriers to entry, leading market positions, widening moats, aligned interests and long runways for growth. As described in our December 2020 outlook note many of our fund holdings, notably Industrials, look well supported by structural drivers. Holistically, this high-conviction fund has companies which are significantly higher quality and better value verses the index.

From where we stand at the beginning of 2020 the investment backdrop is full of contradictions but also significant opportunities in our view. 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 international companies supported by structural growth drivers and attractive growth profiles; and many more domestically focused companies, shielded from the risks of trade and currency wars, where returns and ratings have potential to benefit from a mixture of self-help, improving domestic demand and market consolidation.

We will continue to work hard to deliver long-term capital growth and a steady, growing income stream, and thank you for your continued support.

### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global economy, and on European Industrial and Financial dividends in particular. Looking at how the same portfolio would have performed in the 2007 – 2010 period, suggests that dividend payments should rebound sharply as we exit the crisis, in spite of some companies currently having cut or withheld 2019 dividend payments (in some cases at the behest of regulators, in others due to an inability to hold AGMs). The outbreak continues to fuel global uncertainty and increases recessionary fears. Although we cannot predict the future impact of this outbreak we believe our approach of focusing on the quality of the underlying companies we own and not chasing unsustainably high dividend yields should stand us in good stead.

### Guinness Asset Management Limited



# Investment Manager's report (continued)

For the financial year ended 31 December 2019

## Guinness Global Innovators Fund (the "Fund")

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2015	2016	2017	2018	2019
Fund	+36.6%	+14.8%	+9.4%	-3.5%	+7.2%	+33.6%	-17.0%	+36.6%
Index	+27.7%	+12.6%	+8.7%	-0.9%	+7.5%	+22.4%	-8.7%	+27.7%

### Review

In 2019 the Guinness Global Innovators Fund produced a total return of 36.6% (TR in USD), compared to the MSCI World Net TR Index return of 27.7%, therefore outperforming by 8.9% and placed 11th out of 324 funds in the IA Global sector.

Over the **1st quarter**, dovish tones from the US Fed on interest rates and positive noise out of US-China trade talks helped boost the Fund's Chinese-exposed stocks such as New Oriental Education and Anta Sports, and also the Fund's semiconductor holdings which were boosted by bullish comments by managements for the medium-term outlook for the sector. In the 1st quarter the Fund was up 17.8% in USD vs MSCI World 12.5% in USD. Over the quarter, the Fund's overweight exposure to Asia Pacific ex-Japan, and in particular China, was the largest regional contributor to the Fund's outperformance with the most significant returns coming from New Oriental Education (up 64.4% in USD) and Anta Sports (up 41.8% in USD). Additionally, the Fund's largest regional exposure, North America produced significant stock selection attribution as our overweight positions in semiconductor companies and global conglomerates, Danaher and Roper Technologies, produced strong returns. On a sector level, our overweight position to IT, the highest performing sector over the quarter, produced the largest contributions to the Fund's outperformance from a sector attribution point of view. In particular, the portfolio's exposure to semiconductor holdings such as Nvidia (up 34.6% in USD) and KLA Corp (up 34.3% in USD), provided the most significant contribution to the performance, having previously been a drag on the portfolio over Q4 2018.

Into the **2nd quarter** and outperformance of the Fund during April and June was not enough to offset the underperformance during May after the reignition in US-China trade dispute which negatively impacted our semiconductor exposure in particular (Fund up 2.4% in USD vs MSCI World 4.0%). However, the increasing likelihood of US interest rate cuts and the re-start of trade talks at the G20 summit enabled equity markets to continue their rally into June with the S&P 500 hitting record highs. Over the quarter as a whole, the Fund's overweight exposure to Asia Pacific ex-Japan was the largest regional drag on the portfolio having been one of the largest contributors to Fund outperformance over Q1. Our exposure to European equities was the largest regional contributor to Fund performance over the quarter with strong stock performances from SAP (up 20% in USD) and Schneider Electric (up 19% in USD) the primary reason. On a sector level, our overweight position to IT contributed positively to asset allocation, however, stock selection to names such as Cognizant and Checkpoint Software was a drag on the portfolio. The Fund's exposure to the Industrials sector made up the largest proportion of positive attribution with stock selection from Schneider Electric (up 19% in USD) and ABB (up 11% in USD) the largest contributors.

Over the **3rd quarter**, despite the underperformance during August after the escalation in the US-China trade, the Fund outperformed over the entire quarter, returning 1.9% (in USD) vs the MSCI World 0.5% (in USD). Overall, strong IT returns, particularly from our semiconductor names, drove a large part of the outperformance over Q3 with KLA Tencor, Lam Research and Applied Materials returning 35.6%, 23.7% and 11.7% (in USD) respectively. In addition, the Fund benefitted from strong stock selection from our US holdings again – mainly the semiconductor holdings – and Asia Pacific stocks such as Anta Sports (up 21.0% USD) and New Oriental Education (up 14.7% USD) which continued to add to their significant gains year-to-date. Over the entire quarter, the Fund's exposure to the US was the largest regional contributor on strong selection. Stock selection was also behind Asia Pacific's positive contribution to Fund performance over the quarter. On a sector level, our overweight positions to IT and consumer discretionary were strong contributors, however, our exposure to Industrials was a drag on portfolio performance as continued weakness in European manufacturing data led to the relative underperformance by companies such as Siemens and Schneider Electric. In September we also saw the 'value rotation' whereby global value stocks significantly outperformed growth stocks in the month – a sharp reversal of the prevailing trend. During the month, the Fund was up 2.9% vs the MSCI World 2.2% (in USD), showing the positive effects of our value discipline.

The year ended in a similar fashion to how it began, with the Fund strongly outperforming – up 11.2% (in USD) versus the MSCI World up 8.6% (in USD) over the **4th quarter**. A general 'risk-on' attitude came with a resounding win for the Conservatives in the UK general election, a 'Phase One' agreement between the US and China was a positive step for relations and the first step to a possible full deal, and central banks continuing to add stimulus to their respective economies with the US Fed cutting the benchmark interest rate for the 3rd time in the year and China once again cutting the Required Reserve Ratio (RRR). Indeed, our overweight exposures to cyclical sectors, Industrials, Communication Services, IT and Consumer Discretionary, all provided positive contributions to Fund performance versus the benchmark. IT once again provided the largest contribution with our semiconductor holdings rallying mainly on the 'Phase One' deal struck between the US and China. Additionally, our exposure to European Industrials was positive for the portfolio with the European and German Manufacturing PMIs not as weak as expected – albeit still in contraction. This enabled holdings, ABB, Siemens and Schneider Electric to rally into year-end.

### Activity

We sold three positions and initiated three new positions over the course of 2019.

- We made no changes over **Q1**.
- Over **Q2** we made two changes, selling our positions in AAC Technologies and Baidu, whilst initiating new positions in Amazon and Adobe.
- We made no changes over **Q3**.
- Over **Q4** we made one change, selling our position in Cognizant, whilst initiating a new position in Bristol Myers Squibb.

### Outlook

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. Whilst we are pleased with the performance seen over 2019, we continue to believe that the Fund remains well positioned.

Looking ahead to 2020, economic and political uncertainty is perhaps likely to continue. However, by taking a longer-term view, we maintain that our systematic approach to investing in quality innovative companies should stand to deliver strong returns based on the competitive advantages these companies exhibit and continual commitment to re-investing in intellectual property in order to maintain and grow their moats.

The Fund now trades at a 13% premium to the broad market on a PE ratio basis but is cheaper on FCF yield. Additionally, the Fund's constituents are forecasting earnings growth of 17% vs MSCI World's 10% from companies of higher quality (median CFROI 2020 16% vs 8%) and who are exposed to innovative themes driving long-term demand growth.

### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global economy. It continues to fuel global uncertainty and increases recessionary fears. Although we cannot predict the future impact of this outbreak, we believe by taking a longer-term view, our systematic approach to investing in quality innovative companies should stand to deliver strong returns based on the competitive advantages these companies exhibit and continual commitment to re-investing in intellectual property to maintain and grow their moats.

### Guinness Asset Management Limited

# Investment Manager's report (continued)

For the financial year ended 31 December 2019

## Guinness Best of China Fund (the "Fund")

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2015	2016	2017	2018	2019
Fund	+30.4%	+13.6%	n/a	n/a	+2.3%	+50.4%	-26.8%	+30.4%
Index	+23.8%	+14.9%	+8.2%	-7.4%	+5.4%	+43.8%	-14.8%	+23.8%

The Fund increased 30.4% while the benchmark, the MSCI Golden Dragon Index, increased 23.8%. Therefore the Fund outperformed by 6.6%.

The fourth quarter of 2018 saw sharp falls for many of the Fund's holdings, most of which we felt were unwarranted. This meant that at the end of 2018 the Fund was valued at 8.9x forward earnings. However, we remained confident in our holdings given their ability to achieve a persistently high return on capital over time and in our belief they would continue to achieve these returns. Furthermore, more than half of the Fund's holdings traded on valuations that incorporated minimal expectations for future growth.

Over the course of 2019, the multiple the market was willing to pay for the companies in the Fund increased significantly. The Fund ended the year valued at 11.6x on forward earnings, a 30% increase from the previous year. The sharp recovery in the Fund's valuation is likely linked to the solid earnings profile of the companies it holds, in what is a tougher operating environment in China. The Fund is expected to grow earnings by 3.7% for 2019, based on consensus earnings estimates. On the other hand, the benchmark's earnings are expected to contract by 6.5%.

China's economic growth target was lowered from "about 6.5%" in 2018 to 6.0–6.5% in 2019. Policymakers know the pitfalls of unsustainable economic growth, driven by debt accumulation, but are facing a tricky balancing act. Reducing the pace of growth too dramatically could lead to job losses and potential social instability. Reducing the pace of growth insufficiently will lead to further debt creation, some of which is likely to be written off at a significant cost in the long term. The trade war with the US further added pressure to the economy.

Policymakers shifted the focus away from deleveraging and towards stabilising growth. The required reserve ratio (commercial bank deposits required to be placed with the central bank) was cut several times in 2019, aiming to boost liquidity. Interest rates were cut moderately in order to lower funding costs. Large state-owned banks historically have not been very effective in lending to smaller and medium-sized businesses and so despite looser monetary policy, we sense they are still finding it hard to obtain credit.

In 2019, there was an increase in the number of debt defaults in China. The government is much more willing in letting larger firms default, making it clear it will not implicitly guarantee debt. Tewoo Group, a large commodities trader backed by the local government in Tianjin is one such case. This is in fact a welcome development as it reinforces the concept of risk and reduces the dangers from moral hazard. But it has made us reluctant to further increase exposure to affected industries, such as banks and heavy industrials.

There are also a couple of other factors to bear in mind. The US and China have agreed to a 'Phase One' deal which has eased fears of further deterioration in relations. Its scope is fairly limited and leaves out important points of contention which will eventually need to be addressed – this is not likely to be a smooth process. Secondly, China's demographic shift toward a shrinking labour force and ageing population has a significant influence over long term industrial, tax and welfare policies. The country's working age population has already peaked while the birth rate continues to fall. This is one of the motivations behind the "Made in 2025" plan, as producing more complex goods will generate funds to provide for the country's growing group of pensioners.

Though we have outlined the risks present in China, we must not forget the opportunities present in the country. China's economic growth over the foreseeable future is still likely to be well above that of developed economies. The impact of the trade dispute reinforces the need to develop a higher degree of self-sufficiency in technology. The focus on pillar industries such as electric vehicles and sustainable energy is supported by the weight of demand afforded by its sizeable domestic market. The application of technology to consumer businesses is evident from the growth in online retail and in payment platforms. As investment in these areas continues, we can see a path toward greater improvements in productivity which are essential if China is not to be bogged down in the middle-income trap.

The Fund is set up to invest in A shares, which opens up the universe to interesting ideas that are less prevalent in the offshore market. The companies in the onshore universe are, on average, growing earnings at a faster rate than in the offshore universe which makes them particularly appealing. There are just over 100 A shares which make it into the quality universe, with good diversification between sectors. Financials make up less than 10% of the A share universe compared to 37% of the Shanghai Composite. There is solid representation in our A share universe from the Consumer Discretionary, Consumer Staples, Health Care, Industrials and Information Technology sectors.

The top performing stocks were China Lesso (total return of +170.7%), New Oriental Education (+121.2%) and Elite Material (+118.8%). China Lesso is a manufacturer of plastic pipes, pipe fittings and building materials. The forward price/earnings multiple that the market had been assigning to the stock fell from a high of 8.5x in 2017 to just above 4.0 at the end of 2018. The company has consistently grown earnings since we launched the Fund and so to us, it was puzzling that the market was assigning such a low value to the business. Over the course of 2019, the valuation rebounded. The business is expected to show rising earnings for 2019 as the government is investing in a number of infrastructure projects to reduce water pollution and is also pushing the country's energy consumption towards gas. Both factors should lead to greater demand for pipes.

New Oriental Education provides tutoring services in China. Like others in the Fund, the company's valuation fell sharply in 2018 and then partly recovered in 2019, along with strong earnings growth. Management is targeting revenue growth of approximately 30% in the next financial year. We think margins should rise over time as the business has pricing power – for example, in the summer promotion, the company doubled its prices compared to 2018 but still managed to grow enrolments by 4%. Secondly, efficiency should increase as learning centres which were opened in the past year or two are beginning to reach the target level of utilisation.

Elite Material manufactures copper clad laminates which are used to make printed circuit boards (PCBs), specialising in halogen free laminates which are environmentally friendly. Elite regained its market share to provide Substrate-like PCBs (SLPs) for the iPhone, which is a high margin business. SLPs effectively increase the space of a PCB, increasing functionality and allowing for slimmer designs. Elite also began to ship SLPs to its Android customers, and margins rose as operating leverage turned from a headwind into a tailwind. Looking forward, the company does have exposure to datacentres and 5G base stations which should be another source of earnings growth.

The weakest stocks were Li & Fung (total return of -30.3%), Baidu (-23.4%) and Noah Holdings. Li & Fung had another weak year. Management argue in a world where trade disputes may become more prevalent, there is still room for a sourcing agent such as Li & Fung. Furthermore they argue production will gradually diversify out of China and into emerging economies such as Bangladesh, Indonesia and Cambodia. The operating environment and quality of infrastructure is different in these countries and here Li & Fung's know-how could be useful. This sounds sensible but the supply chain business continues to be weak due to the struggles the traditional retail sector is facing. The stock is very cheap for a reason and we await the next set of results to see if there is any sign of a turnaround.

Baidu has been spending a lot on content and traffic acquisition costs to build scale for iQiyi (the Chinese Netflix) and its newer apps, such as Baijiahao (a newsfeed app). This was fine in the past as the core business of advertising was highly cash generative, supporting these growing businesses. However during the first quarter the ad business unexpectedly slowed down. Management believed advertising inventory in the market increased towards the end of the first quarter, lowering prices. Since then, the growth in costs slowed considerably as the company ensured marketing met "stringent ROI criteria". The focus shifted more towards in-app monetisation and several encouraging examples were given. For example, a well known e-commerce company used Baidu's Smart Mini Programs (a stripped down version of its app accessible within Baidu) to give away coupons. It saw its sales conversion rate improve 2.5x compared to its HTML page. Baidu now thinks demand for advertisements is stabilising and though the business faces challenges, we think the share price is being overly pessimistic.

## Investment Manager's report (continued)

For the financial year ended 31 Dec 2018

### Guinness Best of China Fund (continued)

Noah announced that one of its credit funds was in default. The Fund was worth 2% of Gopher's (Noah's asset management business) AUM and there is no indication that Noah itself is responsible for reimbursement. Noah is sensibly stepping away from distribution of single counterparty credit products where the funds are lent to a single entity, and moving into offering fixed income products with greater underlying diversification. This is in preparation for new rules coming into effect in the coming years which will increase regulation and oversight. Publicly offered funds will only be able to invest in standardised products. The holdings of a fund must be entrusted to an independent custodian and must be transacted on approved exchanges. Financial products will eventually have to regularly disclose their net asset value (NAV), moving China's fund industry closer to developed market practices.

#### Activity

The Fund sold its positions in Pacific Textiles and VTech. Pacific Textiles is a manufacturer of knitted fabrics which started off in China but, like its peers, has diversified into Vietnam to take advantage of lower labour costs. This expansion into Vietnam has not been a success. Problems have plagued the company's factory in the country, ranging from protests over the way the land was acquired, to a shutdown of the factory so new water pipes could be installed to meet tougher environmental regulations. We believed the business would find it difficult to grow revenue in the medium term.

VTech is well known for its toys and electronic learning products but also makes phones and is engaged in contract manufacturing services. Though VTech's Asian business is growing rapidly, we thought persistent weakness elsewhere in the business meant the prospects for earnings growth was remote. The residential phones business is in a long-term structural decline. Logistics issues in Europe and tough market conditions meant sale of Vtech branded toys fell. We felt that there were better opportunities elsewhere in the universe with a much greater likelihood of earnings growth.

The Fund added China Resources Gas, TravelSky and Alibaba. China Resources Gas (CRG) is one of the few utility companies that make it into our universe. Its focus is on the provision of gas to urban household customers. While other gas businesses in China seek to become involved in the wholesale gas market or expand into rural areas, we like CRG for its focus on domestic urban and industrial customers. There is a long term drive in China to support wider use of gas in place of coal for electricity production. CRG benefits on the back of this through the increasing supply of gas nationwide and is tapping into this through the 'so-called' last mile connection. It is possible the coming months may see slower growth from its industrial customer base but we think that there is a structural growth story here and that conditions remain supportive for CRG's margins.

TravelSky supplies data for China's aviation industry. Its services include real time flight reservation information and ticket prices, inventory control, airport passenger processing and Global Distribution Service (GDS). Due to local regulations, it has a monopoly over the GDS market in China and no foreign competitors are allowed to enter this business. In China, less than 10% of people have a passport and as the economy continues to grow, we expect the demand for air travel to accelerate and for Travelsky to benefit as a result.

Alibaba is China's largest e-commerce company and one of the largest of its kind in the world. Despite a slowing economy, e-commerce is a bright spot and has its own secular growth drivers. Alibaba's offerings are integral in most Chinese consumers' lives - Tmall and Taobao (two of its most popular platforms) are among the top 10 most visited sites in the world. At least 600 million people actively use Alibaba's payment app, Alipay. Alibaba also owns several other e-commerce sites including Kaola (cross border e-commerce in China) and Lazada (leading e-commerce site in South East Asia), while it owns a small stake in Tokopedia (Indonesian e-commerce). The addition of Alibaba gives the Fund exposure to e-commerce, something which was lacking, at a more reasonable price than has been offered in the past. Relative to its competition, Alibaba is, in our view, much higher quality given the persistence of its return on capital.

#### Portfolio Position

The Fund is overweight to the Consumer Discretionary, Information Technology and Health Care sectors. The Fund is underweight Financials, Real Estate and Communication Services. Note the Fund has no exposure to companies in the Energy and Consumer Staples sectors.

#### Outlook

Consensus earnings estimates for the portfolio indicate a compound average annual growth rate in profits for the three years 2018-2021 of 9.0%. This is the product of estimated earnings growth for the portfolio's holdings of 4% for full year 2019 followed by 11% for 2020 and 13% for 2021. These estimates are, of course, likely to change significantly in the months ahead.

It is undeniable that China is experiencing downward pressure on economic growth. So it is important that we remain vigilant on valuations and ensure that especially for potential new entrants into the Fund, growth expectations are reasonable and we do not overpay for growth. A good example is the Consumer Staples sector, where very few offshore companies make it through into our quality universe. In the onshore market, there are more companies which pass the quality test but valuations are at their highest since 2010 and forecasted returns on capital are well above their long- and short-term averages. Due to the fact the A share market is dominated by retail investors, companies that do not meet expectations can see significant multiple de-ratings and this is something we would like to avoid in the Fund.

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

Domestic Chinese A shares, are as yet an untapped source for us in this strategy but a large number of companies are of undoubted interest to us. Our approach means that we think we can evolve this strategy to incorporate A shares, while maintaining our requirement for quality management as evidenced by above average returns on capital.

#### COVID-19 update

The Coronavirus pandemic has had a material impact on the global economy. The Fund focuses on investing in businesses with strong business models; that is, an operating model that delivers superior profitability over time which rests on a solid financial platform. In normal times, which will return, we believe the companies in the portfolio have the operating models and core competitive strengths to continue to deliver superior profitability. In these abnormal times we believe it is a strong financial platform which defines them: cash and liquid assets on hand, low debt, high interest cover, lower working capital requirements with higher rates of cash conversion and low refinancing requirements over the next year. We do not believe that any of our companies will require government bail outs.

Estimates as to the extent of the economic impact of this pandemic and its duration vary widely; there are no models that enable an accurate assessment of low frequency events such as this. We believe our approach that requires companies to demonstrate both profitability and financial strength provides the portfolio with fundamental resilience.

#### Guinness Asset Management Limited

# Investment Manager's report (continued)

For the financial year ended 31 December 2019

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2015	2016	2017	2018	2019
Fund	+18.8%	+11.6%	n/a	n/a	n/a	+37.7%	-15.1%	+18.8%
Index	+18.6%	+11.9%	+6.0%	-14.9%	+11.2%	+37.3%	-14.6%	+18.6%

2019 brought its fair share of volatility for emerging market investors, but patience and equanimity were ultimately rewarded, with markets rising 18.6% over the course of the year. The Fund outperformed, rising 18.8%.

This outperformance is a little better than we would generally expect; our base case is that the Fund outperforms in weaker markets and underperforms in stronger markets. Partly our outperformance reflects exposure to areas of the market that performed well, and Information Technology stocks in particular, although this represents to an extent a recovery of the weakness this sector faced towards the end of 2018. Nevertheless, we are encouraged that the Fund was able to capture upside well in a rising market.

Multiple expansion essentially drove all the market's returns in 2019 – earnings made a negative contribution overall. One of key events driving the rally in equity markets globally was the shift by the US Fed towards a dovish stance at the start of the year. This position was bolstered later in the year with the subsequent easing from the Fed's interventions in the repo market. As the year drew to a close, market sentiment reached elevated levels.

Set against this optimism during the year was volatility induced by the US-China trade conflict. The ban on US companies trading with Huawei announced in May marked a sharp deterioration in trade relations between the two countries. Fears of a slowing Chinese economy and a potential US recession also affected markets, with the US experiencing an inversion of the yield curve and facing weakness in the manufacturing sector. However, the strong support from the consumer sector proved enough of a counterbalance to offset the contraction.

Taiwan, where the Fund holds eight stocks (out of 36), rose by 37%. Technology in particular was strong, following weaker performance in 2018. Technology accounts for 63% of the MSCI Taiwan Index, and almost half of the technology in the emerging markets benchmark is Taiwanese. The sector's rally began in September and was driven initially by an improving outlook for semiconductors, especially in memory chips. This was augmented by a better reception to the new iPhone, by rising hopes for 5G telephony and the consequential boost to the component supply chain, and by reduced trade concerns.

Brazil also performed well during the year. The passing of social security reforms through the Brazilian congress was a milestone. The legislation increases the retirement age to 65 for men and 62 for women and is projected to save the government R\$800bn (almost \$200bn) over 10 years. Better economic data released towards the end of the year were also welcomed by investors, and markets rallied sharply in December. One of our Brazilian holdings, B3, the stock exchange, was the fifth best performing stock in the Fund over the year.

Also significant from a Fund perspective was the gain in the China index, up 23.7% for the year. Again, this represented to an extent a recovery from weaker performance in 2018. The trade war was a feature throughout the year, but signs of progress in negotiations towards the end of the year led to the good performance. This boost was most evident among Consumer Discretionary names, which include many of the Chinese internet companies listed in the US and is the largest component of the MSCI China Index. Chinese Real Estate, Health Care, Technology, Materials and even Consumer Staples, which together account for 20% of the China Index, all rose significantly, driven mostly by valuation expansion rather than earnings.

India's weakness over the year was notable. Economic growth is decelerating and has been for some time. For 2020, GDP growth is expected to be 5.1%, down from 6.8% in 2019 and below the c.8% levels achieved in 2016 and 2017. A brighter spell is forecast further out, with 6.2% growth expected in 2021. The government has responded to the weaker readings, with cuts to corporate tax rates. These have helped a little, but the economy is still facing the negative effects of earlier reforms, i.e. demonetisation and the goods and services tax. A slowdown in demand has been compounded by weakness in the financial sector, which the government was slow to address (in our view). The problems in the financial sector particularly impacted our holding in Indiabulls Housing Finance (discussed below).

Over the years, India has been on the receiving end of alternating waves of optimism and pessimism, with the election of Narendra Modi in 2014 a key catalyst for raised expectations of economic reform in the country. As investors have now begun to temper their expectations of India's growth, so valuations start to look more reasonable. The difficulties that the economy is facing are considerable – it remains to be seen whether the government will focus on tackling these, or whether religious and nationalist tensions will occupy minds instead.

### Portfolio Changes

We made three switches in the portfolio over the course of the year. We sold China Minsheng Bank, Indiabulls Housing Finance and Infosys, and we purchased China Merchants Bank, Largan Precision and Tech Mahindra.

We changed our China banking exposure by cutting our exposure to 'deep value' (China Minsheng) and adding a bank that offers higher quality and better prospects for growth (China Merchants). The timing of this switch coincided with changes in the Chinese banking sector. Recently we have seen greater pressure on bank profitability as changes to the method of loan pricing, away from the old Benchmark Lending Rate (BLR) to the new Loan Prime Rate (LPR), are likely to reduce interest income. The new LPR mechanism described by the central bank is based on money market rates, specifically the Medium-term Loan Facility Rate, and is intended to bring down the overall cost of borrowing. The other headwind is the likely increase in bad debt pressures as China's domestic economy undergoes a cyclical slowdown, exacerbated by the structural pressures brought on by deleveraging and by the effects of the trade dispute.

China Merchants Bank stands out among the Chinese banks both for its solid financial results and its strong customer orientation. The bank has demonstrated an ability to earn relatively high returns on equity while achieving a good rate of earnings and dividend growth. China Merchants has been developing its retail banking franchise, with technology playing a large role. Customers' use of the bank's apps has increased significantly for both mobile banking and credit cards. The investments that have been made in IT to support this effort are significant, but have obvious benefits for increasing the bank's efficiency. As well as reducing costs, a greater reliance on technology allows the bank's relationship managers to focus more on the high net worth segment of its retail client base.

Indiabulls Housing Finance was a very volatile stock over the year, ultimately generating the worst performance in the portfolio by a significant margin. The company's troubles partly stemmed from extremely harsh conditions for non-bank financial institutions in India following the default of infrastructure lender IL&FS in 2018. Funding costs for the company rose as lending rates were squeezed higher, and loan growth suffered. The company also faced accusations of impropriety, after allegations that loans were being routed back to companies connected with the promoter group were leaked on social media. A final setback was when the central bank blocked Indiabulls' planned takeover of Lakshmi Vilas Bank. While we had hoped that a recovery for the company was due, in the end the volatility the stock suffered was too great and the risks associated with the company too high. Ultimately we exited the position.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Emerging Markets Equity Income Fund (continued)

Largan Precision, a Taiwanese manufacturer of smartphone camera lenses, occupies a dominant position in its niche. The company has benefited over the years from initial adoption of smartphones and – crucially – the continued upgrading of specifications by smartphone manufacturers. The number of lenses incorporated in a phone has increased as front cameras, double rear and now triple rear cameras have been adopted. The quality and sophistication of the lenses has also improved. To illustrate the company's achievements, from 2008 to 2018 revenues grew at a compound annual growth rate of just over 20%. Largan's ability to stay at the forefront of smartphone camera technology and to dominate its niche is what attracts us, and as the move towards 5G is likely to lead to another round of handset upgrades, we believe Largan has good prospects for future growth.

Infosys, like Indiabulls, was also caught up in controversies during the year. We sold the position following a whistleblower complaint to both the Indian Stock Exchange and the US SEC alleging pressure tactics from the CEO to overstate revenues, understate costs and withhold selected information from the board and auditors. Infosys had previously faced issues surrounding corporate governance which we thought had been remedied following management changes. Our expectation was that the company would be able to move on and rebuild commercial momentum. Sadly, although the allegations were unproven, they appeared to be supported by evidence. We felt that they would drag on and impede the company's progress.

Tech Mahindra, another of the Indian IT consultants that we had been following, interested us because of its exposure to telecoms. The telecom industry has been in the doldrums for roughly half a decade and is one of the worst-performing sectors globally. In part, weakness has come from the 4G upgrade cycle coming to an end and telecom providers overpaying for spectrum in the first place. We believe the dynamics for this industry are about to change with the introduction of 5G technology, requiring different hardware and featuring wider applications than merely smartphones. These forces provide an opportunity for the technology consulting companies, and of the Indian consultants, TechM has the biggest presence. It will take time for this area to ramp up, but recently TechM secured a \$1bn contract from AT&T (a longstanding customer). As network providers and 5G users increase capex, we believe TechM is well placed.

### Portfolio Position

The Fund has no exposure to the Energy, Materials, Real Estate or Utilities sectors. By weight, the Fund is significantly overweight to the Information Technology and Consumer Staples sectors, which is offset by significant underweight exposure to Communication Services, Energy and Materials.

The Fund has overweight positions in Taiwan, South Africa, Peru and Colombia. The Fund has underweight positions in China, South Korea, and Russia where the Fund has no holdings.

The effect of the switches during the year was to increase exposure to Information Technology by one position (2.75% at neutral weight) and to decrease exposure to Financials by the same amount. By country, the effect of the switches was to increase exposure to Taiwan by one position and reduce exposure to India.

### Outlook

Investors have begun 2020 with a dose of optimism as a strong US economy and signs of a recovery elsewhere have prompted expectations of a period of renewed economic growth. Bloomberg forecasts emerging market GDP growth at 4.5% in 2020 and 4.7% in 2021, up from 4.4% in 2019. World GDP growth is expected to move upwards too, from 3.0% in 2019 to 3.1% in 2020 and 3.3% in 2021.

Within emerging markets, it is still important to be selective. Economies are running at different paces, and we have not recently had a co-ordinated period where all of the large emerging markets are 'firing on four cylinders' – improved growth from the engines of Brazil and India would certainly help in this respect.

Nevertheless, the predicted pickup in emerging markets overall is leading to corporate earnings growth. Implied earnings growth in 2020 for the market is 14%. Looking at the portfolio, implied earnings growth is 11%. Again, this figure perhaps exceeds what we might expect on a more normalised basis, with a growth rate in the mid-to-high single digits being our 'base case'.

Predicted earnings growth at a level below the benchmark does not necessarily trouble us if we think that growth is either more likely to be achieved, or more sustainable heading into the future. Our sector exposures can also have an impact in this regard – with less exposure to Materials and Energy, we will naturally have less sensitivity to the cyclical fluctuations that are a feature of these sectors.

Valuations, while above historic averages, still offer attractive value compared with developed markets. At the end of the year, the Fund traded on 14.4x 2019 earnings and 13.0x 2020 earnings, roughly in line with the benchmark, which traded at 14.6x 2019 earnings and 12.8x 2020 earnings.

The Fund still provides (in our view) an attractive level of income, yielding 3.4% at time of writing (Z share class, trailing 12-month basis). Dividend growth, as we mentioned, is an important part of our process, and the historic track record of our portfolio companies is very good in this regard – on average, they have grown their dividends at 14% per annum over the past five years. Lastly, our holdings have robust balance sheets. Excluding financials, the average company is close to having zero net debt, or net cash.

From a risk perspective, we are still monitoring the effect of continued monetary stimulus by central banks both on markets and the economy. The easing by the US Federal Reserve in the repo market has clearly helped carry markets into the new year, and this programme looks set to continue over the first half of 2020. The economic impact is harder to determine, but US consumer strength has held up, despite weakness in manufacturing. Emerging markets continue to develop domestic demand, but the strength of the US clearly still has a beneficial impact for the region's economies.

Trade also remains a risk, though one that has receded considerably with the recent signing of the US-China trade deal. Signs of tangible progress boosted market sentiment at the end of 2019 and early into the new year. News too that the second phase of the agreement is likely to be delayed until after the US election in November may well dampen the impact that trade concerns has on markets in 2020 – in contrast to the 'on again, off again' nature of talks that roiled markets over the course of last year. Still, eyes will be on China and the degree to which it is able to meet the commitments it has made. In the case of commodity purchases from the US, to an extent this involves merely 'reshuffling the deck' – switching imports from one country to another.

We think an approach favouring high-quality, dividend-paying companies works especially well for investors focusing on emerging markets and helps to tackle some of the difficulties investors experience in these countries. Given that markets and economic progress rarely move in a straight line, an approach that works in periods of uncertainty should be valued.

### COVID-19 update

The Coronavirus pandemic has had a material impact on the global economy. The Fund focuses on investing in businesses with strong business models; that is, an operating model that delivers superior profitability over time which rests on a solid financial platform. In normal times, which will return, we believe the companies in the portfolio have the operating models and core competitive strengths to continue to deliver superior profitability. In these abnormal times we believe it is a strong financial platform which defines them: cash and liquid assets on hand, low debt, high interest cover, lower working capital requirements with higher rates of cash conversion and low refinancing requirements over the next year. We do not believe that any of our companies will require government bail outs.

Estimates as to the extent of the economic impact of this pandemic and its duration vary widely; there are no models that enable an accurate assessment of low frequency events such as this. We believe our approach that requires companies to demonstrate both profitability and financial strength provides the portfolio with fundamental resilience.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Global Equity Fund (the "Fund")

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

	1 year	Annualised		Calendar years				
		3 years	5 years	2015	2016	2017	2018	2019
Fund	+30.4%	+9.0%	n/a	n/a	n/a	+20.9%	-17.8%	+30.4%
Index	+27.7%	+12.6%	+8.7%	-0.9%	+7.5%	+22.4%	-8.7%	+27.7%

#### Review

In 2019 the Guinness Global Equity Fund produced a total return of 30.4% (TR in USD), compared to the MSCI World Net TR Index return of 27.7%, therefore outperforming by 2.7%.

Over the **1st quarter**, dovish tones from the US Fed on interest rates and positive noise out of US-China trade talks helped boost the Fund's Chinese-exposed stocks such as New Oriental Education and Anta Sports, and also the Fund's semiconductor holdings which were boosted by bullish comments by managements for the medium-term outlook for the sector. In the 1st quarter the Fund was up 14.1% in USD vs MSCI World 12.5% in USD. Over the quarter, the Fund's overweight exposure to cyclical sectors, IT, Industrials and Consumer Discretionary, were all positive contributors to the Fund's relative performance.

Into the **2nd quarter** and outperformance of the Fund during April was enough to offset the underperformance during May and June after the reignition in US-China trade dispute. The Fund finished the quarter up 4.1% vs MSCI World 4.0% in USD. The Fund's exposure to North America was the largest regional drag on Fund performance, however, our overweight exposure to European stocks was a positive, with IHS Markit up 17.2% (in USD) and Sonova up 16.4% (in USD).

Over the **3rd quarter**, the Fund returned 0.7% (in USD) vs the MSCI World 0.5% (in USD). Overall, strong performances from our US holdings was the main contributor to the Fund's performance with KLA Corp up 35.7% (in USD) over the quarter. However, the Fund's overweight exposure to European stocks was a drag, having been one of the main positive contributors during Q2. On a sector basis, our overweight exposure to the Consumer Discretionary sector was a positive contributor with New Oriental Education and Anta Sports continuing their strong gains year-to-date.

The year ended in a similar fashion to how it began, with the Fund strongly outperforming - up 9.1% (in USD) versus the MSCI World up 8.6% (in USD) over the **4th quarter**. A general 'risk-on' attitude came with a resounding win for the Conservatives in the UK general election, a 'Phase One' agreement between the US and China was a positive step for relations and the first step to a possible full deal, and central banks continuing to add stimulus to their respective economies with the US Fed cutting the benchmark interest rate for the 3rd time in the year and China once again cutting the Required Reserve ratio. Indeed, our overweight exposures to cyclical sectors, Industrials, IT and Consumer Discretionary, all provided positive contributions to Fund performance versus the benchmark.

#### Activity

Over the course of 2019, we made 14 changes to the portfolio.

- During **Q1**, we sold our positions in Cardinal Health, Hain Celestial, Janus Henderson and JB Hi-Fi and initiated new positions in KLA-Tencor, New Oriental Education, Anta Sports and Nasdaq.
- During **Q2**, we sold our positions in Sabre, FMC, Axfood and Mednax and initiated new positions in China Lilang, Acuity Brands, China Medical Systems and Descartes Systems.
- During **Q3**, we sold our positions in Varian Medical Systems, AAC Technologies, Randstad and Publicis and initiated new positions in Corporate Travel Management, Ansys, Ametek and CBOE.
- During **Q4**, we sold our positions in Sodexo and Citrix Systems and initiated new positions in Waters Corporation and Zebra Technologies.

#### Outlook

Looking ahead to 2020, economic and political uncertainty is perhaps likely to continue. However, by taking a longer-term view, we maintain that our systematic approach to investing in quality midcap companies should stand to deliver competitive returns in the long-term. The Fund at the end of the quarter was trading on 17.6 X 2020e expected earnings, and 16.1X 2021e expected earnings; a premium of 2.3% and a premium of 2.5%, respectively to the broad market.

#### COVID-19 update

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global economy. It continues to fuel global uncertainty and increases recessionary fears. Although we cannot predict the future impact of this outbreak, we believe by taking a longer-term view, our systematic approach to investing in quality midcap companies should stand to better weather the ongoing economic uncertainty and deliver strong returns as economic activity returns to more normal levels.

#### Guinness Asset Management Limited



## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### 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	2015	2016	2017	2018	2019
Fund	+27.7%	+13.4%	n/a	n/a	n/a	+23.1%	-7.1%	+27.7%
Index	+31.6%	+15.3%	+11.6%	+1.3%	+11.6%	+21.9%	-4.5%	+31.6%

#### Review

In 2019 the Guinness US Equity Fund produced a total return of 27.7% (TR in USD), compared to the MSCI USA Net TR Index return of 31.6%. The Fund therefore underperformed the Index by 3.9%. Underperformance in the year can largely be attributed to idiosyncratic stock movements and the Fund's defensive qualities facing a market which has seen a particularly strong rally.

The start of the year saw US equity markets surge higher and this period led to the Fund's largest underperformance in the year. Markets kicked off the year surprisingly strongly and favoured the Information Technology stocks that had sold-off heavily in Q4 2018. The bounce back came after the FED pivoted at the start of the year, reversing course on interest rate rises. This set the tone for Growth stocks to continue their ascent and the trend persisted for most of the year. Into the end of the year, markets continued to rally due to improved sentiment around the potential for a US-China 'Phase 1' trade deal.

US markets were also supported with the Federal Reserve cutting rates three times in the year, before indicating that "the current stance of monetary policy is appropriate". The US economy expanded by 2.1% (annualised) in Q3; this was better than expected and stronger than in Q2. While we await the Q4 growth data, the unemployment release in early December showed that joblessness declined to 3.5% - its lowest point since 1969 - with better-than-expected wage inflation.

In terms of sectors, IT was the best performer in the year as investors were given reasons for optimism and cyclical sectors were favoured by investors. Overweight positioning here was beneficial for the Fund's active performance, though stock selection proved a drag as the market favoured growthier tech companies that tend to trade on high market multiples. The Fund's "value" bias therefore hindered its participation in the rally.

While Real Estate, Utilities, Materials and Consumer Staples had performed well over the summer as concerns around recession mounted, they since trimmed their gains and were amongst the worst performers over the year. These sectors are more defensive and have suffered as investors have favoured growth. We own no companies within the Real Estate, Materials and Utilities sectors, and we are also underweight Consumer Staples. This was beneficial for the Fund's active performance.

After faring well throughout 2018, Healthcare was amongst the worst performing sectors in 2019. In the first half of the year, profit-taking accelerated after the Trump administration proposed banning rebates paid by drug-makers to pharmacy benefit managers (PBMs) and health insurers. These rebates are in exchange for preferred status with those plans' customers. Some of those rebates go toward insurance premiums, while the middlemen keep some for themselves. The pharmaceutical industry has said PBMs prefer higher-priced drugs so they can negotiate bigger rebates and pocket more of the money. The Fund's exposure to US PBMs and insurers was a particular drag on performance, and in fact we were led to trim our exposure in the sector throughout the year.

#### Changes to the Portfolio

In 2019 we sold six positions and bought six new positions, leaving the portfolio with 35 positions at year end.

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

In the second quarter, we made two changes to the portfolio. We sold positions in Biogen and CVS Health and bought new positions in Blackrock and Fidelity National Services. This reduced our Healthcare exposure and increased our Financials and IT exposure.

In the third quarter, we made four changes to the portfolio. We bought Facebook, Danaher, Intercontinental Exchange and New Oriental Education. We sold JM Smucker, F5 Networks, LKQ Corp and Citrix. This reduced our IT and Consumer Staples exposure and increased our Healthcare, Financials and Communications exposure.

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

#### Positioning

Asset allocation as %NAV	Current	Previous year ends		
	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Consumer Discretionary	15%	14%	12%	11%
Consumer Staples	3%	5%	7%	11%
Energy	0%	0%	0%	0%
Financials	8%	3%	12%	11%
Health Care	17%	20%	22%	20%
Industrials	17%	17%	17%	17%
Information Technology	27%	31%	21%	26%
Materials	0%	0%	0%	0%
Communication Services	9%	6%	3%	0%
Utilities	0%	0%	0%	0%
Real Estate	3%	3%	3%	3%
Cash	2%	1%	1%	1%

#### Outlook

The Fund at the end of the quarter was trading on 19.0x 2020 expected price to earnings, and 17.2x 2021 expected price to earnings; a discount of 5.6% and 6.1% respectively to the broad market. We therefore see the portfolio as providing good value on these simple metrics.

As we look ahead to 2020, it is clear that central banks are still shouldering the burden for stimulating the economy via monetary policy, as has been the case since the Global Financial Crisis. After a nascent attempt at normalising, some major central banks have become more accommodative as 2019 progressed. That should bode well for 2020, as the rate cuts enacted by the US Federal Reserve in 2019 have already resulted in an acceleration in money and credit growth. Monetary easing proved to be more fruitful for equity markets than the overall economy in 2019, and there does not seem any reason at the outset as to why that may change going into 2020.

Countering the positive effects of monetary stimulus is geopolitical disruption — and the economic policy uncertainty that comes with it. This is perhaps likely to depress capital spending and we must watch vigilantly to notice any spill over into greater unemployment or inflation. Nonetheless, our perpetual approach of focusing on quality compounders should stand us in good stead in our search for long-term capital growth.

**Investment Manager's report (continued)**

For the financial year ended 31 December 2019

**Guinness US Equity Fund (the "Fund") (continued)****COVID-19 update**

At the time of writing (14 April 2020) the Coronavirus pandemic has had a material impact on the global economy. Since the Fund focuses on investing in consistently profitable companies with strong balance sheets, we entered the crisis with no exposure to banks, travel companies, hotels, airlines, restaurants, etc. – areas of the market that have been hardest hit. These industries tend to show up less in our universe due to their cyclical and/or regulated nature. We do not believe that any of our companies will require government bail outs or support.

The outbreak continues to fuel global uncertainty and increases recessionary fears. Although we cannot predict the future impact of this outbreak, we believe our approach of focusing on the quality of the underlying companies we own should stand us in good stead.

**Guinness Asset Management Limited**



## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Best of Asia Fund (the "Fund")

#### Performance

##### 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	2015	2016	2017	2018	2019
Fund	+20.6%	n/a	n/a	n/a	n/a	n/a	-20.8%	+20.6%
Index	+19.2%	+12.0%	+6.3%	-9.4%	+6.8%	+37.0%	-13.9%	+19.2%

The Fund rose 20.6% in 2019 compared to the benchmark which rose 19.2%.

Performance for both the market and the Fund was characterized by strong rallies at the beginning and end of the year and marked weakness in the middle. The twists and turns in the trade dispute between the US and China resulted in significant valuation contractions and expansions in amongst our north Asia and technology holdings. Trade was not the only issue. China is also in the midst of a structural growth deceleration which has been exacerbated both by trade matters and by China's need to address legacy debt issues. Indeed, most countries have had to contend with political or economic headwinds this year whether it be Korea's trade dispute with Japan coupled with slowing domestic growth, banking issues in India along with signs of religious tensions, slower domestic growth and currency strength in Thailand and never mind North Korea and upheavals in Hong Kong...there has been plenty to occupy the mind.

The best performing markets to which the Fund had exposure over the year were Australia, China and Taiwan. Only New Zealand did better. From a top down perspective, in a year when trade tensions were running high it may seem counter-intuitive that the best markets were the safer havens alongside those perceived to be in the eye of the storm but of course, they have followed rather different paths. The explanation lies in the sharp recovery in the last three months of the year as President Trump pared back his trade rhetoric. In China, this was evident most especially amongst consumer discretionary names. Chinese real estate, health care, technology, materials and even consumer staples, which together account for 20% of the China Index, also rose. Australia's performance however, was much more broad-based and spread across the year. All sectors outperformed apart from, utilities, technology and the troubled financial sector.

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

Elite Material was our best performing stock over the year. It manufactures copper clad laminates which are used to make printed circuit boards (PCBs), specialising in halogen free laminates which are environmentally friendly. Elite's share price surged as it regained its market share to provide Substrate-like PCBs (SLPs) for the iPhone, which is a high margin business. Applied Materials, which makes manufacturing equipment for the semiconductor industry was our second-best performer followed by China Medical System, a pharmaceutical distributor.

On the weak side, Chinese internet search engine, Baidu fell 20%. The core advertising business unexpectedly slowed in the first quarter of the year. The company moved to cut costs and focus more on extracting cash from its existing user base, delivering a visible improvement. Chinese wealth manager, Noah, was the next weakest, and fell 18% following a credit issue in one of its wealth management products. Direct harm to the business is limited since such products are not guaranteed but the stock's valuation compressed as investors stepped back. Finally, contact lens maker St Shine Optical fell on moderating growth expectations and the headwinds caused by excess manufacturing capacity. Its main markets are Japan and US but China has recently become a bright spot for the company and so capacity may well be directed to serve that market.

#### Portfolio Changes

We made four changes to the portfolio during the year with a view to boosting the growth profile of the Fund. We sold value names Li & Fung and Yangzijinag Shipbuilding Development and replaced them with the two big Chinese consumer/technology names Alibaba and Tencent. In India we sold Indiabulls Housing Finance and Infosys – the first because of increasing strains in India's financial sector which put Indiabulls' funding at risk and the second following the re-emergence of new corporate governance concerns. The other two additions were in New Oriental Education in China and Tech Mahindra in India.

#### Portfolio Position

Compared to the benchmark, the Fund is overweight relative to China, Singapore, Taiwan and Thailand. The main underweight positions are in Australia and Korea with additional small underweights to Indonesia, Malaysia and the Philippines. On a sector basis, our three overweight positions are in technology, health care and consumer discretionary offset by underweight positions in real estate, financials, energy and materials.

#### Outlook

Consensus earnings estimates for the portfolio indicate earnings growth of around 2.2% in 2019 followed by 9.7% growth in 2020 and by 11.9% in 2021. These estimates can, and probably will, change significantly in the months ahead.

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

We think that there is still plenty of growth to be found but that we have to look deeper than the headline GDP figures. Structural trends supporting consumption are still in place as are technological developments supporting consumer businesses (retail distribution, financial services and logistics). The advent of 5G telephony is having an impact right across the supply chain from network infrastructure, through personal devices to application services and we think will create a structural uplift to the technology sector in the next few years. Our approach means that we think we can evolve this strategy to incorporate more countries in the region as it develops while maintaining our requirement for quality management as evidenced by higher returns on capital, sustained over time.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Best of Asia Fund (the "Fund") (continued)

#### COVID-19 update

The Coronavirus pandemic has had a material impact on the global economy. The Fund focuses on investing in businesses with strong business models; that is, an operating model that delivers superior profitability over time which rests on a solid financial platform. In normal times, which will return, we believe the companies in the portfolio have the operating models and core competitive strengths to continue to deliver superior profitability. In these abnormal times we believe it is a strong financial platform which defines them: cash and liquid assets on hand, low debt, high interest cover, lower working capital requirements with higher rates of cash conversion and low refinancing requirements over the next year. We do not believe that any of our companies will require government bail outs.

Estimates as the extent of the economic impact of this pandemic and its duration vary widely; there are no models that enable an accurate assessment of low frequency events such as this. We believe our approach that requires companies to demonstrate both profitability and financial strength provides the portfolio with fundamental resilience.

**Guinness Asset Management Limited**

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Multi-Asset Balanced Fund (the "Fund")

#### Introduction

The Fund, launched 28 December 2018, is designed to provide investors with long-term capital appreciation. It provides exposure to a range of asset classes, focusing on equities, fixed income and property.

The underlying funds invested in are mainly passive funds, but there is also some exposure to active products, particularly in the absolute return sector.

Brewin Dolphin Limited have been appointed 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 portfolios.

The Fund, which can invest up to 85% in equities, aims to outperform the IA 40-85% Mixed Investment benchmark over the medium term.

#### Review

2019 was a positive year for world markets, with your Fund delivering a total return of 14.5%, underperforming the IA 40-85% Mixed Investment sector (+15.9%) by 1.4%.

#### Performance summary in Sterling: Class Y

	1 year	Annualised		Calendar years				
		3 years	5 years	2015	2016	2017	2018	2019
Fund	+14.5%	n/a	n/a	n/a	n/a	n/a	n/a	+14.5%

The strongest performing asset class in 2019 was equities, with US and mid-cap UK stocks faring particularly well. The Fidelity US Index and Vanguard US Equity Index Funds were up by 26.3% and 25.4% respectively, whilst the Legal & General UK Mid Cap Index Fund rose by 30.4%. Larger cap UK equities (up 19.0% to 19.5%) were slightly behind European equities in the Fund (+20.0%), but ahead of Emerging Market and Asia Pacific equities (both +13.9%).

The Fund's bond holdings performed reasonably well, ranging from the Vanguard US Government Bond Fund up by 4.8% to the iShares UK Corporate Bond Index up by 9.3%.

Results from holdings in the alternatives sector were more mixed: exposure to global property performed well (iShares Global Property Index Fund +17.7%), but JPM Global Macro Opportunities (+2.0%) and Jupiter Absolute Return (-6.2%) lagged.

There were no standout asset allocation calls in the Fund, positive or negative. The slight bias to US and UK equities was a small positive, offset by the small negative of an underweight to property.

Underlying fund selection was slightly negative, overall, during the year. Selections in the UK were strong, supported by above average funds in the US and Asia Pacific. However, this was offset by poor performers in the property and absolute return portions of the Fund.

#### Fund activity

There were two fund switches made during the year:

- In April, we sold our position in the Lyxor Core FTSE Actuaries UK Gilts Fund and switched, for operational reasons, into the Vanguard US Government Bond Fund. The Lyxor Fund was considered a proxy for the Vanguard Fund, but the Vanguard Fund was preferred when it became available to purchase in the Fund.
- Between June and August, we sold our position in Merian Global Equity Absolute Return Fund. This position was replaced with a holding in Investec's Diversified Income Fund. The Merian Fund was sold after a period of poor performance, and some loss of confidence in the management team's ability to turn this around. The Investec Fund, which seeks defensive total returns, with a lower volatility than equities, performed well in the market downturn in late 2018 and was considered a suitable alternative.

#### Portfolio positioning

The sector and geographic weightings of the portfolio through 2019 were as follows:

Asset Class	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
UK equities	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	30.0%	30.0%
International equities	36.0%	35.5%	35.5%	35.5%	35.5%	35.5%	35.5%	35.5%	35.5%	35.5%	36.0%	36.0%
<b>Equities</b>	<b>65.5%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>	<b>66.0%</b>	<b>66.0%</b>
UK Gilts (fixed income)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
UK corporates (fixed income)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
UK inflation linked (fixed income)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
US Govt bonds	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Fixed income</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>
Commercial property	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hedge funds/alternatives	11.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.5%	11.5%
<b>Alternatives</b>	<b>13.5%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>13.5%</b>	<b>13.5%</b>
Cash	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Multi-Asset Balanced Fund (continued)

#### Outlook

Just over a year ago, in the final quarter of 2018, we were witnessing a synchronised slowdown in global growth and a concurrent downturn in equity markets, which meant investors were entering 2019 in a downbeat mood.

Nevertheless, it seemed likely that equities would outperform cash and bonds over the year, due to attractive equity valuations and a US president determined to boost the US economy. And that is what transpired. It was a bumpy ride in some markets but the UK's FTSE100 ended the year up by 12%, while the FTSE250 had a particularly good year, up by 25%. The US market continued to hit record highs – its S&P500 index rose by 29% – while China's Shanghai Composite Index rose by 22%, even as its economy slowed and the trade war hit its exports.

Despite strong returns from equity markets, 2019 was a mixed bag in terms of economic growth with a manufacturing slowdown weighing on growth in the US and more severely in Germany and China. The year ended, however, with signs of life returning to that part of the market, which we expect to gather pace as 2020 progresses.

#### *Geopolitical tensions*

Perhaps the most important factor for the year ahead is the possible resolution of the trade dispute between the US and China. Markets reacted enthusiastically to news in December that a partial trade deal had been struck. If "phase one" is completed, it will be good news for the global economy as it reduces uncertainty and should boost investment and hiring.

But we should not get carried away with hopes that a "phase two" deal will be struck this year, as there are still significant hurdles to overcome. One tough issue is Chinese subsidies. As part of its 'Made in China 2025 plan', Beijing aims to use government subsidies to help Chinese companies buy intellectual property that will give them an edge against Western competitors, particularly in fields such as 5G. The US wants these eliminated.

Even the schedule for the "phase two" talks is uncertain. America says negotiations will begin immediately, but China may want to wait until after the US elections in November, when there may be a more amenable incumbent in the White House.

However, this does not mean progress cannot be made. Our base case view remains that the trade war between the US and China will not escalate to the extent that it results in a serious growth downturn, and President Trump will want the US economy to be in good shape to boost his chances of re-election in November.

But just as it seemed that progress was being made on the trade war, President Trump has created another geo-political flashpoint by ordering the air strike that killed one of Iran's most senior military leaders. The obvious concern is that it may escalate into a conflict that could drag in other countries and involve some of the world's biggest oil producers. It is a situation that will need close monitoring as it develops during 2020.

#### *China*

Some tentative signs have emerged that growth momentum in China is stabilising on the back of stimulus efforts late last year. A raft of economic data released in December beat expectations, although it is still not clear whether China's slowing economy has bottomed out.

Encouragingly, China has started the year in an assertive manner, with more measures to stimulate economic activity. It has cut the capital reserve requirement for its banks, which Chinese authorities said would have the effect of injecting 800bn yuan (£88bn) of liquidity into its financial system, freeing up cash to lend to businesses and consumers. It also changed a key benchmark interest rate to lower borrowing costs for businesses, which should boost investment and hiring.

#### *The US*

Not long ago, investors in the US were obsessed with the prospect of a recession. While this possibility has not disappeared, evidence suggests that the current expansion could continue for some time yet. The US Federal Reserve cut interest rates for the third successive month in October as a "preventative strike" against a downturn in the manufacturing sector spreading to the broader economy.

When assessing the outlook for the US economy, accurately predicting how the housing market will perform is extremely helpful. This is because when the housing market does well, it not only boosts employment through an increase in housebuilding and construction, it also leads to an increase in consumer spending on home improvements and other purchases associated with housing activity such as spending on furniture, household appliances and home improvements.

In addition, an improving housing market creates what is known as a "wealth effect", which means consumers feel richer, so they spend more. For an economy like the US, where consumer spending accounts for around 70% of GDP, anything likely to boost the wealth effect is a key leading indicator.

The three cuts in US interest rates last year will help boost the housing market in numerous ways. They have already led to lower mortgage rates, which boosts both demand and housebuilding activity. Affordability is also historically attractive thanks to recent weak house-price growth, low mortgage rates and rising household incomes. All in all, the backdrop for the housing market is healthy. This should help the US economy to continue its record-setting expansion.

#### *Eurozone*

Germany, Europe's largest economy, drives the region's growth. While heavily reliant on manufacturing and exports, it narrowly avoided recession by posting positive economic growth in the third quarter of 2019. The latest business surveys suggest a recovery in new orders for German businesses and give us grounds for cautious optimism about the outlook.

Key to this improvement is a pickup in the global automobile sector. The ratio of global new orders for cars relative to inventories has rebounded, which is good news for Germany given its large exposure to this sector.

Germany also has some insurance in place; following years of prudence, the German government runs a large structural budget surplus, which gives it ample ammunition for stimulus (such as tax cuts) to counter any downturn.

That would follow the example set by the Eurozone's second largest economy France, which has adopted an expansionary fiscal policy (meaning lower taxes), with more tax cuts promised in its 2020 budget. The stimulus has bolstered household confidence and suggests consumer spending growth has room to accelerate further.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Multi-Asset Balanced Fund (continued)

#### UK

In the UK, the end of the era of austerity, as promised in the Conservative manifesto, will provide some support to the economy, but there is still uncertainty around Brexit despite the threat of a second referendum being removed. Boris Johnson's refusal to allow an extension to the negotiating period increases the risk of a no-deal withdrawal before the transition period expires at the end of 2020.

This has already led to a sharp drop in the pound, although this in itself is a mixed blessing; with a large share of the revenues of UK companies coming from overseas, many stocks benefit when the pound falls, providing some offset to the rise in living costs that the weak pound causes. However, the spectre of a disorderly Brexit may still deter investment in the UK, both by UK companies and by foreign investors.

Looking ahead, the outlook for the traditional elements of economic growth are mixed. The household sector is by far the biggest part of the UK economy and house prices have historically been an important driver of retail spending. National average house prices are still rising, but only just. If the past is a good guide, retail sales growth will fall.

So, while we see a positive outlook for UK equities, we don't believe that the post-election bounce makes them more attractive than other markets.

#### In summary

There are enough positives as we enter 2020 for equities to outperform bonds and cash once more. While some notable risks remain, we are alert to the opportunities and challenges that these present.

Following such a strong year in 2019 we have to be realistic, though, about the prospects for 2020 but that doesn't mean being pessimistic. As well-known investor Peter Lynch pointed out:

*"Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves."*

The Fund is positioned the benefit from the outlook described, maintaining a relatively high weighting to equities.

#### COVID-19 update

At the time of writing (17 April 2020) the Coronavirus pandemic has had a material impact on the global economy. Governments around the world have shifted their approach in combating the crisis to one of 'suppression', in realisation that anything less would overwhelm health system capacity. Equity and corporate fixed income sectors have fallen sharply in response, with the travel, leisure, energy and bank sectors most negatively impacted. Monetary policy has responded very quickly to the crisis. There have been rate cuts, bond buying programs have been ramped up, and liquidity support has been provided. Fiscal policy is also playing a large role. The G20 has so far announced plans to inject over \$5 trillion into the global economy in fiscal policy, guarantee schemes and other economic measures and there will be more to come.

Given these events, the Fund has performed in line with expectation so far in 2020. Equity holdings have underperformed, in particular those exposed to the UK, whilst absolute return has proved to be a relative safe haven. Overall, the Fund maintains a slight overweight to equities, in the belief that they offer better long-term value than bonds.

#### Guinness Asset Management Limited

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

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

#### Introduction

The Fund, launched 28 December 2018, is designed to provide investors with long-term capital appreciation. It provides exposure to a range of asset classes, focusing on equities, fixed income and property.

The underlying funds invested in are mainly passive funds, but there is also some exposure to active products, particularly in the absolute return sector.

Brewin Dolphin Limited have been appointed 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 portfolios.

The Fund, which can invest up to 100% in equities, aims to outperform the IA Flexible Investment benchmark over the medium term.

#### Review

2019 was a positive year for world markets, with your Fund delivering a total return of 17.1%, outperforming the IA Flexible Investment sector (+15.6%) by 1.5%.

#### Performance summary in Sterling: Class Y

	1 year	Annualised		Calendar years				
		3 years	5 years	2015	2016	2017	2018	2019
Fund	+17.1%	n/a	n/a	n/a	n/a	n/a	n/a	+17.1%

The strongest performing asset class in 2019 was equities, with US and mid-cap UK stocks faring particularly well. The Fidelity US Index and Vanguard US Equity Index Funds were up by 26.3% and 25.4% respectively, whilst the Legal & General UK Mid Cap Index Fund rose by 30.4%. Larger cap UK equities (up 19.0% to 19.5%) were slightly behind European equities in the Fund (+20.0%), but ahead of Emerging Market and Asia Pacific equities (both +13.9%).

The Fund's bond holdings performed reasonably well, ranging from the Vanguard US Government Bond Fund up by 4.8% to the iShares UK Corporate Bond Index up by 9.3%.

Results from holdings in the alternatives sector were more mixed: exposure to global property performed well (iShares Global Property Index Fund +17.7%), but JPM Global Macro Opportunities (+2.0%) and Jupiter Absolute Return (-6.2%) lagged.

There were no standout asset allocation calls in the Fund, positive or negative. A slight bias to US and UK equities was a small positive, offset by the small negative of an underweight to property.

Underlying fund selection was positive, overall, during the year. Selections in the UK were particularly strong, supported by above average funds in the US and Asia Pacific. The main detractors were in the absolute return portion of the Fund.

#### Fund activity

There were two fund switches made during the year:

- In April, we sold our position in the Lyxor Core FTSE Actuaries UK Gilts Fund and switched, for operational reasons, into the Vanguard US Government Bond Fund. The Lyxor Fund was considered a proxy for the Vanguard Fund, but the Vanguard Fund was preferred when it became available to purchase in the Fund.
- Between June and August, we sold our position in Merian Global Equity Absolute Return Fund. This position was replaced with a holding in Investec's Diversified Income Fund. The Merian Fund was sold after a period of poor performance, and some loss of confidence in the management team's ability to turn this around. The Investec Fund, which seeks defensive total returns, with a lower volatility than equities, performed well in the market downturn in late 2018 and was considered a suitable alternative.

#### Portfolio positioning

The sector and geographic weightings of the portfolio through 2019 were as follows:

Asset Class	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
UK equities	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	35.0%	35.0%
International equities	46.0%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	46.0%	46.0%
<b>Equities</b>	<b>80.5%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>81.0%</b>	<b>81.0%</b>
UK Gilts (fixed income)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
UK corporates (fixed income)	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
UK inflation linked (fixed income)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
US Govt bonds	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Fixed income</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.5%</b>
Commercial property	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hedge funds/alternatives	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.5%	8.5%
<b>Alternatives</b>	<b>10.5%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>10.5%</b>	<b>10.5%</b>
Cash	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Guinness Multi-Asset Growth Fund (the “Fund”)

#### Outlook

Just over a year ago, in the final quarter of 2018, we were witnessing a synchronised slowdown in global growth and a concurrent downturn in equity markets, which meant investors were entering 2019 in a downbeat mood.

Nevertheless, it seemed likely that equities would outperform cash and bonds over the year, due to attractive equity valuations and a US president determined to boost the US economy. And that is what transpired. It was a bumpy ride in some markets but the UK's FTSE100 ended the year up by 12%, while the FTSE250 had a particularly good year, up by 25%. The US market continued to hit record highs – its S&P500 index rose by 29% – while China's Shanghai Composite Index rose by 22%, even as its economy slowed and the trade war hit its exports.

Despite strong returns from equity markets, 2019 was a mixed bag in terms of economic growth with a manufacturing slowdown weighing on growth in the US and more severely in Germany and China. The year ended, however, with signs of life returning to that part of the market, which we expect to gather pace as 2020 progresses.

#### *Geopolitical tensions*

Perhaps the most important factor for the year ahead is the possible resolution of the trade dispute between the US and China. Markets reacted enthusiastically to news in December that a partial trade deal had been struck. If “phase one” is completed, it will be good news for the global economy as it reduces uncertainty and should boost investment and hiring.

But we should not get carried away with hopes that a “phase two” deal will be struck this year, as there are still significant hurdles to overcome. One tough issue is Chinese subsidies. As part of its ‘Made in China 2025 plan’, Beijing aims to use government subsidies to help Chinese companies buy intellectual property that will give them an edge against Western competitors, particularly in fields such as 5G. The US wants these eliminated.

Even the schedule for the “phase two” talks is uncertain. America says negotiations will begin immediately, but China may want to wait until after the US elections in November, when there may be a more amenable incumbent in the White House.

However, this does not mean progress cannot be made. Our base case view remains that the trade war between the US and China will not escalate to the extent that it results in a serious growth downturn, and President Trump will want the US economy to be in good shape to boost his chances of re-election in November.

But just as it seemed that progress was being made on the trade war, President Trump has created another geo-political flashpoint by ordering the air strike that killed one of Iran's most senior military leaders. The obvious concern is that it may escalate into a conflict that could drag in other countries and involve some of the world's biggest oil producers. It is a situation that will need close monitoring as it develops during 2020.

#### *China*

Some tentative signs have emerged that growth momentum in China is stabilising on the back of stimulus efforts late last year. A raft of economic data released in December beat expectations, although it is still not clear whether China's slowing economy has bottomed out.

Encouragingly, China has started the year in an assertive manner, with more measures to stimulate economic activity. It has cut the capital reserve requirement for its banks, which Chinese authorities said would have the effect of injecting 800bn yuan (£88bn) of liquidity into its financial system, freeing up cash to lend to businesses and consumers. It also changed a key benchmark interest rate to lower borrowing costs for businesses, which should boost investment and hiring.

#### *The US*

Not long ago, investors in the US were obsessed with the prospect of a recession. While this possibility has not disappeared, evidence suggests that the current expansion could continue for some time yet. The US Federal Reserve cut interest rates for the third successive month in October as a “preventative strike” against a downturn in the manufacturing sector spreading to the broader economy.

When assessing the outlook for the US economy, accurately predicting how the housing market will perform is extremely helpful. This is because when the housing market does well, it not only boosts employment through an increase in housebuilding and construction, it also leads to an increase in consumer spending on home improvements and other purchases associated with housing activity such as spending on furniture, household appliances and home improvements.

In addition, an improving housing market creates what is known as a “wealth effect”, which means consumers feel richer, so they spend more. For an economy like the US, where consumer spending accounts for around 70% of GDP, anything likely to boost the wealth effect is a key leading indicator.

The three cuts in US interest rates last year will help boost the housing market in numerous ways. They have already led to lower mortgage rates, which boosts both demand and housebuilding activity. Affordability is also historically attractive thanks to recent weak house-price growth, low mortgage rates and rising household incomes. All in all, the backdrop for the housing market is healthy. This should help the US economy to continue its record-setting expansion.

#### *Eurozone*

Germany, Europe's largest economy, drives the region's growth. While heavily reliant on manufacturing and exports, it narrowly avoided recession by posting positive economic growth in the third quarter of 2019. The latest business surveys suggest a recovery in new orders for German businesses and give us grounds for cautious optimism about the outlook.

Key to this improvement is a pickup in the global automobile sector. The ratio of global new orders for cars relative to inventories has rebounded, which is good news for Germany given its large exposure to this sector.

Germany also has some insurance in place; following years of prudence, the German government runs a large structural budget surplus, which gives it ample ammunition for stimulus (such as tax cuts) to counter any downturn.

That would follow the example set by the Eurozone's second largest economy France, which has adopted an expansionary fiscal policy (meaning lower taxes), with more tax cuts promised in its 2020 budget. The stimulus has bolstered household confidence and suggests consumer spending growth has room to accelerate further.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

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

#### UK

In the UK, the end of the era of austerity, as promised in the Conservative manifesto, will provide some support to the economy, but there is still uncertainty around Brexit despite the threat of a second referendum being removed. Boris Johnson's refusal to allow an extension to the negotiating period increases the risk of a no-deal withdrawal before the transition period expires at the end of 2020.

This has already led to a sharp drop in the pound, although this in itself is a mixed blessing; with a large share of the revenues of UK companies coming from overseas, many stocks benefit when the pound falls, providing some offset to the rise in living costs that the weak pound causes. However, the spectre of a disorderly Brexit may still deter investment in the UK, both by UK companies and by foreign investors.

Looking ahead, the outlook for the traditional elements of economic growth are mixed. The household sector is by far the biggest part of the UK economy and house prices have historically been an important driver of retail spending. National average house prices are still rising, but only just. If the past is a good guide, retail sales growth will fall.

So, while we see a positive outlook for UK equities, we don't believe that the post-election bounce makes them more attractive than other markets.

#### In summary

There are enough positives as we enter 2020 for equities to outperform bonds and cash once more. While some notable risks remain, we are alert to the opportunities and challenges that these present.

Following such a strong year in 2019 we have to be realistic, though, about the prospects for 2020 but that doesn't mean being pessimistic. As well-known investor Peter Lynch pointed out:

*"Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves."*

The Fund is positioned the benefit from the outlook described, maintaining a relatively high weighting to equities.

#### COVID-19 update

At the time of writing (17 April 2020) the Coronavirus pandemic has had a material impact on the global economy. Governments around the world have shifted their approach in combating the crisis to one of 'suppression', in realisation that anything less would overwhelm health system capacity. Equity and corporate fixed income sectors have fallen sharply in response, with the travel, leisure, energy and bank sectors most negatively impacted. Monetary policy has responded very quickly to the crisis. There have been rate cuts, bond buying programs have been ramped up, and liquidity support has been provided. Fiscal policy is also playing a large role. The G20 has so far announced plans to inject over \$5 trillion into the global economy in fiscal policy, guarantee schemes and other economic measures and there will be more to come.

Given these events, the Fund has performed in line with expectation so far in 2020. Equity holdings have underperformed, in particular those exposed to the UK, whilst absolute return has proved to be a relative safe haven. Overall, the Fund maintains a slight overweight to equities, in the belief that they offer better long-term value than bonds.

#### 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 /2019 ("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 2019

## 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.

### 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.

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

For the financial year ended 31 December 2019

## 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 2019

## **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: 22 April 2020

# Statement of financial position

As at 31 December 2019

	Note	Guinness Global Energy Fund USD	Guinness Sustainable 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
<b>Assets</b>									
Financial assets at fair value through profit or loss	3								
- Transferable securities		187,696,723	16,540,257	6,134,681	1,331,745,511	232,000,675	6,675,473	276,113,028	4,621,091
- Investment funds		-	-	-	-	-	-	-	-
Forward contracts receivable		-	-	-	-	-	-	-	-
Cash and cash equivalents	4	4,544,912	472,220	135,297	12,496,675	5,283,159	150,197	6,620,446	19,609
Dividends receivable		284,933	14,834	10,920	1,302,271	284,592	-	50,964	856
Subscriptions receivable		352,926	267,018	31,575	37,233,440	261,582	16,625	939,078	15,797
<b>Total assets</b>		<b>192,879,494</b>	<b>17,294,329</b>	<b>6,312,473</b>	<b>1,382,777,897</b>	<b>237,830,008</b>	<b>6,842,295</b>	<b>283,723,516</b>	<b>4,657,353</b>
<b>Liabilities</b>									
Forward contracts payable		-	-	-	-	-	-	-	-
Management fee payable	5	249,037	18,602	9,213	1,133,361	215,224	9,529	355,429	6,809
CGT - Provision		-	-	-	-	80,601	-	-	-
Redemptions payable		3,183,013	11,643	47,686	1,323,710	434,910	11,930	446,448	9,776
Other expenses payable		-	-	-	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>3,432,050</b>	<b>30,245</b>	<b>56,899</b>	<b>2,457,071</b>	<b>730,735</b>	<b>21,459</b>	<b>801,877</b>	<b>16,585</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>189,447,444</b>	<b>17,264,084</b>	<b>6,255,574</b>	<b>1,380,320,826</b>	<b>237,099,273</b>	<b>6,820,836</b>	<b>282,921,639</b>	<b>4,640,768</b>

The accompanying notes form an integral part of these financial statements

# Statement of financial position (continued)

As at 31 December 2019

		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
	Note							
<b>Assets</b>								
Financial assets at fair value through profit or loss	3							
- Transferable securities		1,866,613	696,655	524,942	348,272	-	-	2,064,963,921
- Investment funds		-	-	-	-	26,628,912	16,607,618	57,277,662
Forward contracts receivable		-	-	-	-	2,236	1,398	4,814
Cash and cash equivalents	4	21,234	6,200	9,445	440	1,245,935	342,917	31,864,668
Dividends receivable		4,327	115	260	179	-	-	1,954,251
Subscriptions receivable		11,956	-	-	-	285,873	107,999	39,651,780
<b>Total assets</b>		<b>1,904,130</b>	<b>702,970</b>	<b>534,647</b>	<b>348,891</b>	<b>28,162,956</b>	<b>17,059,932</b>	<b>2,195,717,096</b>
		-	-	-	-	-	-	-
<b>Liabilities</b>								
Forward contracts payable		-	-	-	-	14,268	10,412	32,695
Management fee payable	5	706	709	577	282	40,133	23,964	2,084,391
CGT - Provision		5,916	-	-	585	-	-	87,102
Redemptions payable		-	-	-	132	-	38,875	5,520,748
Other expenses payable		-	-	-	-	118	88	273
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>6,622</b>	<b>709</b>	<b>577</b>	<b>999</b>	<b>54,519</b>	<b>73,339</b>	<b>7,725,209</b>
		-	-	-	-	-	-	-
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>1,897,508</b>	<b>702,261</b>	<b>534,070</b>	<b>347,892</b>	<b>28,108,437</b>	<b>16,986,593</b>	<b>2,187,991,887</b>

On behalf of the Board

David McGeough

Johnny McClintock

Date 22 April 2020

The accompanying notes form an integral part of these financial statements

## Statement of financial position (continued)

As at 31 December 2018

	Note	Guinness Global Energy Fund USD	Guinness Sustainable 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
<b>Assets</b>									
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
<b>Total assets</b>		<b>220,753,914</b>	<b>12,183,354</b>	<b>6,634,647</b>	<b>673,464,017</b>	<b>119,200,466</b>	<b>5,739,884</b>	<b>153,186,067</b>	<b>3,332,644</b>
<b>Liabilities</b>									
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	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>2,937,534</b>	<b>64,210</b>	<b>85,889</b>	<b>1,953,987</b>	<b>203,068</b>	<b>11,055</b>	<b>820,306</b>	<b>4,942</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>217,816,380</b>	<b>12,119,144</b>	<b>6,548,758</b>	<b>671,510,030</b>	<b>118,997,398</b>	<b>5,728,829</b>	<b>152,365,761</b>	<b>3,327,702</b>

The accompanying notes form an integral part of these financial statements

# Statement of financial position (continued)

As at 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
	Note							
<b>Assets</b>								
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
<b>Total assets</b>		<b>1,798,782</b>	<b>417,987</b>	<b>238,243</b>	<b>278,232</b>	<b>907,830</b>	<b>1,343,754</b>	<b>1,200,095,855</b>
<b>Liabilities</b>								
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
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>2,466</b>	<b>7,034</b>	<b>2,712</b>	<b>232</b>	<b>376,000</b>	<b>612,000</b>	<b>7,351,752</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>1,796,316</b>	<b>410,953</b>	<b>235,531</b>	<b>278,000</b>	<b>531,830</b>	<b>731,754</b>	<b>1,192,744,103</b>

The accompanying notes form an integral part of these financial statements



## Statement of comprehensive income

For the financial year ended 31 December 2019

	Note	Guinness Global Energy Fund USD	Guinness Sustainable 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
<b>Investment income</b>									
Dividend Income		9,712,767	263,886	271,357	30,315,649	9,111,743	251,163	3,497,024	129,417
Interest income		22,080	2,120	421	65,348	9,864	-	15,022	220
Other income		-	-	-	-	6,903	-	-	-
Net gain on financial assets at fair value through profit or loss and foreign exchange	3	13,936,149	3,740,681	1,637,568	186,418,534	23,779,920	1,396,898	59,564,592	920,456
<b>Total investment income</b>		<b>23,670,996</b>	<b>4,006,687</b>	<b>1,909,346</b>	<b>216,799,531</b>	<b>32,908,430</b>	<b>1,648,061</b>	<b>63,076,638</b>	<b>1,050,093</b>
<b>Expenses</b>									
Investment manager fees	5	3,747,398	187,756	111,016	10,700,351	2,026,115	103,929	3,463,965	66,005
Other fees		-	-	-	-	-	-	-	-
CGT - Provision	12	-	14,346	-	-	83,368	-	-	-
<b>Total operating expenses</b>		<b>3,747,398</b>	<b>202,102</b>	<b>111,016</b>	<b>10,700,351</b>	<b>2,109,483</b>	<b>103,929</b>	<b>3,463,965</b>	<b>66,005</b>
<b>Net income</b>		<b>19,923,598</b>	<b>3,804,585</b>	<b>1,798,330</b>	<b>206,099,180</b>	<b>30,798,947</b>	<b>1,544,132</b>	<b>59,612,673</b>	<b>984,088</b>
<b>Finance costs</b>									
Dividend distribution	15	43,770	-	-	14,108,917	3,588,795	35,317	-	-
Interest expense		9,164	47	269	24,493	12,139	606	4,871	183
<b>Total finance costs</b>		<b>52,934</b>	<b>47</b>	<b>269</b>	<b>14,133,410</b>	<b>3,600,934</b>	<b>35,923</b>	<b>4,871</b>	<b>183</b>
<b>Taxation</b>									
Withholding tax on dividends		1,918,929	29,161	42,896	4,924,941	933,408	41,458	801,654	8,758
<b>Increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>17,951,735</b>	<b>3,775,377</b>	<b>1,755,165</b>	<b>187,040,829</b>	<b>26,264,605</b>	<b>1,466,751</b>	<b>58,806,148</b>	<b>975,147</b>

There were no gains/(losses) in the year other than the 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 2019

		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
	Note							
<b>Investment income</b>								
Dividend Income		79,727	9,686	6,588	9,612	14,772	1,856	53,679,898
Interest income		341	24	245	36	293	9	116,107
Other Income		-	-	-	-	1,524	1,524	10,803
Net gain on financial assets at fair value through profit or loss and foreign exchange	3	276,044	127,964	92,651	52,969	1,139,302	1,056,853	294,754,676
<b>Total investment income</b>		<b>356,112</b>	<b>137,674</b>	<b>99,484</b>	<b>62,617</b>	<b>1,155,891</b>	<b>1,060,242</b>	<b>348,561,484</b>
<b>Expenses</b>								
Investment manager fees	5	13,201	6,050	6,264	3,001	199,322	140,518	20,869,918
Other fees		-	-	-	-	118	88	264
CGT - Provision	12	7,430	-	-	588	-	-	105,732
<b>Total operating expenses</b>		<b>20,631</b>	<b>6,050</b>	<b>6,264</b>	<b>3,589</b>	<b>199,440</b>	<b>140,606</b>	<b>20,975,914</b>
<b>Net income</b>		<b>335,481</b>	<b>131,624</b>	<b>93,220</b>	<b>59,028</b>	<b>956,451</b>	<b>919,636</b>	<b>327,585,570</b>
<b>Finance costs</b>								
Dividend distribution	15	62,705	-	-	-	-	-	17,839,504
Interest expense		531	146	233	9	58	570	53,495
<b>Total finance costs</b>		<b>63,236</b>	<b>146</b>	<b>233</b>	<b>9</b>	<b>58</b>	<b>570</b>	<b>17,892,999</b>
<b>Taxation</b>								
Withholding tax on dividends		8,686	1,443	1,800	799	-	-	8,713,933
<b>Increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>263,559</b>	<b>130,035</b>	<b>91,187</b>	<b>58,220</b>	<b>956,393</b>	<b>919,066</b>	<b>300,978,638</b>

There were no gains/(losses) in the year other than the 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 Global Energy Fund USD	Guinness Sustainable 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
<b>Investment income</b>									
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)
<b>Total investment (expense)/income</b>		<b>(54,432,089)</b>	<b>(2,121,219)</b>	<b>(2,308,383)</b>	<b>(28,065,889)</b>	<b>(18,857,830)</b>	<b>(484,556)</b>	<b>(34,614,763)</b>	<b>(1,120,567)</b>
<b>Expenses</b>									
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	12	-	(8,588)	-	-	-	-	-	-
<b>Total operating expenses</b>		<b>4,102,444</b>	<b>169,552</b>	<b>150,482</b>	<b>7,082,585</b>	<b>1,304,031</b>	<b>137,865</b>	<b>2,815,320</b>	<b>55,826</b>
<b>Net (expense)/income</b>		<b>(58,534,533)</b>	<b>(2,290,771)</b>	<b>(2,458,865)</b>	<b>(35,148,474)</b>	<b>(20,161,861)</b>	<b>(622,421)</b>	<b>(37,430,083)</b>	<b>(1,176,393)</b>
<b>Finance costs</b>									
Dividend distribution	15	63,273	-	-	11,222,000	2,546,993	82,954	-	-
Interest expense		160	5	10	377	2,489	2,064	633	332
<b>Total finance costs</b>		<b>63,433</b>	<b>5</b>	<b>10</b>	<b>11,222,377</b>	<b>2,549,482</b>	<b>85,018</b>	<b>633</b>	<b>332</b>
<b>Taxation</b>									
Withholding tax on dividends		1,301,581	15,955	50,280	2,868,007	474,994	81,037	600,474	8,364
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>(59,899,547)</b>	<b>(2,306,731)</b>	<b>(2,509,155)</b>	<b>(49,238,858)</b>	<b>(23,186,337)</b>	<b>(788,476)</b>	<b>(38,031,190)</b>	<b>(1,185,089)</b>

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 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 <sup>1</sup> GBP	Guinness Multi- Asset Growth Fund <sup>1</sup> GBP	Total Company USD
<b>Investment income</b>								
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)
<b>Total investment (expense)/income</b>		<b>(145,824)</b>	<b>(44,877)</b>	<b>(13,864)</b>	<b>(64,641)</b>	<b>11</b>	<b>379</b>	<b>(142,274,005)</b>
<b>Expenses</b>								
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	12	1,675	-	-	-	-	-	(6,913)
<b>Total operating expenses</b>		<b>8,627</b>	<b>2,742</b>	<b>1,968</b>	<b>2,979</b>	<b>-</b>	<b>-</b>	<b>15,834,421</b>
<b>Net (expense)/income</b>		<b>(154,451)</b>	<b>(47,619)</b>	<b>(15,832)</b>	<b>(67,620)</b>	<b>11</b>	<b>379</b>	<b>(158,108,426)</b>
<b>Finance costs</b>								
Dividend distribution	15	3,171	-	-	-	-	-	13,918,391
Interest expense		325	34	-	1	-	-	6,430
<b>Total finance costs</b>		<b>3,496</b>	<b>34</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>13,924,821</b>
<b>Taxation</b>								
Withholding tax on dividends		3,038	626	930	745	-	-	5,406,031
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>(160,985)</b>	<b>(48,279)</b>	<b>(16,762)</b>	<b>(68,366)</b>	<b>11</b>	<b>379</b>	<b>(177,439,278)</b>

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

<sup>1</sup>For 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

For the financial year ended 31 December 2019

		Guinness Global Energy Fund USD	Guinness Sustainable 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
	Note								
Net assets attributable to holders of redeemable participating shares at the start 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
Increase in net assets attributable to holders of redeemable participating shares from continuing operations		17,951,735	3,775,377	1,755,165	187,040,829	26,264,605	1,466,751	58,806,148	975,147
Issue of redeemable participating shares		191,999,767	4,739,244	418,022	974,275,604	175,233,458	2,352,903	212,804,080	1,727,269
Redemption of redeemable participating shares		(238,320,438)	(3,369,681)	(2,466,371)	(452,505,637)	(83,396,188)	(2,727,647)	(141,054,350)	(1,389,350)
Notional foreign exchange adjustment	2(c)(iii)	-	-	-	-	-	-	-	-
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>		<b>189,447,444</b>	<b>17,264,084</b>	<b>6,255,574</b>	<b>1,380,320,826</b>	<b>237,099,273</b>	<b>6,820,836</b>	<b>282,921,639</b>	<b>4,640,768</b>

		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
	Note							
Net assets attributable to holders of redeemable participating shares at the start of the year		1,796,316	410,953	235,531	278,000	531,830	731,754	1,192,744,103
Increase in net assets attributable to holders of redeemable participating shares from continuing operations		263,559	130,035	91,187	58,220	956,393	919,066	300,978,638
Issue of redeemable participating shares		1,145,237	586,975	600,171	107,892	40,479,318	27,650,757	1,653,171,430
Redemption of redeemable participating shares		(1,307,604)	(425,702)	(392,819)	(96,220)	(13,859,104)	(12,314,984)	(960,944,971)
Notional foreign exchange adjustment	2(c)(iii)	-	-	-	-	-	-	2,042,687
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>		<b>1,897,508</b>	<b>702,261</b>	<b>534,070</b>	<b>347,892</b>	<b>28,108,437</b>	<b>16,986,593</b>	<b>2,185,644,887</b>

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 2018

	Guinness Global Energy Fund USD	Guinness Sustainable 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)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>217,816,380</b>	<b>12,119,144</b>	<b>6,548,758</b>	<b>671,510,030</b>	<b>118,997,398</b>	<b>5,728,829</b>	<b>152,365,761</b>	<b>3,327,702</b>

	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 <sup>1</sup> GBP	Guinness Multi- Asset Growth Fund <sup>1</sup> 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)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>1,796,316</b>	<b>410,953</b>	<b>235,531</b>	<b>278,000</b>	<b>531,830</b>	<b>731,754</b>	<b>1,192,744,103</b>

<sup>1</sup>For the financial period 28 December 2018 to 31 December 2018

The accompanying notes form an integral part of these financial statements

## Statement of cashflows

For the financial year ended 31 December 2019

	Notes	Guinness Global Energy Fund USD	Guinness Sustainable 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
<b>Cash flow from operating activities</b>									
Increase in net assets attributable to holders of redeemable participating shares from continuing operations		17,951,735	3,775,377	1,755,165	187,040,829	26,264,605	1,466,751	58,806,148	975,147
<i>Adjustment for:</i>									
Other income		-	-	-	-	(6,903)	-	-	-
Interest income		(22,080)	(2,120)	(421)	(65,348)	(9,864)	-	(15,022)	(220)
Distributions to holders of redeemable shares		43,770	-	-	14,108,917	3,588,795	35,317	-	-
Dividend income		(9,712,767)	(263,886)	(271,357)	(30,315,649)	(9,111,743)	(251,163)	(3,497,024)	(129,417)
Withholding taxes		1,918,929	29,161	42,896	4,924,941	933,408	41,458	801,654	8,758
Interest expense		9,164	47	269	24,493	12,139	606	4,871	183
<b>Net operating cash flow before change in operating assets and liabilities</b>		<b>10,188,751</b>	<b>3,538,579</b>	<b>1,526,552</b>	<b>175,718,183</b>	<b>21,670,437</b>	<b>1,292,969</b>	<b>56,100,627</b>	<b>854,451</b>
Net decrease/(increase) in financial assets at fair value through profit or loss		30,426,115	(4,850,972)	294,509	(677,458,870)	(117,084,069)	(1,221,320)	(125,773,903)	(1,332,611)
Net increase in financial liabilities at fair value through profit or loss		-	-	-	-	-	-	-	-
Net (decrease)/increase in other payables		(52,532)	4,699	(477)	385,599	182,853	1,032	137,157	1,867
<b>Cash from/(used in) operations</b>		<b>40,562,334</b>	<b>(1,307,694)</b>	<b>1,820,584</b>	<b>(501,355,088)</b>	<b>(95,230,779)</b>	<b>72,681</b>	<b>(69,536,119)</b>	<b>(476,293)</b>
Dividend received		7,916,096	228,820	230,560	25,273,914	8,016,449	209,705	2,717,523	119,803
Interest received		22,080	2,120	421	65,348	9,864	-	15,022	220
Income received		-	-	-	-	6,903	-	-	-
Interest paid		(9,164)	(47)	(269)	(24,493)	(12,139)	(606)	(4,871)	(183)
<b>Net cash from/(used in) operating activities</b>		<b>48,491,346</b>	<b>(1,076,801)</b>	<b>2,051,296</b>	<b>(476,040,319)</b>	<b>(87,209,702)</b>	<b>281,780</b>	<b>(66,808,445)</b>	<b>(356,453)</b>
<b>Cash flows from financing activities</b>									
Distributions paid to holders of redeemable shares		(43,770)	-	-	(14,108,917)	(3,588,795)	(35,317)	-	-
Issue of redeemable participating shares		192,030,484	4,480,206	386,759	937,817,273	175,620,118	2,412,060	212,121,705	1,713,207
Redemption of participating shares		(237,773,390)	(3,408,345)	(2,494,884)	(452,388,152)	(83,051,374)	(2,718,275)	(141,209,936)	(1,379,574)
<b>Net cash (used in)/from financing activities</b>		<b>(45,786,676)</b>	<b>1,071,861</b>	<b>(2,108,125)</b>	<b>471,320,204</b>	<b>88,979,949</b>	<b>(341,532)</b>	<b>70,911,769</b>	<b>333,633</b>
Net increase/(decrease) in cash and cash equivalents		2,704,670	(4,940)	(56,829)	(4,720,115)	1,770,247	(59,752)	4,103,324	(22,820)
<b>Cash and cash equivalents at the start of the year</b>		<b>1,840,242</b>	<b>477,160</b>	<b>192,126</b>	<b>17,216,790</b>	<b>3,512,912</b>	<b>209,949</b>	<b>2,517,122</b>	<b>42,429</b>
Notional foreign exchange adjustment	2(c)(iii)	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>4,544,912</b>	<b>472,220</b>	<b>135,297</b>	<b>12,496,675</b>	<b>5,283,159</b>	<b>150,197</b>	<b>6,620,446</b>	<b>19,609</b>
<b>Breakdown of cash and cash equivalents</b>									
Cash and cash equivalents		4,544,912	472,220	135,297	12,496,675	5,283,159	150,197	6,620,446	19,609

The accompanying notes form an integral part of these financial statements

## Statement of cashflows (continued)

For the financial year ended 31 December 2019

Notes	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
<b>Cash flow from operating activities</b>							
Increase in net assets attributable to holders of redeemable participating shares from continuing operations	263,559	130,035	91,187	58,220	956,393	919,066	300,978,638
<i>Adjustment for:</i>							
Other income	-	-	-	-	(1,524)	(1,524)	(10,803)
Interest income	(341)	(24)	(245)	(36)	(293)	(9)	(116,107)
Distributions to holders of redeemable shares	62,705	-	-	-	-	-	17,839,504
Dividend income	(79,727)	(9,686)	(6,588)	(9,612)	(14,772)	(1,856)	(53,679,898)
Withholding taxes	8,686	1,443	1,800	799	-	-	8,713,933
Interest expense	531	146	233	9	58	570	53,495
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>255,413</b>	<b>121,914</b>	<b>86,387</b>	<b>49,380</b>	<b>939,862</b>	<b>916,247</b>	<b>273,778,762</b>
Net decrease/(increase) in financial assets at fair value through profit or loss	(106,264)	(291,435)	(291,121)	(77,556)	(26,255,116)	(15,996,615)	(951,833,782)
Net increase in financial liabilities at fair value through profit or loss	-	-	-	-	14,268	10,412	31,581
Net (decrease)/increase in other payables	4,178	375	419	635	(335,749)	(587,948)	(516,179)
<b>Cash from/(used in) operations</b>	<b>153,327</b>	<b>(169,146)</b>	<b>(204,315)</b>	<b>(27,541)</b>	<b>(25,636,735)</b>	<b>(15,657,904)</b>	<b>(678,539,618)</b>
Dividend received	70,520	8,309	4,670	8,736	14,772	1,856	44,826,383
Interest received	341	24	245	36	293	9	116,107
Income received	-	-	-	-	1,524	1,524	10,803
Interest paid	(531)	(146)	(233)	(9)	(58)	(570)	(53,495)
<b>Net cash from/(used in) operating activities</b>	<b>223,657</b>	<b>(160,959)</b>	<b>(199,633)</b>	<b>(18,778)</b>	<b>(25,620,204)</b>	<b>(15,655,085)</b>	<b>(633,639,820)</b>
<b>Cash flows from financing activities</b>							
Distributions paid to holders of redeemable shares	(62,705)	-	-	-	-	-	(17,839,504)
Issue of redeemable participating shares	1,133,664	593,732	600,171	108,187	40,217,195	28,036,063	1,616,356,002
Redemption of participating shares	(1,307,626)	(432,402)	(395,373)	(96,088)	(13,859,104)	(12,276,109)	(960,098,638)
<b>Net cash (used in)/from financing activities</b>	<b>(236,667)</b>	<b>161,330</b>	<b>204,798</b>	<b>12,099</b>	<b>26,358,091</b>	<b>15,759,954</b>	<b>638,417,860</b>
Net increase/(decrease) in cash and cash equivalents	(13,010)	371	5,165	(6,679)	737,887	104,869	4,778,040
<b>Cash and cash equivalents at the start of the year</b>	<b>34,244</b>	<b>5,829</b>	<b>4,280</b>	<b>7,119</b>	<b>508,048</b>	<b>238,048</b>	<b>27,010,430</b>
Notional foreign exchange adjustment	2(c)(iii) -	-	-	-	-	-	76,198
<b>Cash and cash equivalents at the end of the year</b>	<b>21,234</b>	<b>6,200</b>	<b>9,445</b>	<b>440</b>	<b>1,245,935</b>	<b>342,917</b>	<b>31,864,668</b>
<b>Breakdown of cash and cash equivalents</b>							
Cash and cash equivalents	21,234	6,200	9,445	440	1,245,935	342,917	31,864,668

The accompanying notes form an integral part of these financial statements



## Statement of cashflows (continued)

For the financial year ended 31 December 2018

	Guinness Global Energy Fund USD	Guinness Sustainable 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
<b>Cash flow from operating activities</b>								
(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
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>(66,623,854)</b>	<b>(2,515,967)</b>	<b>(2,861,589)</b>	<b>(53,019,278)</b>	<b>(25,417,322)</b>	<b>(1,074,015)</b>	<b>(40,484,045)</b>	<b>(1,300,334)</b>
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
<b>Cash (used in)/from operations</b>	<b>(2,183,889)</b>	<b>(2,889,089)</b>	<b>380,161</b>	<b>(239,150,340)</b>	<b>(45,495,496)</b>	<b>13,926,449</b>	<b>(37,128,457)</b>	<b>(2,774,624)</b>
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)
<b>Net cash from/(used in) operating activities</b>	<b>4,509,125</b>	<b>(2,683,278)</b>	<b>731,305</b>	<b>(224,429,304)</b>	<b>(40,686,469)</b>	<b>14,294,942</b>	<b>(34,731,439)</b>	<b>(2,657,752)</b>
<b>Cash flows from financing activities</b>								
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)
<b>Net cash (used in)/from financing activities</b>	<b>(6,612,077)</b>	<b>2,765,163</b>	<b>(736,718)</b>	<b>233,713,223</b>	<b>42,551,562</b>	<b>(14,718,256)</b>	<b>32,633,271</b>	<b>2,665,845</b>
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
<b>Cash and cash equivalents at the start of the year</b>	<b>3,943,194</b>	<b>395,275</b>	<b>197,539</b>	<b>7,932,871</b>	<b>1,647,819</b>	<b>633,263</b>	<b>4,615,290</b>	<b>34,336</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,840,242</b>	<b>477,160</b>	<b>192,126</b>	<b>17,216,790</b>	<b>3,512,912</b>	<b>209,949</b>	<b>2,517,122</b>	<b>42,429</b>
<b>Breakdown of cash and cash equivalents</b>								
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
<b>Cash flow from operating activities</b>							
(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
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>(182,212)</b>	<b>(52,085)</b>	<b>(19,462)</b>	<b>(76,481)</b>	<b>11</b>	<b>379</b>	<b>(193,626,147)</b>
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
<b>Cash (used in)/from operations</b>	<b>(1,638,085)</b>	<b>(212,088)</b>	<b>(6,706)</b>	<b>(310,478)</b>	<b>(21)</b>	<b>(22)</b>	<b>(317,482,697)</b>
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)
<b>Net cash from/(used in) operating activities</b>	<b>(1,616,784)</b>	<b>(208,411)</b>	<b>(4,031)</b>	<b>(302,465)</b>	<b>(21)</b>	<b>(22)</b>	<b>(287,784,616)</b>
<b>Cash flows from financing activities</b>							
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)
<b>Net cash (used in)/from financing activities</b>	<b>1,649,694</b>	<b>210,940</b>	<b>5,501</b>	<b>45,418</b>	<b>508,069</b>	<b>238,070</b>	<b>295,123,849</b>
Net (decrease)/increase in cash and cash equivalents	32,910	2,529	1,470	(257,047)	508,048	238,048	7,339,233
<b>Cash and cash equivalents at the start of the year</b>	<b>1,334</b>	<b>3,300</b>	<b>2,810</b>	<b>264,166</b>	<b>-</b>	<b>-</b>	<b>19,671,197</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>34,244</b>	<b>5,829</b>	<b>4,280</b>	<b>7,119</b>	<b>508,048</b>	<b>238,048</b>	<b>27,010,430</b>
<b>Breakdown of cash and cash equivalents</b>							
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

# Notes to the financial statements

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

## 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.

Effective 18 April 2019, Guinness Alternative Energy Fund was renamed Guinness Sustainable Energy Fund.

## 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 and effective

The following new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2019.

#### Standards and amendments to existing standards effective 1 January 2019

##### IFRS 16 – Leases

IFRS 16, published in January 2016 with an effective date of 1 January 2019 replaced 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. There was no impact on the financial statements of the Company resulting from the introduction of IFRS 16.

##### IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company is not significantly impacted as a result of the amendments.

### (c) Foreign currency

#### (i) 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 both have a functional and presentation currency of British Pound ("GBP"). The Company has adopted the USD as its presentation currency.

#### (ii) 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.

(iii) The foreign exchange adjustment was due to the use of exchange rates at the reporting date to translate sub-funds that have a functional currency that differs to the presentation currency of the Company. The translation of the sub-funds' functional currencies into the presentation currency of the Company is recognised separately through the statement of changes in net assets attributable to holders of redeemable participating shares and through the statement of cash flows. For the financial year ended 31 December 2019, the translation adjustment presented on the statement of changes in net assets was a notional gain of \$2,042,687 (2018: nil) and on the statement of cash flows was a notional gain of \$76,198 (2018: nil); which has no impact on the net asset value ("NAV") of each individual sub-fund.

### (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 forward currency contracts are valued at the settlement price as determined by the market.
- Investments in investment funds 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 "Depository") 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 (2018: nil).

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 2. Significant accounting policies (continued)

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

##### (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.

##### (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 and at the settlement price as determined by the market for forward currency contracts. 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) Securities sold receivable

Securities sold receivable represent receivables for securities sold that have been contracted for but not yet settled or delivered on the reporting date. These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade.

#### (i) 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.

#### (j) 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.

#### (k) 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.

#### (l) 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.

#### (m) 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.

#### (n) 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 8:

- 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 2019

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 2019

	Guinness Global Energy Fund USD	Guinness Sustainable 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	(20,217,192)	(1,282,158)	235,793	(7,790,565)	(2,865,919)	142,139	4,368,678	(109,100)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	34,153,341	5,022,839	1,401,775	194,209,099	26,645,839	1,254,759	55,195,914	1,029,556
<b>Net gain on financial assets at fair value through profit or loss and foreign exchange</b>	<b>13,936,149</b>	<b>3,740,681</b>	<b>1,637,568</b>	<b>186,418,534</b>	<b>23,779,920</b>	<b>1,396,898</b>	<b>59,564,592</b>	<b>920,456</b>

	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	(76,690)	242	35,004	(23,032)	55,323	21,920	(27,483,958)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	352,734	127,722	57,647	76,001	1,083,979	1,034,933	322,238,634
<b>Net gain on financial assets at fair value through profit or loss and foreign exchange</b>	<b>276,044</b>	<b>127,964</b>	<b>92,651</b>	<b>52,969</b>	<b>1,139,302</b>	<b>1,056,853</b>	<b>294,754,676</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

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 2018

	Guinness Global Energy Fund USD	Guinness Sustainable 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 gain/(loss) 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)
<b>Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange</b>	<b>(62,521,410)</b>	<b>(2,346,415)</b>	<b>(2,711,107)</b>	<b>(45,936,693)</b>	<b>(24,113,291)</b>	<b>(936,150)</b>	<b>(37,668,725)</b>	<b>(1,244,508)</b>

	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 gain/(loss) 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)
<b>Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange</b>	<b>(173,585)</b>	<b>(49,343)</b>	<b>(17,494)</b>	<b>(73,502)</b>	<b>11</b>	<b>379</b>	<b>(177,791,726)</b>

(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.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

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

(ii) Fair value of financial instruments

There were no transfers between any levels during the financial period ended 31 December 2019 and 31 December 2018.

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 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Energy Fund</b>				
- Equities	187,696,723	-	-	187,696,723
<b>Financial assets at fair value through profit or loss</b>	<b>187,696,723</b>	-	-	<b>187,696,723</b>
<b>Guinness Sustainable Energy Fund</b>				
- Equities	16,540,257	-	-	16,540,257
<b>Financial assets at fair value through profit or loss</b>	<b>16,540,257</b>	-	-	<b>16,540,257</b>
<b>Guinness Global Money Managers Fund</b>				
- Equities	6,134,681	-	-	6,134,681
<b>Financial assets at fair value through profit or loss</b>	<b>6,134,681</b>	-	-	<b>6,134,681</b>
<b>Guinness Global Equity Income Fund</b>				
- Equities	1,331,745,511	-	-	1,331,745,511
<b>Financial assets at fair value through profit or loss</b>	<b>1,331,745,511</b>	-	-	<b>1,331,745,511</b>
<b>Guinness Asian Equity Income Fund</b>				
- Equities	232,000,675	-	-	232,000,675
<b>Financial assets at fair value through profit or loss</b>	<b>232,000,675</b>	-	-	<b>232,000,675</b>
<b>Guinness European Equity Income Fund</b>				
- Equities	6,675,473	-	-	6,675,473
<b>Financial assets at fair value through profit or loss</b>	<b>6,675,473</b>	-	-	<b>6,675,473</b>
<b>Guinness Global Innovators Fund</b>				
- Equities	276,113,028	-	-	276,113,028
<b>Financial assets at fair value through profit or loss</b>	<b>276,113,028</b>	-	-	<b>276,113,028</b>
<b>Guinness Best of China Fund</b>				
- Equities	4,621,091	-	-	4,621,091
<b>Financial assets at fair value through profit or loss</b>	<b>4,621,091</b>	-	-	<b>4,621,091</b>
<b>Guinness Emerging Markets Equity Income Fund</b>				
- Equities	1,866,613	-	-	1,866,613
<b>Financial assets at fair value through profit or loss</b>	<b>1,866,613</b>	-	-	<b>1,866,613</b>
<b>Guinness Global Equity Fund</b>				
- Equities	696,655	-	-	696,655
<b>Financial assets at fair value through profit or loss</b>	<b>696,655</b>	-	-	<b>696,655</b>
<b>Guinness US Equity Fund</b>				
- Equities	524,942	-	-	524,942
<b>Financial assets at fair value through profit or loss</b>	<b>524,942</b>	-	-	<b>524,942</b>
<b>Guinness Best of Asia Fund</b>				
- Equities	348,272	-	-	348,272
<b>Financial assets at fair value through profit or loss</b>	<b>348,272</b>	-	-	<b>348,272</b>
<b>Guinness Multi-Asset Balanced Fund</b>				
- Investment funds	-	26,628,912	-	26,628,912
- Derivatives	-	2,236	-	2,236
- Forward currency contracts	-	-	-	-
<b>Financial assets at fair value through profit or loss</b>	<b>-</b>	<b>26,631,148</b>	-	<b>26,631,148</b>
- Derivatives	-	(14,268)	-	(14,268)
- Forward currency contracts	-	-	-	-
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(14,268)</b>	-	<b>(14,268)</b>
<b>Guinness Multi-Asset Growth Fund</b>				
- Investment funds	-	16,607,618	-	16,607,618
- Derivatives	-	1,398	-	1,398
- Forward currency contracts	-	-	-	-
<b>Financial assets at fair value through profit or loss</b>	<b>-</b>	<b>16,609,016</b>	-	<b>16,609,016</b>
- Derivatives	-	(10,412)	-	(10,412)
- Forward currency contracts	-	-	-	-
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(10,412)</b>	-	<b>(10,412)</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Energy Fund</b>				
- Equities	218,122,838	-	-	218,122,838
<b>Financial assets at fair value through profit or loss</b>	<b>218,122,838</b>	-	-	<b>218,122,838</b>
<b>Guinness Sustainable Energy Fund</b>				
- Equities	11,689,285	-	-	11,689,285
<b>Financial assets at fair value through profit or loss</b>	<b>11,689,285</b>	-	-	<b>11,689,285</b>
<b>Guinness Global Money Managers Fund</b>				
- Equities	6,429,190	-	-	6,429,190
<b>Financial assets at fair value through profit or loss</b>	<b>6,429,190</b>	-	-	<b>6,429,190</b>
<b>Guinness Global Equity Income Fund</b>				
- Equities	654,286,641	-	-	654,286,641
<b>Financial assets at fair value through profit or loss</b>	<b>654,286,641</b>	-	-	<b>654,286,641</b>
<b>Guinness Asian Equity Income Fund</b>				
- Equities	114,916,606	-	-	114,916,606
<b>Financial assets at fair value through profit or loss</b>	<b>114,916,606</b>	-	-	<b>114,916,606</b>
<b>Guinness European Equity Income Fund</b>				
- Equities	5,454,153	-	-	5,454,153
<b>Financial assets at fair value through profit or loss</b>	<b>5,454,153</b>	-	-	<b>5,454,153</b>
<b>Guinness Global Innovators Fund</b>				
- Equities	150,339,125	-	-	150,339,125
<b>Financial assets at fair value through profit or loss</b>	<b>150,339,125</b>	-	-	<b>150,339,125</b>
<b>Guinness Best of China Fund</b>				
- Equities	3,288,480	-	-	3,288,480
<b>Financial assets at fair value through profit or loss</b>	<b>3,288,480</b>	-	-	<b>3,288,480</b>
<b>Guinness Emerging Markets Equity Income Fund</b>				
- Equities	1,760,349	-	-	1,760,349
<b>Financial assets at fair value through profit or loss</b>	<b>1,760,349</b>	-	-	<b>1,760,349</b>
<b>Guinness Global Equity Fund</b>				
- Equities	405,220	-	-	405,220
<b>Financial assets at fair value through profit or loss</b>	<b>405,220</b>	-	-	<b>405,220</b>
<b>Guinness US Equity Fund</b>				
- Equities	233,821	-	-	233,821
<b>Financial assets at fair value through profit or loss</b>	<b>233,821</b>	-	-	<b>233,821</b>
<b>Guinness Best of Asia Fund</b>				
- Equities	270,716	-	-	270,716
<b>Financial assets at fair value through profit or loss</b>	<b>270,716</b>	-	-	<b>270,716</b>
<b>Guinness Multi-Asset Balanced Fund</b>				
- Investment funds	-	376,032	-	376,032
<b>Financial assets at fair value through profit or loss</b>	-	<b>376,032</b>	-	<b>376,032</b>
<b>Guinness Multi-Asset Growth Fund</b>				
- Investment funds	-	612,401	-	612,401
<b>Financial assets at fair value through profit or loss</b>	-	<b>612,401</b>	-	<b>612,401</b>

All other assets and liabilities held by the sub-funds at the reporting dates 31 December 2019 and 31 December 2018 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.

#### (iii) Financial derivative instruments

The derivative instruments that the Company holds or issues are forward currency contracts. The Company records its derivative activities on a mark-to-market basis.

A **forward currency contract** involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts will be valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and this difference is recognised in the Statement of comprehensive income.



## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 4. Cash and cash equivalents and bank overdrafts

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 2019

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Sustainable 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	-	-	-	-	-	96,783	-	-
J.P. Morgan Bank	A-	GBP	-	-	-	-	-	-	-	-
J.P. Morgan Bank	A-	USD	4,533,066	459,275	135,297	11,495,384	5,045,937	-	6,462,611	18,284
BNYM – London Branch	AA-	EUR	-	-	-	31,430	-	-	89,244	-
BNYM – London Branch	AA-	GBP	1,325	3,011	-	951,470	237,222	53,414	50,876	1,325
BNYM – London Branch	AA-	USD	10,521	9,934	-	18,391	-	-	17,715	-
<b>Total</b>			<b>4,544,912</b>	<b>472,220</b>	<b>135,297</b>	<b>12,496,675</b>	<b>5,283,159</b>	<b>150,197</b>	<b>6,620,446</b>	<b>19,609</b>

As at 31 December 2019 (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	-	-	-	-	-	-	96,783
J.P. Morgan Bank	A-	GBP	-	-	-	-	1,217,316	303,660	2,014,916
J.P. Morgan Bank	A-	USD	21,234	6,200	9,445	440	-	-	28,187,173
BNYM – London Branch	AA-	EUR	-	-	-	-	-	-	120,674
BNYM – London Branch	AA-	GBP	-	-	-	-	28,619	28,500	1,374,311
BNYM – London Branch	AA-	USD	-	-	-	-	-	10,757	70,811
<b>Total</b>			<b>21,234</b>	<b>6,200</b>	<b>9,445</b>	<b>440</b>	<b>1,245,935</b>	<b>342,917</b>	<b>31,864,668</b>

As at 31 December 2018

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Sustainable 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-	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
<b>Total</b>			<b>1,840,242</b>	<b>477,160</b>	<b>192,126</b>	<b>17,216,790</b>	<b>3,512,912</b>	<b>209,949</b>	<b>2,517,122</b>	<b>42,429</b>

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-	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
<b>Total</b>			<b>34,244</b>	<b>5,829</b>	<b>4,280</b>	<b>7,119</b>	<b>508,048</b>	<b>238,048</b>	<b>27,010,430</b>

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.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 5. Management fee

The Manager will pay to the Investment Manager out of the assets of each sub-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 M USD distribution	0.99%	0.99%	Class Y USD distribution	0.99%	0.75%
Class O GBP accumulation	1.24%	1.00%	Class Z EUR accumulation	0.74%	0.60%
Class O EUR accumulation	1.24%	1.00%	Class Z GBP accumulation	0.74%	0.60%
Class O USD accumulation	1.24%	1.00%	Class Z GBP distribution*	0.74%	0.60%
Class X	1.24%	1.00%	Class Z USD accumulation	0.74%	0.60%
Class X EUR accumulation	1.24%	1.00%			

\*Effective 1 October 2019, the fee reduced for Guinness European Equity Income and Guinness Emerging Markets Equity Income Class Z GBP Distribution from 0.74% to 0.35% for Tier 1 fee and from 0.60% to 0.35% for Tier 2 fee.

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 of \$500 million 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 EUR accumulation	Up to 1.80%
Class C EUR hedged accumulation	Up to 1.80%
Class C GBP accumulation	Up to 1.80%
Class C USD accumulation	Up to 1.80%
Class C USD hedged accumulation	Up to 1.80%
Class O EUR accumulation	Up to 1.30%
Class O EUR hedged accumulation	Up to 1.30%
Class O GBP accumulation	Up to 1.30%
Class O USD accumulation	Up to 1.30%
Class O USD hedged accumulation	Up to 1.30%
Class R EUR accumulation	Up to 2.00%
Class R EUR hedged accumulation	Up to 2.00%
Class R GBP 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.

Given the fixed nature of the management fees the Investment Manager takes the risk or benefit of any price changes to the cost of the services covered by the management fees and takes the risk of expense levels relating to such services increasing above the management fees as a result of a decrease in net assets. The Shareholders do not take any of this potential risk or benefit.

### 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 2019 (31 December 2018: nil).

### 7. Administrative expenses

The below provides details of administrative expenses for the financial year ended 31 December 2019. The below fees were paid by the Investment Manager from the management fee during the financial year.

#### (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 €59,500 –exclusive of VAT (2018: €47,250 - exclusive of VAT). Fees charged by the Company's statutory Auditor in relation to VAT services provided amounted to €2,750 (2018: €2,750). There were no other tax compliance fees charged during the year (2018: 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 (2018: nil).

#### (ii) Directors' fees

Aggregate directors' fees charged during the financial year ended 31 December 2019 amounted to €71,750 (financial year ended 31 December 2018: €69,000).

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 7. Administrative expenses (continued)

#### (iii) Management and administration fees

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.

### 8. 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 2019 USD	31 December 2018 USD
Guinness Global Energy Fund	124,649	94,117
Guinness Sustainable Energy Fund	13,372	8,585
Guinness Global Money Managers Fund	1,367	1,617
Guinness Global Equity Income Fund	1,046,623	546,232
Guinness Asian Equity Income Fund	278,890	80,680
Guinness European Equity Income Fund	7,857	11,899
Guinness Global Innovators Fund	131,812	87,517
Guinness Best of China Fund	3,224	5,087
Guinness Emerging Markets Equity Income Fund	2,368	2,514
Guinness Global Equity Fund	403	195
Guinness US Equity Fund	307	43
Guinness Best of Asia Fund	156	542
Guinness Multi-Asset Balanced Fund	878	-
Guinness Multi-Asset Growth Fund	100	-
<b>Total</b>	<b>1,612,006</b>	<b>839,028</b>

### 9. 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 2019 Exchange rate to USD	31 December 2018 Exchange rate to USD
Australian Dollar	1.422576	1.420454
Brazilian Real	4.022700	3.875750
Canadian Dollar	1.296750	1.365800
Columbian Peso	3,281.500000	3,247.500000
Danish Krone	6.657000	6.527950
Euro	0.890868	0.874775
Hong Kong Dollar	7.791800	7.829350
Indian Rupee	71.378150	69.815000
Japanese Yen	108.675000	109.715000
Mexican Peso	18.884000	19.693750
Malaysian Ringgit	4.090500	4.132500
Norwegian Krone	8.787300	8.659150
Pound Sterling	0.754859	0.785175
Singapore Dollar	1.344650	1.363000
South African Rand	13.983500	14.385000
South Korean Won	1,156.450000	1,115.800000
Swedish Krona	9.361050	8.865850
Swiss Franc	0.968350	0.985800
Taiwan Dollar	29.977000	30.737000
Thai Baht	29.953750	32.560000

### 10. 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 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2019:

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Global Energy Fund</b>				
Class A	3,589,892.81	373,776.66	(1,969,550.39)	1,994,119.08
Class B	7,562,412.80	1,659,123.90	(5,897,392.21)	3,324,144.49
Class C EUR accumulation	426,482.02	133,293.07	(247,300.57)	312,474.52
Class C	905,009.94	61,153.12	(276,201.73)	689,961.33
Class D	2,333,572.37	9,201,548.09	(9,642,023.68)	1,893,096.78
Class E	11,290,324.17	3,108,727.19	(7,970,991.46)	6,428,059.90
Class X EUR accumulation	1,287,211.04	5,140,413.33	(410,595.61)	6,017,028.76
Class X	1,686,916.05	264,163.50	(907,728.72)	1,043,350.83
Class X USD distribution	489,044.89	40,841.95	(243,693.74)	286,193.10
<b>Guinness Sustainable Energy Fund</b>				
Class A	64,054.67	-	(56,901.90)	7,152.77
Class B	433,363.26	132,735.91	(93,654.31)	472,444.86
Class C EUR accumulation	27,926.39	18,194.08	(9,887.99)	36,232.48
Class C	450,854.76	151,827.64	(126,885.24)	475,797.16
Class D	230.60	-	-	230.60
Class E	211,095.11	-	(210,792.59)	302.52
Class X	364,209.41	119,011.44	(81,609.80)	401,611.05
Class Z EUR accumulation	100.00	20,462.00	-	20,562.00
Class Z GBP accumulation	15,580.00	50,926.63	(10,531.93)	55,974.70
Class Z USD accumulation	315,195.74	40,602.13	-	355,797.87
<b>Guinness Global Money Managers Fund</b>				
Class A	47.74	-	-	47.74
Class B	37,573.90	917.85	(16,647.00)	21,844.75
Class C EUR accumulation	16,693.14	1,205.61	(1,742.86)	16,155.89
Class C	149,100.27	7,968.65	(37,587.44)	119,481.48
Class D	25,613.23	-	(25,513.23)	100.00
Class E	79,426.81	-	-	79,426.81
Class X	45,485.66	6,306.56	(25,852.92)	25,939.30
<b>Guinness Global Equity Income Fund</b>				
Class A	90,733.67	10,273.32	(21,044.52)	79,962.47
Class B	931,634.03	426,256.40	(394,886.70)	963,003.73
Class C EUR accumulation	625,726.39	9,068,086.11	(8,913,385.66)	780,426.84
Class C EUR distribution	342,776.90	81,481.45	(117,404.35)	306,854.00
Class C GBP accumulation	3,483,856.53	1,190,298.99	(1,190,476.47)	3,483,679.05
Class C	3,572,534.60	485,438.30	(1,383,993.83)	2,673,979.07
Class C USD accumulation	1,866,414.73	1,212,788.08	(610,812.31)	2,468,390.50
Class D EUR accumulation	8,764,809.13	256,894.33	(8,959,577.14)	62,126.32
Class D	2,229,335.30	612,665.81	(202,520.78)	2,639,480.33
Class E	1,416,893.18	1,250,805.28	(38,704.75)	2,628,993.71
Class M USD accumulation	-	100.00	-	100.00
Class M USD distribution	-	205,183.70	(94,359.77)	110,823.93
Class O EUR accumulation	63,536.51	21,286.03	(25,515.09)	59,307.45
Class O GBP accumulation	152,424.17	230,575.45	(109,426.62)	273,573.00
Class O USD accumulation	14,690.40	20,134.96	(643.64)	34,181.72
Class X EUR distribution	128,748.97	53,283.18	(65,183.48)	116,848.67
Class X GBP distribution	639,227.55	221,527.20	(175,500.83)	685,253.92
Class Y EUR accumulation	109,207.21	23,914,339.15	(977,996.82)	23,045,549.54
Class Y EUR distribution	1,395,223.57	426,073.51	(74,671.51)	1,746,625.57
Class Y GBP accumulation	2,238,589.38	2,489,979.68	(671,121.02)	4,057,448.04
Class Y GBP distribution	10,555,908.77	8,837,473.72	(1,990,677.01)	17,402,705.48
Class Y USD accumulation	86,582.16	8,171,145.77	(36,355.96)	8,221,371.97
Class Y USD distribution	234,383.34	329,644.50	(105,368.14)	458,659.70
Class Z GBP distribution	3,647,233.67	270,532.16	(420,398.35)	3,497,367.48
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation	103,858.97	46,283.32	(41,998.55)	108,143.74
Class C GBP accumulation	748,520.32	76,669.67	(222,922.05)	602,267.94
Class C USD accumulation	451,683.17	2,299,138.37	(1,916,103.13)	834,718.41
Class X EUR accumulation	440.71	-	-	440.71
Class X EUR distribution	569,237.78	642,773.13	(415,661.56)	796,349.35
Class X GBP accumulation	135,978.85	52,754.78	(39,096.50)	149,637.13
Class X GBP distribution	24,859.30	22,508.38	(5,059.00)	42,308.68
Class X USD accumulation	2,888.88	-	-	2,888.88
Class X USD distribution	120.18	5,832.85	-	5,953.03
Class Y EUR accumulation	1,241,909.10	4,704,552.56	(2,239,558.95)	3,706,902.71
Class Y EUR distribution	104.48	4.39	-	108.87
Class Y GBP accumulation	573,116.56	2,138,212.95	(238,087.48)	2,473,242.03
Class Y GBP distribution	2,291,159.05	1,796,080.21	(524,992.24)	3,562,247.02

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2019 (continued):

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Asian Equity Income Fund (continued)</b>				
Class Y USD accumulation	240,220.90	116,961.94	(85,746.08)	271,436.76
Class Y USD distribution	3,030.34	16,543.98	(3,034.77)	16,539.55
Class Z GBP distribution	1,884,939.18	909,386.47	(340,661.71)	2,453,663.94
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation	43,936.94	11,279.31	(18,335.24)	36,881.01
Class C GBP accumulation	226,894.57	49,504.77	(93,014.63)	183,384.71
Class C USD accumulation	36,322.91	11,719.38	(25,025.74)	23,016.55
Class X EUR accumulation	1,320.96	-	-	1,320.96
Class X EUR distribution	3,586.31	4.04	-	3,590.35
Class X GBP accumulation	19,345.57	18,348.90	(8,160.60)	29,533.87
Class X GBP distribution	7,540.14	28,951.70	(6,627.88)	29,863.96
Class X USD accumulation	100.00	-	-	100.00
Class X USD distribution	115.67	4.12	-	119.79
Class Y EUR accumulation	5,540.86	2,048.91	(3,556.26)	4,033.51
Class Y EUR distribution	102.94	3.60	-	106.54
Class Y GBP accumulation	1,179.10	-	-	1,179.10
Class Y GBP distribution	102.90	3.48	-	106.38
Class Y USD accumulation	100.00	-	-	100.00
Class Y USD distribution	103.04	3.67	-	106.71
Class Z GBP distribution	41,461.38	17,842.56	(12,519.55)	46,784.39
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation	924,698.84	4,620,891.09	(4,369,495.34)	1,176,094.59
Class C GBP accumulation	2,866,723.21	514,787.54	(882,955.21)	2,498,555.54
Class C USD accumulation	2,470,426.05	1,096,182.27	(464,269.04)	3,102,339.28
Class O EUR accumulation	36,831.63	2,642.44	(21,807.06)	17,667.01
Class O GBP accumulation	16,859.41	189,473.42	(13,542.15)	192,790.68
Class O USD accumulation	100.00	20,947.70	-	21,047.70
Class X EUR accumulation	524,461.68	2,895,280.30	(507,938.62)	2,911,803.36
Class X GBP accumulation	232,828.46	81,312.10	(42,909.38)	271,231.18
Class X USD accumulation	127,637.87	70,525.77	(44,931.51)	153,232.13
Class Y EUR accumulation	396,378.92	2,024,981.02	(1,150,180.64)	1,271,179.30
Class Y GBP accumulation	853,944.31	357,754.78	(283,848.00)	927,851.09
Class Y USD accumulation	842,397.29	464,175.01	(190,121.98)	1,116,450.32
Class Z EUR accumulation	53,018.21	30,894.93	(22,958.67)	60,954.47
Class Z GBP accumulation	813,530.74	44,237.07	(64,675.48)	793,092.33
Class Z USD accumulation	175,210.30	3,287.90	(136,092.67)	42,405.53
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation	5,577.67	4,360.13	(1,784.55)	8,153.25
Class C GBP accumulation	90,937.33	32,716.45	(13,086.22)	110,567.56
Class C USD accumulation	74,879.92	22,112.43	(28,958.03)	68,034.32
Class X EUR accumulation	100.00	200.00	-	300.00
Class X GBP accumulation	8,375.27	8,662.02	(5,420.15)	11,617.14
Class X USD accumulation	37.70	132.16	-	169.86
Class Z GBP accumulation	39,977.42	25,856.47	(31,523.84)	34,310.05
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD accumulation	2,357.82	-	(2,257.82)	100.00
Class Y EUR accumulation	100.00	-	-	100.00
Class Y EUR distribution	104.01	3.53	-	107.54
Class Y GBP accumulation	1,805.20	3,503.52	(3,217.37)	2,091.35
Class Y GBP distribution	2,911.27	274.06	(13.51)	3,171.82
Class Y USD accumulation	82.66	18,670.49	(3,637.14)	15,116.01
Class Y USD distribution	103.92	3.58	-	107.50
Class Z GBP distribution	121,031.55	55,382.85	(77,843.51)	98,570.89
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation	100.00	-	-	100.00
Class C GBP accumulation	100.00	3,548.05	-	3,648.05
Class C USD accumulation	7,797.84	1,157.45	(6,817.01)	2,138.28
Class X EUR accumulation	775.05	-	(675.05)	100.00
Class X GBP accumulation	13,859.61	16,865.55	(2,203.00)	28,522.16
Class X USD accumulation	100.00	-	-	100.00
Class Z EUR accumulation	100.00	-	-	100.00
Class Z GBP accumulation	100.00	344.34	-	444.34
Class Z USD accumulation	15,086.93	21,928.50	(25,666.14)	11,349.29

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2019 (continued):

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness US Equity Fund</b>				
Class C EUR accumulation	100.00	-	-	100.00
Class C GBP accumulation	100.00	28,382.68	(17,562.25)	10,920.43
Class C USD accumulation	100.00	-	-	100.00
Class X EUR accumulation	100.00	-	-	100.00
Class X GBP accumulation	105.00	1,659.84	-	1,764.84
Class X USD accumulation	100.00	-	-	100.00
Class Z EUR accumulation	100.00	-	-	100.00
Class Z GBP accumulation	100.00	-	-	100.00
Class Z USD accumulation	19,825.51	9,841.65	(8,876.09)	20,791.07
<b>Guinness Best of Asia Fund</b>				
Class C GBP accumulation	100.00	-	-	100.00
Class Y EUR accumulation	100.00	-	-	100.00
Class Y GBP accumulation	100.00	-	-	100.00
Class Y USD accumulation	30,351.65	4,235.12	(5,421.93)	29,164.84
Class Z GBP accumulation	3,201.77	5,638.78	(3,797.60)	5,042.95
<b>Guinness Multi-Asset Balanced Fund</b>				
Class C EUR accumulation	100.00	144,970.33	(777.99)	144,292.34
Class C EUR hedged accumulation	-	51,019.01	(750.51)	50,268.50
Class C GBP accumulation	52,374.95	2,718,277.39	(1,224,920.32)	1,545,732.02
Class C USD accumulation	100.00	206,662.09	(7,878.04)	198,884.05
Class C USD hedged accumulation	-	64,675.80	(5,458.52)	59,217.28
Class O EUR accumulation	100.00	58,430.88	(100.00)	58,430.88
Class O EUR hedged accumulation	-	46,113.25	-	46,113.25
Class O GBP accumulation	100.00	465,123.69	(37,474.71)	427,748.98
Class O USD accumulation	100.00	60,725.27	(100.00)	60,725.27
Class O USD hedged accumulation	-	2,381.77	-	2,381.77
Class R EUR accumulation	100.00	-	-	100.00
Class R EUR hedged accumulation	-	100.00	-	100.00
Class R GBP accumulation	100.00	3,295.67	-	3,395.67
Class R USD accumulation	100.00	-	-	100.00
Class R USD hedged accumulation	-	100.00	-	100.00
Class Y GBP accumulation	100.00	-	-	100.00
<b>Guinness Multi-Asset Growth Fund</b>				
Class C EUR accumulation	100.00	46,168.39	(5,666.41)	40,601.98
Class C EUR hedged accumulation	-	20,100.00	-	20,100.00
Class C GBP accumulation	72,329.18	1,877,705.76	(1,063,388.14)	886,646.80
Class C USD accumulation	100.00	194,848.23	(20,769.22)	174,179.01
Class C USD hedged accumulation	-	47,596.18	-	47,596.18
Class O EUR accumulation	100.00	41,066.30	(100.00)	41,066.30
Class O EUR hedged accumulation	-	36,731.44	-	36,731.44
Class O GBP accumulation	100.00	319,795.44	(35,496.04)	284,399.40
Class O USD accumulation	100.00	8,675.10	-	8,775.10
Class O USD hedged accumulation	-	100.00	-	100.00
Class R EUR accumulation	100.00	-	-	100.00
Class R EUR hedged accumulation	-	100.00	-	100.00
Class R GBP accumulation	100.00	-	-	100.00
Class R USD accumulation	100.00	-	-	100.00
Class R USD hedged accumulation	-	100.00	-	100.00
Class Y GBP accumulation	100.00	1,415.95	(1,415.95)	100.00

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

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Global Energy Fund</b>				
Class A shares	4,846,922.19	565,437.57	(1,822,466.95)	3,589,892.81
Class B shares	6,025,597.78	4,430,105.72	(2,893,290.70)	7,562,412.80
Class C EUR accumulation shares	954,845.57	307,645.02	(836,008.57)	426,482.02
Class C shares	1,018,376.04	268,562.07	(381,928.17)	905,009.94
Class D shares	2,177,478.35	1,739,946.06	(1,583,852.04)	2,333,572.37
Class E shares	13,732,267.94	5,903,623.60	(8,345,567.37)	11,290,324.17
Class X EUR accumulation shares	-	1,349,772.06	(62,561.02)	1,287,211.04
Class X shares	1,587,932.30	780,469.34	(681,485.59)	1,686,916.05
Class X USD distribution shares	809,117.69	78,817.21	(398,890.01)	489,044.89
<b>Guinness Sustainable Energy Fund</b>				
Class A shares	64,054.67	-	-	64,054.67
Class B shares	296,880.53	195,656.93	(59,174.20)	433,363.26
Class C EUR accumulation shares	22,622.84	21,097.10	(15,793.55)	27,926.39
Class C shares	389,085.00	153,691.91	(91,922.15)	450,854.76
Class D shares	230.60	-	-	230.60
Class E shares	754,150.75	-	(543,055.64)	211,095.11
Class X shares	343,742.85	111,359.87	(90,893.31)	364,209.41
Class Z EUR accumulation shares	-	100.00	-	100.00
Class Z GBP distribution shares	-	18,772.28	(3,192.28)	15,580.00
Class Z USD accumulation shares	-	315,195.74	-	315,195.74

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

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

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Global Money Managers Fund</b>				
Class A shares	47.74	-	-	47.74
Class B shares	45,562.79	11,620.82	(19,609.71)	37,573.90
Class C EUR accumulation shares	11,286.29	7,098.81	(1,691.96)	16,693.14
Class C shares	168,757.15	41,063.38	(60,720.26)	149,100.27
Class D shares	40,063.23	-	(14,450.00)	25,613.23
Class E shares	79,860.81	-	(434.00)	79,426.81
Class X shares	45,723.09	23,500.33	(23,737.76)	45,485.66
<b>Guinness Global Equity Income Fund</b>				
Class A shares	111,468.51	10,288.71	(31,023.55)	90,733.67
Class B shares	860,926.56	353,382.85	(282,675.38)	931,634.03
Class C EUR accumulation shares	474,443.39	349,589.22	(198,306.22)	625,726.39
Class C EUR distribution shares	366,893.24	136,082.64	(160,198.98)	342,776.90
Class C GBP accumulation shares	2,763,225.50	1,419,773.00	(699,141.97)	3,483,856.53
Class C shares	3,524,739.70	1,062,044.52	(1,014,249.62)	3,572,534.60
Class C USD accumulation shares	1,163,933.71	1,154,671.14	(452,190.12)	1,866,414.73
Class D EUR accumulation shares	100.00	8,857,377.58	(92,668.45)	8,764,809.13
Class D shares	1,685,914.61	668,797.46	(125,376.77)	2,229,335.30
Class E shares	2,055,251.78	59,328.96	(697,687.56)	1,416,893.18
Class O EUR accumulation shares	-	63,877.14	(340.63)	63,536.51
Class O GBP accumulation shares	-	158,408.46	(5,984.29)	152,424.17
Class O USD accumulation shares	-	14,970.81	(280.41)	14,690.40
Class X EUR distribution shares	-	128,849.37	(100.40)	128,748.97
Class X GBP distribution shares	326,918.08	367,091.52	(54,782.05)	639,227.55
Class Y EUR accumulation shares	125,068.39	54,083.83	(69,945.01)	109,207.21
Class Y EUR distribution shares	698,123.62	854,485.89	(157,385.94)	1,395,223.57
Class Y GBP accumulation shares	630,001.62	1,824,978.89	(216,391.13)	2,238,589.38
Class Y GBP distribution shares	6,715,578.12	5,711,122.36	(1,870,791.71)	10,555,908.77
Class Y USD accumulation shares	153,426.19	47,624.45	(114,468.48)	86,582.16
Class Y USD distribution shares	234,394.99	35,476.12	(35,487.77)	234,383.34
Class Z GBP distribution shares	3,895,365.21	242,285.20	(490,416.74)	3,647,233.67
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation shares	44,607.84	72,927.08	(13,675.95)	103,858.97
Class C GBP accumulation shares	519,338.14	393,509.35	(164,327.17)	748,520.32
Class C USD accumulation shares	267,578.19	734,271.93	(550,166.95)	451,683.17
Class X EUR accumulation shares	440.71	-	-	440.71
Class X EUR distribution shares	552,223.51	143,493.27	(126,479.00)	569,237.78
Class X GBP accumulation shares	167,841.92	70,586.59	(102,449.66)	135,978.85
Class X GBP distribution shares	14,529.70	17,336.91	(7,007.31)	24,859.30
Class X USD accumulation shares	2,888.88	-	-	2,888.88
Class X USD distribution shares	115.91	4.27	-	120.18
Class Y EUR accumulation shares	700,100.00	541,909.10	(100.00)	1,241,909.10
Class Y EUR distribution shares	100.76	3.72	-	104.48
Class Y GBP accumulation shares	90,147.88	751,673.87	(268,705.19)	573,116.56
Class Y GBP distribution shares	558,240.82	1,839,989.80	(107,071.57)	2,291,159.05
Class Y USD accumulation shares	56,150.00	188,803.85	(4,732.95)	240,220.90
Class Y USD distribution shares	100.71	2,929.63	-	3,030.34
Class Z GBP distribution shares	2,079,138.80	446,117.77	(640,317.39)	1,884,939.18
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation shares	17,553.96	28,223.88	(1,840.90)	43,936.94
Class C GBP accumulation shares	142,666.78	131,728.41	(47,500.62)	226,894.57
Class C USD accumulation shares	31,695.22	15,341.80	(10,714.11)	36,322.91
Class X EUR accumulation shares	100.00	1,220.96	-	1,320.96
Class X EUR distribution shares	3,582.64	3.67	-	3,586.31
Class X GBP accumulation shares	15,230.22	11,480.49	(7,365.14)	19,345.57
Class X GBP distribution shares	9,043.81	7,603.24	(9,106.91)	7,540.14
Class X USD accumulation shares	100.00	-	-	100.00
Class X USD distribution shares	111.89	3.78	-	115.67
Class Y EUR accumulation shares	-	5,540.86	-	5,540.86
Class Y EUR distribution shares	-	102.94	-	102.94
Class Y GBP accumulation shares	-	1,179.10	-	1,179.10
Class Y GBP distribution shares	-	102.90	-	102.90
Class Y USD accumulation shares	-	100.00	-	100.00
Class Y USD distribution shares	-	103.04	-	103.04
Class Z GBP distribution shares	958,859.63	87,091.97	(1,004,490.22)	41,461.38

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

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

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation shares	417,442.04	608,354.06	(101,097.26)	924,698.84
Class C GBP accumulation shares	1,843,634.83	1,510,169.55	(487,081.17)	2,866,723.21
Class C USD accumulation shares	1,513,341.55	1,363,417.15	(406,332.65)	2,470,426.05
Class O EUR accumulation shares	-	36,831.63	-	36,831.63
Class O GBP accumulation shares	-	16,859.41	-	16,859.41
Class O USD accumulation shares	-	100.00	-	100.00
Class X EUR accumulation shares	2,004,553.07	525,143.72	(2,005,235.11)	524,461.68
Class X GBP accumulation shares	125,504.03	114,795.34	(7,470.91)	232,828.46
Class X USD accumulation shares	44,939.23	92,799.00	(10,100.36)	127,637.87
Class Y EUR accumulation shares	832,813.71	349,164.01	(785,598.80)	396,378.92
Class Y GBP accumulation shares	408,571.63	634,000.45	(188,627.77)	853,944.31
Class Y USD accumulation shares	663,202.23	479,439.89	(300,244.83)	842,397.29
Class Z EUR accumulation shares	78,625.74	36,592.47	(62,200.00)	53,018.21
Class Z GBP accumulation shares	870,620.62	29,477.06	(86,566.94)	813,530.74
Class Z USD accumulation shares	191,621.71	3,843.08	(20,254.49)	175,210.30
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation shares	464.56	5,722.09	(608.98)	5,577.67
Class C GBP accumulation shares	31,123.22	77,548.71	(17,734.60)	90,937.33
Class C USD accumulation shares	12,761.52	81,119.21	(19,000.81)	74,879.92
Class X EUR accumulation shares	100.00	-	-	100.00
Class X GBP accumulation shares	4,134.99	7,249.76	(3,009.48)	8,375.27
Class X USD accumulation shares	89.82	20,255.06	(20,307.18)	37.70
Class Z GBP accumulation shares	34,902.37	30,616.39	(25,541.34)	39,977.42
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD accumulation shares	100.00	2,257.82	-	2,357.82
Class Y GBP accumulation shares	538.55	3,624.77	(2,358.12)	1,805.20
Class Y GBP distribution shares	107.38	3,704.60	(900.71)	2,911.27
Class Y EUR accumulation shares	100.00	-	-	100.00
Class Y EUR distribution shares	101.18	2.83	-	104.01
Class Y USD accumulation shares	20,543.27	110,664.29	(131,124.90)	82.66
Class Y USD distribution shares	101.10	2.82	-	103.92
Class Z GBP distribution shares	101.14	129,610.80	(8,680.39)	121,031.55
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation shares	100.00	-	-	100.00
Class C GBP accumulation shares	100.00	-	-	100.00
Class C USD accumulation shares	100.00	7,744.20	(46.36)	7,797.84
Class X EUR accumulation shares	100.00	675.05	-	775.05
Class X GBP accumulation shares	553.03	17,069.19	(3,762.61)	13,859.61
Class X USD accumulation shares	100.00	-	-	100.00
Class Z EUR accumulation shares	100.00	-	-	100.00
Class Z GBP accumulation shares	100.00	-	-	100.00
Class Z USD accumulation shares	19,020.96	16,992.96	(20,926.99)	15,086.93
<b>Guinness US Equity Fund</b>				
Class C GBP accumulation shares	100.00	-	-	100.00
Class C EUR accumulation shares	100.00	-	-	100.00
Class C USD accumulation shares	100.00	-	-	100.00
Class X GBP accumulation shares	105.00	188.18	(188.18)	105.00
Class X EUR accumulation shares	100.00	-	-	100.00
Class X USD accumulation shares	100.00	-	-	100.00
Class Z GBP accumulation shares	100.00	-	-	100.00
Class Z EUR accumulation shares	100.00	-	-	100.00
Class Z USD accumulation shares	19,589.67	235.84	-	19,825.51
<b>Guinness Best of Asia Fund</b>				
Class C GBP accumulation shares	100.00	-	-	100.00
Class Y GBP accumulation shares	100.00	-	-	100.00
Class Y EUR accumulation shares	100.00	-	-	100.00
Class Y USD accumulation shares	29,500.00	851.65	-	30,351.65
Class Z GBP accumulation shares	100.00	3,243.22	(141.45)	3,201.77
<b>Guinness Multi-Asset Balanced Fund</b>				
Class C EUR accumulation shares	-	100.00	-	100.00
Class C GBP accumulation shares	-	52,374.95	-	52,374.95
Class C USD accumulation shares	-	100.00	-	100.00
Class O EUR accumulation shares	-	100.00	-	100.00
Class O GBP accumulation shares	-	100.00	-	100.00
Class O USD accumulation shares	-	100.00	-	100.00
Class R EUR accumulation shares	-	100.00	-	100.00
Class R GBP accumulation shares	-	100.00	-	100.00
Class R USD accumulation shares	-	100.00	-	100.00
Class Y GBP accumulation shares	-	100.00	-	100.00



## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 10. Share capital (continued)

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

	Opening balance	Subscription	Redemption	Closing balance
<b>Guinness Multi-Asset Growth Fund</b>				
Class C EUR accumulation shares	-	100.00	-	100.00
Class C GBP accumulation shares	-	72,329.18	-	72,329.18
Class C USD accumulation shares	-	100.00	-	100.00
Class O EUR accumulation shares	-	100.00	-	100.00
Class O GBP accumulation shares	-	100.00	-	100.00
Class O USD accumulation shares	-	100.00	-	100.00
Class R EUR accumulation shares	-	100.00	-	100.00
Class R GBP accumulation shares	-	100.00	-	100.00
Class R USD accumulation shares	-	100.00	-	100.00
Class Y GBP accumulation shares	-	100.00	-	100.00

### 11. 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 entered into forward currency contracts in order to hedge the currency exposure of the assets of Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund to non-base share classes 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 2019:

	Guinness Global Energy Fund USD	Guinness Sustainable 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	-	-	-	37,653,428	26,205,152	-	-
Brazilian Real	-	-	-	-	-	-	-
Canadian Dollar	23,197,371	544,561	234,352	-	-	-	-
Swiss Franc	-	-	324,133	114,275,934	-	1,330,450	9,225,641
Colombian Peso	-	-	-	-	-	-	-
Danish Krone	-	606,254	-	38,167,820	-	223,150	-
Euro	37,616,130	3,420,277	450,883	231,949,188	-	4,291,960	45,571,355
British Pound	13,528,175	769,094	1,406,720	271,852,775	16,289	222,193	12,716
Hong Kong Dollar	15,606,449	3,110,760	210,683	36,496,156	79,112,169	-	17,855,787
Indian Rupee	-	-	-	-	11,818,064	-	-
Japanese Yen	-	-	-	-	-	-	8,668,895
South Korean Won	-	1,162,603	-	1	12,724,389	-	-
Malaysian Ringgit	-	-	-	-	-	-	-
Mexican Peso	-	-	-	-	6,285,624	-	-
Norwegian Krone	7,767,612	-	-	-	-	227,429	-
Swedish Krona	-	634,278	-	-	-	479,194	-
Singapore Dollar	-	-	-	-	26,006,189	-	-
Thai Baht	-	-	-	-	13,207,835	-	-
Taiwan Dollar	-	-	-	37,121,875	44,083,825	-	8,519,031
United States Dollar	-	-	-	-	-	-	-
South African Rand	-	-	186,758	-	-	-	-
	<b>97,715,737</b>	<b>10,247,827</b>	<b>2,813,529</b>	<b>767,517,177</b>	<b>219,459,536</b>	<b>6,774,376</b>	<b>89,853,425</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 11. 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 2019 (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	<sup>1</sup> Guinness Multi-Asset Balanced Fund GBP	<sup>1</sup> Guinness Multi-Asset Growth Fund GBP
Australian Dollar	-	-	35,517	-	29,242	-	-
Brazilian Real	-	97,157	-	-	-	-	-
Canadian Dollar	-	-	17,591	-	-	-	-
Swiss Franc	-	-	35,637	-	-	-	-
Colombia Peso	-	50,681	-	-	-	-	-
Danish Krone	-	-	17,271	-	-	-	-
Euro	-	49,120	52,529	-	-	-	-
British Pound	676	101,231	-	-	-	-	-
Hong Kong Dollar	2,734,717	438,562	52,324	-	105,634	-	-
Indian Rupee	-	143,185	-	-	28,856	-	-
Japanese Yen	-	-	-	-	-	-	-
South Korean Won	-	104,060	-	-	17,790	-	-
Malaysian Ringgit	-	52,926	-	-	-	-	-
Mexican Peso	-	-	-	-	-	-	-
Norwegian Krone	-	-	-	-	-	-	-
Swedish Krona	-	-	34,163	-	-	-	-
Singapore Dollar	132,269	-	-	-	18,057	-	-
Thai Baht	-	52,021	-	-	10,934	-	-
Taiwan Dollar	656,335	421,104	-	-	49,632	-	-
United States Dollar	-	-	-	-	-	-	-
South African Rand	-	151,812	-	-	-	-	-
	<b>3,523,997</b>	<b>1,661,859</b>	<b>245,032</b>	<b>-</b>	<b>260,145</b>	<b>-</b>	<b>-</b>

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 Sustainable 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	-	-	-
	<b>102,368,480</b>	<b>7,777,802</b>	<b>3,068,727</b>	<b>374,358,733</b>	<b>108,231,042</b>	<b>5,558,668</b>	<b>56,212,421</b>

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	-	-	-	-	-
	<b>2,564,119</b>	<b>1,507,159</b>	<b>153,680</b>	<b>-</b>	<b>221,032</b>	<b>5,049</b>	<b>5,049</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 11. Financial instruments and risk management (continued)

#### Market risk (continued)

##### (i) Currency risk (continued)

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 2019	31 December 2018
Guinness Global Energy Fund	USD	9,771,574	10,236,848
Guinness Sustainable Energy Fund	USD	1,024,783	777,780
Guinness Global Money Managers Fund	USD	281,353	306,873
Guinness Global Equity Income Fund	USD	76,751,718	37,435,873
Guinness Asian Equity Income Fund	USD	21,945,954	10,823,104
Guinness European Equity Income Fund	USD	677,438	555,867
Guinness Global Innovators Fund	USD	8,985,343	5,621,242
Guinness Best of China Fund	USD	352,400	256,412
Guinness Emerging Markets Equity Income Fund	USD	166,186	150,716
Guinness Global Equity Fund	USD	24,503	15,368
Guinness US Equity Fund	USD	-	-
Guinness Best of Asia Fund	USD	26,015	22,103
Guinness Multi-Asset Balanced Fund <sup>1</sup>	GBP	-	505
Guinness Multi-Asset Growth Fund <sup>1</sup>	GBP	-	505

<sup>1</sup>As at 31 December 2019, Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund did not hold any assets or liabilities in currencies other than the base currency of GBP, other than forward currency contracts.

##### (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 2019	31 December 2018
Guinness Global Energy Fund	USD	18,769,672	21,812,284
Guinness Sustainable Energy Fund	USD	1,654,026	1,168,929
Guinness Global Money Managers Fund	USD	613,468	642,919
Guinness Global Equity Income Fund	USD	133,174,551	65,428,664
Guinness Asian Equity Income Fund	USD	23,200,068	11,491,661
Guinness European Equity Income Fund	USD	667,547	545,415
Guinness Global Innovators Fund	USD	27,611,303	15,033,913
Guinness Best of China Fund	USD	462,109	328,848
Guinness Emerging Markets Equity Income Fund	USD	186,661	176,035
Guinness Global Equity Fund	USD	69,666	40,522
Guinness US Equity Fund	USD	52,494	23,382
Guinness Best of Asia Fund	USD	34,827	27,072
Guinness Multi-Asset Balanced Fund	GBP	2,662,891	37,603
Guinness Multi-Asset Growth Fund	GBP	1,660,762	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 2019 and 31 December 2018 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 (2018: A-). The Depositary is not rated.

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 12. 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 re-stated 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.

### 13. Net asset values

Net asset value	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Guinness Global Energy Fund</b>				
Class A	USD	14,206,061	23,355,377	39,374,480
Class B	USD	22,594,911	47,179,683	47,175,786
Class C EUR accumulation	EUR	2,388,556	2,938,057	7,858,791
Class C	GBP	6,516,992	8,160,796	10,850,015
Class D	EUR	18,153,359	20,067,138	22,258,427
Class E	USD	48,933,047	78,293,984	118,607,846
Class X EUR accumulation	EUR	51,567,641	9,867,917	-
Class X	GBP	9,322,439	14,282,094	15,765,205
Class X USD distribution	USD	1,787,086	2,825,143	5,883,846
<b>Guinness Sustainable Energy Fund</b>				
Class A	USD	20,850	143,192	169,850
Class B	USD	1,296,548	916,680	748,648
Class C EUR accumulation	EUR	359,135	209,500	192,609
Class C	GBP	2,275,471	1,728,678	1,674,431
Class D	EUR	1,120	843	952
Class E	USD	1,170	624,525	2,639,902
Class X	GBP	5,574,711	4,022,892	4,229,540
Class Z EUR accumulation	EUR	254,769	926	-
Class Z GBP accumulation	GBP	663,135	146,142	-
Class Z USD accumulation	USD	3,977,123	2,681,904	-
<b>Guinness Global Money Managers Fund</b>				
Class A	USD	886	672	925
Class B	USD	383,194	502,671	843,542
Class C EUR accumulation	EUR	222,375	172,069	153,264
Class C	GBP	2,485,631	2,460,605	3,628,621
Class D	EUR	2,200	419,989	861,154
Class E	USD	1,496,136	1,132,504	1,563,990
Class X	GBP	626,857	865,476	1,125,017
<b>Guinness Global Equity Income Fund</b>				
Class A	USD	1,307,637	1,218,697	1,631,805
Class B	USD	15,076,072	12,040,350	12,188,355
Class C EUR accumulation	EUR	13,897,605	8,768,383	6,740,867
Class C EUR distribution	EUR	3,736,873	3,382,761	3,774,258
Class C GBP accumulation	GBP	55,625,270	46,367,554	36,876,644
Class C	GBP	49,495,560	56,731,555	57,700,901
Class C USD accumulation	USD	34,939,081	21,170,842	14,061,149
Class D EUR accumulation	EUR	825,106	91,169,265	1,049
Class D	EUR	51,695,405	35,206,222	27,613,083
Class E	USD	44,004,795	19,431,779	30,642,503
Class M USD accumulation	USD	1,011	-	-
Class M USD distribution	USD	1,298,732	-	-
Class O EUR accumulation	EUR	735,736	615,565	-
Class O GBP accumulation	GBP	3,271,414	1,507,957	-
Class O USD accumulation	USD	401,374	137,209	-
Class X EUR distribution	EUR	1,465,187	1,298,459	-
Class X GBP distribution	GBP	13,351,219	10,601,400	5,547,057
Class Y EUR accumulation	EUR	322,888,351	1,192,276	1,370,582
Class Y EUR distribution	EUR	21,485,532	13,769,662	7,109,744
Class Y GBP accumulation	GBP	67,975,806	30,951,497	8,647,090
Class Y GBP distribution	GBP	256,380,725	132,090,448	85,758,371
Class Y USD accumulation	USD	122,107,705	1,020,365	1,906,458
Class Y USD distribution	USD	5,977,372	2,496,376	2,707,221
Class Z GBP distribution	GBP	72,810,525	64,357,676	69,969,406

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 13. Net asset values (continued)

Net asset value (continued)	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation	EUR	1,984,996	1,588,565	776,525
Class C GBP accumulation	GBP	9,205,710	10,099,298	7,886,880
Class C USD accumulation	USD	11,308,461	5,192,936	3,677,919
Class X EUR accumulation	EUR	8,472	7,007	7,914
Class X EUR distribution	EUR	12,224,530	7,543,687	8,578,839
Class X GBP accumulation	GBP	2,917,141	2,322,481	3,202,429
Class X GBP distribution	GBP	659,600	354,146	239,961
Class X USD accumulation	USD	45,592	38,401	45,564
Class X USD distribution	USD	74,818	1,329	1,578
Class Y EUR accumulation	EUR	43,107,837	11,915,026	7,567,990
Class Y EUR distribution	EUR	1,159	958	1,081
Class Y GBP accumulation	GBP	28,848,573	5,842,201	1,023,907
Class Y GBP distribution	GBP	38,129,710	22,353,151	6,298,112
Class Y USD accumulation	USD	3,243,078	2,411,432	667,098
Class Y USD distribution	USD	180,838	29,068	1,188
Class Z GBP distribution	GBP	39,429,078	27,539,150	35,038,328
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation	EUR	567,575	521,131	232,970
Class C GBP accumulation	GBP	2,763,807	2,791,782	1,942,785
Class C USD accumulation	USD	308,042	381,561	391,337
Class X EUR accumulation	EUR	21,297	16,291	1,370
Class X EUR distribution	EUR	48,311	38,186	43,807
Class X GBP accumulation	GBP	484,107	256,957	222,172
Class X GBP distribution	GBP	409,241	86,553	117,900
Class X USD accumulation	USD	1,329	1,036	1,208
Class X USD distribution	USD	1,328	1,033	1,207
Class Y EUR accumulation	EUR	46,444	48,683	-
Class Y EUR distribution	EUR	1,151	878	-
Class Y GBP accumulation	GBP	12,942	10,461	-
Class Y GBP distribution	GBP	1,096	886	-
Class Y USD accumulation	USD	1,055	820	-
Class Y USD distribution	USD	1,054	819	-
Class Z GBP distribution	GBP	661,216	487,859	12,746,584
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation	EUR	19,450,180	11,104,845	5,810,205
Class C GBP accumulation	GBP	44,708,393	39,457,863	29,086,157
Class C USD accumulation	USD	45,967,674	27,069,605	20,188,069
Class O EUR accumulation	EUR	204,071	306,630	-
Class O GBP accumulation	GBP	2,146,603	143,317	-
Class O USD accumulation	USD	230,151	803	-
Class X EUR accumulation	EUR	50,036,946	6,495,421	28,557,144
Class X GBP accumulation	GBP	5,045,181	3,306,459	2,027,576
Class X USD accumulation	USD	2,360,277	1,443,056	613,912
Class Y EUR accumulation	EUR	22,113,180	4,957,146	11,950,391
Class Y GBP accumulation	GBP	17,482,906	12,253,755	6,652,910
Class Y USD accumulation	USD	17,466,742	9,649,224	9,155,880
Class Z EUR accumulation	EUR	1,074,859	670,463	1,137,957
Class Z GBP accumulation	GBP	15,138,088	11,796,133	14,288,922
Class Z USD accumulation	USD	670,227	2,022,447	2,659,202
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation	EUR	116,330	60,390	6,459
Class C GBP accumulation	GBP	1,843,301	1,218,646	529,682
Class C USD accumulation	USD	999,159	849,829	195,386
Class X EUR accumulation	EUR	4,418	1,109	1,414
Class X GBP accumulation	GBP	199,691	114,860	71,477
Class X USD accumulation	USD	2,566	437	1,394
Class Z GBP accumulation	GBP	601,656	556,517	609,340
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD accumulation	USD	1,366	27,409	1,382
Class Y EUR accumulation	EUR	1,306	20,512	1,211
Class Y EUR distribution	EUR	1,304	31,800	1,211
Class Y GBP accumulation	GBP	27,133	1,080	6,784
Class Y GBP distribution	GBP	38,248	1,079	1,337
Class Y USD accumulation	USD	211,970	976	285,694
Class Y USD distribution	USD	1,399	1,179	1,390
Class Z GBP distribution	GBP	1,202,663	1,332,961	1,266
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation	EUR	1,178	894	1,042
Class C GBP accumulation	GBP	43,077	949	1,095
Class C USD accumulation	USD	27,033	76,155	1,198
Class X EUR accumulation	EUR	1,202	7,014	1,049
Class X GBP accumulation	GBP	344,626	133,554	6,106
Class X USD accumulation	USD	1,294	992	1,208
Class Z EUR accumulation	EUR	1,220	914	1,054
Class Z GBP accumulation	GBP	5,449	973	1,110
Class Z USD accumulation	USD	149,065	151,178	230,809

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 13. Net asset values (continued)

Net asset value (continued)	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Guinness US Equity Fund</b>				
Class C EUR accumulation	EUR	1,305	1,080	1,044
Class C GBP accumulation	GBP	143,593	1,012	1,100
Class C USD accumulation	USD	1,404	1,109	1,203
Class X EUR accumulation	EUR	1,335	1,149	1,053
Class X GBP accumulation	GBP	23,692	1,027	1,163
Class X USD accumulation	USD	1,437	1,126	1,212
Class Z EUR accumulation	EUR	1,354	1,105	1,058
Class Z GBP accumulation	GBP	1,363	1,037	1,114
Class Z USD accumulation	USD	303,327	225,533	238,573
<b>Guinness Best of Asia Fund</b>				
Class C GBP accumulation	GBP	952	829	995
Class Y EUR accumulation	EUR	1,017	836	996
Class Y GBP accumulation	GBP	970	828	995
Class Y USD accumulation	USD	279,045	240,725	295,421
Class Z GBP accumulation	GBP	49,186	26,859	995
<b>Guinness Multi-Asset Balanced Fund</b>				
Class C EUR accumulation	EUR	1,737,347	1,004	-
Class C EUR hedged accumulation	EUR	514,151	-	-
Class C GBP accumulation	GBP	17,495,158	523,760	-
Class C USD accumulation	USD	2,350,933	1,004	-
Class C USD hedged accumulation	USD	608,761	-	-
Class O EUR accumulation	EUR	707,212	1,004	-
Class O EUR hedged accumulation	EUR	472,797	-	-
Class O GBP accumulation	GBP	4,865,487	1,000	-
Class O USD accumulation	USD	721,340	1,004	-
Class O USD hedged accumulation	USD	24,530	-	-
Class R EUR accumulation	EUR	1,202	1,004	-
Class R EUR hedged accumulation	EUR	1,023	-	-
Class R GBP accumulation	GBP	38,351	1,000	-
Class R USD accumulation	USD	1,179	1,004	-
Class R USD hedged accumulation	USD	1,028	-	-
Class Y GBP accumulation	GBP	1,145	1,000	-
<b>Guinness Multi-Asset Growth Fund</b>				
Class C EUR accumulation	EUR	500,354	1,005	-
Class C EUR hedged accumulation	EUR	207,812	-	-
Class C GBP accumulation	GBP	10,271,393	723,681	-
Class C USD accumulation	USD	2,107,346	1,005	-
Class C USD hedged accumulation	USD	494,048	-	-
Class O EUR accumulation	EUR	508,750	1,005	-
Class O EUR hedged accumulation	EUR	380,313	-	-
Class O GBP accumulation	GBP	3,310,896	1,001	-
Class O USD accumulation	USD	106,690	1,005	-
Class O USD hedged accumulation	USD	1,039	-	-
Class R EUR accumulation	EUR	1,230	1,005	-
Class R EUR hedged accumulation	EUR	1,033	-	-
Class R GBP accumulation	GBP	1,156	1,001	-
Class R USD accumulation	USD	1,207	1,005	-
Class R USD hedged accumulation	USD	1,038	-	-
Class Y GBP accumulation	GBP	1,172	1,001	-
<b>Net asset value per share</b>	<b>Currency</b>	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Guinness Global Energy Fund</b>				
Class A	USD	7.1240	6.5059	8.1236
Class B	USD	6.7972	6.2387	7.8292
Class C EUR accumulation	EUR	7.6440	6.8891	8.2304
Class C	GBP	9.4454	9.0174	10.6542
Class D	EUR	9.5892	8.5993	10.2221
Class E	USD	7.6124	6.9346	8.6372
Class X EUR accumulation	EUR	8.5703	7.6661	-
Class X	GBP	8.9351	8.4664	9.9281
Class X USD distribution	USD	6.2443	5.7769	7.2719
<b>Guinness Sustainable Energy Fund</b>				
Class A	USD	2.9149	2.2355	2.6516
Class B	USD	2.7443	2.1153	2.5217
Class C EUR accumulation	EUR	9.9120	7.5019	8.5139
Class C	GBP	4.7824	3.8342	4.3035
Class D	EUR	4.8554	3.6570	4.1291
Class E	USD	3.8663	2.9585	3.5005
Class X	GBP	13.8809	11.0455	12.3044
Class Z EUR accumulation	EUR	12.3903	9.2616	-
Class Z GBP accumulation	GBP	11.8470	9.3801	-
Class Z USD accumulation	USD	11.1780	8.5087	-
<b>Guinness Global Money Managers Fund</b>				
Class A	USD	18.5584	14.0681	19.3708
Class B	USD	17.5417	13.3782	18.5138
Class C EUR accumulation	EUR	13.7643	10.3078	13.5796
Class C	GBP	20.8035	16.5030	21.5020
Class D	EUR	22.0049	16.3974	21.4949
Class E	USD	18.8367	14.2585	19.5840
Class X	GBP	24.1663	19.0275	24.6050

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 13. Net asset values (continued)

Net asset value per share (continued)	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Guinness Global Equity Income Fund</b>				
Class A	USD	16.3531	13.4316	14.6392
Class B	USD	15.6553	12.9239	14.1573
Class C EUR accumulation	EUR	17.8077	14.0131	14.2079
Class C EUR distribution	EUR	12.1780	9.8687	10.2871
Class C GBP accumulation	GBP	15.9674	13.3093	13.3455
Class C	GBP	18.5101	15.8799	16.3703
Class C USD accumulation	USD	14.1546	11.3431	12.0807
Class D EUR accumulation	EUR	13.2811	10.4017	10.4949
Class D	EUR	19.5854	15.7923	16.3787
Class E	USD	16.7383	13.7144	14.9094
Class M USD accumulation	USD	10.1072	-	-
Class M USD distribution	USD	11.7189	-	-
Class O EUR accumulation	EUR	12.4055	9.6884	-
Class O GBP accumulation	GBP	11.9581	9.8932	-
Class O USD accumulation	USD	11.7424	9.3401	-
Class X EUR distribution	EUR	12.5392	10.0852	-
Class X GBP distribution	GBP	19.4836	16.5847	16.9677
Class Y EUR accumulation	EUR	14.0109	10.9176	10.9587
Class Y EUR distribution	EUR	12.3012	9.8691	10.1841
Class Y GBP accumulation	GBP	16.7533	13.8263	13.7255
Class Y GBP distribution	GBP	14.7322	12.5134	12.7701
Class Y USD accumulation	USD	14.8525	11.7849	12.4259
Class Y USD distribution	USD	13.0323	10.6508	11.5498
Class Z GBP distribution	GBP	20.8187	17.6456	17.9622
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation	EUR	18.3552	15.2954	17.4078
Class C GBP accumulation	GBP	15.2851	13.4924	15.1864
Class C USD accumulation	USD	13.5476	11.4969	13.7452
Class X EUR accumulation	EUR	19.2228	15.8984	17.9580
Class X EUR distribution	EUR	15.3507	13.2523	15.5351
Class X GBP accumulation	GBP	19.4948	17.0797	19.0800
Class X GBP distribution	GBP	15.5902	14.2460	16.5152
Class X USD accumulation	USD	15.7818	13.2928	15.7722
Class X USD distribution	USD	12.5681	11.0548	13.6144
Class Y EUR accumulation	EUR	11.6291	9.5941	10.8099
Class Y EUR distribution	EUR	10.6477	9.1650	10.7261
Class Y GBP accumulation	GBP	11.6643	10.1937	11.3581
Class Y GBP distribution	GBP	10.7038	9.7563	11.2821
Class Y USD accumulation	USD	11.9478	10.0384	11.8806
Class Y USD distribution	USD	10.9337	9.5922	11.7952
Class Z GBP distribution	GBP	16.0695	14.6101	16.8523
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation	EUR	15.3893	11.8609	13.2717
Class C GBP accumulation	GBP	15.0711	12.3043	13.6176
Class C USD accumulation	USD	13.3835	10.5047	12.3469
Class X EUR accumulation	EUR	16.1222	12.3328	13.6958
Class X EUR distribution	EUR	13.4558	10.6477	12.2275
Class X GBP accumulation	GBP	16.3916	13.2825	14.5876
Class X GBP distribution	GBP	13.7035	11.4789	13.0365
Class X USD accumulation	USD	13.2923	10.3567	12.0801
Class X USD distribution	USD	11.0823	8.9339	10.7902
Class Y EUR accumulation	EUR	11.5146	8.7862	-
Class Y EUR distribution	EUR	10.8067	8.5290	-
Class Y GBP accumulation	GBP	10.9764	8.8722	-
Class Y GBP distribution	GBP	10.3009	8.6071	-
Class Y USD accumulation	USD	10.5457	8.1977	-
Class Y USD distribution	USD	9.8781	7.9439	-
Class Z GBP distribution	GBP	14.1333	11.7666	13.2935
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation	EUR	16.5379	12.0091	13.9186
Class C GBP accumulation	GBP	17.8937	13.7641	15.7765
Class C USD accumulation	USD	14.8171	10.9575	13.3401
Class O EUR accumulation	EUR	11.5510	8.3252	-
Class O GBP accumulation	GBP	11.1344	8.5007	-
Class O USD accumulation	USD	10.9347	8.0256	-
Class X EUR accumulation	EUR	17.1842	12.3849	14.2461
Class X GBP accumulation	GBP	18.6010	14.2013	16.1555
Class X USD accumulation	USD	15.4033	11.3059	13.6609
Class Y EUR accumulation	EUR	17.3958	12.5061	14.3494
Class Y GBP accumulation	GBP	18.8424	14.3496	16.2833
Class Y USD accumulation	USD	15.6449	11.4545	13.8056
Class Z EUR accumulation	EUR	17.6338	12.6459	14.4731
Class Z GBP accumulation	GBP	19.0874	14.4999	16.4123
Class Z USD accumulation	USD	15.8052	11.5430	13.8774

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 13. Net asset values (continued)

Net asset value per share (continued)	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation	EUR	14.2679	10.8271	13.9034
Class C GBP accumulation	GBP	16.6713	13.4009	17.0189
Class C USD accumulation	USD	14.6861	11.3492	15.3106
Class X EUR accumulation	EUR	14.7270	11.0918	14.1356
Class X GBP accumulation	GBP	17.1893	13.7141	17.2860
Class X USD accumulation	USD	15.1074	11.5883	15.5224
Class Z GBP accumulation	GBP	17.5359	13.9208	17.4584
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD accumulation	USD	13.6604	11.6246	13.8176
Class Y EUR accumulation	EUR	13.0595	10.7995	12.1106
Class Y EUR distribution	EUR	12.1228	10.3754	11.9667
Class Y GBP accumulation	GBP	12.9740	11.3625	12.5969
Class Y GBP distribution	GBP	12.0588	10.9231	12.4539
Class Y USD accumulation	USD	14.0228	11.8073	13.9069
Class Y USD distribution	USD	13.0121	11.3430	13.7479
Class Z GBP distribution	GBP	12.2010	11.0133	12.5175
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation	EUR	11.7798	8.9372	10.4222
Class C GBP accumulation	GBP	11.8081	9.4888	10.9549
Class C USD accumulation	USD	12.6426	9.7662	11.9786
Class X EUR accumulation	EUR	12.0215	9.0499	10.4907
Class X GBP accumulation	GBP	12.0827	9.6362	11.0415
Class X USD accumulation	USD	12.9403	9.9229	12.0765
Class Z EUR accumulation	EUR	12.1958	9.1354	10.5387
Class Z GBP accumulation	GBP	12.2622	9.7312	11.0956
Class Z USD accumulation	USD	13.1343	10.0205	12.1345
<b>Guinness US Equity Fund</b>				
Class C EUR accumulation	EUR	13.0522	10.1190	10.4439
Class C GBP accumulation	GBP	13.1491	10.7986	11.0032
Class C USD accumulation	USD	14.0427	11.0890	12.0279
Class X EUR accumulation	EUR	13.3500	10.2726	10.5300
Class X GBP accumulation	GBP	13.4247	10.9420	11.0797
Class X USD accumulation	USD	14.3748	11.2611	12.1249
Class Z EUR accumulation	EUR	13.5426	10.3714	10.5761
Class Z GBP accumulation	GBP	13.6275	11.0511	11.1357
Class Z USD accumulation	USD	14.5893	11.3759	12.1785
<b>Guinness Best of Asia Fund</b>				
Class C GBP accumulation	GBP	9.5199	8.2898	9.9483
Class Y EUR accumulation	EUR	10.1699	8.2800	9.9558
Class Y GBP accumulation	GBP	9.7038	8.3648	9.9484
Class Y USD accumulation	USD	9.5679	7.9312	10.0143
Class Z GBP accumulation	GBP	9.7533	8.3887	9.9485
<b>Guinness Multi-Asset Balanced Fund</b>				
Class C EUR accumulation	EUR	12.0405	10.0435	-
Class C EUR hedged accumulation	EUR	10.2281	-	-
Class C GBP accumulation	GBP	11.3184	10.0002	-
Class C USD accumulation	USD	11.8206	10.0407	-
Class C USD hedged accumulation	USD	10.2801	-	-
Class O EUR accumulation	EUR	12.1034	10.0435	-
Class O EUR hedged accumulation	EUR	10.2530	-	-
Class O GBP accumulation	GBP	11.3746	10.0002	-
Class O USD accumulation	USD	11.8788	10.0407	-
Class O USD hedged accumulation	USD	10.2992	-	-
Class R EUR accumulation	EUR	12.0225	10.0435	-
Class R EUR hedged accumulation	EUR	10.2289	-	-
Class R GBP accumulation	GBP	11.2941	10.0002	-
Class R USD accumulation	USD	11.7919	10.0407	-
Class R USD hedged accumulation	USD	10.2764	-	-
Class Y GBP accumulation	GBP	11.4506	10.0102	-
<b>Guinness Multi-Asset Growth Fund</b>				
Class C EUR accumulation	EUR	12.3234	10.0486	-
Class C EUR hedged accumulation	EUR	10.3389	-	-
Class C GBP accumulation	GBP	11.5845	10.0054	-
Class C USD accumulation	USD	12.0987	10.0459	-
Class C USD hedged accumulation	USD	10.3800	-	-
Class O EUR accumulation	EUR	12.3885	10.0486	-
Class O EUR hedged accumulation	EUR	10.3539	-	-
Class O GBP accumulation	GBP	11.6417	10.0054	-
Class O USD accumulation	USD	12.1583	10.0459	-
Class O USD hedged accumulation	USD	10.3928	-	-
Class R EUR accumulation	EUR	12.3001	10.0486	-
Class R EUR hedged accumulation	EUR	10.3348	-	-
Class R GBP accumulation	GBP	11.5617	10.0054	-
Class R USD accumulation	USD	12.0694	10.0459	-
Class R USD hedged accumulation	USD	10.3829	-	-
Class Y GBP accumulation	GBP	11.7204	10.0054	-



## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 14. 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 2019

	Guinness Global Energy Fund USD	Guinness Sustainable 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	189,447,444	17,264,084	6,255,574	1,380,320,826	237,099,273	6,820,836	282,921,639
Subscriptions receivable <sup>1</sup>	(276,109)	(200,242)	-	(3,373,264)	(27,892)	(2,119)	(449,105)
Redemptions payable <sup>1</sup>	68,574	1,423	-	230,601	8,352	-	172,559
<b>Published net asset value</b>	<b>189,239,909</b>	<b>17,065,265</b>	<b>6,255,574</b>	<b>1,377,178,163</b>	<b>237,079,733</b>	<b>6,818,717</b>	<b>282,645,093</b>

#### As at 31 December 2019 (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	4,640,768	1,897,508	702,261	534,070	347,892	28,108,437	16,986,593
Subscriptions receivable <sup>1</sup>	(676)	(33)	-	-	-	-	-
Redemptions payable <sup>1</sup>	-	-	-	-	-	-	37,900
<b>Published net asset value</b>	<b>4,640,092</b>	<b>1,897,475</b>	<b>702,261</b>	<b>534,070</b>	<b>347,892</b>	<b>28,108,437</b>	<b>17,024,493</b>

#### As at 31 December 2018

	Guinness Global Energy Fund USD	Guinness Sustainable 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 <sup>1</sup>	(61,962)	(4,620)	(312)	(257,533)	(19,800)	-	(72,195)
Redemptions payable <sup>1</sup>	19,851	35,697	-	93,304	422	2,558	73,571
<b>Published net asset value</b>	<b>217,774,269</b>	<b>12,150,221</b>	<b>6,548,446</b>	<b>671,345,801</b>	<b>118,978,020</b>	<b>5,731,387</b>	<b>152,367,137</b>

#### 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 <sup>1</sup>	(345)	(162)	-	-	-	(23,750)	(25,000)
Redemptions payable <sup>1</sup>	-	2	-	-	-	-	-
<b>Published net asset value</b>	<b>3,327,357</b>	<b>1,796,156</b>	<b>410,953</b>	<b>235,531</b>	<b>278,000</b>	<b>508,080</b>	<b>706,754</b>

<sup>1</sup> Subscriptions and redemptions effective 31 December 2019 and 31 December 2018

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 15. 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 2019:

#### 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	2 Jan 2019
			<u>\$43,770</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 distribution	USD	\$0.1681	\$15,252	\$15,252	(\$802)	\$89	\$14,539	2 Jan 2019
Class B USD distribution	USD	\$0.1619	\$150,832	\$150,832	(\$12,594)	\$12,151	\$150,389	2 Jan 2019
Class C EUR distribution	EUR	€0.1227	\$47,756	€42,059	(€3,852)	€2,800	€41,007	2 Jan 2019
Class C GBP distribution	GBP	£0.1957	\$881,063	£699,145	(£48,829)	£37,707	£688,023	2 Jan 2019
Class D EUR distribution	EUR	€0.1961	\$496,388	€437,173	(€57,501)	€2,619	€382,291	2 Jan 2019
Class E USD distribution	USD	\$0.1715	\$242,997	\$242,997	(\$3,893)	\$745	\$239,849	2 Jan 2019
Class X EUR distribution	EUR	€0.1252	\$18,303	€16,119	(€7,736)	€11	€8,394	2 Jan 2019
Class X GBP distribution	GBP	£0.2041	\$164,414	£130,466	(£21,893)	£3,622	£112,195	2 Jan 2019
Class Y EUR distribution	EUR	€0.1224	\$193,907	€170,775	(€17,048)	€806	€154,533	2 Jan 2019
Class Y GBP distribution	GBP	£0.1539	\$2,047,266	£1,624,554	(£119,902)	£44,002	£1,548,654	2 Jan 2019
Class Y USD distribution	USD	\$0.1331	\$31,196	\$31,196	(\$1,229)	\$866	\$30,833	2 Jan 2019
Class Z GBP distribution	GBP	£0.2169	\$996,926	£791,085	(£10,913)	£15,198	£795,370	2 Jan 2019
Class A USD distribution	USD	\$0.2567	\$24,961	\$24,961	(\$579)	\$223	\$24,605	1 Jul 2019
Class B USD distribution	USD	\$0.2467	\$253,244	\$253,244	(\$55,027)	\$23,146	\$221,363	1 Jul 2019
Class C EUR distribution	EUR	€0.1896	\$68,582	€60,559	(€4,822)	€6,785	€62,522	1 Jul 2019
Class C GBP distribution	GBP	£0.2968	\$1,146,970	£906,588	(£31,711)	£109,201	£984,078	1 Jul 2019
Class D EUR distribution	EUR	€0.3039	\$750,054	€662,328	(€25,507)	€7,210	€644,031	1 Jul 2019
Class E USD distribution	USD	\$0.2624	\$554,545	\$554,545	(\$170,439)	\$3,620	\$387,726	1 Jul 2019
Class M USD distribution	USD	\$0.1230	\$10,845	\$10,845	-	-	\$10,845	1 Jul 2019
Class X EUR distribution	EUR	€0.1942	\$28,516	€25,181	(€3,741)	€2,936	€24,376	1 Jul 2019
Class X GBP distribution	GBP	£0.3044	\$242,591	£191,749	(£42)	£23	£191,730	1 Jul 2019
Class Y EUR distribution	EUR	€0.1902	\$352,001	€310,831	(€16,997)	€1,144	€294,978	1 Jul 2019
Class Y GBP distribution	GBP	£0.2346	\$3,826,727	£3,024,720	(£342,183)	£105,772	£2,788,309	1 Jul 2019
Class Y USD distribution	USD	\$0.2039	\$80,156	\$80,156	(\$13,106)	\$4,637	\$71,687	1 Jul 2019
Class Z GBP distribution	GBP	£0.3311	\$1,483,425	£1,172,528	(£22,349)	£32,441	£1,182,620	1 Jul 2019
			<u>\$14,108,917</u>					

# Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

## 15. Distribution (continued)

The following distributions were declared during the financial year ended 31 December 2019 (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	€0.3228	\$208,639	€183,750	(€6,247)	€1,297	€178,800	2 Jan 2019
Class X GBP distribution	GBP	£0.3439	\$10,774	£8,549	(£3,057)	£1,444	£6,936	2 Jan 2019
Class X USD distribution	USD	\$0.2713	\$33	\$33	-	-	\$33	2 Jan 2019
Class Y EUR distribution	EUR	€0.2230	\$26	€23	-	-	€23	2 Jan 2019
Class Y GBP distribution	GBP	£0.2353	\$679,387	£539,110	(£163,450)	£9,693	£385,353	2 Jan 2019
Class Y USD distribution	USD	\$0.2352	\$713	\$713	(£527)	-	\$186	2 Jan 2019
Class Z GBP distribution	GBP	£0.3522	\$836,617	£663,876	(£47,835)	£84,646	£700,687	2 Jan 2019
Class X EUR distribution	EUR	€0.2654	\$184,995	€163,358	(€10,590)	€21,833	€174,601	1 Jul 2019
Class X GBP distribution	GBP	£0.2775	\$12,518	£9,894	(£607)	£219	£9,506	1 Jul 2019
Class X USD distribution	USD	\$0.2197	\$27	\$27	-	-	\$27	1 Jul 2019
Class Y EUR distribution	EUR	€0.1835	\$22	€20	-	-	€20	1 Jul 2019
Class Y GBP distribution	GBP	£0.1902	\$757,197	£598,503	(£71,346)	£9,174	£536,331	1 Jul 2019
Class Y USD distribution	USD	\$0.1909	\$3,736	\$3,736	(£898)	-	\$4,634	1 Jul 2019
Class Z GBP distribution	GBP	£0.2851	\$894,111	£706,723	(£71,620)	£8,581	£634,684	1 Jul 2019
			<b>\$3,588,795</b>					

### 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	2 Jan 2019
Class X GBP distribution	GBP	£0.0471	\$448	£355	(£175)	£43	£223	2 Jan 2019
Class X USD distribution	USD	\$0.0371	\$4	\$4	-	-	\$4	2 Jan 2019
Class Y EUR distribution	EUR	€0.0351	\$4	€4	-	-	€4	2 Jan 2019
Class Y GBP distribution	GBP	£0.0353	\$5	£4	-	-	£4	2 Jan 2019
Class Y USD distribution	USD	\$0.0332	\$3	\$3	-	-	\$3	2 Jan 2019
Class Z GBP distribution	GBP	£0.0483	\$2,524	£2,003	(£65)	£26	£1,964	2 Jan 2019
Class X EUR distribution	EUR	€0.3756	\$1,526	€1,347	-	-	\$1,347	1 Jul 2019
Class X GBP distribution	GBP	£0.3938	\$10,821	£8,553	(£2,350)	\$372	\$6,575	1 Jul 2019
Class X USD distribution	USD	\$0.3130	\$36	\$36	-	-	\$36	1 Jul 2019
Class Y EUR distribution	EUR	€0.3009	\$35	€31	-	-	€131	1 Jul 2019
Class Y GBP distribution	GBP	£0.2956	\$39	£31	-	-	\$31	1 Jul 2019
Class Y USD distribution	USD	\$0.2790	\$29	\$29	-	-	\$29	1 Jul 2019
Class Z GBP distribution	GBP	£0.4044	\$19,663	£15,543	(\$1,409)	\$361	\$14,495	1 Jul 2019
			<b>\$35,317</b>					

### 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	2 Jan 2019
Class Y GBP distribution	GBP	£0.1913	\$702	£557	(£383)	£1	£175	2 Jan 2019
Class Y USD distribution	USD	\$0.2020	\$21	\$21	-	-	\$21	2 Jan 2019
Class Z GBP distribution	GBP	£0.1928	\$29,407	£23,335	(£11,536)	£65	£11,864	2 Jan 2019
Class Y GBP distribution	GBP	£0.1950	\$731	£578	(\$4)	-	\$574	1 Jul 2019
Class Y EUR distribution	EUR	€0.1902	\$23	€20	-	-	\$20	1 Jul 2019
Class Y USD distribution	USD	\$0.2067	\$22	\$22	-	-	\$22	1 Jul 2019
Class Z GBP distribution	GBP	£0.1968	\$31,777	£25,118	(\$1,140)	\$922	\$24,900	1 Jul 2019
			<b>\$62,705</b>					

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 15. Distribution (continued)

The following distributions were declared during the financial period 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	2 Jan 2018
			<b>\$63,273</b>					

#### 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	2 Jan 2018
Class B	USD	\$0.1570	\$135,165	\$135,165	(\$15,807)	\$13,330	\$132,688	2 Jan 2018
Class C GBP distribution	GBP	£0.1864	\$892,190	£657,011	(£55,742)	£32,988	£634,257	2 Jan 2018
Class C EUR distribution	EUR	€0.1165	\$51,484	€42,761	(€5,726)	€250	€37,285	2 Jan 2018
Class D EUR distribution	EUR	€0.1853	\$376,286	€312,400	(€21,299)	€1,821	€292,922	2 Jan 2018
Class E	USD	\$0.1651	\$339,322	\$339,322	(\$51,539)	\$5	\$287,788	2 Jan 2018
Class X GBP distribution	GBP	£0.1929	\$85,636	£63,063	(£3,111)	£1,939	£61,891	2 Jan 2018
Class Y EUR distribution	EUR	€0.1151	\$96,786	€80,354	(€9,910)	€9,933	€80,377	2 Jan 2018
Class Y GBP distribution	GBP	£0.1451	\$1,323,229	£974,430	(£64,595)	£101,370	£1,011,205	2 Jan 2018
Class Y USD distribution	USD	\$0.1278	\$29,956	\$29,956	(\$3,070)	\$225	\$27,111	2 Jan 2018
Class Z GBP distribution	GBP	£0.2040	\$1,079,102	£794,655	(£14,708)	£59,011	£838,958	2 Jan 2018
Class A	USD	\$0.2393	\$19,717	\$19,717	-	\$2,132	\$21,849	2 Jul 2018
Class B	USD	\$0.2311	\$213,393	\$213,393	(\$16,731)	\$8,069	\$204,731	2 Jul 2018
Class C	GBP	£0.2626	\$1,201,124	£915,106	(£47,406)	£56,882	£924,582	2 Jul 2018
Class D	EUR	€0.2656	\$544,093	€468,782	(€11,538)	€2,087	€459,331	2 Jul 2018
Class E	USD	\$0.2439	\$338,676	\$338,676	(\$4,109)	\$46,993	\$381,560	2 Jul 2018
Class X GBP distribution	GBP	£0.2729	\$156,812	£119,471	(£18,089)	£2,427	£103,809	2 Jul 2018
Class Y EUR distribution	EUR	£0.1654	\$189,814	£163,541	(£10,238)	£437	£153,740	2 Jul 2018
Class Y GBP distribution	GBP	£0.2055	\$2,587,010	£1,970,978	(£478,952)	£81,139	£1,573,165	2 Jul 2018
Class Y USD distribution	USD	\$0.1891	\$44,598	\$44,598	(\$625)	\$1,464	\$45,437	2 Jul 2018
Class C EUR distribution	EUR	€0.1666	\$67,120	€57,829	(€2,741)	€6,342	€61,430	2 Jul 2018
Class X EUR distribution	EUR	€0.0436	\$193	€166	-	-	€166	2 Jul 2018
Class Z GBP distribution	GBP	£0.2895	\$1,432,214	£1,091,169	(£15,604)	£20,251	£1,095,816	2 Jul 2018
			<b>\$11,222,000</b>					

#### 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	2 Jan 2018
Class X GBP distribution	GBP	£0.3231	\$6,375	£4,695	(£696)	£544	£4,543	2 Jan 2018
Class X USD distribution	USD	\$0.2592	\$30	\$30	-	-	\$30	2 Jan 2018
Class Y EUR distribution	EUR	€0.2084	\$25	€21	-	-	€21	2 Jan 2018
Class Y GBP distribution	GBP	£0.2204	\$167,077	£123,036	(£70,134)	£4,287	£57,189	2 Jan 2018
Class Y USD distribution	USD	\$0.2244	\$23	\$23	-	-	\$23	2 Jan 2018
Class Z GBP distribution	GBP	£0.3292	\$929,453	£684,452	(£53,913)	£10,848	£641,387	2 Jan 2018
Class X EUR distribution	EUR	€0.2547	\$161,498	€139,144	(€9,288)	€9,267	€139,123	2 Jul 2018
Class X GBP distribution	GBP	£0.2683	\$6,743	£5,137	(£378)	£146	£4,905	2 Jul 2018
Class X USD distribution	USD	\$0.2251	\$27	\$27	-	-	\$27	2 Jul 2018
Class Y EUR distribution	EUR	€0.1757	\$21	€18	-	-	€18	2 Jul 2018
Class Y GBP distribution	GBP	£0.1834	\$270,690	£206,232	(£36,337)	£3,758	£173,653	2 Jul 2018
Class Y USD distribution	USD	\$0.1950	\$20	\$20	-	-	\$20	2 Jul 2018
Class Z GBP distribution	GBP	£0.2742	\$803,935	£612,498	(£12,142)	£8,784	£609,140	2 Jul 2018
			<b>\$2,546,993</b>					

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 15. Distribution (continued)

The following distributions were declared during the financial period ended 31 December 2018 (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	€0.0400	\$173	€143	-	-	€143	2 Jan 2018
Class X GBP distribution	GBP	£0.0429	\$527	£388	(£236)	£16	£168	2 Jan 2018
Class X USD distribution	USD	\$0.0347	\$4	\$4	-	-	\$4	2 Jan 2018
Class Z GBP distribution	GBP	£0.0437	\$56,900	£41,902	(£5,400)	£918	£37,420	2 Jan 2018
Class X EUR distribution	EUR	€0.3537	\$1,471	€1,267	-	-	€1,267	2 Jul 2018
Class X GBP distribution	GBP	£0.3740	\$3,687	£2,809	(£1,344)	£111	£1,576	2 Jul 2018
Class X USD distribution	USD	\$0.3147	\$35	\$35	-	-	\$35	2 Jul 2018
Class Y EUR distribution	EUR	€0.2827	\$33	€28	-	-	€28	2 Jul 2018
Class Y GBP distribution	GBP	£0.2797	\$37	£28	-	-	£28	2 Jul 2018
Class Y USD distribution	USD	\$0.2786	\$28	\$28	-	-	\$28	2 Jul 2018
Class Z GBP distribution	GBP	£0.3816	\$20,059	£15,283	(£6,625)	£138,906	£147,564	2 Jul 2018
			<b>\$82,954</b>					

#### 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 EUR distribution	EUR	€ 0.1674	\$20	€17	-	-	€17	2 Jan 2018
Class X GBP distribution	GBP	£0.1750	\$26	£19	-	-	£19	2 Jan 2018
Class X USD distribution	USD	\$0.1885	\$19	\$19	-	-	\$19	2 Jan 2018
Class Z GBP distribution	GBP	£0.1758	\$24	£18	-	-	£18	2 Jan 2018
Class Y EUR distribution	EUR	€ 0.1603	\$19	€16	-	-	€16	2 Jul 2018
Class Y GBP distribution	GBP	£0.1654	\$24	£18	(£87)	£114	£45	2 Jul 2018
Class Y USD distribution	USD	\$0.1857	\$19	\$19	-	-	\$19	2 Jul 2018
Class Z GBP distribution	GBP	£0.1665	\$3,020	£2,300	(£2,349)	£929	£880	2 Jul 2018
			<b>\$3,171</b>					

### 16. 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, 2019 (the "Central Bank Regulations") headed 'Transactions involving Connected Persons' states in regulation 43 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 43 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.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 17. 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 7.

#### 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, Andrew E Martin Smith and alternate Director Timothy W.N. Guinness 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. Administrative expenses are paid by the Investment Manager out of the management fee.

Details of fees charged are outlined below:

	31 December 2019 USD	31 December 2018 USD
Management fees (formerly investment management fees)	20,870,151	10,469,234
Investment manager administration fees	-	5,372,100
<b>Total</b>	<b>20,870,151</b>	<b>15,841,334</b>

#### 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 2019 (2018: 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 2019 amounted to €71,750 (financial year ended 31 December 2018: €69,000).

#### Share transactions

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

##### As at 31 December 2019

Related Party	Related Party Type	Sub-fund	Class	Shares
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
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class C	1,900.79
Timothy W.N. Guinness	Director	Guinness Global Innovators Fund	Class Z	189,413.47
Timothy W.N. Guinness	Director	Guinness Global Equity Income Fund	Class E	20,000
Timothy W.N. Guinness	Director	Guinness Global Money Managers Fund	Class E	42,687.08
Timothy W.N. Guinness	Director	Guinness Global Energy Fund	Class A	60,414.57
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
Mrs Joan E. Throssell	Spouse of Director	Guinness Global Equity Income Fund	Class Y	3,362.09

##### As at 31 December 2018

Related Party	Related Party Type	Sub-fund	Class	Shares
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
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Sustainable Energy Fund	Class C	1,900.79
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 2019

	Guinness Sustainable Energy Fund USD	Guinness Emerging Markets Equity Income 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	108,834.83	-	-	-	-	-
Class C EUR hedged accumulation	-	-	-	-	20,000.00	20,000.00
Class C USD hedged accumulation	-	-	-	-	40,000.00	34,541.48
Class Y USD accumulation	-	5,376.11	-	-	-	-
Class Z USD accumulation	-	-	10,923.34	20,455.23	-	-

##### As at 31 December 2018

	Guinness Sustainable 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	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 17. 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 2019

	Guinness Global Energy Fund	Guinness Sustainable 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
	USD	USD	USD	USD	USD	USD	USD
Class A	-	-	47.74	-	-	-	-
Class C EUR accumulation	-	-	-	-	-	-	-
Class C EUR hedged accumulation	-	-	-	-	-	-	-
Class C GBP accumulation	-	-	-	-	-	-	-
Class C USD accumulation	-	-	-	-	-	-	-
Class C USD hedged accumulation	-	-	-	-	-	-	-
Class D	-	230.60	100.00	-	-	-	-
Class E	95,993.37	302.52	-	-	-	-	-
Class M USD accumulation	-	-	-	100.00	-	-	-
Class M USD distribution	-	-	-	101.15	-	-	-
Class O EUR hedged accumulation	-	-	-	-	-	-	-
Class O USD accumulation	-	-	-	-	-	-	100.00
Class O USD hedged accumulation	-	-	-	-	-	-	-
Class R EUR accumulation	-	-	-	-	-	-	-
Class R EUR hedged accumulation	-	-	-	-	-	-	-
Class R GBP accumulation	-	-	-	-	-	-	-
Class R USD accumulation	-	-	-	-	-	-	-
Class R USD hedged accumulation	-	-	-	-	-	-	-
Class X	-	-	4,827.22	-	-	-	-
Class X EUR accumulation	-	-	-	-	100.00	100.00	-
Class X EUR distribution	-	-	-	-	-	119.63	-
Class X GBP accumulation	-	-	-	-	-	-	-
Class X USD accumulation	-	-	-	-	90.98	100.00	-
Class X USD distribution	-	-	-	-	125.29	119.79	-
Class Y EUR accumulation	-	-	-	-	-	3,914.26	-
Class Y EUR distribution	-	-	-	-	108.87	106.54	-
Class Y GBP accumulation	-	-	-	-	-	100.00	-
Class Y GBP distribution	-	-	-	-	-	106.38	-
Class Y USD accumulation	-	-	-	-	-	100.00	-
Class Y USD distribution	-	-	-	-	-	106.71	-
Class Z EUR accumulation	-	100.00	-	-	-	-	-
Class Z GBP accumulation	-	-	-	-	-	-	-
Class Z USD accumulation	-	100.00	-	-	-	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 17. 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 2019

	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	-	-	-
Class C EUR hedged accumulation	-	-	-	-	-	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 C USD hedged accumulation	-	-	-	-	-	100.00	100.00
Class D	-	-	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class M USD accumulation	-	-	-	-	-	-	-
Class M USD distribution	-	-	-	-	-	-	-
Class O EUR hedged accumulation	-	-	-	-	-	100.00	100.00
Class O USD accumulation	-	-	-	-	-	-	100.00
Class O USD hedged accumulation	-	-	-	-	-	100.00	100.00
Class R EUR accumulation	-	-	-	-	-	100.00	100.00
Class R EUR hedged accumulation	-	-	-	-	-	100.00	100.00
Class R GBP accumulation	-	-	-	-	-	100.00	100.00
Class R USD accumulation	-	-	-	-	-	100.00	100.00
Class R USD hedged accumulation	-	-	-	-	-	100.00	100.00
Class X	-	-	-	-	-	-	-
Class X EUR accumulation	100.00	-	100.00	100.00	-	-	-
Class X EUR distribution	-	-	-	-	-	-	-
Class X GBP accumulation	-	-	-	100.00	-	-	-
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	-	107.54	-	-	-	-	-
Class Y GBP accumulation	-	-	-	-	100.00	100.00	100.00
Class Y GBP distribution	-	107.46	-	-	-	-	-
Class Y USD accumulation	-	9,739.90	-	-	29,164.84	-	-
Class Y USD distribution	-	107.50	-	-	-	-	-
Class Z EUR accumulation	-	-	100.00	100.00	-	-	-
Class Z GBP accumulation	-	-	100.00	100.00	-	-	-
Class Z USD accumulation	-	-	425.95	335.84	-	-	-



## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 17. 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 2018

	Guinness Global Energy Fund USD	Guinness Sustainable 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)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 17. 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 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	-	-	-

At the reporting dates 31 December 2019 and 31 December 2018, 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 2019

Guinness Asset Management Funds plc

### 18. Soft commission arrangements

There were no soft commission arrangements in place during the financial year ended 31 December 2019 (31 December 2018: nil).

### 19. 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 equivalent.

### 20. Efficient portfolio management

Guinness Multi-Asset Balanced Fund and Guinness Multi-Asset Growth Fund entered into forward currency contracts for efficient portfolio management purposes in order to hedge the currency exposure of assets attributable to a particular Class into the currency of denomination of the relevant Class to non-base share classes. A description of forward currency contracts and details of unrealised gains/losses are detailed in note 3 and open positions as at 31 December 2019 are also detailed within the schedule of investments. No collateral was posted.

The table below shows the realised gains and losses, movement in unrealised gains and losses and transaction costs incurred on the purchase and sale of forward foreign currency contracts during the financial year ended 31 December 2019:

	Guinness Multi-Asset Balanced Fund GBP	Guinness Multi-Asset Growth Fund GBP
Net realised gain/ (loss) from efficient portfolio management techniques	(2,346)	(1,635)
Net movement in unrealised gain/ (loss) from efficient portfolio management techniques	(12,031)	(9,014)
Transaction costs incurred	118	88

A Class will not be leveraged as a result of currency hedging transactions. Although the Company does not intend to over-hedge or under-hedge positions, over- or under-hedging may arise due to factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is hedged against currency risk. Hedged positions will be kept under review to ensure that under-hedged positions do not fall short of 95% and over-hedged positions do not exceed 105%. The commitment approach was used to calculate global exposure (2018 nil).

### 21. 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.

### 22. Changes to prospectus

There were no changes to the Prospectus during the financial year 31 December 2019.

### 23. Significant events during the period

Effective 5 February 2019, Guinness Global Equity Income Fund launched Class M USD Distribution.

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

Effective 30 September 2019, Anthony Joyce resigned as director of the Company.

Effective 1 October 2019, the Management fees reduced for Guinness European Equity Income and Guinness Emerging Markets Equity Income Class Z GBP Distribution from 0.74% to 0.35%.

Effective 31 October 2019, Guinness Multi-Asset Growth fund and Guinness Multi-Asset Balanced Fund launched Class C Hedged, Class O Hedged and Class R Hedged share classes in both USD and EUR.

Effective 19 December 2019, Guinness Global Equity Income Fund launched Class M USD Accumulation.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 24. Events after the reporting date

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	\$0.1251	\$35,803	\$35,803	(\$2,236)	\$18,826	\$52,393	2 Jan 2020
			<b>\$35,803</b>					

#### 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	\$0.1764	\$14,105	\$14,105	(\$315)	\$38	\$13,828	2 Jan 2020
Class B USD distribution	USD	\$0.1691	\$162,844	\$162,844	(\$5,142)	\$10,304	\$168,006	2 Jan 2020
Class C EUR distribution	EUR	€0.1330	\$45,713	€40,812	(€1,818)	€2,034	€41,028	2 Jan 2020
Class C GBP distribution	GBP	£0.2101	\$740,878	£561,803	(£16,230)	£51,780	£597,353	2 Jan 2020
Class D EUR distribution	EUR	€0.2137	\$631,800	€564,057	(€32,655)	€732	€532,134	2 Jan 2020
Class E USD distribution	USD	\$0.1804	\$474,270	\$474,270	(\$80,460)	\$183	\$393,993	2 Jan 2020
Class M USD distribution	USD	\$0.1263	\$13,997	\$13,997	(\$7,052)	\$8,349	\$15,294	2 Jan 2020
Class X EUR distribution	EUR	€0.1367	\$17,892	€15,973	(€85)	€1,239	€17,127	2 Jan 2020
Class X GBP distribution	GBP	£0.2208	\$199,532	£151,304	(£9,633)	£7,016	£148,687	2 Jan 2020
Class Y EUR distribution	EUR	€0.1340	\$262,157	€234,048	(€10,549)	€7,581	€231,080	2 Jan 2020
Class Y GBP distribution	GBP	£0.1668	\$3,828,031	£2,902,771	(£513,447)	£65,969	£2,455,293	2 Jan 2020
Class Y USD distribution	USD	\$0.1404	\$64,396	\$64,396	(\$5,649)	\$2,044	\$60,791	2 Jan 2020
Class Z GBP	GBP	£0.2357	\$1,087,085	£824,330	(£9,331)	£15,447	£830,446	2 Jan 2020
			<b>\$7,542,700</b>					

#### 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	€0.3327	\$296,766	€264,945	(€109,723)	€60,665	€215,887	2 Jan 2020
Class X GBP distribution	GBP	£0.3512	\$19,595	£14,859	(£1,376)	£440	£13,923	2 Jan 2020
Class X USD distribution	USD	\$0.2693	\$1,603	\$1,603	(\$852)	-	\$751	2 Jan 2020
Class Y EUR distribution	EUR	€0.2307	\$28	€25	-	-	€25	2 Jan 2020
Class Y GBP distribution	GBP	£0.2409	\$1,131,680	£858,145	(£93,098)	£37,537	£802,584	2 Jan 2020
Class Y USD distribution	USD	\$0.2341	\$3,872	\$3,872	-	\$572	\$4,444	2 Jan 2020
Class Z GBP distribution	GBP	£0.3614	\$1,169,408	£886,754	(£53,973)	£57,331	£890,112	2 Jan 2020
			<b>\$2,622,952</b>					

#### 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	€0.0412	\$1,623	€1,230	(€180)	€33	€1,083	2 Jan 2020
Class X GBP distribution	GBP	€0.0389	\$156	€140	-	-	€140	2 Jan 2020
Class X USD distribution	USD	\$0.0317	\$4	\$4	-	-	\$4	2 Jan 2020
Class Y EUR distribution	EUR	€0.0424	\$2,616	€1,984	(€182)	€43	€1,845	2 Jan 2020
Class Y GBP distribution	GBP	£0.0308	\$4	£3	-	-	£3	2 Jan 2020
Class Y USD distribution	USD	€0.0313	\$4	€3	-	-	€3	2 Jan 2020
Class Z GBP distribution	GBP	\$0.0281	\$3	\$3	-	-	\$3	2 Jan 2020
			<b>\$4,410</b>					

#### 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	€0.2226	\$931	€706	(€26)	€1	€681	2 Jan 2020
Class Y GBP distribution	GBP	€0.2157	\$26	€23	-	-	€23	2 Jan 2020
Class Y USD distribution	USD	\$0.2285	\$25	\$25	-	-	\$25	2 Jan 2020
Class Z GBP distribution	GBP	£0.2249	\$29,235	£22,169	(£4,534)	£9,359	£26,994	2 Jan 2020
			<b>\$30,217</b>					

## Notes to the financial statements (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

### 24. Events after the reporting date (continued)

The Annual Financial Statements and the reports therein were compiled in early January 2020 before the COVID-19 epidemic which is believed to have originated in Wuhan, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020. The Board of Directors have been monitoring and reacting to the outbreak. Global financial markets have experienced increased volatility and uncertainty since the onset of the pandemic. The Board of Directors has also noted and are managing the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by many countries' governments. Business Continuity Plans have been implemented and are working well in the circumstances. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and financial markets will largely depend on the scale and duration of the outbreak. The Board of Directors will continue to monitor this situation. The ultimate and full extent of the effect of this on the Company and your investments is not possible to estimate at this time. Shareholders will be kept up to date with our views on an ongoing basis through the normal channels.

### 25. Approval of financial statements

The audited financial statements were approved for issue by the Board of Directors on 22 April 2020.

# Schedule of Investments

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Energy Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Exploration &amp; Production</b>				
Canadian Natural Resources Ltd	CAD	241,531	7,822,866	4.13%
CNOOC Ltd	HKD	4,792,000	7,970,472	4.21%
ConocoPhillips	USD	116,700	7,589,001	4.01%
Devon Energy Corp	USD	236,576	6,143,879	3.24%
Diversified Gas & Oil PLC	GBP	635,000	895,896	0.47%
Encana Corp	USD	1,252,944	5,876,307	3.10%
EnQuest PLC	GBP	5,044,597	1,439,483	0.76%
EOG Resources Inc	USD	71,150	5,959,524	3.15%
JKX Oil & Gas PLC	GBP	562,972	182,721	0.10%
Noble Energy Inc	USD	248,525	6,173,361	3.26%
Oasis Petroleum Inc	USD	740,600	2,406,950	1.27%
Occidental Petroleum Corp	USD	162,350	6,690,444	3.53%
Pharos Energy PLC	GBP	1,487,900	1,028,913	0.54%
Tullow Oil PLC	GBP	1,435,183	1,216,807	0.64%
Valero Energy Corp	USD	76,847	7,196,722	3.80%
			<b>68,593,346</b>	<b>36.21%</b>
<b>Integrated Oil &amp; Gas</b>				
BP PLC	GBP	1,177,771	7,358,158	3.88%
Chevron Corp	USD	62,100	7,483,671	3.95%
Eni SpA	EUR	482,885	7,505,069	3.96%
Equinor ASA	NOK	388,925	7,767,612	4.10%
Gazprom PJSC	USD	927,742	7,633,461	4.03%
Imperial Oil Ltd	CAD	291,266	7,715,433	4.07%
OMV AG	EUR	130,315	7,325,637	3.87%
PetroChina Co Ltd	HKD	15,010,679	7,532,503	3.98%
Repsol SA	EUR	475,770	7,439,347	3.93%
Repsol SA Right	EUR	502,510	238,596	0.13%
Royal Dutch Shell PLC	EUR	252,370	7,412,165	3.91%
Suncor Energy Inc	CAD	229,662	7,537,625	3.98%
TOTAL SA	EUR	135,763	7,497,788	3.96%
			<b>90,447,065</b>	<b>47.75%</b>
<b>Oil Equipment &amp; Services</b>				
Helix Energy Solutions Group Inc	USD	329,195	3,170,148	1.67%
Halliburton Co	USD	299,986	7,340,657	3.87%
Shandong Molong Petroleum Machinery Co Ltd	HKD	814,400	103,475	0.05%
Schlumberger Ltd	USD	186,600	7,501,320	3.96%
Unit Corp	USD	307,823	214,122	0.11%
			<b>18,329,722</b>	<b>9.66%</b>
<b>Pipelines</b>				
Enbridge Inc	USD	191,900	7,631,863	4.03%
			<b>7,631,863</b>	<b>4.03%</b>
<b>Renewable Energy Equipment</b>				
SunPower Corp	USD	168,500	1,314,300	0.69%
			<b>1,314,300</b>	<b>0.69%</b>
<b>Specialty Finance</b>				
Cluff Natural Resources PLC	GBP	23,303,370	486,221	0.26%
Reabold Resources PLC	GBP	90,000,000	894,206	0.48%
			<b>1,380,427</b>	<b>0.74%</b>
<b>Total equities (2018: 100.14%)</b>			<b>187,696,723</b>	<b>99.08%</b>
<b>Total financial assets at fair value through profit or loss (2018: 100.14%)</b>			<b>187,696,723</b>	<b>99.08%</b>
Cash and cash equivalents and other net assets (2018: (0.14%))			1,750,721	0.92%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>189,447,444</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 98.81%)				97.31%
Other current assets (2018: 1.19%)				2.69%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Sustainable Energy Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Power Producer</b>				
Albioma SA	EUR	20,310	592,748	3.43%
China Longyuan Power Group Corp Ltd	HKD	902,000	570,710	3.31%
China Suntien Green Energy Corp Ltd	HKD	1,931,000	557,605	3.23%
Huaneng Renewables Corp Ltd	HKD	1,225,000	476,366	2.76%
Ormat Technologies Inc	USD	7,020	523,130	3.03%
TransAlta Renewables Inc	CAD	45,500	544,561	3.15%
			<b>3,265,120</b>	<b>18.91%</b>
<b>Electric vehicles</b>				
Aptiv PLC	USD	5,600	531,832	3.08%
Gentherm Inc	USD	11,500	510,485	2.96%
Hella GmbH & Co KGaA	EUR	9,630	533,350	3.09%
ON Semiconductor Corp	USD	23,900	582,682	3.38%
Sensata Technologies Holding PLC	USD	10,100	544,087	3.15%
			<b>2,702,436</b>	<b>15.66%</b>
<b>Efficiency</b>				
Acuity Brands Inc	USD	3,900	538,200	3.12%
Ameresco Inc	USD	31,700	554,750	3.21%
Kingspan Group PLC	EUR	9,690	592,254	3.43%
Nibe Industrier AB	SEK	36,561	634,278	3.67%
			<b>2,319,482</b>	<b>13.43%</b>
<b>Electric Utilities</b>				
Iberdrola SA	EUR	54,210	558,610	3.24%
			<b>558,610</b>	<b>3.24%</b>
<b>Battery</b>				
Johnson Matthey PLC	GBP	14,270	566,370	3.28%
LG Chem Ltd	KRW	2,130	584,785	3.39%
Samsung SDI Co Ltd	KRW	2,780	567,322	3.29%
Tianneng Power International Ltd	HKD	596,000	453,590	2.63%
			<b>2,172,067</b>	<b>12.59%</b>
<b>Equipment</b>				
Canadian Solar Inc	USD	28,900	638,690	3.70%
Daqo New Energy Corp	USD	12,500	640,001	3.70%
First Solar Inc	USD	9,500	531,620	3.08%
Quanta Services Inc	USD	12,400	504,804	2.92%
Schneider Electric SE	EUR	5,110	524,842	3.04%
Siemens Gamesa Renewable Energy SA	EUR	35,240	618,473	3.58%
TPI Composites Inc	USD	21,900	405,369	2.35%
Vestas Wind Systems A/S	DKK	5,995	606,254	3.51%
Wasion Holdings Ltd	HKD	910,000	444,968	2.58%
Xinyi Solar Holdings Ltd	HKD	856,000	607,521	3.52%
			<b>5,522,542</b>	<b>31.98%</b>
<b>Total equities (2018: 96.44%)</b>			<b>16,540,257</b>	<b>95.81%</b>
<b>Total financial assets at fair value through profit or loss (2018: 96.44%)</b>			<b>16,540,257</b>	<b>95.81%</b>
Cash and cash equivalents and other net assets (2018: 3.56%)			723,827	4.19%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>17,264,084</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 95.94%)				95.64%
Other current assets (2018: 4.06%)				4.36%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Money Managers Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Asset Managers</b>				
Affiliated Managers Group Inc	USD	2,290	194,055	3.10%
AllianceBernstein Holding LP	USD	7,090	214,543	3.43%
Ares Management Corp	USD	7,100	253,399	4.05%
Associated Capital Group Inc	USD	3,000	117,600	1.88%
Azimut Holding SpA	EUR	9,785	233,732	3.74%
Banca Generali SpA	EUR	6,680	217,151	3.47%
BlackRock Inc	USD	460	231,242	3.70%
Blackstone Group Inc/The	USD	4,140	231,592	3.70%
Brewin Dolphin Holdings PLC	GBP	46,670	230,241	3.68%
CI Financial Corp	CAD	13,900	232,712	3.72%
Coronation Fund Managers Ltd	ZAR	65,370	186,758	2.99%
Franklin Resources Inc	USD	7,240	188,095	3.01%
GAM Holding AG	CHF	27,350	79,196	1.27%
GAMCO Investors Inc	USD	3,000	58,470	0.93%
Invesco Ltd	USD	11,520	207,130	3.31%
Janus Henderson Group PLC	USD	8,523	208,387	3.33%
Jupiter Fund Management PLC	GBP	45,500	246,891	3.95%
KKR & Co Inc	USD	8,000	233,360	3.73%
Liontrust Asset Management PLC	GBP	17,880	260,552	4.17%
Polar Capital Holdings PLC	GBP	32,238	234,890	3.75%
Rathbone Brothers PLC	GBP	6,970	196,674	3.14%
River & Mercantile Group PLC	GBP	69,347	231,506	3.70%
Sculptor Capital Management Inc	USD	2,320	51,272	0.82%
State Street Corp	USD	3,110	246,001	3.93%
T Rowe Price Group Inc	USD	1,800	219,312	3.51%
Value Partners Group Ltd	HKD	342,000	210,683	3.37%
			<b>5,215,444</b>	<b>83.38%</b>
<b>Banks</b>				
Vontobel Holding AG	CHF	3,430	244,937	3.92%
			<b>244,937</b>	<b>3.92%</b>
<b>Investment Services</b>				
Ameriprise Financial Inc	USD	1,350	224,883	3.59%
Nasdaq Inc	USD	2,250	240,975	3.85%
Raymond James Financial Inc	USD	2,330	208,442	3.33%
			<b>674,300</b>	<b>10.77%</b>
<b>Total equities (2018: 98.17%)</b>			<b>6,134,681</b>	<b>98.07%</b>
<b>Total financial assets at fair value through profit or loss (2018: 98.17%)</b>			<b>6,134,681</b>	<b>98.07%</b>
Cash and cash equivalents and other net assets (2018: 1.83%)			120,893	1.93%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>6,255,574</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 96.90%)				97.18%
Other current assets (2018: 3.10%)				2.82%
				<b>100.00%</b>



## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Aerospace &amp; Defense</b>				
BAE Systems PLC	GBP	5,054,438	37,818,301	2.74%
United Technologies Corp	USD	255,440	38,254,694	2.77%
			<b>76,072,995</b>	<b>5.51%</b>
<b>Asset Managers</b>				
BlackRock Inc	USD	75,210	37,808,067	2.74%
			<b>37,808,067</b>	<b>2.74%</b>
<b>Business Training Employment Agency</b>				
Randstad NV	EUR	620,824	37,937,897	2.75%
			<b>37,937,897</b>	<b>2.75%</b>
<b>Clothing &amp; Accessories</b>				
VF Corp	USD	397,440	39,608,870	2.87%
			<b>39,608,870</b>	<b>2.87%</b>
<b>Distillers &amp; Vintners</b>				
Diageo PLC	GBP	912,700	38,697,270	2.80%
			<b>38,697,270</b>	<b>2.80%</b>
<b>Diversified Industrials</b>				
Eaton Corp PLC	USD	393,540	37,276,109	2.70%
			<b>37,276,109</b>	<b>2.70%</b>
<b>Electrical Components &amp; Equipment</b>				
Schneider Electric SE	EUR	369,590	37,960,152	2.75%
			<b>37,960,152</b>	<b>2.75%</b>
<b>Food Products</b>				
Danone SA	EUR	460,820	38,226,312	2.77%
Nestle SA	CHF	349,630	37,831,602	2.74%
			<b>76,057,914</b>	<b>5.51%</b>
<b>Financial Administration</b>				
Paychex Inc	USD	446,090	37,944,415	2.75%
			<b>37,944,415</b>	<b>2.75%</b>
<b>Footwear</b>				
ANTA Sports Products Ltd	HKD	4,077,000	36,496,156	2.64%
			<b>36,496,156</b>	<b>2.64%</b>
<b>Healthcare Providers</b>				
Sonic Healthcare Ltd	AUD	1,863,125	37,653,428	2.73%
			<b>37,653,428</b>	<b>2.73%</b>
<b>Nondurable Household Products</b>				
Henkel AG & Co KGaA	EUR	374,080	38,715,249	2.80%
Procter & Gamble Co/The	USD	302,890	37,830,961	2.74%
Reckitt Benckiser Group PLC	GBP	482,223	39,153,626	2.84%
			<b>115,699,836</b>	<b>8.38%</b>
<b>Industrial Machinery</b>				
ABB Ltd	CHF	1,551,700	37,448,473	2.71%
Illinois Tool Works Inc	USD	208,808	37,508,181	2.72%
			<b>74,956,654</b>	<b>5.43%</b>
<b>Integrated Oil &amp; Gas</b>				
Royal Dutch Shell PLC	EUR	1,271,209	37,335,703	2.70%
			<b>37,335,703</b>	<b>2.70%</b>
<b>Investment Services</b>				
CME Group Inc	USD	186,640	37,462,381	2.71%
Deutsche Boerse AG	EUR	246,210	38,733,383	2.81%
			<b>76,195,764</b>	<b>5.52%</b>
<b>Life Insurance</b>				
Aflac Inc	USD	705,650	37,328,885	2.70%
			<b>37,328,885</b>	<b>2.70%</b>
<b>Media Agencies</b>				
WPP PLC	GBP	2,779,630	39,271,935	2.85%
			<b>39,271,935</b>	<b>2.85%</b>
<b>Personal Products</b>				
Unilever PLC	GBP	668,630	38,535,365	2.79%
			<b>38,535,365</b>	<b>2.79%</b>
<b>Pharmaceuticals</b>				
AbbVie Inc	USD	424,390	37,575,491	2.72%
Johnson & Johnson	USD	260,673	38,024,371	2.75%
Novo Nordisk A/S	DKK	657,140	38,167,820	2.77%
Roche Holding AG	CHF	120,260	38,995,859	2.83%
			<b>152,763,541</b>	<b>11.07%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	399,690	38,062,479	2.76%
			<b>38,062,479</b>	<b>2.76%</b>
<b>Semiconductors</b>				
Broadcom Inc	USD	115,640	36,544,553	2.65%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	3,342,000	36,901,691	2.67%
			<b>73,446,244</b>	<b>5.32%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Software</b>				
Microsoft Corp	USD	243,860	38,456,722	2.79%
			<b>38,456,722</b>	<b>2.79%</b>
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	803,382	38,530,201	2.79%
			<b>38,530,201</b>	<b>2.79%</b>
<b>Tobacco</b>				
British American Tobacco PLC	GBP	891,060	38,145,697	2.76%
Imperial Brands PLC	GBP	1,595,470	39,503,212	2.87%
			<b>77,648,909</b>	<b>5.63%</b>
<b>Total equities (2018: 97.45%)</b>			<b>1,331,745,511</b>	<b>96.48%</b>
<b>Total financial assets at fair value through profit or loss (2018: 97.45%)</b>			<b>1,331,745,511</b>	<b>96.48%</b>
Cash and cash equivalents and other net assets (2018: 2.55%)			48,575,315	3.52%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>1,380,320,826</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 97.15%)				96.31%
Other current assets (2018: 2.85%)				3.69%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Asian Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Apparel Retailers</b>				
Luk Fook Holdings International Ltd	HKD	2,295,000	6,612,432	2.79%
			<b>6,612,432</b>	<b>2.79%</b>
<b>Asset Managers</b>				
Janus Henderson Group PLC	AUD	250,521	6,179,484	2.61%
			<b>6,179,484</b>	<b>2.61%</b>
<b>Auto Parts</b>				
Hanon Systems	KRW	639,980	6,170,416	2.60%
			<b>6,170,416</b>	<b>2.60%</b>
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	1,766,500	6,132,578	2.59%
China Construction Bank Corp	HKD	7,980,000	6,892,554	2.91%
China Merchants Bank Co Ltd	HKD	1,332,500	6,849,075	2.89%
DBS Group Holdings Ltd	SGD	343,963	6,620,133	2.79%
Public Bank Bhd	MYR	1,322,600	6,285,624	2.65%
Tisco Financial Group PCL	THB	1,985,900	6,580,164	2.78%
			<b>39,360,128</b>	<b>16.61%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	7,687,000	6,274,458	2.65%
Li & Fung Ltd	HKD	59,324,000	6,471,598	2.73%
			<b>12,746,056</b>	<b>5.38%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Yangzijiang Shipbuilding Holdings Ltd	SGD	7,852,500	6,540,587	2.76%
			<b>6,540,587</b>	<b>2.76%</b>
<b>Computer Services</b>				
Tech Mahindra Ltd	INR	578,860	6,182,074	2.61%
			<b>6,182,074</b>	<b>2.61%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	895,000	7,810,775	3.29%
Elite Material Co Ltd	TWD	1,458,000	6,663,309	2.81%
Hon Hai Precision Industry Co Ltd	TWD	2,015,000	6,103,413	2.57%
			<b>20,577,497</b>	<b>8.67%</b>
<b>Exploration &amp; Production</b>				
PTT PCL	THB	4,511,900	6,627,671	2.80%
			<b>6,627,671</b>	<b>2.80%</b>
<b>Gas Distribution</b>				
China Resources Gas Group Ltd	HKD	1,104,000	6,064,221	2.56%
			<b>6,064,221</b>	<b>2.56%</b>
<b>Health Care Providers</b>				
Sonic Healthcare Ltd	AUD	321,214	6,491,678	2.74%
			<b>6,491,678</b>	<b>2.74%</b>
<b>Industrial &amp; Office REITs</b>				
Ascendas Real Estate Investment Trust	SGD	2,964,264	6,547,328	2.76%
			<b>6,547,328</b>	<b>2.76%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	713,600	5,403,716	2.28%
			<b>5,403,716</b>	<b>2.28%</b>
<b>Life Insurance</b>				
Aflac Inc	USD	120,500	6,374,450	2.69%
Ping An Insurance Group Co of China Ltd	HKD	555,500	6,566,076	2.77%
			<b>12,940,526</b>	<b>5.46%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	400,040	6,065,256	2.56%
			<b>6,065,256</b>	<b>2.56%</b>
<b>Mobile Telecommunications</b>				
China Mobile Ltd	HKD	769,500	6,468,627	2.73%
			<b>6,468,627</b>	<b>2.73%</b>
<b>Personal Products</b>				
Godrej Consumer Products Ltd	INR	596,070	5,716,591	2.41%
			<b>5,716,591</b>	<b>2.41%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	4,404,000	6,341,651	2.67%
			<b>6,341,651</b>	<b>2.67%</b>
<b>Recreational Products</b>				
Largan Precision Co Ltd	TWD	41,000	6,838,576	2.88%
			<b>6,838,576</b>	<b>2.88%</b>
<b>Retail REITs</b>				
CapitaLand Mall Trust	SGD	3,442,600	6,298,142	2.66%
Link REIT	HKD	626,000	6,628,122	2.80%
			<b>12,926,264</b>	<b>5.46%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Asian Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Semiconductors</b>				
Novatek Microelectronics Corp	TWD	853,300	6,233,869	2.63%
QUALCOMM Inc	USD	72,390	6,386,970	2.69%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	610,000	6,735,497	2.83%
			<b>19,356,336</b>	<b>8.15%</b>
<b>Specialty Retailers</b>				
JB Hi-Fi Ltd	AUD	250,896	6,643,761	2.80%
			<b>6,643,761</b>	<b>2.80%</b>
<b>Travel &amp; Tourism</b>				
Corporate Travel Management Ltd	AUD	478,140	6,890,228	2.91%
			<b>6,890,228</b>	<b>2.91%</b>
<b>Tobacco</b>				
KT&G Corp	KRW	77,790	6,309,571	2.65%
			<b>6,309,571</b>	<b>2.65%</b>
<b>Total equities (2018: 96.55%)</b>			<b>232,000,675</b>	<b>97.85%</b>
<b>Total financial assets at fair value through profit or loss (2018: 96.55%)</b>			<b>232,000,675</b>	<b>97.85%</b>
Cash and cash equivalents and other net assets (2018: 3.45%)			5,098,598	2.15%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>237,099,273</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 96.41%)				97.55%
Other current assets (2018: 3.59%)				2.45%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness European Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Apparel Retailers</b>				
Kering SA	EUR	350	229,911	3.37%
			<b>229,911</b>	<b>3.37%</b>
<b>Asset Managers</b>				
Amundi SA	EUR	2,890	226,758	3.32%
			<b>226,758</b>	<b>3.32%</b>
<b>Broadcasting &amp; Entertainment</b>				
Metropole Television SA	EUR	10,580	199,280	2.92%
			<b>199,280</b>	<b>2.92%</b>
<b>Business Training Employment Agency</b>				
Adecco Group AG	CHF	3,579	226,268	3.32%
			<b>226,268</b>	<b>3.32%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Konecranes Oyj	EUR	6,997	215,203	3.16%
			<b>215,203</b>	<b>3.16%</b>
<b>Computer Services</b>				
TietoEVRY Oyj	EUR	7,619	237,071	3.48%
			<b>237,071</b>	<b>3.48%</b>
<b>Containers &amp; Packaging</b>				
Smurfit Kappa Group PLC	EUR	6,500	249,970	3.66%
			<b>249,970</b>	<b>3.66%</b>
<b>Delivery Services</b>				
Deutsche Post AG	EUR	6,270	239,365	3.51%
			<b>239,365</b>	<b>3.51%</b>
<b>Distillers &amp; Vintners</b>				
C&C Group PLC	GBP	40,972	220,639	3.23%
			<b>220,639</b>	<b>3.23%</b>
<b>Diversified Industrials</b>				
Siemens AG	EUR	1,663	217,547	3.19%
			<b>217,547</b>	<b>3.19%</b>
<b>Electrical Components &amp; Equipment</b>				
Schneider Electric SE	EUR	2,323	238,593	3.50%
			<b>238,593</b>	<b>3.50%</b>
<b>Farming</b>				
Salmar ASA	NOK	4,448	227,429	3.33%
			<b>227,429</b>	<b>3.33%</b>
<b>Food Products</b>				
Danone SA	EUR	2,657	220,406	3.23%
Nestle SA	CHF	1,882	203,641	2.99%
			<b>424,047</b>	<b>6.22%</b>
<b>Full Line Insurance</b>				
AXA SA	EUR	7,973	224,727	3.29%
Helvetia Holding AG	CHF	1,535	216,851	3.18%
Mapfre SA	EUR	74,549	197,488	2.90%
			<b>639,066</b>	<b>9.37%</b>
<b>Industrial Machinery</b>				
Aalberts NV	EUR	5300	238,030	3.49%
ABB Ltd	CHF	9,181	221,573	3.25%
ANDRITZ AG	EUR	5,437	234,357	3.44%
Atlas Copco AB	SEK	5,859	233,833	3.43%
Inficon Holding AG	CHF	302	239,673	3.51%
			<b>1,167,466</b>	<b>17.12%</b>
<b>Investment Services</b>				
Deutsche Boerse AG	EUR	1,338	210,492	3.09%
Euronext NV	EUR	2,514	205,016	3.01%
			<b>415,508</b>	<b>6.10%</b>
<b>Media Agencies</b>				
Publicis Groupe SA	EUR	4,259	192,950	2.83%
			<b>192,950</b>	<b>2.83%</b>
<b>Mobile Telecommunications</b>				
Millicom International Cellular SA	SEK	5,120	245,361	3.60%
			<b>245,361</b>	<b>3.60%</b>
<b>Personal Products</b>				
Unilever NV	EUR	3,700	212,771	3.12%
			<b>212,771</b>	<b>3.12%</b>

## Schedule of Investments (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

Guinness European Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Pharmaceuticals</b>				
Novo Nordisk A/S	DKK	3,842	223,150	3.26%
Roche Holding AG	CHF	686	222,443	3.26%
			<b>445,593</b>	<b>6.52%</b>
<b>Tires</b>				
Continental AG	EUR	1,582	204,677	3.00%
			<b>204,677</b>	<b>3.00%</b>
<b>Total equities (2018: 95.22%)</b>			<b>6,675,473</b>	<b>97.87%</b>
<b>Total financial assets at fair value through profit or loss (2018: 95.22%)</b>			<b>6,675,473</b>	<b>97.87%</b>
Cash and cash equivalents and other net assets (2018: 4.78%)			145,363	2.13%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>6,820,836</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 95.02%)				97.56%
Other current assets (2018: 4.98%)				2.44%
				<b>100.00%</b>

# Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Innovators Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Broadcasting &amp; Entertainment</b>				
Comcast Corp	USD	210,380	9,460,789	3.34%
			<b>9,460,789</b>	<b>3.34%</b>
<b>Broadline Retailers</b>				
Amazon.com Inc	USD	5,160	9,534,854	3.37%
			<b>9,534,854</b>	<b>3.37%</b>
<b>Computer Hardware</b>				
Samsung Electronics Co Ltd	USD	7,780	9,281,540	3.28%
			<b>9,281,540</b>	<b>3.28%</b>
<b>Diversified Industrials</b>				
Danaher Corp	USD	60,630	9,305,492	3.29%
Eaton Corp PLC	USD	100,110	9,482,419	3.35%
Siemens AG	EUR	69,530	9,095,653	3.21%
			<b>27,883,564</b>	<b>9.85%</b>
<b>Electrical Components &amp; Equipment</b>				
Schneider Electric SE	EUR	89,060	9,147,247	3.23%
			<b>9,147,247</b>	<b>3.23%</b>
<b>Electronic Equipment</b>				
Roper Technologies Inc	USD	25,370	8,986,815	3.18%
			<b>8,986,815</b>	<b>3.18%</b>
<b>Financial Administration</b>				
PayPal Holdings Inc	USD	85,060	9,200,940	3.25%
			<b>9,200,940</b>	<b>3.25%</b>
<b>Footwear</b>				
ANTA Sports Products Ltd	HKD	992,000	8,880,105	3.14%
NIKE Inc	USD	92,450	9,366,110	3.31%
			<b>18,246,215</b>	<b>6.45%</b>
<b>Industrial Machinery</b>				
ABB Ltd	CHF	382,270	9,225,641	3.26%
Catcher Technology Co Ltd	TWD	1,125,000	8,519,031	3.01%
FANUC Corp	JPY	46,340	8,668,895	3.06%
			<b>26,413,567</b>	<b>9.33%</b>
<b>Internet</b>				
Alphabet Inc	USD	6,730	9,014,095	3.19%
Facebook Inc	USD	46,170	9,476,393	3.35%
Tencent Holdings Ltd	HKD	186,200	8,975,682	3.17%
			<b>27,466,170</b>	<b>9.71%</b>
<b>Investment Services</b>				
Intercontinental Exchange Inc	USD	100,550	9,305,903	3.29%
			<b>9,305,903</b>	<b>3.29%</b>
<b>Pharmaceuticals</b>				
Bristol-Myers Squibb Co	USD	148,420	9,527,080	3.37%
			<b>9,527,080</b>	<b>3.37%</b>
<b>Semiconductors</b>				
Applied Materials Inc	USD	155,900	9,516,136	3.36%
Infineon Technologies AG	EUR	397,020	9,051,258	3.20%
KLA Corp	USD	52,920	9,428,756	3.33%
Lam Research Corp	USD	32,000	9,356,800	3.31%
NVIDIA Corp	USD	40,480	9,524,944	3.37%
			<b>46,877,894</b>	<b>16.57%</b>
<b>Software</b>				
Check Point Software Technologies Ltd	USD	80,600	8,943,376	3.16%
Adobe Inc	USD	28,090	9,264,363	3.27%
SAP SE	EUR	67,650	9,136,761	3.23%
			<b>27,344,500</b>	<b>9.66%</b>
<b>Specialized Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	74,340	9,013,725	3.19%
			<b>9,013,725</b>	<b>3.19%</b>
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	199,570	9,571,377	3.38%
			<b>9,571,377</b>	<b>3.38%</b>
<b>Tires</b>				
Continental AG	EUR	68,410	8,850,848	3.14%
			<b>8,850,848</b>	<b>3.14%</b>
<b>Total equities (2018: 98.67%)</b>			<b>276,113,028</b>	<b>97.59%</b>
<b>Total financial assets at fair value through profit or loss (2018: 98.67%)</b>			<b>276,113,028</b>	<b>97.59%</b>
Cash and cash equivalents and other net assets (2018: 1.33%)			6,808,611	2.41%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>282,921,639</b>	<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

<b>Guinness Global Innovators Fund (continued)</b>	
<b>Analysis of total assets</b>	<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 98.14%)	97.32%
Other current assets (2018: 1.86%)	2.68%
	<b>100.00%</b>



# Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Best of China Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Apparel Retailers</b>				
Luk Fook Holdings International Ltd	HKD	46,000	132,537	2.86%
			<b>132,537</b>	<b>2.86%</b>
<b>Asset Managers</b>				
Noah Holdings Ltd	USD	4,310	152,445	3.29%
			<b>152,445</b>	<b>3.29%</b>
<b>Automobiles</b>				
Geely Automobile Holdings Ltd	HKD	64,000	125,178	2.70%
			<b>125,178</b>	<b>2.70%</b>
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	36,000	124,978	2.69%
China Construction Bank Corp	HKD	141,000	121,786	2.62%
China Merchants Bank Co Ltd	HKD	24,000	123,360	2.66%
			<b>370,124</b>	<b>7.97%</b>
<b>Building Materials &amp; Fixtures</b>				
Anhui Conch Cement Co Ltd	HKD	19,000	138,505	2.98%
			<b>138,505</b>	<b>2.98%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	159,000	129,783	2.80%
Li & Fung Ltd	HKD	1,056,000	115,198	2.48%
			<b>244,981</b>	<b>5.28%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Yangzijiang Shipbuilding Holdings Ltd	SGD	158,800	132,269	2.85%
			<b>132,269</b>	<b>2.85%</b>
<b>Computer Services</b>				
TravelSky Technology Ltd	HKD	55,000	134,257	2.89%
			<b>134,257</b>	<b>2.89%</b>
<b>Durable Household Products</b>				
Haier Electronics Group Co Ltd	HKD	43,000	134,378	2.90%
			<b>134,378</b>	<b>2.90%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	22,000	191,997	4.14%
Elite Material Co Ltd	TWD	29,000	132,535	2.86%
Hollysys Automation Technologies Ltd	USD	8,160	133,906	2.89%
			<b>458,438</b>	<b>9.89%</b>
<b>Gas Distribution</b>				
China Resources Gas Group Ltd	HKD	22,000	120,845	2.60%
			<b>120,845</b>	<b>2.60%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	15,500	117,373	2.53%
China Lesso Group Holdings Ltd	HKD	127,000	162,829	3.51%
Haitian International Holdings Ltd	HKD	57,000	138,114	2.98%
Tongda Group Holdings Ltd	HKD	1,560,000	194,204	4.18%
			<b>612,520</b>	<b>13.20%</b>
<b>Internet</b>				
Autohome Inc	USD	1,850	148,019	3.19%
Baidu Inc	USD	1,060	133,984	2.89%
NetEase Inc	USD	435	133,388	2.87%
Tencent Holdings Ltd	HKD	3,000	144,614	3.12%
			<b>560,005</b>	<b>12.07%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	11,000	130,021	2.80%
			<b>130,021</b>	<b>2.80%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	8,609	130,526	2.81%
			<b>130,526</b>	<b>2.81%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	80,000	115,198	2.48%
Sino Biopharmaceutical Ltd	HKD	89,000	124,503	2.68%
			<b>239,701</b>	<b>5.16%</b>
<b>Real Estate Holding &amp; Development</b>				
China Overseas Land & Investment Ltd	HKD	34,000	132,434	2.85%
			<b>132,434</b>	<b>2.85%</b>
<b>Semiconductors</b>				
Novatek Microelectronics Corp	TWD	18,000	131,501	2.83%
QUALCOMM Inc	USD	1,510	133,227	2.87%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	13,000	143,543	3.09%
			<b>408,271</b>	<b>8.79%</b>
<b>Specialized Consumer Services</b>				
Alibaba Group Holding Ltd	USD	700	148,470	3.21%
New Oriental Education & Technology Group Inc	USD	950	115,186	2.49%
			<b>263,656</b>	<b>5.70%</b>

## Schedule of Investments (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

Guinness Best of China Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
Total equities (2018: 98.82%)			4,621,091	99.58%
Total financial assets at fair value through profit or loss (2018: 98.82%)			4,621,091	99.58%
Cash and cash equivalents and other net assets (2018: 1.18%)			19,677	0.42%
Net assets attributable to holders of redeemable participating shares (2018: 100.00%)			4,640,768	100.00%
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 98.67%)				99.22%
Other current assets (2018: 1.33%)				0.78%
				100.00%

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Emerging Markets Equity Income Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Apparel Retailers</b>				
Truworths International Ltd	ZAR	14,434	50,785	2.68%
			<b>50,785</b>	<b>2.68%</b>
<b>Automobiles</b>				
Bajaj Auto Ltd	INR	1,040	46,406	2.45%
			<b>46,406</b>	<b>2.45%</b>
<b>Auto Parts</b>				
Hanon Systems	KRW	5,434	52,392	2.76%
			<b>52,392</b>	<b>2.76%</b>
<b>Banks</b>				
Banco Davivienda SA	COP	3,617	50,681	2.67%
China Construction Bank Corp	HKD	57,000	49,233	2.59%
China Merchants Bank Co Ltd	HKD	10,500	53,970	2.84%
Credicorp Ltd	USD	250	53,283	2.81%
Tisco Financial Group PCL	THB	15,700	52,021	2.74%
			<b>259,188</b>	<b>13.65%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	62,000	50,607	2.67%
Shenzhen International Group Holdings Ltd	HKD	3,900	57,010	3.00%
			<b>107,617</b>	<b>5.67%</b>
<b>Computer Services</b>				
Tata Consultancy Services Ltd	INR	1,710	51,788	2.73%
Tech Mahindra Ltd	INR	4,390	46,884	2.47%
			<b>98,672</b>	<b>5.20%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	8,300	72,435	3.82%
Elite Material Co Ltd	TWD	12,200	55,756	2.94%
Hon Hai Precision Industry Co Ltd	TWD	18,000	54,522	2.87%
			<b>182,713</b>	<b>9.63%</b>
<b>Food Products &amp; Retailers</b>				
Grape King Bio Ltd	TWD	8,000	52,040	2.74%
SPAR Group Ltd/The	ZAR	3,431	48,461	2.55%
			<b>100,501</b>	<b>5.29%</b>
<b>Full Line Insurance</b>				
Porto Seguro SA	BRL	3,600	56,147	2.96%
			<b>56,147</b>	<b>2.96%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	6,100	46,192	2.43%
Haitian International Holdings Ltd	HKD	22,000	53,307	2.81%
			<b>99,499</b>	<b>5.24%</b>
<b>Internet</b>				
NetEase Inc	USD	160	49,062	2.59%
			<b>49,062</b>	<b>2.59%</b>
<b>Investment Services</b>				
B3 SA - Brasil Bolsa Balcao	BRL	4,100	43,796	2.31%
JSE Ltd	ZAR	6,150	52,565	2.77%
			<b>96,361</b>	<b>5.08%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	4,000	47,280	2.49%
			<b>47,280</b>	<b>2.49%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	3,300	50,033	2.64%
			<b>50,033</b>	<b>2.64%</b>
<b>Personal Products</b>				
Unilever PLC	GBP	843	48,585	2.56%
			<b>48,585</b>	<b>2.56%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	38,000	54,719	2.88%
			<b>54,719</b>	<b>2.88%</b>
<b>Recreational Products</b>				
Largan Precision Co Ltd	TWD	300	50,038	2.64%
			<b>50,038</b>	<b>2.64%</b>
<b>Semiconductors</b>				
Broadcom Inc	USD	160	50,563	2.66%
Novatek Microelectronics Corp	TWD	7,800	56,984	3.00%
QUALCOMM Inc	USD	570	50,291	2.65%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	5,000	55,209	2.91%
			<b>213,047</b>	<b>11.22%</b>

## Schedule of Investments (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

Guinness Emerging Markets Equity Income Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Soft Drinks</b>				
Coca-Cola Femsa SAB de CV	MXN	8,700	52,926	2.79%
			<b>52,926</b>	<b>2.79%</b>
<b>Tobacco</b>				
British American Tobacco PLC	GBP	1,210	51,799	2.73%
KT&G Corp	KRW	613	49,722	2.62%
			<b>101,521</b>	<b>5.35%</b>
<b>Toys</b>				
JUMBO SA	EUR	2,359	49,121	2.60%
			<b>49,121</b>	<b>2.60%</b>
<b>Total equities (2018: 98.00%)</b>			<b>1,866,613</b>	<b>98.37%</b>
<b>Total financial assets at fair value through profit or loss (2018: 98.00%)</b>			<b>1,866,613</b>	<b>98.37%</b>
Cash and cash equivalents and other net assets (2018: 2.00%)			30,895	1.63%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>1,897,508</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 97.86%)				98.03%
Other current assets (2018: 2.14%)				1.97%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Equity Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Asset Managers</b>				
Affiliated Managers Group Inc	USD	200	16,948	2.41%
			<b>16,948</b>	<b>2.41%</b>
<b>Auto Parts</b>				
LKQ Corp	USD	477	17,029	2.42%
			<b>17,029</b>	<b>2.42%</b>
<b>Building Materials &amp; Fixtures</b>				
Acuity Brands Inc	USD	127	17,526	2.50%
			<b>17,526</b>	<b>2.50%</b>
<b>Business Support Services</b>				
Genpact Ltd	USD	419	17,669	2.52%
Securitas AB	SEK	1,002	17,281	2.46%
			<b>34,950</b>	<b>4.98%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	21,000	17,141	2.44%
VF Corp	USD	188	18,736	2.67%
			<b>35,877</b>	<b>5.11%</b>
<b>Diversified Industrials</b>				
Carlisle Cos Inc	USD	108	17,479	2.49%
			<b>17,479</b>	<b>2.49%</b>
<b>Electronic Equipment</b>				
AMETEK Inc	USD	173	17,255	2.46%
Cognex Corp	USD	332	18,605	2.65%
Waters Corp	USD	75	17,524	2.50%
Zebra Technologies Corp	USD	66	16,859	2.40%
			<b>70,243</b>	<b>10.01%</b>
<b>Financial Administration</b>				
Deluxe Corp	USD	335	16,723	2.38%
Euronet Worldwide Inc	USD	108	17,016	2.42%
			<b>33,739</b>	<b>4.80%</b>
<b>Food Products</b>				
Kerry Group PLC	EUR	132	16,299	2.32%
JM Smucker Co/The	USD	159	16,557	2.36%
			<b>32,856</b>	<b>4.68%</b>
<b>Footwear</b>				
ANTA Sports Products Ltd	HKD	2,000	17,903	2.55%
			<b>17,903</b>	<b>2.55%</b>
<b>Health Care Providers</b>				
Sonic Healthcare Ltd	AUD	849	17,158	2.44%
			<b>17,158</b>	<b>2.44%</b>
<b>Industrial Machinery</b>				
Inficon Holding AG	CHF	23	18,253	2.60%
Ingersoll-Rand PLC	USD	130	17,280	2.46%
Stanley Black & Decker Inc	USD	107	17,734	2.53%
			<b>53,267</b>	<b>7.59%</b>
<b>Investment Services</b>				
Cboe Global Markets Inc	USD	141	16,906	2.41%
Deutsche Boerse AG	EUR	112	17,620	2.51%
Nasdaq Inc	USD	162	17,350	2.47%
			<b>51,876</b>	<b>7.39%</b>
<b>Medical Equipment</b>				
Demant A/S	DKK	548	17,271	2.46%
Sonova Holding AG	CHF	76	17,384	2.48%
			<b>34,655</b>	<b>4.94%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	12,000	17,280	2.46%
			<b>17,280</b>	<b>2.46%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	182	17,332	2.47%
			<b>17,332</b>	<b>2.47%</b>
<b>Semiconductors</b>				
KLA Corp	USD	104	18,530	2.64%
			<b>18,530</b>	<b>2.64%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Global Equity Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Software</b>				
Amdocs Ltd	USD	245	17,687	2.51%
ANSYS Inc	USD	66	16,989	2.42%
Check Point Software Technologies Ltd	USD	150	16,644	2.37%
Descartes Systems Group Inc/The	CAD	411	17,591	2.50%
Hexagon AB	SEK	301	16,881	2.40%
			<b>85,792</b>	<b>12.20%</b>
<b>Specialised Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	140	16,975	2.42%
			<b>16,975</b>	<b>2.42%</b>
<b>Specialty Chemicals</b>				
FUCHS PETROLUB SE	EUR	415	18,610	2.65%
Innospec Inc	USD	171	17,688	2.52%
			<b>36,298</b>	<b>5.17%</b>
<b>Specialty Finance</b>				
IHS Markit Ltd	USD	231	17,406	2.48%
			<b>17,406</b>	<b>2.48%</b>
<b>Telecommunications Equipment</b>				
F5 Networks Inc	USD	123	17,177	2.45%
			<b>17,177</b>	<b>2.45%</b>
<b>Travel &amp; Tourism</b>				
Corporate Travel Management Ltd	AUD	1,274	18,359	2.60%
			<b>18,359</b>	<b>2.60%</b>
<b>Total equities (2018: 98.60%)</b>			<b>696,655</b>	<b>99.20%</b>
<b>Total financial assets at fair value through profit or loss (2018: 98.60%)</b>			<b>696,655</b>	<b>99.20%</b>
Cash and cash equivalents and other net assets (2018: 1.40%)			5,606	0.80%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>702,261</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
Transferrable securities listed on an official stock exchange or another regulated market (2018: 96.95%)				99.10%
Other current assets (2018: 3.05%)				0.90%
				<b>100.00%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness US Equity Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Asset Managers</b>				
BlackRock Inc	USD	30	15,081	2.82%
			<b>15,081</b>	<b>2.82%</b>
<b>Clothing &amp; Accessories</b>				
PVH Corp	USD	157	16,509	3.09%
VF Corp	USD	158	15,746	2.95%
			<b>32,255</b>	<b>6.04%</b>
<b>Computer Hardware</b>				
Apple Inc	USD	63	18,500	3.46%
			<b>18,500</b>	<b>3.46%</b>
<b>Computer Services</b>				
Cognizant Technology Solutions Corp	USD	205	12,714	2.38%
			<b>12,714</b>	<b>2.38%</b>
<b>Consumer Finance</b>				
Visa Inc	USD	76	14,280	2.67%
			<b>14,280</b>	<b>2.67%</b>
<b>Diversified Industrials</b>				
Carlisle Cos Inc	USD	95	15,375	2.88%
Danaher Corp	USD	94	14,427	2.70%
Eaton Corp PLC	USD	167	15,818	2.96%
Honeywell International Inc	USD	80	14,160	2.65%
			<b>59,780</b>	<b>11.19%</b>
<b>Financial Administration</b>				
Fidelity National Information Services Inc	USD	103	14,326	2.68%
Paychex Inc	USD	164	13,950	2.61%
			<b>28,276</b>	<b>5.29%</b>
<b>Food Products</b>				
Mondelez International Inc	USD	251	13,825	2.59%
			<b>13,825</b>	<b>2.59%</b>
<b>Footwear</b>				
NIKE Inc	USD	160	16,210	3.04%
			<b>16,210</b>	<b>3.04%</b>
<b>Health Care Providers</b>				
Anthem Inc	USD	47	14,195	2.66%
Cigna Corp	USD	82	16,768	3.14%
			<b>30,963</b>	<b>5.80%</b>
<b>Industrial Machinery</b>				
Ingersoll-Rand PLC	USD	111	14,754	2.76%
Stanley Black & Decker Inc	USD	93	15,414	2.89%
			<b>30,168</b>	<b>5.65%</b>
<b>Internet</b>				
Alphabet Inc	USD	11	14,733	2.76%
Facebook Inc	USD	71	14,573	2.73%
			<b>29,306</b>	<b>5.49%</b>
<b>Investment Services</b>				
Intercontinental Exchange Inc	USD	144	13,327	2.50%
			<b>13,327</b>	<b>2.50%</b>
<b>Medical Equipment</b>				
Medtronic PLC	USD	133	15,089	2.83%
Thermo Fisher Scientific Inc	USD	49	15,919	2.98%
			<b>31,008</b>	<b>5.81%</b>
<b>Pharmaceuticals</b>				
Johnson & Johnson	USD	106	15,462	2.90%
			<b>15,462</b>	<b>2.90%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	151	14,380	2.69%
			<b>14,380</b>	<b>2.69%</b>
<b>Real Estate Services</b>				
Jones Lang LaSalle Inc	USD	92	16,016	3.00%
			<b>16,016</b>	<b>3.00%</b>
<b>Semiconductors</b>				
Broadcom Inc	USD	47	14,853	2.78%
			<b>14,853</b>	<b>2.78%</b>
<b>Software</b>				
Amdocs Ltd	USD	213	15,376	2.88%
Check Point Software Technologies Ltd	USD	124	13,759	2.58%
Microsoft Corp	USD	99	15,612	2.92%
			<b>44,747</b>	<b>8.38%</b>
<b>Specialized Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	126	15,278	2.86%
			<b>15,278</b>	<b>2.86%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness US Equity Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Specialty Finance</b>				
IHS Markit Ltd	USD	212	15,974	2.99%
			<b>15,974</b>	<b>2.99%</b>
<b>Toys</b>				
Activision Blizzard Inc	USD	277	16,459	3.08%
			<b>16,459</b>	<b>3.08%</b>
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	244	11,703	2.19%
			<b>11,703</b>	<b>2.19%</b>
<b>Travel and Tourism</b>				
Booking Holdings Inc	USD	7	14,377	2.69%
			<b>14,377</b>	<b>2.69%</b>
<b>Total equities (2018: 99.27%)</b>			<b>524,942</b>	<b>98.29%</b>
<b>Total financial assets at fair value through profit or loss (2018: 99.27%)</b>			<b>524,942</b>	<b>98.29%</b>
Cash and cash equivalents and other net assets (2018: 0.73%)			9,128	1.71%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>534,070</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
Transferrable securities listed on an official stock exchange or another regulated market (2018: 98.14%)				98.18%
Other current assets (2018: 1.86%)				1.82%
				<b>100.00%</b>



## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Best of Asia Fund	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Asset Managers</b>				
Noah Holdings Ltd	USD	300	10,611	3.05%
			<b>10,611</b>	<b>3.05%</b>
<b>Auto Parts</b>				
Hanon Systems	KRW	930	8,967	2.58%
			<b>8,967</b>	<b>2.58%</b>
<b>Automobiles</b>				
Bajaj Auto Ltd	INR	220	9,817	2.82%
Geely Automobile Holdings Ltd	HKD	5,000	9,780	2.81%
			<b>19,597</b>	<b>5.63%</b>
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	2,000	6,943	2.00%
China Merchants Bank Co Ltd	HKD	2,000	10,280	2.95%
DBS Group Holdings Ltd	SGD	500	9,623	2.77%
Tisco Financial Group PCL	THB	3,300	10,934	3.14%
			<b>37,780</b>	<b>10.86%</b>
<b>Computer Services</b>				
Tata Consultancy Services Ltd	INR	320	9,691	2.79%
Tech Mahindra Ltd	INR	930	9,932	2.85%
			<b>19,623</b>	<b>5.64%</b>
<b>Durable Household Products</b>				
Haier Electronics Group Co Ltd	HKD	4,000	12,500	3.59%
			<b>12,500</b>	<b>3.59%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	1,500	13,091	3.76%
Elite Material Co Ltd	TWD	3,000	13,711	3.94%
Venture Corp Ltd	SGD	700	8,433	2.42%
			<b>35,235</b>	<b>10.12%</b>
<b>Financial Administration</b>				
Link Administration Holdings Ltd	AUD	2,232	9,194	2.64%
			<b>9,194</b>	<b>2.64%</b>
<b>Food Products</b>				
Dali Foods Group Co Ltd	HKD	14,000	10,367	2.98%
			<b>10,367</b>	<b>2.98%</b>
<b>Health Care Providers</b>				
Sonic Healthcare Ltd	AUD	500	10,105	2.90%
			<b>10,105</b>	<b>2.90%</b>
<b>Industrial Machinery</b>				
Haitian International Holdings Ltd	HKD	4,000	9,692	2.79%
			<b>9,692</b>	<b>2.79%</b>
<b>Internet</b>				
Autohome Inc	USD	110	8,801	2.53%
Baidu Inc	USD	80	10,112	2.91%
NetEase Inc	USD	36	11,039	3.17%
Tencent Holdings Ltd	HKD	200	9,641	2.77%
			<b>39,593</b>	<b>11.38%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	1,000	11,820	3.40%
			<b>11,820</b>	<b>3.40%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	500	7,581	2.18%
			<b>7,581</b>	<b>2.18%</b>
<b>Personal Products</b>				
LG Household & Health Care Ltd	KRW	8	8,723	2.51%
			<b>8,723</b>	<b>2.51%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	8,000	11,520	3.31%
			<b>11,520</b>	<b>3.31%</b>
<b>Recreational Products</b>				
Largan Precision Co Ltd	TWD	90	15,012	4.32%
			<b>15,012</b>	<b>4.32%</b>
<b>Semiconductors</b>				
Applied Materials Inc	USD	230	14,039	4.04%
Broadcom Inc	USD	30	9,481	2.73%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	1,200	13,250	3.81%
			<b>36,770</b>	<b>10.58%</b>
<b>Specialized Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	90	10,913	3.14%
Alibaba Group Holding Ltd	USD	60	12,726	3.66%
			<b>23,639</b>	<b>6.80%</b>

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Best of Asia Fund (continued)	Currency	Nominal holdings	Fair value in USD	% of NAV
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Travel &amp; Tourism</b>				
Corporate Travel Management Ltd	AUD	690	9,943	2.85%
			<b>9,943</b>	<b>2.85%</b>
<b>Total equities (2018: 97.38%)</b>			<b>348,272</b>	<b>100.11%</b>
<b>Total financial assets at fair value through profit or loss (2018: 97.38%)</b>			<b>348,272</b>	<b>100.11%</b>
Cash and cash equivalents and other net liabilities (2018: 2.62%)			(380)	(0.11%)
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>			<b>347,892</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 97.30%)				99.82%
Other current assets (2018: 2.70%)				0.18%
				<b>100.00%</b>

# Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Multi-Asset Balanced Fund	Currency	Nominal holdings	Fair value in GBP	% of NAV		
Financial assets at fair value through profit or loss						
Investment funds						
Ireland						
Vanguard Investment Series PLC - UK Government Bond Index Fund	GBP	14,119	2,480,181	8.82%		
Vanguard Investment Series PLC - US Government Bond Index Fund	GBP	7,485	826,838	2.94%		
			3,307,019	11.76%		
United Kingdom						
Fidelity Investment Funds ICVC - Index UK Fund	GBP	1,823,291	2,637,755	9.38%		
Fidelity Investment Funds ICVC - Index US Fund	GBP	1,335,625	3,258,123	11.59%		
Fidelity Investment Funds - Index Emerging Markets Fund	GBP	174,716	287,145	1.02%		
Fidelity Investment Funds - Index Japan Fund	GBP	401,545	689,492	2.45%		
Fidelity Investment Funds - Index Pacific ex Japan Fund	GBP	663,831	1,119,220	3.98%		
Investec Fund Series i - Diversified Income Fund	GBP	318,626	555,014	1.97%		
iShares Global Property Securities Equity Index Fund UK	GBP	246,082	571,525	2.03%		
iShares Corporate Bond Index Fund UK	GBP	665,307	1,103,745	3.93%		
Janus Henderson United Kingdom Absolute Return Fund	GBP	91,977	553,252	1.97%		
JPM Global Macro Opportunities Fund	GBP	459,870	691,644	2.46%		
Jupiter Absolute Return Fund/United Kingdom	GBP	1,296,993	682,997	2.43%		
Legal & General UK MID Cap Index Fund	GBP	2,158,837	1,400,006	4.98%		
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	GBP	600,533	690,673	2.46%		
Vanguard FTSE Developed Europe ex UK Equity Index Fund	GBP	6,119	1,678,288	5.97%		
Vanguard FTSE UK All Share Index Unit Trust	GBP	11,371	2,493,518	8.87%		
Vanguard FTSE UK Equity Income Index Fund	GBP	6,373	1,790,182	6.37%		
Vanguard US Equity Index Fund	GBP	5,886	3,119,314	11.11%		
			23,321,893	82.97%		
Total investment funds (2018: 70.71%)			26,628,912	94.73%		
Derivatives						
Forward currency contracts (Counterparty: J.P. Morgan)						
	Amount	Sale Currency	Amount	Settlement date	Fair Value in GBP	% NAV
Class C EUR accumulation						
EUR	149,581	GBP	(126,013)	03-Jan-2020	730	0.00%
EUR	13,985	GBP	(11,785)	03-Jan-2020	65	0.00%
Class C USD accumulation						
GBP	1,556	USD	(2,025)	03-Jan-2020	28	0.00%
Class O EUR accumulation						
EUR	266,695	GBP	(224,595)	03-Jan-2020	1,378	0.00%
GBP	4,768	EUR	(5,586)	03-Jan-2020	35	0.00%
					2,236	0.00%
Total derivatives (2018: 0.00%)					2,236	0.00%
Total financial assets at fair value through profit or loss (2018: 70.71%)					26,631,148	94.73%
Financial liabilities at fair value through profit or loss						
Derivatives						
Forward currency contracts (Counterparty: J.P. Morgan)						
	Amount	Sale Currency	Amount	Settlement date	Fair Value in GBP	% NAV
Class C EUR accumulation						
EUR	65,000	GBP	(55,078)	03-Jan-2020	(3)	(0.00%)
EUR	12,108	GBP	(10,311)	03-Jan-2020	(52)	(0.00%)
EUR	267,426	GBP	(228,273)	03-Jan-2020	(1,679)	(0.01%)
Class C USD accumulation						
GBP	825	USD	(1,100)	03-Jan-2020	(6)	(0.00%)
USD	9,954	GBP	(7,546)	03-Jan-2020	(32)	(0.00%)
USD	19,000	GBP	(14,452)	03-Jan-2020	(110)	(0.00%)
USD	67,500	GBP	(52,113)	03-Jan-2020	(1,160)	(0.00%)
USD	510,797	GBP	(394,791)	03-Jan-2020	(9,211)	(0.03%)
Class O EUR accumulation						
GBP	4,495	EUR	(5,334)	03-Jan-2020	(25)	(0.00%)
EUR	69,848	GBP	(59,622)	03-Jan-2020	(439)	(0.00%)
EUR	139,648	GBP	(119,699)	03-Jan-2020	(1,374)	(0.00%)
Class O USD accumulation						
USD	1,022	GBP	(790)	03-Jan-2020	(18)	(0.00%)
USD	23,000	GBP	(17,497)	03-Jan-2020	(135)	(0.00%)
Class R EUR accumulation						
EUR	1,019	GBP	(870)	03-Jan-2020	(6)	(0.00%)
Class R USD accumulation						
EUR	1,021	GBP	(789)	03-Jan-2020	(18)	(0.00%)
					(14,268)	(0.04%)
Total derivatives (2018: (0.00%))					(14,268)	(0.04%)
Total financial liabilities at fair value through profit or loss (2018: (0.00%))					(14,268)	(0.04%)

## Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

<b>Guinness Multi-Asset Balanced Fund (continued)</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
Cash and cash equivalents and other net assets (2018: 29.29%)	1,491,557	5.31%
<b>Net assets attributable to holders of redeemable participating shares (2018: 100.00%)</b>	<b>28,108,437</b>	<b>100.00%</b>

<b>Analysis of total assets</b>	<b>% of total assets</b>
Transferrable securities listed on an official stock exchange or another regulated market (2018: 41.42%)	94.55%
OTC financial derivative instruments (2018: 0.00%)	0.01%
Other current assets (2018: 58.58%)	5.44%
	<b>100.00%</b>

# Schedule of Investments (continued)

For the financial year ended 31 December 2019

Guinness Asset Management Funds plc

Guinness Multi-Asset Growth Fund	Currency	Nominal holdings	Fair value in GBP	% of NAV		
Financial assets at fair value through profit or loss						
Investment funds						
Ireland						
Vanguard Investment Series PLC - UK Government Bond Index Fund	GBP	1,423	249,995	1.47%		
Vanguard Investment Series PLC - US Government Bond Index Fund	GBP	2,267	250,410	1.47%		
			500,405	2.94%		
United Kingdom						
Fidelity Investment Funds ICVC - Index UK Fund	GBP	1,163,756	1,683,605	9.91%		
Fidelity Investment Funds ICVC - Index US Fund	GBP	1,021,143	2,490,977	14.66%		
Fidelity Investment Funds - Index Emerging Markets Fund	GBP	158,913	261,174	1.54%		
Fidelity Investment Funds - Index Japan Fund	GBP	292,177	501,696	2.95%		
Fidelity Investment Funds - Index Pacific ex Japan Fund	GBP	553,471	933,152	5.49%		
Investec Fund Series i - Diversified Income Fund	GBP	193,198	336,532	1.98%		
iShares Global Property Securities Equity Index Fund UK	GBP	149,219	346,561	2.04%		
iShares Corporate Bond Index Fund UK	GBP	352,995	585,619	3.45%		
Janus Henderson United Kingdom Absolute Return Fund	GBP	27,889	167,757	0.99%		
JPM Global Macro Opportunities Fund	GBP	223,079	335,510	1.98%		
Jupiter Absolute Return Fund/United Kingdom	GBP	314,574	165,655	0.98%		
Legal & General UK MID Cap Index Fund	GBP	2,472,310	1,603,293	9.44%		
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	GBP	364,140	418,798	2.47%		
Vanguard FTSE Developed Europe ex UK Equity Index Fund	GBP	4,328	1,186,949	6.99%		
Vanguard FTSE UK All Share Index Unit Trust	GBP	7,664	1,680,661	9.89%		
Vanguard FTSE UK Equity Income Index Fund	GBP	3,272	918,995	5.41%		
Vanguard US Equity Index Fund	GBP	4,699	2,490,279	14.66%		
			16,107,213	94.83%		
Total investment funds (2018: 83.70%)			16,607,618	97.77%		
Derivatives						
Forward currency contracts (Counterparty: J.P. Morgan)						
	Amount	Sale Currency	Amount	Settlement date	Fair Value in GBP	% NAV
Class C USD accumulation						
GBP	607	USD	(800)	03-Jan-2020	4	0.00%
Class O EUR accumulation						
EUR	266,695	GBP	(224,595)	03-Jan-2020	1,379	0.01%
EUR	40,500	GBP	(34,301)	03-Jan-2020	15	0.00%
					1,398	0.01%
Total derivatives (2018: 0.00%)					1,398	0.01%
Total financial assets at fair value through profit or loss (2018: 83.70%)					1,398	0.01%
Financial liabilities at fair value through profit or loss						
Derivatives						
Forward currency contracts (Counterparty: J.P. Morgan)						
	Amount	Sale Currency	Amount	Settlement date	Fair Value in GBP	% NAV
Class C EUR accumulation						
EUR	206,291	GBP	(176,088)	03-Jan-2020	(1,295)	(0.01%)
Class C USD accumulation						
USD	20,000	GBP	(15,239)	03-Jan-2020	(142)	(0.00%)
USD	469,579	GBP	(362,934)	03-Jan-2020	(8,467)	(0.05%)
Class O EUR accumulation						
GBP	4,495	EUR	(5,334)	03-Jan-2020	(25)	(0.00%)
EUR	69,928	GBP	(59,690)	03-Jan-2020	(439)	(0.00%)
Class O USD accumulation						
USD	1,029	GBP	(795)	03-Jan-2020	(19)	(0.00%)
Class R EUR accumulation						
EUR	1,026	GBP	(876)	03-Jan-2020	(6)	(0.00%)
Class R USD accumulation						
USD	1,028	GBP	(795)	03-Jan-2020	(19)	(0.00%)
					(10,412)	(0.06%)
Total derivatives (2018: (0.00%))					(10,412)	(0.06%)
Total financial liabilities at fair value through profit or loss (2018: (0.00%))					(10,412)	(0.06%)
Cash and cash equivalents and other net assets (2018: 16.30%)					387,989	2.28%
Net assets attributable to holders of redeemable participating shares (2018: 100.00%)					16,986,593	100.00%
Analysis of total assets						% of total assets
Transferrable securities listed on an official stock exchange or another regulated market (2018: 45.57%)						97.35%
Other current assets (2018: 54.43%)						2.65%
						100.00%

## Statement of significant portfolio movements (unaudited)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
Repsol SA	8,812,411
EOG Resources Inc	5,855,282
PetroChina Co Ltd	3,874,968
Occidental Petroleum Corp	3,543,063
Equinor ASA	3,496,036
Imperial Oil Ltd	3,457,548
ConocoPhillips	3,045,110
Gazprom PJSC	3,033,126
Royal Dutch Shell PLC	2,992,587
TOTAL SA	2,888,805
Eni SpA	2,874,170
Canadian Natural Resources Ltd	2,867,643
CNOOC Ltd	2,845,032
Anadarko Petroleum Corp	2,813,592
Halliburton Co	2,745,106
Valero Energy Corp	2,704,252
Enbridge Inc	2,679,241
Chevron Corp	2,613,630
BP PLC	2,561,144
Schlumberger Ltd	2,313,642
Suncor Energy Inc	2,071,011
OMV AG	2,057,317
Oasis Petroleum Inc	2,009,453
Unit Corp	1,483,002
Apache Corp	1,287,104
Noble Energy Inc	1,261,672
Devon Energy Corp	1,214,376
Diversified Gas & Oil PLC	1,194,858
Sales	Proceeds USD
Anadarko Petroleum Corp	15,949,931
Gazprom PJSC	10,586,622
Apache Corp	7,116,150
Valero Energy Corp	6,379,471
Canadian Natural Resources Ltd	6,285,482
Enbridge Inc	5,838,053
OMV AG	5,212,660
Chevron Corp	4,605,385
CNOOC Ltd	4,434,262
Imperial Oil Ltd	4,419,478
Royal Dutch Shell PLC	4,398,276
Noble Energy Inc	4,218,723
TOTAL SA	4,154,074
ConocoPhillips	4,099,144
Suncor Energy Inc	4,080,215
QEP Resources Inc	3,783,332
BP PLC	3,779,335
Devon Energy Corp	3,636,560
Eni SpA	3,606,183
Schlumberger Ltd	3,488,074
Equinor ASA	3,205,412
Helix Energy Solutions Group Inc	2,927,060
PetroChina Co Ltd	2,484,988
Halliburton Co	1,899,886
Occidental Petroleum Corp	1,744,985
Repsol SA	1,405,673
Tullow Oil PLC	1,309,178

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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 Sustainable Energy Fund

Purchases	Cost USD
Johnson Matthey PLC	581,118
Siemens Gamesa Renewable Energy SA	572,609
Iberdrola SA	548,279
Tianneng Power International Ltd	537,818
ON Semiconductor Corp	527,057
Samsung SDI Co Ltd	524,301
Ameresco Inc	510,421
TransAlta Renewables Inc	500,911
Gentherm Inc	497,215
Aptiv PLC	463,384
Quanta Services Inc	452,851
Hella GmbH & Co KGaA	433,904
LG Chem Ltd	219,229
China Longyuan Power Group Corp Ltd	184,936
Canadian Solar Inc	179,608
Acuity Brands Inc	166,688
Ricardo PLC	145,112
TPI Composites Inc	141,860
First Solar Inc	123,920
Kingspan Group PLC	115,365
China Suntien Green Energy Corp Ltd	112,484
Prysmian SpA	105,010
Sensata Technologies Holding PLC	101,639
Sales	Proceeds USD
JinkoSolar Holding Co Ltd	670,880
Cosan SA	624,797
Concord New Energy Group Ltd	570,226
Ricardo PLC	551,171
SunPower Corp	535,608
Johnson Controls International plc	513,453
Prysmian SpA	447,064
China Datang Corp Renewable Power Co Ltd	438,235
Xinyi Solar Holdings Ltd	357,079
Canadian Solar Inc	260,521
Iniziativa Bresciane - Inbre - SpA	206,900
China Singyes Solar Technologies Holdings Ltd	157,844
First Solar Inc	143,530
Vestas Wind Systems A/S	120,582
Schneider Electric SE	117,863
Huaneng Renewables Corp Ltd	116,358
Kingspan Group PLC	113,984
Boer Power Holdings Ltd	107,473
Daqo New Energy Corp	105,677
Ormat Technologies Inc	85,602
Albioma SA	78,357
Iberdrola SA	76,680
China Suntien Green Energy Corp Ltd	74,771
Good Energy Group PLC	74,283
LG Chem Ltd	69,832

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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

	Cost USD
<b>Purchases</b>	
Ares Management Corp	254,027
Coronation Fund Managers Ltd	41,198
Invesco Ltd	32,955
Nasdaq Inc	21,140
CI Financial Corp	20,490
Jupiter Fund Management PLC	13,781
State Street Corp	13,203
Affiliated Managers Group Inc	10,472
Banca Generali SpA	8,913
	<b>Proceeds USD</b>
<b>Sales</b>	
Liontrust Asset Management PLC	234,801
Azimut Holding SpA	188,171
Banca Generali SpA	153,908
Blackstone Group LP/The	125,745
AllianceBernstein Holding LP	123,875
KKR & Co Inc	114,975
T Rowe Price Group Inc	114,534
Nasdaq Inc	112,282
Raymond James Financial Inc	105,366
Blackstone Group Inc/The	103,941
Ares Management Corp	103,758
Brewin Dolphin Holdings PLC	102,765
Ameriprise Financial Inc	98,733
Vontobel Holding AG	89,249
BlackRock Inc	87,482
Polar Capital Holdings PLC	85,682
Rathbone Brothers PLC	70,452
Coronation Fund Managers Ltd	67,703
State Street Corp	59,020
CI Financial Corp	47,830
Value Partners Group Ltd	40,838
Jupiter Fund Management PLC	37,739
Franklin Resources Inc	27,965

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 during the financial year.



## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
<b>Purchases</b>	
Henkel AG & Co KGaA	38,570,363
Diageo PLC	37,512,655
ABB Ltd	37,391,263
BlackRock Inc	35,488,238
Imperial Brands PLC	22,997,225
Reckitt Benckiser Group PLC	19,896,122
Royal Dutch Shell PLC	18,897,560
Cisco Systems Inc	18,840,233
Unilever PLC	18,295,701
Japan Tobacco Inc	17,090,432
Johnson & Johnson	16,927,070
Danone SA	16,228,583
CME Group Inc	15,820,638
AbbVie Inc	15,533,927
Aflac Inc	14,418,566
Sonic Healthcare Ltd	13,975,614
VF Corp	13,449,352
Deutsche Boerse AG	13,396,993
Arthur J Gallagher & Co	13,336,321
BAE Systems PLC	13,250,890
Paychex Inc	13,199,578
United Technologies Corp	13,146,417
Nestle SA	12,447,056
British American Tobacco PLC	12,301,790
WPP PLC	12,260,106
Roche Holding AG	12,233,522
Novo Nordisk A/S	12,014,875
ANTA Sports Products Ltd	11,868,924
Randstad NV	11,712,284
Eaton Corp PLC	11,291,901
Procter & Gamble Co/The	10,928,885
Illinois Tool Works Inc	10,487,242
Hengan International Group Co Ltd	9,913,703
Microsoft Corp	9,543,214
Schneider Electric SE	9,515,810
Broadcom Inc	9,500,836
<b>Sales</b>	<b>Proceeds USD</b>
Japan Tobacco Inc	35,027,997
Hengan International Group Co Ltd	24,430,014
Merck & Co Inc	19,370,258
Vodacom Group Ltd	16,477,727
ANTA Sports Products Ltd	12,702,824
Kontoor Brands Inc	974,500

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 2019

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
<b>Purchases</b>	
China Medical System Holdings Ltd	7,229,970
China Resources Gas Group Ltd	6,764,126
Godrej Consumer Products Ltd	6,687,358
Ping An Insurance Group Co of China Ltd	6,619,913
Li & Fung Ltd	6,175,953
Tech Mahindra Ltd	6,012,835
Infosys Ltd	5,710,803
St Shine Optical Co Ltd	4,619,039
AAC Technologies Holdings Inc	4,610,321
Luk Fook Holdings International Ltd	4,351,852
Yangzijiang Shipbuilding Holdings Ltd	4,323,693
Janus Henderson Group PLC	4,119,599
Pacific Textiles Holdings Ltd	4,027,429
China Mobile Ltd	3,968,979
Public Bank Bhd	3,920,755
Corporate Travel Management Ltd	3,892,394
KT&G Corp	3,817,245
Link REIT	3,812,863
QUALCOMM Inc	3,635,152
PTT PCL	3,629,358
BOC Hong Kong Holdings Ltd	3,446,720
China Lilang Ltd	3,404,899
Catcher Technology Co Ltd	3,373,157
China Construction Bank Corp	3,366,176
Novatek Microelectronics Corp	3,353,404
Hanon Systems	3,321,414
CapitaLand Mall Trust	3,133,930
China Minsheng Banking Corp Ltd	3,071,905
Largan Precision Co Ltd	3,002,965
DBS Group Holdings Ltd	2,921,988
Hon Hai Precision Industry Co Ltd	2,916,664
Sonic Healthcare Ltd	2,901,967
Aflac Inc	2,894,383
JB Hi-Fi Ltd	2,791,979
Asustek Computer Inc	2,706,393
Taiwan Semiconductor Manufacturing Co Ltd	2,691,466
Industrial & Commercial Bank of China Ltd	2,497,692
Elite Material Co Ltd	2,150,988
China Merchants Bank Co Ltd	2,135,488
Ascendas Real Estate Investment Trust	2,058,453
Tisco Financial Group PCL	1,866,956
<b>Sales</b>	<b>Proceeds USD</b>
China Minsheng Banking Corp Ltd	5,897,742
Industrial & Commercial Bank of China Ltd	5,624,634
Pacific Textiles Holdings Ltd	5,414,236
Asustek Computer Inc	5,174,590
Infosys Ltd	4,747,133
QUALCOMM Inc	3,829,009
Delta Electronics Thailand PCL	3,793,131
China Medical System Holdings Ltd	3,467,045
Novatek Microelectronics Corp	3,032,778
Elite Material Co Ltd	2,824,318
AAC Technologies Holdings Inc	2,590,244
JB Hi-Fi Ltd	2,394,380
Largan Precision Co Ltd	1,879,595
Taiwan Semiconductor Manufacturing Co Ltd	1,630,814
Hon Hai Precision Industry Co Ltd	1,576,619
Catcher Technology Co Ltd	1,384,301
Janus Henderson Group PLC	1,301,364
Godrej Consumer Products Ltd	1,269,755
St Shine Optical Co Ltd	1,193,944
China Resources Gas Group Ltd	1,183,870
CapitaLand Mall Trust	1,000,564
Link REIT	899,109
Yangzijiang Shipbuilding Holdings Ltd	700,451

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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

<b>Purchases</b>	<b>Cost USD</b>
Millicom International Cellular SA	276,282
AXA SA	236,233
Smurfit Kappa Group PLC	215,898
Aalberts NV	214,766
C&C Group PLC	208,525
C&C Group PLC	157,407
Metropole Television SA	100,845
Salmar ASA	88,750
ANDRITZ AG	86,322
ABB Ltd	75,698
TietoEVERY Oyj	74,459
Deutsche Post AG	69,539
Konecranes Oyj	68,902
Continental AG	64,209
Kering SA	56,864
Publicis Groupe SA	55,217
Danone SA	53,485
Novartis AG	47,288
Schneider Electric SE	44,513
Siemens AG	39,137
Roche Holding AG	31,477
Unilever NV	28,471
Adecco Group AG	28,185
Helvetia Holding AG	27,858
<b>Sales</b>	<b>Proceeds USD</b>
Novartis AG	262,886
Azimut Holding SpA	258,164
Heineken NV	242,806
Sanofi	221,140
C&C Group PLC	214,020
Nordic Entertainment Group AB	132,920
Kering SA	91,783
Metropole Television SA	84,619
Atlas Copco AB	82,848
Salmar ASA	77,716
Inficon Holding AG	75,942
ABB Ltd	73,547
Roche Holding AG	71,904
Schneider Electric SE	68,565
Danone SA	57,962
Nestle SA	57,567
Euronext NV	46,774
Deutsche Post AG	45,613
Deutsche Boerse AG	45,169
Siemens AG	43,503
Adecco Group AG	42,441
Novo Nordisk A/S	41,690
Unilever NV	39,380
Amundi SA	36,392
TietoEVERY Oyj	34,089

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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

	Cost USD
<b>Purchases</b>	
Amazon.com Inc	9,655,148
Bristol-Myers Squibb Co	9,335,764
Adobe Inc	8,102,371
Cisco Systems Inc	5,828,046
Cognizant Technology Solutions Corp	5,554,495
Check Point Software Technologies Ltd	5,436,751
Continental AG	5,266,280
Intercontinental Exchange Inc	5,054,518
Siemens AG	4,872,711
PayPal Holdings Inc	4,786,057
Comcast Corp	4,724,900
Infineon Technologies AG	4,567,350
NIKE Inc	4,496,096
Catcher Technology Co Ltd	4,428,588
ABB Ltd	4,293,388
FANUC Corp	4,132,824
Danaher Corp	3,812,198
Baidu Inc	3,784,595
Alphabet Inc	3,757,657
Roper Technologies Inc	3,725,347
SAP SE	3,682,976
Tencent Holdings Ltd	3,671,296
Eaton Corp PLC	3,487,576
Facebook Inc	3,416,604
ANTA Sports Products Ltd	3,416,039
Samsung Electronics Co Ltd	3,360,264
Schneider Electric SE	3,125,863
AAC Technologies Holdings Inc	2,939,565
New Oriental Education & Technology Group Inc	2,540,931
NVIDIA Corp	2,185,243
KLA Corp	2,086,635
Applied Materials Inc	1,948,485
Lam Research Corp	1,896,386
<b>Sales</b>	<b>Proceeds USD</b>
Cognizant Technology Solutions Corp	10,385,202
AAC Technologies Holdings Inc	7,193,213
Baidu Inc	5,995,205
ANTA Sports Products Ltd	4,157,934
New Oriental Education & Technology Group Inc	3,747,983
Lam Research Corp	3,589,589
KLA Corp	2,816,342
NIKE Inc	2,639,898
Danaher Corp	2,477,601
Intercontinental Exchange Inc	2,259,135
Siemens AG	2,186,308
PayPal Holdings Inc	2,178,480
Infineon Technologies AG	2,100,517
ABB Ltd	2,053,259
Schneider Electric SE	2,020,255
FANUC Corp	1,992,818
Applied Materials Inc	1,811,710
SAP SE	1,700,316
Comcast Corp	1,694,173
Check Point Software Technologies Ltd	1,657,006
Cisco Systems Inc	1,633,347
Alphabet Inc	1,499,781
Roper Technologies Inc	1,456,769
Samsung Electronics Co Ltd	1,388,979
NVIDIA Corp	1,300,536
Facebook Inc	1,291,470
Catcher Technology Co Ltd	1,215,227
Eaton Corp PLC	1,191,110
Tencent Holdings Ltd	1,000,102

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
<b>Purchases</b>	
Alibaba Group Holding Ltd	124,951
TravelSky Technology Ltd	116,805
China Resources Gas Group Ltd	111,419
Baidu Inc	76,549
Tongda Group Holdings Ltd	76,543
Li & Fung Ltd	73,981
Hollysys Automation Technologies Ltd	73,380
China Medical System Holdings Ltd	71,334
Noah Holdings Ltd	68,389
Catcher Technology Co Ltd	52,601
St Shine Optical Co Ltd	51,048
BOC Hong Kong Holdings Ltd	49,755
Autohome Inc	47,333
Yangzijiang Shipbuilding Holdings Ltd	45,061
AAC Technologies Holdings Inc	39,295
Pacific Textiles Holdings Ltd	39,159
QUALCOMM Inc	38,671
Haitian International Holdings Ltd	36,370
VTech Holdings Ltd	34,039
Sino Biopharmaceutical Ltd	32,890
Geely Automobile Holdings Ltd	32,885
Tencent Holdings Ltd	30,911
China Lilang Ltd	30,706
Ping An Insurance Group Co of China Ltd	29,590
China Construction Bank Corp	23,084
Luk Fook Holdings International Ltd	22,529
Haier Electronics Group Co Ltd	18,312
NetEase Inc	17,962
Taiwan Semiconductor Manufacturing Co Ltd	16,386
China Lesso Group Holdings Ltd	16,168
China Overseas Land & Investment Ltd	15,502
	<b>Proceeds USD</b>
<b>Sales</b>	
VTech Holdings Ltd	120,599
Pacific Textiles Holdings Ltd	106,678
China Medical System Holdings Ltd	98,245
QUALCOMM Inc	89,985
China Lesso Group Holdings Ltd	73,456
Sino Biopharmaceutical Ltd	68,497
New Oriental Education & Technology Group Inc	66,120
Elite Material Co Ltd	65,309
Hollysys Automation Technologies Ltd	36,215
Tencent Holdings Ltd	32,243
NetEase Inc	30,959
Ping An Insurance Group Co of China Ltd	29,827
Catcher Technology Co Ltd	29,273
Novatek Microelectronics Corp	28,030
China Overseas Land & Investment Ltd	26,293
Autohome Inc	25,042
Haitian International Holdings Ltd	24,240
Taiwan Semiconductor Manufacturing Co Ltd	24,051
BOC Hong Kong Holdings Ltd	23,330
Yangzijiang Shipbuilding Holdings Ltd	21,216
Geely Automobile Holdings Ltd	16,975
China Merchants Bank Co Ltd	16,538
Noah Holdings Ltd	14,645
Haier Electronics Group Co Ltd	13,541
China Construction Bank Corp	12,956

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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

Purchases	Cost USD
Indiabulls Housing Finance Ltd	91,724
China Merchants Bank Co Ltd	65,283
Tech Mahindra Ltd	45,601
Truworths International Ltd	45,055
Largan Precision Co Ltd	42,885
JSE Ltd	34,868
China Lilang Ltd	24,386
Unilever PLC	24,114
AAC Technologies Holdings Inc	22,614
St Shine Optical Co Ltd	21,538
KT&G Corp	20,895
Hanon Systems	19,598
Broadcom Inc	19,186
Haitian International Holdings Ltd	19,114
British American Tobacco PLC	18,719
Coca-Cola Femsa SAB de CV	18,649
Porto Seguro SA	18,522
QUALCOMM Inc	18,216
Shenzhen International Group Holdings Ltd	15,310
Credicorp Ltd	15,192
China Construction Bank Corp	14,740
Grape King Bio Ltd	12,997
Novatek Microelectronics Corp	10,933
China Minsheng Banking Corp Ltd	10,865
China Medical System Holdings Ltd	9,076
SPAR Group Ltd/The	8,891
Elite Material Co Ltd	8,076
Tisco Financial Group PCL	7,912
Hon Hai Precision Industry Co Ltd	7,537
Catcher Technology Co Ltd	7,337
Sales	Proceeds USD
Indiabulls Housing Finance Ltd	95,612
China Minsheng Banking Corp Ltd	58,995
Infosys Ltd	50,940
QUALCOMM Inc	50,561
Elite Material Co Ltd	42,142
Novatek Microelectronics Corp	36,238
Broadcom Inc	34,480
B3 SA - Brasil Bolsa Balcao	29,482
Unilever PLC	27,919
China Medical System Holdings Ltd	27,843
British American Tobacco PLC	27,509
Tisco Financial Group PCL	22,139
AAC Technologies Holdings Inc	19,689
JUMBO SA	19,491
China Lilang Ltd	19,448
Haitian International Holdings Ltd	19,200
NetEase Inc	19,126
Taiwan Semiconductor Manufacturing Co Ltd	17,447
Bajaj Auto Ltd	17,432
Shenzhen International Group Holdings Ltd	17,382
JSE Ltd	17,378
Hanon Systems	16,826
KT&G Corp	15,717
Porto Seguro SA	15,501
Catcher Technology Co Ltd	15,166
Truworths International Ltd	15,124
St Shine Optical Co Ltd	14,684
China Construction Bank Corp	14,345
Hon Hai Precision Industry Co Ltd	14,286
Coca-Cola Femsa SAB de CV	12,734
Banco Davivienda SA	12,256
SPAR Group Ltd/The	12,097
Grape King Bio Ltd	12,081
Tata Consultancy Services Ltd	12,011
China Merchants Bank Co Ltd	11,873
Ping An Insurance Group Co of China Ltd	11,459

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
<b>Purchases</b>	
China Lilang Ltd	20,868
Corporate Travel Management Ltd	19,188
Acuity Brands Inc	17,066
Waters Corp	17,004
Cboe Global Markets Inc	16,909
Zebra Technologies Corp	16,757
Descartes Systems Group Inc/The	16,366
Nasdaq Inc	15,200
AMETEK Inc	14,998
New Oriental Education & Technology Group Inc	14,704
China Medical System Holdings Ltd	14,448
ANSYS Inc	13,886
KLA Corp	13,023
ANTA Sports Products Ltd	11,739
F5 Networks Inc	8,692
Affiliated Managers Group Inc	7,368
Securitas AB	6,110
Demant A/S	6,053
Check Point Software Technologies Ltd	5,903
JM Smucker Co/The	5,755
Sonova Holding AG	5,614
FUCHS PETROLUB SE	5,470
Cognex Corp	4,997
Genpact Ltd	4,901
Amdocs Ltd	4,551
VF Corp	4,363
Deluxe Corp	4,167
Hexagon AB	4,142
Euronet Worldwide Inc	4,051
Kerry Group PLC	4,035
Innospec Inc	3,996
Arthur J Gallagher & Co	3,768
Deutsche Boerse AG	3,646
Sonic Healthcare Ltd	3,645
	<b>Proceeds USD</b>
<b>Sales</b>	
Janus Henderson Group PLC	12,834
Citrix Systems Inc	12,793
Sodexo SA	11,634
Axfood AB	11,549
Hain Celestial Group Inc/The	10,968
Varian Medical Systems Inc	10,743
FMC Corp	10,602
Randstad NV	10,474
Cardinal Health Inc	10,057
JB Hi-Fi Ltd	10,052
AAC Technologies Holdings Inc	9,838
Sabre Corp	9,788
MEDNAX Inc	9,357
Publicis Groupe SA	8,726
New Oriental Education & Technology Group Inc	6,052
China Medical System Holdings Ltd	3,797
Sonova Holding AG	3,230
KLA Corp	3,206
Genpact Ltd	3,110
Euronet Worldwide Inc	2,944
Innospec Inc	2,908
Carlisle Cos Inc	2,798
Cognex Corp	2,196

## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
<b>Purchases</b>	
Fidelity National Information Services Inc	18,635
BlackRock Inc	18,143
PVH Corp	15,700
Intercontinental Exchange Inc	13,206
Danaher Corp	13,198
New Oriental Education & Technology Group Inc	13,185
Facebook Inc	13,048
Cigna Corp	12,468
Biogen Inc	12,202
Amdocs Ltd	11,874
Activision Blizzard Inc	11,565
Citrix Systems Inc	11,511
F5 Networks Inc	11,421
Johnson & Johnson	11,169
Eaton Corp PLC	11,051
Medtronic PLC	10,951
Arthur J Gallagher & Co	10,763
Booking Holdings Inc	10,737
Check Point Software Technologies Ltd	10,717
Jones Lang LaSalle Inc	10,683
IHS Markit Ltd	10,653
Mondelez International Inc	10,572
JM Smucker Co/The	10,505
Cisco Systems Inc	10,437
Anthem Inc	10,427
VF Corp	10,425
Cognizant Technology Solutions Corp	10,422
Carlisle Cos Inc	10,421
Stanley Black & Decker Inc	10,373
LKQ Corp	10,296
Visa Inc	10,101
NIKE Inc	10,087
Microsoft Corp	10,079
Honeywell International Inc	10,052
Thermo Fisher Scientific Inc	10,028
Apple Inc	10,010
Paychex Inc	9,864
Broadcom Inc	9,748
Alphabet Inc	9,671
Ingersoll-Rand PLC	9,569
	<b>Proceeds USD</b>
JM Smucker Co/The	17,407
Biogen Inc	17,052
Citrix Systems Inc	16,505
LKQ Corp	15,363
F5 Networks Inc	14,138
Fidelity National Information Services Inc	8,394
Carlisle Cos Inc	8,203
IHS Markit Ltd	7,554
Amdocs Ltd	7,279
Medtronic PLC	7,265
Arthur J Gallagher & Co	7,195
Microsoft Corp	7,176
Mondelez International Inc	7,056
Visa Inc	6,985
Ingersoll-Rand PLC	6,084
Apple Inc	5,834
Stanley Black & Decker Inc	5,786
Booking Holdings Inc	5,637
Cisco Systems Inc	5,513
Honeywell International Inc	5,423
Activision Blizzard Inc	5,318
CVS Health Corp	5,289
Jones Lang LaSalle Inc	5,050
Paychex Inc	5,031
Alphabet Inc	4,845
Thermo Fisher Scientific Inc	4,721
NIKE Inc	4,404
Anthem Inc	4,392
Cigna Corp	4,355
PVH Corp	4,221
Eaton Corp PLC	3,997
VF Corp	3,667
BlackRock Inc	3,614
Johnson & Johnson	3,516
Check Point Software Technologies Ltd	3,464
Broadcom Inc	3,423
Cognizant Technology Solutions Corp	2,589



## Statement of significant portfolio movements (unaudited) (continued)

Guinness Asset Management Funds plc

For the financial year ended 31 December 2019

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
<b>Purchases</b>	
Alibaba Group Holding Ltd	10,719
Tech Mahindra Ltd	9,660
New Oriental Education & Technology Group Inc	9,454
Tencent Holdings Ltd	9,428
Indiabulls Housing Finance Ltd	8,124
Baidu Inc	5,731
China Medical System Holdings Ltd	4,520
Noah Holdings Ltd	3,095
Li & Fung Ltd	2,862
AAC Technologies Holdings Inc	2,640
Haier Electronics Group Co Ltd	2,628
DBS Group Holdings Ltd	1,946
Dali Foods Group Co Ltd	1,774
St Shine Optical Co Ltd	1,772
Link Administration Holdings Ltd	1,708
Corporate Travel Management Ltd	1,670
Taiwan Semiconductor Manufacturing Co Ltd	1,496
	Proceeds USD
<b>Sales</b>	
Yangzijiang Shipbuilding Holdings Ltd	10,766
Infosys Ltd	10,559
Li & Fung Ltd	7,530
Indiabulls Housing Finance Ltd	7,357
China Medical System Holdings Ltd	5,356
Elite Material Co Ltd	4,166
Haier Electronics Group Co Ltd	3,205
Broadcom Inc	3,048
China Merchants Bank Co Ltd	2,332

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all the 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 2019

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
<b>Purchases</b>	
Fidelity Investment Funds ICVC - Index US Fund	3,139,045
Vanguard US Equity Index Fund	2,873,955
Vanguard Investment Series PLC - UK Government Bond Index Fund	2,535,125
Fidelity Investment Funds ICVC - Index UK Fund	2,424,747
Vanguard FTSE UK All Share Index Unit Trust	2,300,184
Vanguard FTSE UK Equity Income Index Fund	1,677,222
Vanguard FTSE Developed Europe ex UK Equity Index Fund	1,617,176
Fidelity Investment Funds - Index Pacific ex Japan Fund	1,278,836
Legal & General UK MID Cap Index Fund	1,205,909
Lyxor Core FTSE Actuaries UK Gilts DR UCITS ETF	1,085,827
iShares Corporate Bond Index Fund UK	1,060,173
Vanguard Investment Series PLC - US Government Bond Index Fund	825,359
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	791,405
Fidelity Investment Funds - Index Japan Fund	724,495
JPM Global Macro Opportunities Fund	688,852
Jupiter Absolute Return Fund/United Kingdom	677,916
iShares Global Property Securities Equity Index Fund UK	555,405
Investec Fund Series i - Diversified Income Fund	545,496
Janus Henderson United Kingdom Absolute Return Fund	544,395
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	495,000
<b>Sales</b>	Cost GBP
Lyxor Core FTSE Actuaries UK Gilts DR UCITS ETF	1,109,774
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	495,281
Janus Henderson UK Absolute Return Fund	225,513
Fidelity Investment Funds - Index Pacific ex Japan Fund	205,000
Fidelity Investment Funds ICVC - Index US Fund	142,818
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	122,678
Fidelity Investment Funds - Index Japan Fund	86,000
Vanguard Investment Series PLC - UK Government Bond Index Fund	30,093
Vanguard FTSE UK Equity Income Index Fund	21,494

The Central Bank Regulations require a minimum of 20 purchases and sales to be presented, however due to trading volumes, the above details all 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 2019

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
<b>Purchases</b>	
Fidelity Investment Funds ICVC - Index US Fund	2,256,341
Vanguard US Equity Index Fund	2,215,452
Vanguard FTSE UK All Share Index Unit Trust	1,492,040
Fidelity Investment Funds ICVC - Index UK Fund	1,489,599
Legal & General UK MID Cap Index Fund	1,318,978
Vanguard FTSE Developed Europe ex UK Equity Index Fund	1,128,030
Fidelity Investment Funds - Index Pacific ex Japan Fund	974,738
Vanguard FTSE UK Equity Income Index Fund	843,973
Fidelity Investment Funds - Index Japan Fund	572,512
iShares Corporate Bond Index Fund UK	544,332
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	488,822
JPM Global Macro Opportunities Fund	332,225
Investec Fund Series i - Diversified Income Fund	330,727
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	317,000
iShares Global Property Securities Equity Index Fund UK	294,030
Vanguard Investment Series PLC - UK Government Bond Index Fund	252,121
Vanguard Investment Series PLC - US Government Bond Index Fund	249,691
Fidelity Investment Funds - Index Emerging Markets Fund	241,652
Janus Henderson United Kingdom Absolute Return Fund	164,980
Jupiter Absolute Return Fund/United Kingdom	163,182
<b>Sales</b>	
Merian Global Investors Series PLC - Merian Global Equity Absolute Return Fund	328,861
Fidelity Investment Funds - Index Japan Fund	141,000
Lyxor Core FTSE Actuaries UK Gilts DR UCITS ETF	127,093
Fidelity Investment Funds - Index Pacific ex Japan Fund	120,000
Mellon Investments Funds ICVC - BNY Mellon Global Dynamic Bond Fund	105,638
Fidelity Investment Funds ICVC - Index US Fund	80,020

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

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

Class	Currency	Launch date	Price 31 December 2019	Performance to period ended 31 December 2019	Performance cumulative since launch	Total expense ratio (TER) annualised
<b>Guinness Global Energy Fund</b>						
Class A	USD	28.03.08	\$7.1240	9.50%	-27.89%	1.49%
Class B	USD	28.03.08	\$6.7972	8.95%	-31.97%	1.99%
Class C	GBP	02.09.08	£9.4454	4.75%	-5.55%	1.99%
Class C EUR accumulation	EUR	29.11.13	€7.6440	10.96%	-23.56%	1.99%
Class D	EUR	02.09.08	€9.5892	11.51%	-4.02%	1.49%
Class E	USD	02.09.08	\$7.6124	9.77%	-23.75%	1.24%
Class X	GBP	15.02.12	£8.9351	5.54%	-10.65%	1.24%
Class X USD distribution	USD	29.11.13	\$6.2443	9.77%	-34.02%	1.24%
Class X EUR accumulation	EUR	25.05.18	€8.5703	11.79%	-14.30%	1.24%
<b>Guinness Sustainable Energy Fund</b>						
Class A	USD	19.12.07	\$2.9149	30.39%	-70.85%	1.49%
Class B	USD	19.12.07	\$2.7443	29.74%	-72.56%	1.99%
Class C	GBP	02.09.08	£4.7824	24.73%	-52.18%	1.99%
Class C EUR accumulation	EUR	29.11.13	€9.9120	32.13%	-0.88%	1.99%
Class D	EUR	02.09.08	€4.8554	32.77%	-51.45%	1.49%
Class E	USD	02.09.08	\$3.8663	30.68%	-61.34%	1.24%
Class X	GBP	15.02.12	£13.8809	25.67%	38.81%	1.24%
Class Z EUR accumulation	EUR	16.02.18	€12.3903	33.78%	23.90%	0.74%
Class Z GBP accumulation	GBP	16.02.18	£11.8470	26.30%	18.47%	0.74%
Class Z USD accumulation	USD	16.02.18	\$11.1780	31.37%	11.78%	0.74%
<b>Guinness Global Money Managers Fund</b>						
Class A	USD	31.12.10	\$18.5584	31.92%	85.58%	1.49%
Class B	USD	31.12.10	\$17.5417	31.12%	75.42%	1.99%
Class C	GBP	31.12.10	£20.8035	26.06%	108.04%	1.99%
Class C EUR accumulation	EUR	29.11.13	€13.7643	33.53%	37.64%	1.99%
Class D	EUR	31.12.10	€22.0049	34.20%	120.05%	1.49%
Class E	USD	31.12.10	\$18.8367	32.11%	88.37%	1.24%
Class X	GBP	15.02.12	£24.1663	27.01%	141.66%	1.24%
<b>Guinness Global Equity Income Fund</b>						
Class A	USD	31.12.10	\$16.3531	25.41%	113.72%	1.38%
Class B	USD	31.12.10	\$15.6553	24.78%	104.76%	1.88%
Class C	GBP	31.12.10	£18.5101	19.98%	141.61%	1.88%
Class C EUR accumulation	EUR	29.11.13	€17.8077	27.08%	78.08%	1.88%
Class C EUR distribution	EUR	20.01.17	€12.1780	27.09%	30.94%	1.88%
Class C GBP accumulation	GBP	11.03.15	£15.9674	19.97%	59.67%	1.88%
Class C USD accumulation	USD	11.03.15	\$14.1546	24.79%	41.55%	1.88%
Class D	EUR	31.12.10	€19.5854	27.72%	155.45%	1.38%
Class D EUR accumulation	EUR	20.01.17	€13.2811	27.68%	32.81%	1.38%
Class E	USD	31.12.10	\$16.7383	25.72%	118.66%	1.13%
Class M USD accumulation	USD	05.02.19	\$10.1072	1.07%	n/a	0.99%
Class M USD distribution	USD	19.12.19	\$11.7189	17.19%	n/a	0.99%
Class O EUR accumulation	EUR	15.05.18	€12.4055	28.04%	24.06%	1.13%
Class O GBP accumulation	GBP	15.05.18	£11.9581	20.87%	19.58%	1.13%
Class O USD accumulation	USD	15.05.18	\$11.7424	25.72%	17.42%	1.13%
Class X EUR distribution	EUR	05.03.18	€12.5392	28.04%	29.68%	1.13%
Class X GBP distribution	GBP	15.02.12	£19.4836	20.87%	144.23%	1.13%
Class Y EUR accumulation	EUR	11.03.15	€14.0109	28.33%	40.11%	0.88%
Class Y EUR distribution	EUR	11.03.15	€12.3012	28.36%	40.19%	0.88%
Class Y GBP accumulation	GBP	11.03.15	£16.7533	21.17%	67.53%	0.88%
Class Y GBP distribution	GBP	11.03.15	£14.7322	21.17%	67.54%	0.88%
Class Y USD accumulation	USD	11.03.15	\$14.8525	26.03%	48.53%	0.88%
Class Y USD distribution	USD	11.03.15	\$13.0323	26.04%	49.78%	0.88%
Class Z GBP distribution	GBP	30.12.11	£20.8187	21.43%	161.77%	0.68%
<b>Guinness Asian Equity Income Fund</b>						
Class C EUR accumulation	EUR	19.12.13	€18.3552	20.00%	83.55%	1.99%
Class C GBP accumulation	GBP	11.03.15	£15.2851	13.29%	52.85%	1.99%
Class C USD accumulation	USD	11.03.15	\$13.5476	17.84%	35.48%	1.99%
Class X EUR accumulation	EUR	19.12.13	€19.2228	20.91%	92.23%	1.24%
Class X EUR distribution	EUR	19.12.13	€15.3507	20.91%	92.17%	1.24%
Class X GBP accumulation	GBP	19.12.13	£19.4948	14.14%	94.95%	1.24%
Class X GBP distribution	GBP	19.12.13	£15.5902	14.14%	94.94%	1.24%
Class X USD accumulation	USD	19.12.13	\$15.7818	18.72%	57.82%	1.24%
Class X USD distribution	USD	19.12.13	\$12.5681	18.72%	57.91%	1.24%
Class Y EUR accumulation	EUR	08.05.17	€11.6291	21.21%	15.32%	0.99%
Class Y EUR distribution	EUR	08.05.17	€10.6477	21.26%	15.24%	0.99%
Class Y GBP accumulation	GBP	08.05.17	£11.6643	14.43%	16.18%	0.99%
Class Y GBP distribution	GBP	08.05.17	£10.7038	14.42%	16.26%	0.99%
Class Y USD accumulation	USD	08.05.17	\$11.9478	19.02%	18.92%	0.99%
Class Y USD distribution	USD	08.05.17	\$10.9337	19.02%	18.83%	0.99%
Class Z GBP distribution	GBP	19.12.13	£16.0695	14.71%	100.88%	0.74%

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

Class	Currency	Launch date	Price 31 December 2019	Performance to period ended 31 December 2019	Performance cumulative since launch	Total expense ratio (TER) annualised
<b>Guinness European Equity Income Fund</b>						
Class C EUR accumulation	EUR	19.12.13	€15.3893	29.75%	53.89%	1.99%
Class C GBP accumulation	GBP	11.03.15	£15.0711	22.49%	50.71%	1.99%
Class C USD accumulation	USD	11.03.15	\$13.3835	27.40%	33.84%	1.99%
Class X EUR accumulation	EUR	19.12.13	€16.1222	30.73%	61.22%	1.24%
Class X EUR distribution	EUR	19.12.13	€13.4558	30.73%	61.21%	1.24%
Class X GBP accumulation	GBP	19.12.13	£16.3916	23.41%	63.92%	1.24%
Class X GBP distribution	GBP	19.12.13	£13.7035	23.39%	63.90%	1.24%
Class X USD accumulation	USD	19.12.13	\$13.2923	28.34%	32.92%	1.24%
Class X USD distribution	USD	19.12.13	\$11.0823	28.34%	32.90%	1.24%
Class Y EUR accumulation	EUR	15.01.18	€11.5146	31.05%	15.15%	0.99%
Class Y EUR distribution	EUR	15.01.18	€10.8067	31.06%	15.21%	0.99%
Class Y GBP accumulation	GBP	15.01.18	£10.9764	23.72%	9.76%	0.99%
Class Y GBP distribution	GBP	15.01.18	£10.3009	23.70%	9.72%	0.99%
Class Y USD accumulation	USD	15.01.18	\$10.5457	28.64%	5.46%	0.99%
Class Y USD distribution	USD	15.01.18	\$9.8781	28.65%	5.47%	0.99%
Class Z GBP distribution	GBP	19.12.13	£14.1333	24.15%	69.00%	0.35%
<b>Guinness Global Innovators Fund</b>						
Class C EUR accumulation	EUR	31.10.14	€16.5379	37.71%	65.38%	1.99%
Class C GBP accumulation	GBP	31.10.14	£17.8937	30.00%	78.94%	1.99%
Class C USD accumulation	USD	31.10.14	\$14.8171	35.22%	48.17%	1.99%
Class O EUR accumulation	EUR	15.05.18	€11.5510	38.75%	15.51%	1.24%
Class O GBP accumulation	GBP	15.05.18	£11.1344	30.98%	11.34%	1.24%
Class O USD accumulation	USD	15.05.18	\$10.9347	36.25%	9.35%	1.24%
Class X EUR accumulation	EUR	31.10.14	€17.1842	38.75%	71.84%	1.24%
Class X GBP accumulation	GBP	31.10.14	£18.6010	30.98%	86.01%	1.24%
Class X USD accumulation	USD	31.10.14	\$15.4033	36.24%	54.03%	1.24%
Class Y EUR accumulation	EUR	31.10.14	€17.3958	39.10%	73.96%	0.99%
Class Y GBP accumulation	GBP	31.10.14	£18.8424	31.31%	88.42%	0.99%
Class Y USD accumulation	USD	31.10.14	\$15.6449	36.58%	56.45%	0.99%
Class Z EUR accumulation	EUR	31.10.14	€17.6338	39.44%	76.34%	0.74%
Class Z GBP accumulation	GBP	31.10.14	£19.0874	31.64%	90.87%	0.74%
Class Z USD accumulation	USD	31.10.14	\$15.8052	36.92%	58.05%	0.74%
<b>Guinness Best of China Fund</b>						
Class C EUR accumulation	EUR	15.12.15	€14.2679	31.78%	42.68%	1.99%
Class C GBP accumulation	GBP	15.12.15	£16.6713	24.40%	66.71%	1.99%
Class C USD accumulation	USD	15.12.15	\$14.6861	29.40%	46.86%	1.99%
Class X EUR accumulation	EUR	15.12.15	€14.7270	32.77%	47.27%	1.24%
Class X GBP accumulation	GBP	15.12.15	£17.1893	25.34%	71.89%	1.24%
Class X USD accumulation	USD	15.12.15	\$15.1074	30.37%	51.07%	1.24%
Class Z GBP accumulation	GBP	15.12.15	£17.5359	25.97%	75.36%	0.74%
<b>Guinness Emerging Markets Equity Income Fund</b>						
Class C USD accumulation	USD	23.12.16	\$13.6604	17.51%	36.60%	1.99%
Class Y EUR accumulation	EUR	23.12.16	€13.0595	20.93%	30.60%	0.99%
Class Y EUR distribution	EUR	23.12.16	€12.1228	20.92%	30.60%	0.99%
Class Y GBP accumulation	GBP	23.12.16	£12.9740	14.18%	29.74%	0.99%
Class Y GBP distribution	GBP	23.12.16	£12.0588	14.18%	29.80%	0.99%
Class Y USD accumulation	USD	23.12.16	\$14.0228	18.76%	40.23%	0.99%
Class Y USD distribution	USD	23.12.16	\$13.0121	18.76%	40.19%	0.99%
Class Z GBP distribution	GBP	23.12.16	£12.2010	14.58%	31.33%	0.35%
<b>Guinness Global Equity Fund</b>						
Class C EUR accumulation	EUR	21.12.16	€11.7798	31.81%	17.80%	1.99%
Class C GBP accumulation	GBP	21.12.16	£11.8081	24.44%	18.08%	1.99%
Class C USD accumulation	USD	21.12.16	\$12.6426	29.45%	26.43%	1.99%
Class X EUR accumulation	EUR	21.12.16	€12.0215	32.84%	20.22%	1.24%
Class X GBP accumulation	GBP	21.12.16	£12.0827	25.39%	20.83%	1.24%
Class X USD accumulation	USD	21.12.16	\$12.9403	30.41%	29.40%	1.24%
Class Z EUR accumulation	EUR	21.12.16	€12.1958	33.50%	21.96%	0.74%
Class Z GBP accumulation	GBP	21.12.16	£12.2622	26.01%	22.62%	0.74%
Class Z USD accumulation	USD	21.12.16	\$13.1343	31.07%	31.34%	0.74%

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

Class	Currency	Launch date	Price 31 December 2019	Performance to period ended 31 December 2019	Performance cumulative since launch	Total expense ratio (TER) annualised
<b>Guinness US Equity Fund</b>						
Class C EUR accumulation	EUR	21.12.16	€13.0522	28.99%	30.52%	1.99%
Class C GBP accumulation	GBP	21.12.16	£13.1419	21.77%	31.49%	1.99%
Class C USD accumulation	USD	21.12.16	\$14.0427	26.64%	40.43%	1.99%
Class X EUR accumulation	EUR	21.12.16	€13.3500	29.96%	33.50%	1.24%
Class X GBP accumulation	GBP	21.12.16	£13.4247	22.69%	34.25%	1.24%
Class X USD accumulation	USD	21.12.16	\$14.3748	27.65%	43.75%	1.24%
Class Z EUR accumulation	EUR	21.12.16	€13.5426	30.58%	35.43%	0.74%
Class Z GBP accumulation	GBP	21.12.16	£13.6275	23.31%	36.28%	0.74%
Class Z USD accumulation	USD	21.12.16	\$14.5893	28.25%	45.89%	0.74%
<b>Guinness Best of Asia Fund</b>						
Class C GBP accumulation	GBP	28.12.17	£9.5199	14.84%	-4.80%	1.99%
Class Y EUR accumulation	EUR	28.12.17	€10.1699	22.82%	1.70%	0.99%
Class Y GBP accumulation	GBP	28.12.17	£9.7038	16.01%	-2.96%	0.99%
Class Y USD accumulation	USD	28.12.17	\$9.5679	20.64%	-4.32%	0.99%
Class Z GBP accumulation	GBP	28.12.17	£9.7533	16.27%	-2.47%	0.74%
<b>Guinness Multi-Asset Balanced Fund</b>						
Class C EUR accumulation	EUR	17.12.18	€12.0405	19.88%	20.41%	1.99%
Class C EUR hedged accumulation	EUR	31.10.19	€10.2281	n/a	n/a	2.07%
Class C GBP accumulation	GBP	17.12.18	£11.3184	13.18%	13.18%	1.99%
Class C USD accumulation	USD	17.12.18	\$11.8206	17.73%	18.21%	1.99%
Class C USD hedged accumulation	USD	31.10.19	\$10.2801	n/a	n/a	2.07%
Class O EUR accumulation	EUR	17.12.18	€12.1034	20.51%	21.03%	1.49%
Class O EUR hedged accumulation	EUR	31.10.19	€10.2530	n/a	n/a	1.57%
Class O GBP accumulation	GBP	17.12.18	£11.3746	13.74%	13.75%	1.49%
Class O USD accumulation	USD	17.12.18	\$11.8788	18.31%	18.79%	1.49%
Class O USD hedged accumulation	USD	31.10.19	\$10.2992	n/a	n/a	1.57%
Class R EUR accumulation	EUR	17.12.18	€12.0225	19.70%	20.23%	2.19%
Class R EUR hedged accumulation	EUR	31.10.19	€10.2289	n/a	n/a	2.27%
Class R GBP accumulation	GBP	17.12.18	£11.2941	12.94%	12.94%	2.19%
Class R USD accumulation	USD	17.12.18	\$11.7919	17.44%	17.92%	2.19%
Class R USD hedged accumulation	USD	31.10.19	\$10.2764	n/a	n/a	2.27%
Class Y GBP accumulation	GBP	17.12.18	£11.4506	14.50%	14.51%	0.79%
<b>Guinness Multi-Asset Growth Fund</b>						
Class C EUR accumulation	EUR	17.12.18	€12.3234	22.64%	23.23%	1.97%
Class C EUR hedged accumulation	EUR	31.10.19	€10.3389	n/a	n/a	2.05%
Class C GBP accumulation	GBP	17.12.18	£11.5845	15.78%	15.85%	1.97%
Class C USD accumulation	USD	17.12.18	\$12.0987	20.43%	20.99%	1.97%
Class C USD hedged accumulation	USD	31.10.19	\$10.3800	n/a	n/a	2.05%
Class O EUR accumulation	EUR	17.12.18	€12.3885	23.29%	23.89%	1.47%
Class O EUR hedged accumulation	EUR	31.10.19	€10.3539	n/a	n/a	1.55%
Class O GBP accumulation	GBP	17.12.18	£11.6417	16.35%	16.42%	1.47%
Class O USD accumulation	USD	17.12.18	\$12.1583	21.03%	21.58%	1.47%
Class O USD hedged accumulation	USD	31.10.19	\$10.3928	n/a	n/a	1.55%
Class R EUR accumulation	EUR	17.12.18	€12.3001	22.41%	23.00%	2.17%
Class R EUR hedged accumulation	EUR	31.10.19	€10.3348	n/a	n/a	2.25%
Class R GBP accumulation	GBP	17.12.18	£11.5617	15.55%	15.62%	2.17%
Class R USD accumulation	USD	17.12.18	\$12.0694	20.14%	20.69%	2.17%
Class R USD hedged accumulation	USD	31.10.19	\$10.3829	n/a	n/a	2.25%
Class Y GBP accumulation	GBP	17.12.18	£11.7204	17.14%	17.20%	0.77%

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

<b>UCITS calculation</b>	<b>PTR for 12 months to 31 December 2019</b>	<b>PTR for 12 months to 31 December 2018</b>
Guinness Global Energy Fund	-89%	-58%
Guinness Sustainable Energy Fund	50%	-15%
Guinness Global Money Managers Fund	2%	-43%
Guinness Global Equity Income Fund	-80%	-10%
Guinness Asian Equity Income Fund	-18%	-18%
Guinness European Equity Income Fund	2%	-18%
Guinness Global Innovators Fund	-61%	-11%
Guinness Best of China Fund	-13%	-46%
Guinness Emerging Markets Equity Income Fund	-44%	-440%
Guinness Global Equity Fund	-99%	-217%
Guinness US Equity Fund	-59%	38%
Guinness Best of Asia Fund	-22%	7%
Guinness Multi-Asset Balanced Fund	-209%	15%
Guinness Multi-Asset Growth Fund	-284%	-65%

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

<b>SEC calculation</b>	<b>PTR for 12 months to 31 December 2019</b>	<b>PTR for 12 months to 31 December 2018</b>
Guinness Global Energy Fund	33%	27%
Guinness Sustainable Energy Fund	49%	36%
Guinness Global Money Managers Fund	6%	9%
Guinness Global Equity Income Fund	12%	40%
Guinness Asian Equity Income Fund	35%	39%
Guinness European Equity Income Fund	42%	106%
Guinness Global Innovators Fund	35%	40%
Guinness Best of China Fund	28%	62%
Guinness Emerging Markets Equity Income Fund	37%	126%
Guinness Global Equity Fund	37%	54%
Guinness US Equity Fund	54%	21%
Guinness Best of Asia Fund	17%	12%
Guinness Multi-Asset Balanced Fund	21%	43%
Guinness Multi-Asset Growth Fund	11%	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.

<b>Total remuneration paid by the Investment Manager to employees during the year to 31 December 2019</b>	<b>EUR</b>
Fixed remuneration	3,933,649
Variable remuneration	5,513,601
<b>Total remuneration paid</b>	<b>9,447,250</b>

Number of beneficiaries	40
-------------------------	----

<b>Remuneration paid to employees of the Investment Manager attributable to the Company</b>	<b>EUR</b>
Fixed remuneration	2,488,002
Variable remuneration	3,592,096
<b>Total remuneration paid</b>	<b>6,080,098</b>

<b>Total remuneration paid to employees of the Manager during the year to 31 December 2019</b>	<b>EUR</b>
Fixed remuneration	1,219,468
Variable remuneration	44,871
<b>Total remuneration paid</b>	<b>1,264,339</b>

Number of beneficiaries	30
-------------------------	----

<b>Remuneration paid to employees of the Manager attributable to the Company</b>	<b>EUR</b>
Fixed remuneration	300,397
Variable remuneration	11,053
<b>Total remuneration paid</b>	<b>311,450</b>

Remuneration of employees whose actions have a material impact on the risk profile of the UCITS managed by the Manager	30
--	----