

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 2017

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## Company information

### Directors of the Company

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

\* Employee of the Investment Manager

### Registered Office

2<sup>nd</sup> Floor, 2 Grand Canal Square  
 Grand Canal Harbour  
 Dublin 2  
 Ireland  
 D02 A342

### Manager

Link Fund Manager Solutions (Ireland) Limited<sup>1</sup>  
 2<sup>nd</sup> Floor, 2 Grand Canal Square  
 Grand Canal Harbour  
 Dublin 2 Ireland  
 D02 A342

### Investment Manager and Global Distributor

Guinness Asset Management Limited  
 14 Queen Anne's Gate  
 London SW1H 9AA  
 United Kingdom

### Administrator, Registrar and Company Secretary

Link Fund Administrators (Ireland) Limited<sup>2</sup>  
 2<sup>nd</sup> Floor, 2 Grand Canal Square  
 Grand Canal Harbour  
 Dublin 2  
 Ireland  
 D02 A342

### Independent Auditor

Deloitte  
 Chartered Accountants and Statutory Audit Firm  
 Deloitte & Touche House  
 29 Earlsfort Terrace  
 Dublin 2  
 Ireland  
 D02 AY28

### Irish Legal Advisors

Dillon Eustace Solicitors  
 33-34 Sir John Rogerson's Quay  
 Grand Canal Dock,  
 Dublin 2  
 Ireland  
 D02 XK09

### Depository

JP Morgan Bank (Ireland) plc  
 JP Morgan House  
 IFSC  
 Dublin 1  
 Ireland  
 D01 W213

### Company number

450670 (Registered in Ireland)

<sup>1</sup>Effective 6 November 2017, following an acquisition by Link Group, Capita Financial Managers (Ireland) Limited changed its trading name to Link Fund Manager Solutions (Ireland) Limited

<sup>2</sup>Effective 6 November 2017, following an acquisition by Link Group, Capita Financial Administrators (Ireland) Limited changed its trading name to Link Fund Administrators (Ireland) Limited

## Directors' report

For the financial year ended 31 December 2017

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 2017. 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 twelve 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 the offices of the Administrator.

### 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 29.

### 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.

### Directors

The names of the Directors during the financial year ended 31 December 2017 are set out below:

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

### Directors and company secretary interests

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

#### As at 31 December 2017

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

#### As at 31 December 2016

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.81
Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,397.03

### 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 39 to 42.

### Distributions

Details of distributions declared during the financial year ended 31 December 2017 are outlined in note 15 to the financial statements.

### Independent Auditor

The Auditor, Deloitte, 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 2017

### Directors' responsibilities statement

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

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

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

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

### Directors' compliance statement

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

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

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

### Statement on relevant audit information

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

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

### Audit committee

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

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

On behalf of the Board

**Anthony Joyce**

**Johnny McClintock**

Date: 25 April 2018

## Investment Manager's report

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	-1.3%	-3.0%	-1.6%	+24.4%	-19.1%	-27.6%	+27.9%	-1.3%
Index	+5.9%	+1.7%	+2.2%	+18.9%	-11.0%	-22.1%	+27.6%	+5.9%

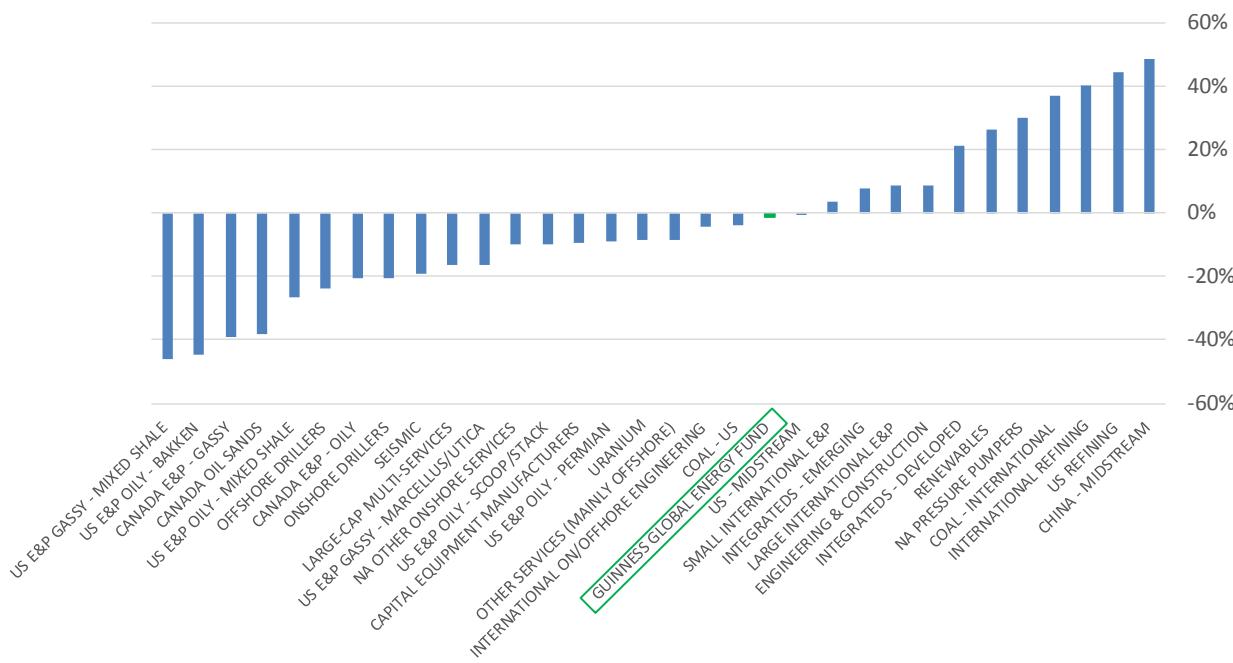
### Review

The Global Energy Fund in 2017 produced a total return of -1.3%. This compares to the total return of the Morgan Stanley Capital International World Energy Index of +5.9% and the MSCI World Index's total return of 23.1%.

Energy equities underperformed the broad market in 2017, after a strong year of recovery in 2016. Energy equity weakness over the first half of the year coincided with the oil price declining, as OPEC's production cut took time to filter through to tightening inventories. We then saw the energy sector range trading until September, when falling inventories (led by strong demand growth) lifted oil and energy equities through to the end of the year.

As ever, the performance of the MSCI World Energy Index was only part of the story, with 2017 being a year of extreme divergence between the core energy subsectors. In particular, we saw the greatest divergence since 2011 between integrated, exploration and production, and energy service companies. Buoyed by improving free cashflows and a strong refining environment, the integrateds matched the performance of the broader market (as a group up over 20%), whilst the E&P and service sectors tended to be weak (generally down 10-30%), pulled lower by declining long-dated oil prices.

#### Global energy equity subsectors: median total return in 2017 (%)



Source: Bloomberg; Guinness Asset Management

A quick tour of some of the main energy sub-sectors paints a picture for the energy equity sector's performance in 2017:

- Integrated oil and gas companies.** A year of strong performance, particularly for the European majors. 2017 was the year when the large cap integrateds demonstrated that they could cover their dividends at around \$55/bbl, thanks to lower but sustainable capital spending, and rationalising of operating costs. We saw the removal of scrip dividends for some of the majors (e.g. Shell), and the introduction of share buyback programmes for the first time in many years. Cashflows for the integrated group were also assisted by strong refining margins across the globe, boosting downstream profits. European integrated companies generally performed stronger than their US counterparts, having started the year with the advantage of being priced less expensively.
- Oil refining.** One of the better performing sub-sectors, particularly in the US and Europe, with refining equities up over the year. Stronger than expected GDP growth supported oil demand growth, which in turn kept refining margins at elevated levels. The Atlantic basin refining system received a boost in August/September with the heaviest hurricane season for many years causing a shortage in US Gulf Coast refining capacity and a short-term spike in refining margins. As payers of cash taxes, US refiners were also one of the main beneficiaries in the energy sector of Republican tax reforms, with corporation tax due to fall to 21%.
- Renewables.** A recovery year after a poor 2016. Politically, it came as relief that President Trump initially steered away from promised attacks on renewable energy support in the US, appearing to direct his attention elsewhere. In the solar market, we saw year of record installed capacity globally, driven by an unexpected increase from China (up from 30GW in 2016 to over 45GW in 2017). Increased solar demand meant some stabilisation in module prices, after several years of price decline, supporting earnings.

## Investment Manager's report (continued)

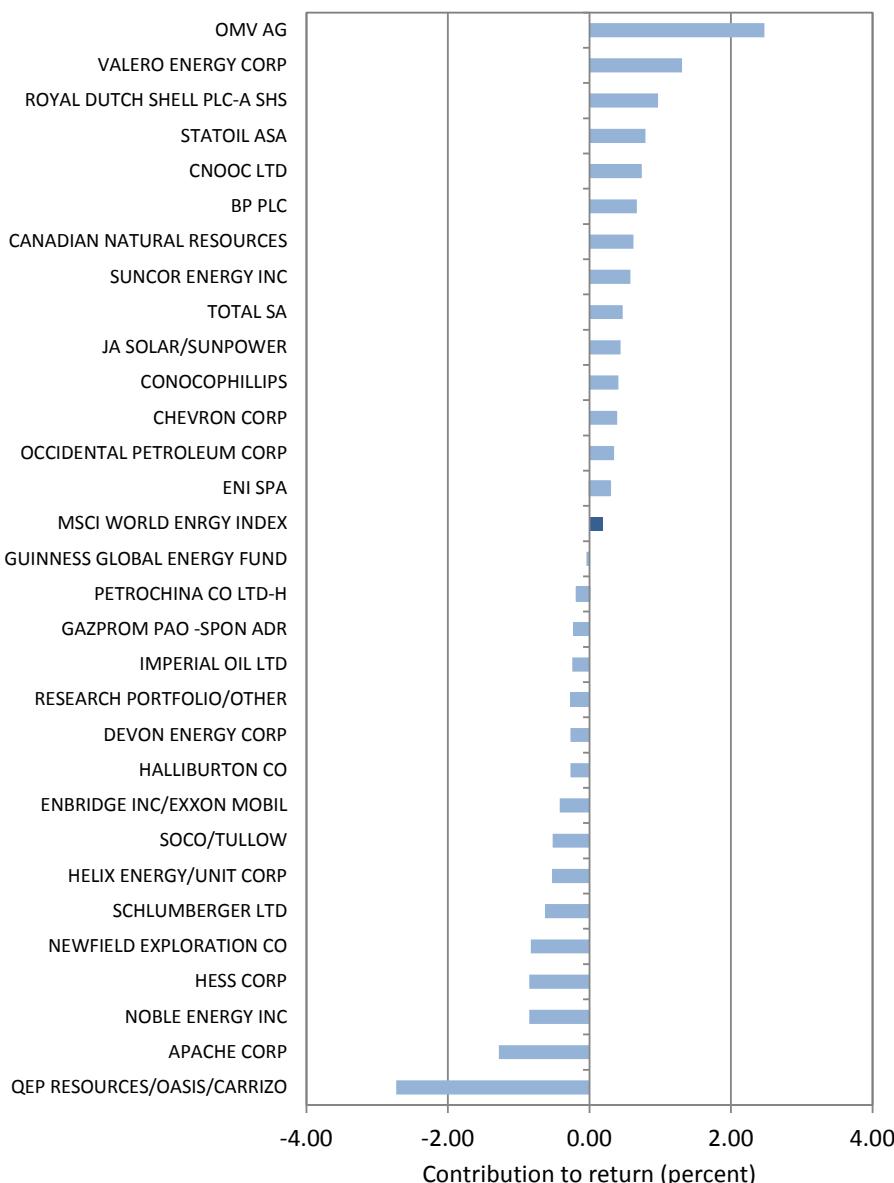
For the financial year ended 31 December 2017

### Guinness Global Energy Fund (continued)

#### Review (continued)

A quick tour of some of the main energy sub-sectors paints a picture for the energy equity sector's performance in 2017 (continued):

- **Exploration and production.** Generally a weak year. Whilst spot oil prices strengthened during the year, longer dated crude prices declined, which pushed E&P equities lower. The better performers tended to internationally focused producers, enjoying exposure to Brent (where spot and long dated prices held up better than US focused WTI prices). In the US, Permian producers with adequate levels of drilling inventory to expand into tended to be best insulated from the declines. At the weaker end of the spectrum, US gas producers were hit particularly hard, as were US companies with high cost/ short life shale positions and who saw the need to purchase additional inventory, particularly in the Permian basin, at high prices.
- **Energy services.** Generally weak. An uplift in activity was strongest in those businesses oriented towards the onshore US shale oil market (e.g. pressure pumping), though expectations leading into the year were high, and the failure of operating margins to improve as much as some had hoped lead to weaker share prices. Offshore services (offshore drillers, seismic, offshore-oriented capital equipment manufacturers) continued to struggle, as capital spending continued to be diverted to shorter-cycle onshore activity.



The underperformance of the Fund versus the Index can be explained in broad terms by the Fund's higher weighting to E&P companies and corresponding lower weighting to integrateds. It was a strong year for the largest five oil and gas majors (Exxon, Chevron, Total, Shell and BP, which comprise around 45% of the Index), up on average by 14% over the year. Within the Fund, the best performing investments were generally large and mid-cap European integrateds (Statoil, Royal Dutch Shell and BP), and refiners (OMV and Valero), all of which enjoyed the strong demand environment globally, plus solar manufacturers/developers (JA Solar, Sunpower). The weakest investments were US diversified E&Ps (QEP Resources, Carrizo, Apache and Noble), suffering the decline in longer dated oil prices, and large cap services (Schlumberger and Halliburton), as the operating environment improves but not as rapidly as share prices in the sector had been anticipating.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Energy Fund (continued)

#### Review (continued)

Turning to the commodities, 2017 was a year of modest tightening for the oil market. A combination of strong demand growth across the world and OPEC production cuts more than offset a rise in production from the US shale oil system. OPEC's adherence to production cuts was as strong as at any time in the organisation's history, culminating in a commitment announced at the end of November to bring OECD oil inventories back to normalised levels at some point in 2018.

Volatility in the oil price was less pronounced in 2017 than the previous year, with Brent spot trading in a range from \$45-67/bbl, the lows being visited in the middle of the year as it took time for OPEC's production cuts to feed through into the export market, causing the market to become sceptical of their approach. The price then recovered in the Autumn as inventories visibly tightened, before spiking at the end of the year owing to short-term supply disruption in the North Sea. The average Brent spot oil price in 2017 was \$55/bl. WTI spot averaged \$4/bbl lower at \$51/bbl, as a combination of hurricane-induced refinery disruption and resurgent US production created the divergence to Brent.

The major components to oil supply/demand for 2017 were as follows:

- **OPEC oil supply** (including NGLs) is likely to have declined by around 0.3m b/day (totaling 39.1m b/day, versus 39.4m b/day in 2016). Commencing on 1 January, OPEC announced 1.2m b/day of production cuts, marking a reversal of the shift to a market share strategy seen in 2014. Compliance to the cuts was generally strong, led by Saudi Arabia. Offsetting the cuts, however, we saw recovery in production from Libya and Nigeria, both of which had been left to grow after production had been disrupted due to civil war and unrest. OPEC announced in November that they would extend their production cuts to the end of 2018 in an effort to rebalance the market further;
- **Non-OPEC oil supply** is likely to have grown by around 0.6m b/day in 2017 (58.0m b/day, versus 57.4m b/day in 2016). Production from the US grew by 0.5m b/day, as the shale oil industry adapted to lower oil prices and the drilling rig count recovered to an average of 702 (vs 408 in 2016). Increases in production were also reported in Canada (+0.3m b/day) and Brazil (+0.2m b/day), offset by declines in Mexico (-0.2m b/day) and China (-0.1m b/day). A group of non-OPEC countries, headed by Russia, contributed around 0.3m b/day of production cuts in 2017 alongside OPEC's efforts, though Russia's average production for the year was still up slightly;
- **Global oil demand** is likely to have grown by around 1.5 m b/day in 2017, according to the IEA. This comprises non-OECD oil demand growth of 1.1m b/day (with China up 0.5m b/day) and OECD oil demand growth of 0.4m b/day, and represents a slightly better year for oil demand than 2016 (+1.3m b/day). Synchronised global GDP growth across many world regions, coupled with oil continuing to be priced at an 'affordable' level versus recent years, acted as the main catalysts to push demand higher. In China, gasoline demand from passenger vehicles and kerosene demand from air travel were the main areas of growth, whilst industrial demand for oil steadied;
- **OECD oil inventories** at the end of October 2017 were estimated to be at 2,940 million barrels, down from 3,047 million barrels at the end of October 2016, but still 7% above the 10-year average. The decline in inventories over the last 12 months implies that the market has been, on average, around 0.3m b/day undersupplied, versus an oversupply of 0.1m b/day for the prior 12 months, indicating a tighter market. There have been other factors at play in 2017, notably the release of oil in offshore storage into the onshore OECD inventory system, which likely have dampened market tightness. Stripping these effects out, our assessment is that the fundamental level of global undersupply in 2017 has been closer to 0.5m b/day.

For **natural gas**, 2017 was a year of divergence between the US, Europe and Asia. In the US, the gas price has been anchored at around \$3/mcf (averaging \$3.02/mcf), representing a recovery from 2016 (when price averaged \$2.55/mcf) but held back by gas to coal switching from US utility companies taking advantage of relatively lower coal prices, and a return to growth for onshore gas production in the second half of the year.

#### Fund activity

In February we sold our position in Exxon and purchased a position in Enbridge.

Exxon, the world's largest oil & gas super-major, has provided excellent defensive characteristics for the Fund since we purchased it in 2011. However, as we move into the next cycle, we believe that there are better growth options elsewhere in the sector. Enbridge is a dual Canadian/US listed midstream company, which has recently merged with gas pipeline specialist, Spectra Energy, to form North America's largest midstream operation. With the growth of onshore oil and gas production expected in the US and Canada over the next five years, we believe Enbridge is well placed to execute its pipeline expansion plans, which offer meaningful upside to shareholders.

In June we sold our holding in Carrizo Oil & Gas and switched into a holding in Oasis Petroleum. Both Carrizo and Oasis are US oil shale-focused companies, Carrizo operating primarily in the Eagleford basin and Oasis Petroleum operating primarily in the Bakken basin. Both companies have executed on production growth plans relatively well over the last twelve months, but we perceived a better opportunity in Oasis in terms of the depth of its inventory and improving cost base, relative to the current valuation of each stock. We expect Oasis to perform a little better than Carrizo, therefore, at lower oil prices, whilst maintaining as good leverage to a recovering oil price.

In July, we exited our 'research' position in Westernzagros. The company, which explores and produces oil and gas in Kurdistan, was taken private by Crest Energy. The deal to take Westernzagros private was completed at a substantial premium to the undisturbed price, but overall the investment has been a disappointment, with the geological and political hurdles of operating in Kurdistan proving to be far harder to overcome than entrants anticipated.

In September we purchased a 'research' position in Reabold Resources. Reabold is a UK AIM-listed resources investment company which raised equity and announced new management in September, with the aim of investing in small E&P special situations in Europe. We are attracted to Reabold by the opportunities that the new management team are planning to exploit, at a time when valuations in pre-cashflow oil and gas assets remain close to cyclical lows.

#### Outlook

As we look ahead into 2018, we expect OPEC to remain disciplined in its pursuit of a balanced oil market, and will seek to manage the oil price in a \$55-60/bl range. We believe 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 onshore oil production grows in a controlled manner.

On the supply side, we expect the US onshore shale system will grow strongly again this year, up by around 1m b/day if current oil prices persist. Efficiency gains will occur but be offset by cost inflation across the broader oil services supply chain, with bottlenecks around the availability of high quality drilling and completion equipment. Improved capital discipline from shale producers will also feature, with fewer companies outspending their cashflows. Non-OPEC (ex US onshore) supply will hold up in 2018 but coming under increasing pressure as upstream capex cuts from 2015-17 start to bite. A dearth of new project sanctions and increasing decline rates on existing fields means that non-OPEC (ex US onshore) oil production will decline into the end of the decade, even if oil prices increase from here.

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

For the financial year ended 31 December 2017

### **Guinness Global Energy Fund (continued)**

#### **Outlook (continued)**

Global oil demand is likely to remain robust as GDP growth, vehicle miles travelled and consumer demand habits mean that gasoline demand continues to grow. The non-OECD will deliver most of the growth in 2018, with China and India leading the way. Electric vehicles will come, but pose no threat to current oil demand growth.

Putting this supply and demand picture together, OECD oil inventories will likely normalise by the end of the year but the path will be bumpy. Historically, a decline in inventories has been supportive for oil prices, as we saw in the second half of 2017. Looking further ahead, we believe that continued oil demand growth, and a decline in non-OPEC supply outside the US, will raise the call on the US shale system and OPEC, and allow OPEC to manage the market to a higher price.

Meanwhile, global gas demand will grow handsomely again in 2018, led by strong Asian GDP growth and a shift in the region from coal to gas consumption by power utilities. This should form a supportive backdrop for European and Asian gas prices, which are interlinked via an expanding seaborne LNG market.

Energy equity valuations remain at depressed levels. On a relative price-to-book basis (versus the S&P500), the valuation of energy equities has fallen back to a 50 year low, at 0.5x, the same level that they were at in February 2016 when Brent oil was \$29/bl. Low P/B ratio for the sector have been driven by poor levels of return on capital, but with better capital discipline, returns are now improving, and should drive higher valuations.

Free cashflow will become a growing priority in 2018, having been well received as a theme in 2017. Energy companies should be able improve free cashflow returns in 2018, via cost control and a reduction in unproductive capital, even in a static oil price environment. Looking ahead to 2019/2020, assuming a \$60 oil price, we expect oil & gas companies to be able to grow shareholder distributions meaningfully for the first time in a decade. Super majors have the potential to raise distributions by around 40%, whilst mid and large cap producers could raise distributions by around 80%.

Energy equities offer attractive upside if our scenario plays out. If you believe, as we do, in a supportive oil price environment, or that return on capital will normalise (or both), our sensitivity work shows upside across the energy complex of around 35-45%.

**Guinness Asset Management Limited**  
**March 2018**

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	6 months	1 year	Annualised		Calendar years				2017
			3 years	5 years	2013	2014	2015	2016	
Fund	+10.6%	+20.8%	-3.2%	+6.6%	+71.7%	-11.6%	-11.6%	-15.0%	20.8%
Index	+16.8%	+5.9%	+1.7%	+2.2%	+18.9%	-11.0%	-22.1%	+27.6%	5.9%

The Fund was up 20.8% in 2017. The Fund performed well throughout the year – for the first half of the year the Fund was up 9.9% and for the second half of the year the Fund was up 10.6%. The main contributor to returns in 2017 was the solar sector. The module manufacturers largely recovered from 2016. China increased its installation targets, leading to demand for solar panels increasing by 25% year on year, when the market was expecting an increase of less than 10%. The Fund outperformed the MSCI World Energy Index, which was up 5.9% for the 2017. The outperformance reflected the low correlation of the alternative energy sector performance with the mainstream energy sector. Over 5 years, the Fund is up 6.6% annualised compared to 2.2% annualised for the MSCI World Energy Index.

The best performing subsectors in the Fund were solar, followed by hydro, geothermal, efficiency, wind and biofuels in descending order of performance. Solar had a strong year due to increased demand from China and fears of import tariffs in the US, meaning that developers were stockpiling modules stabilising prices and margins.

The Fund's one hydro holding, Iniziative Bresciane benefitted from completion of new generating plant contributing to earnings. The Fund's one geothermal holding, Ormat Technologies, is a vertically integrated manufacturer, developer and operator of geothermal plants. The company has successfully commissioned new plants and beat analysts' earnings expectations.

The Fund's Efficiency holdings include companies involved in building efficiency, fuel efficiency, grid infrastructure, electric vehicles and batteries. These are also more exposed to global economic growth and have benefitted from strong global economy in 2017. The Fund's battery holdings fared well due to increased uptake of electric vehicles, while our grid holding benefitted from electricity grid improvements.

The Fund's wind holdings are a mixture of power producers and component manufacturers and contributed positively to Fund performance. The Chinese wind power producers performed better due to lower wind power curtailment in China in 2017 than in 2016, while the Fund's Canadian wind power holding continued to execute its pipeline well. The biofuels holding, Cosan, performed well from an earnings perspective and benefited from strong Brazilian equity markets.

The Fund's best performing position in 2017 was First Solar, the US-headquartered thin-film module manufacturer, closely followed by China Suntien, the Chinese photovoltaic systems installer. Both more than doubled in share price over the year. China Suntien benefitted from the surprise increase in Chinese solar demand. First Solar also benefitted from additional solar demand as well as the new tariffs the United States imposed on silicon-based solar equipment. First Solar is exempt from these import tariffs as its modules do not use silicon, even though their manufacturing locations are outside of the United States. JA Solar and JinkoSolar, two Chinese module manufacturers, were up 56.7% and 57.9% respectively over the year, due to increased Chinese solar demand and more stable margins. The Fund's insulated panel manufacturer, Kingspan was up 39.5% due to a strong property market and demand for energy efficient building materials.

The Fund's weakest performing position, Boer Power, a distributor of energy management devices, was down 52.3% over the year as it continued to execute a major restructuring. We believe the restructuring will allow a recovery in earnings and the company's key markets remain attractive - China's distribution grid requires significant investment to deal with the influx of renewables, and particularly with the growth of rooftop solar in China this year. Good Energy, a UK-based green utility, missed expectations as a result of poor customer growth and billing system weakness. Concord New Energy suffered along with other Chinese renewable power producers as a result of delays to subsidy payments. This has been addressed and there are signs of lower generation curtailment that may support further improvements to earnings. China Singyes, a Chinese solar installer, suffered from poor prices achieved for developed sites held on its balance sheet. This part of the business has now been sold. Wasion Group, a Chinese metering provider, was down 9.1% as the Chinese government slowed its metering transition programme.

#### Activity

The Fund sold its position in SolarEdge in the first quarter of 2017, due to fears of further price competition for inverters and replaced SolarEdge with Prysmian, an Italian cable manufacturing company with a global footprint. Prysmian is benefits from electricity grid upgrades and expansions globally, as well as the growing market for long-distance cables. We added a position in Kingspan, an Irish insulation building materials producer to take the Fund to a full complement of 30 positions.

In the third quarter The Fund sold its position in CEMIG, a Brazilian hydro-power utility, due to continuing concerns about the political situation in Brazil and oversupply in the Brazilian power market. The Fund acquired a position in TPI Composites, a composite material provider that manufactures wind turbine blades.

In the fourth quarter, the Fund sold its position in Centrotec, a German heating and boiler installer. Sales growth had been expected after a change in law that required commercial buildings to install new boilers to meet efficiency standards. Although the growth never materialised, the Fund sold its position for roughly the same price as when it was originally introduced into the portfolio. The Fund replaced Centrotec with a position in LG Chem, a Korean chemicals and materials provider. LG Chem has reasonable valuation metrics and a leading battery business which is forecast to turn profitable in 2018. It is well placed to capitalise on the growing markets for electric vehicles and large scale stationary storage via its lithium-ion battery division.

The overall effect of these changes has been to increase the Fund's exposure to larger capitalisation companies with higher earnings visibility.

#### Portfolio Position

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

On a sector basis, the Fund has been weighted between a quarter and a third in each of the energy efficiency, solar and wind sectors. The companies in other sectors, such as hydro, biofuels and geothermal, have company specific investment rationales rather than sector growth stories.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Alternative Energy Fund (the "Fund") (continued)

#### Outlook

Sentiment towards the alternative energy sector significantly improved over the year. As with last year, several tenders for power saw renewable energy undercut pricing for conventional fossil fuel plants. In emerging markets, India saw solar pricing that was lower than the price of electricity from existing coal plants. Saudi Arabia and Mexico set new records for solar, at \$18/MWh and \$19/MWh, respectively. In Germany, offshore wind farms to be built in 2024 forfeited per kWh subsidies in favour of the market electricity price. Although offshore wind installations in Germany have other support measures, including guaranteed and paid-for grid connections and a floor price of €0/kWh for up to six consecutive hours to protect from negative pricing, the achieved price of offshore wind has beaten most if not all expectations. Once again, renewable energy technologies are showing that they are capable of producing electricity less expensively than fossil fuel resources in an increasing number of countries. This means that the addressable market for renewables continues to increase and becomes less reliant on government support for growth.

In addition to advances in renewable energy competitiveness, batteries and electric vehicles have seen steep price decreases. With several new electric vehicle models coming to market at the same price point (with subsidies) as internal combustion engine vehicles we are confident that electric vehicles are approaching a point where they will gain significant market share. In Norway, where electric vehicles enjoy tax credits making electric cars as affordable as combustion engine vehicles, the market share of electric vehicles of new car sales reached 30% in 2016 and 39% in 2017 - up from under 1% in 2009. We expect similar growth rates for developed countries as electric vehicles become cheaper due to improvements in batteries, materials and vehicle design.

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

Guinness Asset Management Limited

March 2018

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Money Managers Fund (the "Fund")

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+35.1%	+4.7%	+13.0%	+54.8%	+3.6%	-10.9%	-4.7%	+35.1%
Index	+23.1%	+9.9%	+12.3%	+27.4%	+5.6%	-0.3%	+8.2%	+23.1%

The Global Money Managers Fund in 2017 produced a total return of 35.1%. This compares to the return of the MSCI World Index of 23.1% and the MSCI World Financials Index of 23.5%.

After a difficult year in 2016, the money management sector enjoyed a strong rally in 2017, buoyed primarily by the strength of the broader equity and fixed income markets, which created a rising tide for the assets managed by most participants. Active-to-passive rotation continued to impact traditional asset managers, though the level of rotation was far less than experienced in 2016. Active equity management in the US again saw net outflows, but active fixed income and multi-asset funds reported net inflows.

All the subsectors within money management performed well in 2017, with the standout group being alternative asset managers. Having underperformed for the previous couple of years, private equity managers enjoyed particularly strong returns. Their stocks looked undervalued going into the year, and as a group they enjoyed positive market returns, record asset inflows, and the expected benefits of President Trump's economic and fiscal reforms (most being US focused or domiciled).

European money managers adjusted to the prospect of MiFID II regulations coming into force at the start of 2018. Greater transparency, reporting requirements and the burden of external research costs falling directly on asset managers combined to raise operating cost bases. However, the additional costs came at a time of record retail inflows into the European asset management sector, which sugared the pill.

In general, we observed that some active providers reacted to the threat from passive products better than others, and distributed products that were clearly differentiated from passive products, or were sufficiently competitively priced. The active managers whose products provide only high-cost index-like exposure are those that struggled most in 2017, albeit this was masked by positive impact of the rising stock market.

The best performers in the fund over the year (on a total return basis) were: Polar Capital (+109.6%), Jupiter Fund Management (+65.9%), Fortress Group (+65.2%) & Ameriprise Financial (+56.5%).

Polar Capital, which we have held since the inception of the fund, has enjoyed a return to net inflows after a period of significant outflows in 2016. The turnaround has been achieved by reversing outflows in the company's flagship Japan fund, success for the company's technology fund, and a successful launch of a UK Value Opportunities Fund. The market also welcomed the arrival of Polar's new CEO, who has outlined plans for an expansion into the US market.

Jupiter Asset Management also reported strong inflows during the year, spread across fixed income, absolute return, multi-asset and global emerging market strategies. Over the first three quarters of 2017, Jupiter saw net inflows of £4.9bn, equivalent to 12% of assets under management at the start of the year. We watch Jupiter's net revenue margin closely, which at 92 basis points in 2016 was in the top quartile versus peers and vulnerable to decline, but expect asset gathering from newly opened offices in Continental Europe to continue successfully over the next few quarters.

Fortress was subject to a US\$3.3bn acquisition by Japanese company, SoftBank Group. SoftBank's core business is focused on telecoms and technology, so the addition of Fortress, a New York based manager of real estate, hedge funds and private equity, was something of a departure from their traditional operations. Fortress had around \$70bn in assets under management at the time of the bid and is one of few asset managers with funds targeted at Japanese assets.

The worst performers in 2017 were: Och-Ziff (-22.6%), GAMCO Investors (-3.7%) and Franklin Resources (+11.6%).

Och-Ziff's progress continues to be hindered by the fall-out from an SEC investigation into federal bribery. Although the investigation was settled in September 2016, the company saw steady asset outflows continue in 2017. In the 12 months to September 2017, net outflows for the company totalled \$9.1bn, or 23% of assets under management at the start of the period. We were pleased to see, however, that performance of Och-Ziff's flagship fund looked more positive.

GAMCO Investors reported a rise in assets under management during 2017, up by around 8% to \$43.bn, supporting the company's revenues. However, this was more than offset by rising costs in the business, which resulted in a drop in pre-tax earnings and pulled the stock lower.

Franklin Resources is one of the US's larger traditional asset managers, and has proved vulnerable to outflows, particularly from its active US equity franchise. The company also had a relatively high proportion of its assets under management in higher margin retail share classes, which have borne the brunt of the outflows.

#### Activity

During the second quarter, we sold our position in ARA Asset Management and purchased a position in Banca Generali.

ARA, which we had owned since the inception of the fund, specializes in the management of real estate investment trusts and private real estate funds in Asia. The company was taken private in April, following an offer made by ARA's founder, John Lim. For the time that we owned the stock, ARA produced a satisfactory total return of 59.5%, slightly ahead of the total return of the fund over the same period.

Banca Generali (BG), which we purchased in June, is one of Italy's largest wealth and asset management groups. Traditionally, Italian retail and institutional investors have held relatively low levels of equities in their portfolios, preferring fixed income instruments. With the low returns currently promised in the fixed income market, there is now a shift towards equities, something which we believe Banca Generali is well placed to capitalise on. Net inflows in the first quarter of 2017 reached €1.8bn, a higher rate than any quarter in 2016, bringing BG's total assets to €50.1bn. BG traded on 2017 P/E ratio at purchase of 16.0x, just above the P/E for the fund (14.8x) but a premium which we viewed as justified given the company's growth rate.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Money Managers Fund (continued)

#### Activity (continued)

In December, the acquisition of our stake in Fortress Group by SoftBank was completed.

We believe the price paid by SoftBank for Fortress, representing around 4.7% of assets under management, was an attractive one for Fortress shareholders.

Over the course of the rest of the year, the portfolio was rebalanced several times.

#### Outlook

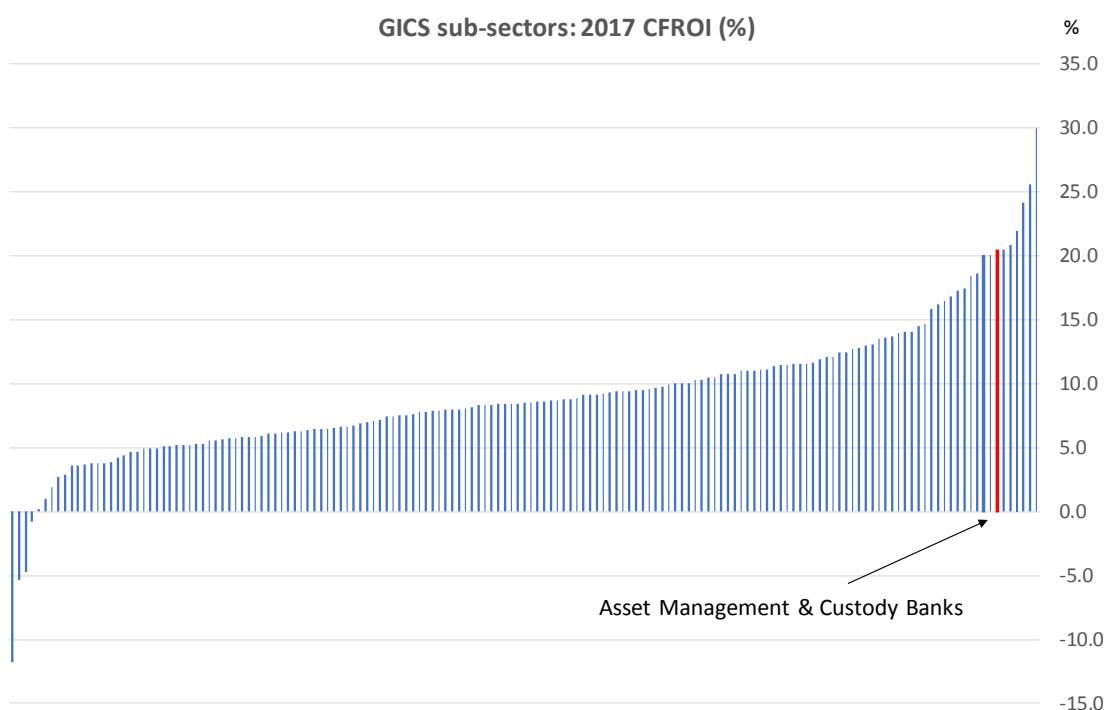
As we consider the outlook for the asset management industry, it is instructive to consider a number of the trends that have developed over the last few years.

Despite the penetration of passives/ETFs into the market over the past five years, the majority of asset management companies have achieved net inflows. 2016 was a poor year for inflows, especially in the US, catalysed by shifts in the US retail channel triggered by the DOL's Fiduciary Standard Rule. However, 2017 has seen a much stronger backdrop than 2016, with around three-quarters of mid and large cap asset managers enjoying net inflows.

There are a number of managers who have seen their overall assets under management decline, particularly traditional active equity businesses in the US that have been most exposed to the rotation to lower cost passive funds and ETFs, but the majority of firms have seen assets under management grow handsomely. This has of course been well supported by market appreciation, as well as net inflows.

There has been pressure on revenue margins, as greater competition from passive products lowers fund pricing. Net revenue margins have declined, on average, by about 10% since 2012. Against this, operating margins are steady over the period, so it would seem that the slight erosion in pricing has been offset by growing revenues as a result of net inflows and market appreciation.

And despite headwinds for the sector, return on capital remains as high today as it was in the years leading up to the 2008-09 financial crisis, at a level far exceeding average returns across the broad market. Indeed, cashflow return on investment (CFROI) for the asset management sector in 2017 averaged just over 20%, which compares to a broad market average of 8.5%. This puts asset management returns comfortably in the top decile of all GICS sub-sectors.



An important component of returns generated by money management firms is their dividend. Companies in this sector tend to generate significant excess cash, and usually, Boards are willing to return the cash to shareholders in the form of dividends. The portfolio currently shows a gross dividend yield of 3.5% (n.b. this is rolled up in the fund rather than paid out), well ahead of the MSCI World at 2.3%. There have been times in recent history, for example in 2013, where share price outperformance by asset managers versus broader equities drove the dividend yield to a far smaller premium to the broad market. However, sustained outperformance in 2015 and 2016, at a time when asset managers were still growing their dividends, leaves the fund's yield today at its greatest premium to the MSCI World in five years.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Money Managers Fund (continued)

#### Outlook (continued)

Dividend yield (%)	2012	2013	2014	2015	2016	2017
Guinness Money Managers Fund	2.57	2.33	3.01	3.46	3.51	<b>3.51</b>
MSCI World	2.22	2.13	2.11	2.42	2.33	<b>2.29</b>
Premium to MSCI World yield (%)	16%	9%	43%	43%	51%	<b>53%</b>

As we look ahead to the next few years in the asset management industry, it seems clear that developing industry trends will suit some firms more than others. Weaker traditional asset managers who over-charge for undifferentiated products will continue to see outflows and will underperform. Against this, we expect outperformance from the following participants in the sector:

- **Effective, outperforming, active management.** 49% of US active managers outperformed their benchmarks (after fees) in 2017, the strongest year for active equity performance since 2013 and above the 20 year average of just over 40% (source: CSFB; Morningstar). Managers who can successfully offer products that outperform their benchmarks will continue to be the sector's most attractive revenue opportunity.
- **Cost-efficient beta (ETFs/passives).** There will be significant growth in the use of easily-accessible passive products, notably ETFs. We expect the global ETF market to triple in size over the next five years. Broadly speaking, this divides into low-cost 'beta delivery' operations (e.g. Vanguard, BlackRock iShares) which rely on scale and innovative beta products for which appetite is high (e.g. Wisdom Tree and Invesco Powershares). Increasingly, the winners in the ETF/passive world will be those who can achieve significant scale, so maximising their operating leverage. The sector saw consolidation in 2017, with Invesco buying Guggenheim and Source, and we expect further consolidation this year.
- **Alternative asset managers.** 'Alternative' asset managers, such as private equity and hedge funds, face less threat from passives than large low active-share traditional managers, and therefore sit well placed to continue to grow assets as investors seek differentiated returns. Many alternative managers are seeing record fundraising activity, whilst some US managers (e.g. Blackstone; Ares; KKR) have the opportunity to convert from their current publicly traded partnership structure into a C-Corp structure, driven by US corporate tax reforms. This would likely expand their ownership bases with passive and active-only equity managers, some of whom are unable to own partnership structures.
- **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 10x, versus world equity returns of around 4x. We expect this trend to continue. An expanding pool of assets provides an attractive environment for sectors such as stock exchanges and custody banks.

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

At 31 December 2017 the P/E ratio of the Fund was 15.8x 2017 earnings. This sits at a significant discount to the broad market, with the S&P 500 trading on a 2017 P/E ratio of 21.4x earnings. Earnings for the portfolio grew by 42% between 2016 and 2017, and are expected to grow by 11% in 2018.

Fund P/E ratios versus the S&P 500 Index (31.12.17)							
	'12	'13	'14	'15	'16	'17	'18
Fund P/E	23.6	17.6	16.8	18.0	22.4	15.8	14.0
S&P 500 P/E	27.6	24.9	23.0	26.6	25.2	21.4	18.4
Premium (+)/ Discount (-)	-14%	-39%	-39%	-41%	-22%	-24%	-26%

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

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

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

Guinness Asset Management Limited  
March 2018

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+19.7%	+7.0%	+10.3%	+28.7%	+3.7%	-3.6%	+6.1%	+19.7%
Index	+23.1%	+9.9%	+12.3%	+27.4%	+5.6%	-0.3%	+8.2%	+23.1%

#### Summary

"Political noise, market poise" suitably characterises the year of 2017. Equity markets persistently defied the sceptics, who pointed to political dysfunction, monetary policy uncertainty, and potential geopolitical crises as reasons for woe. Instead the year saw well-diversified global growth, with many equity indices hitting new highs.

In 2017 the Guinness Global Equity Income Fund produced a total return of 19.7%, compared to the MSCI World Index return of 23.1%. The fund therefore underperformed the Index by 3.4%.

This is reflective of what we saw in equity markets over the last 12 months, with the market preferring growth stocks to value; quality companies and defensive sectors benefitted less from the very strong equity rally.

Over the long-term the fund ranks in the top quartile of the IA Global Equity Income sector over five years and since launch in 2010. The fund has now outperformed the IA sector in five of the seven years the fund has been in existence, and we are pleased to have provided positive returns in each of the last seven years.

Importantly, our focus on companies that offer the potential for dividend growth rather than simply a high dividend yield means we have managed to grow the dividend distributed by the Fund every year. This year the Fund grew the dividend by 2.8% (Y-class, in GBP), whilst the annualised growth rate over the last seven years has been 4.7%. Based on the price at year end, the Fund has a historic 12 month dividend yield of 2.7%.

#### Performance

Every single one of the world's 45 major economies (defined by the OECD) grew in 2017, and is forecasted to grow in 2018. It has been more than a decade since the lift to the world economy was this broad. While risks from politics, central bank policies and military threats have not gone away, investors seem to have recognized that the global economy is not as vulnerable to these influences as perhaps thought of at the start of 2017.

The MSCI World and S&P 500 indices delivered positive returns in every single calendar month of 2017 – the first time this has happened in history. Perhaps more remarkable is that these consistent returns have come with record low volatility. The maximum drawdown for the S&P 500 index was less than 3.3% over the year, and this compares to the index's median average of 18.0%, going back to 1980. The year started with a growing optimism that the new U.S. administration would be beneficial for corporate profitability. Tax reform, deregulation and infrastructure spending initiatives were part of President Trump's initial plans and helped push stock market returns upwards. Positive macroeconomic data releases led the Federal Reserve (FED) to hike interest rates in March, June and December of 2017. This followed a rate hike in December 2016, and although a cumulative rise of 1% in 12 months may not sound significant, previous to these 12 months, there were no rate rises in the last decade. Attempts to disengage from the strictures of unconventional monetary policy, namely zero interest rates and quantitative easing which were introduced in many economies in the aftermath of the financial crisis, are set to continue with forecasts suggesting three to four further rate hikes in 2018. President Trump also announced that Jerome Powell will lead the FED when Janet Yellen steps down as Chair in February 2018. Powell is unlikely to materially alter the likely course of rate rises, but the new FED members to be appointed in the year could potentially shift the path and will warrant close attention. In the final quarter of the year, unemployment fell to the lowest level since 2000, business investment accelerated, and there was also a much-anticipated reduction in the U.S. corporate tax rate to 21%, from 35%. The year finished on a high also in terms of corporate profitability, with third-quarter earnings releases showing a 6% year on year rise.

Despite a good year for the European economy in terms of equity returns and corporate earnings (up 10% year on year in the third quarter), European stocks underperformed several other markets in local currency terms, highlighting the extremely strong returns delivered elsewhere. European equities had a great start to the year, as business surveys picked up and political risk faded with Emmanuel Macron's election win. The strong rally in the Euro in the first three quarters of the year explains much of the subsequent drag (since May) on European equities in local currency terms. Foreign revenues have had to be translated at a less favourable rate. In the fourth quarter, European equities delivered the lowest returns, despite a broadly flat Euro, suggesting they have not experienced the same boost from U.S. tax cuts. Furthermore, politics has given European investors reason to pause for breath. The Catalonian independence disputes have weighed on the relative performance of Spanish equities since August, and the start of October has seen Italian equities also give up a little of their outperformance for the year as investors start to look ahead to the Italian elections in 2018. Turning to look at central bank action, the European Central Bank was encouraged by the overall health of the European economy, perhaps coupled with legal constraints on the amount of German bunds it can buy, to announce in October that it will reduce its monthly quantitative easing purchases down to EUR 30 billion. This lower pace of purchases will start in January and last until at least September 2018.

UK equities have had to contend with the strength in Sterling over 2017, weighing on the value of foreign revenues, which make up close to 70% of FTSE 100 sales. The more domestically focused mid-and small-cap stocks have therefore outperformed in 2017, with UK equities overall underperforming most other regions this year. Part of the reason for the rally in the Pound this year has been an increasing probability of a transitional deal on Brexit. The completion of phase one of the Brexit negotiations in December supports the market's assumption that a transitional deal now looks more likely than it did at the start of the year, even though many challenges remain. The deterioration in UK consumer confidence stands in contrast to the buoyant consumer confidence seen in most other regions. The Bank of England increased interest rates in November for the first time since 2007, but noted that any further rate rises are likely to be very gradual and remain highly dependent on the outcome of the Brexit negotiations.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Equity Income Fund (continued)

#### Performance (continued)

The best-performing equity markets this year have been in Asia and the emerging markets. Several factors have contributed to their strong performance. A weak Dollar has historically been supportive of the relative performance of emerging market equities and this proved to be the case in 2017. EM equities have also benefited from a rebound in earnings off a low base and the rally in technology stocks this year. The MSCI EM Index started the year with Technology making up 25% of the composition. It's also been another year when the China bears have been left disappointed. In the fourth quarter, the 19th National People's conference laid out a plan for reducing financial risks while focusing on delivering slightly lower, but still very substantial, GDP growth.

Following suit, Japanese equities have likewise had a very strong 2017. The major driver of performance this year has been stellar company earnings, which rose by 16% year on year in the third quarter. Earnings were bolstered by strong global growth and a pick-up in global trade. Prime Minister Shinzo Abe comfortably won the election in October, providing political stability and boosting confidence that there should be few changes to his economic policies. Next year, it will be important to watch Bank of Japan (BoJ) policy and whether Kuroda continues as governor after his current term ends in April 2018.

Overall, most equity investors have enjoyed a remarkably smooth and rewarding 2017 as all regions worldwide posted significant gains.

The big question going into 2018 is whether this can continue as new headwinds approach. 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 cashflow return on investment gives us confidence that the fund is well placed to weather different market conditions.

The Guinness Global Equity Income Fund tends to outperform in down markets, and is skewed towards quality companies, at attractive valuations. This explains the Fund's slight underperformance this year as Growth companies significantly outperformed Value.

In terms of sectors, technology stocks led the way returning almost 40% (in USD), but the market rally was relatively broad based, with materials, industrials, consumer discretionary, financials and healthcare all returning over 20% (in USD). Defensive "bond-proxy" sectors such as utilities, telecommunications, real estate and consumer staples lagged.

For the fund, overweight healthcare was a small drag on performance from an allocation perspective, but good stock selection (e.g. Novo Nordisk and AbbVie) meant overall allocation to the sector added to performance. This is similar to the case with IT stocks, where underweight to the sector dragged on performance though we saw good returns from individual positions such as Microsoft and Cisco. We also note that although consumer staples underperformed as a sector, good stock selection meant positive contributions. It is particularly pleasing to see many of our newer additions performing well in this sector.

When we look at how individual companies within the portfolio performed in 2017 we see that out of the top five, we have two healthcare, two financial, and one consumer staples stock. This is testament to the bottom-up philosophy of the Guinness Global Equity Income Fund focusing on quality companies at attractive valuations. It is also worth noting at this stage that the fund is benchmark and sector agnostic – positions are based on high conviction, bottom-up fundamental analysis.

Of the two worst performing stocks, Mattel and Teva Pharmaceutical, we saw significant share price falls in the third quarter. In its earnings release, Teva surprised the market with significant write-downs associated with the Allergan acquisition and a large cut to the dividend, so we decided to sell our position. Mattel had been a long term holding in the fund and performed very well from 2012 to 2015. The company saw falling sales and earnings in more recent years, and it announced a dividend cut in the third quarter, convincing us to sell our position.

#### Activity

In 2017 we sold five positions and bought five new positions, leaving the portfolio with 35 positions at the end of the year. This was more changes than in 2016, though fewer than in 2015.

In the first quarter, we made one change to the portfolio, whereby we bought Novo Nordisk and sold H&R Block.

H&R Block, the US-based tax preparation company, saw some significant changes during our long term holding of the company. Of particular note was the spinning off of its banking arm in 2014, which released the company from the associated regulatory burden and capital requirements associated with that business. This was well received by the market and the company added significantly to the performance of the fund from our first purchase in 2012 to the end of 2015. However, through 2016 the company posted a series of weak quarterly results as it appeared competition in the market place and particularly the 'do-it-yourself' online tax returns model had begun to erode their dominant position. This was reflected by sharp declines in the share price over this period. The quarterly results released in early March surprised to the upside, however, mainly as the market had become too pessimistic rather than results being obviously positive. The subsequent spike upwards in the share price provided us an opportune moment to exit our position. At the time of sale, the valuation of the company was undemanding (around 13.5x 2017 expected earnings) but we felt the quality had deteriorated as debt to equity levels began to rise significantly. We felt our conviction was not high enough to justify holding the stock.

We bought Novo Nordisk to replace H&R Block, sticking to our one-in, one-out policy. The Danish pharmaceutical company is a leader in the global insulin market and has maintained a concentrated, yet market leading, portfolio of drugs targeting diabetes – a growing disease especially in less developed countries. We liked the fact that CFROI has been consistently growing over the last 10 years and currently stands at 25%. Dividends per share have also been growing very quickly with a five year dividend growth rate of over 20% per annum. The company has a very strong balance sheet with very little debt compared to its peers and has considerably more cash than debt. The company's shares sold off since mid-2016 after an increase in competitive threats, pricing pressures and uncertainty in the US healthcare reform. However, we believed that the market had been overly pessimistic given Novo Nordisk's growing drugs pipeline, strong balance sheet and significant cash generation, and this gave us an attractive entry point. During the time we have held the stock, the share price has already rallied 60% (in USD).

In the second quarter, we also made one change to the portfolio. We bought ANTA Sports and sold TOTAL.

TOTAL, the global oil and gas company, was one of our two energy sector holdings. We grew increasingly worried at the company's falling cashflow return on investment and this was accompanied by stagnant dividend growth and capital growth. In our opinion, the company's inability to sustain healthy margins put us out of favour with the stock, especially at a time where industry-wide factors were hampering the performance of energy stocks. We believe that the stock was overvalued versus its history, based on its P/E multiple, and with an increasing amount of long-term debt maturing in the next few years, it was deemed a good time for us to sell our entire position in TOTAL.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Equity Income Fund (continued)

#### Activity continued)

We bought ANTA Sports to replace TOTAL. ANTA Sports is based in China and has a cashflow return on investment over 10%, for its entire 10 years of existence as a public company. The company generates revenue through the manufacture and trading of sporting goods, including footwear, apparel and accessories. Its brand portfolio includes ANTA, ANTA KIDS, FILA, FILA KIDS and NBA, and has joint ventures with new brands too, such as South Korea's Kolon. Looking at the financials, ANTA Sports has very solid margin growth alongside a surge in sales in recent years. The company is well positioned to benefit from the growing wealth in China, recovering economy, and has maintained low debt. It is the official sponsor of the Chinese Olympics team and we have conviction that the stock has potential to maintain its significant earnings growth. Since buying the stock, the company strengthened its multi-brand strategy by acquiring popular kidswear brand, KingKow. During the time we have held the stock, the share price has rallied 39% (in USD).

In the third quarter, we made two changes to the portfolio, whereby we bought British American Tobacco and Hengan International. We sold positions in Teva Pharmaceuticals and Mattel.

British American Tobacco – the global tobacco leader – was on our radar due to its stellar cashflow returns on invested capital, and strong dividend profile. It's increasing market share, sales and earnings, and its successful integration of the mega \$65.4bn acquisition of Reynolds American, position the company well for future price and dividend growth. Despite a rising debt, the company has large piles of cash and good interest cover. At the time, we believed that the U.S. Food & Drug Administration's proposal to reduce nicotine in cigarettes had been overly discounted, and coupled with a sell-off following bribery allegations, this provided us an attractive valuation to buy a new position. Integrating the Reynolds American deal and developing the "global drive brands" strategy is the company's focus for the next few years, as synergies from the acquisition are expected to be \$400 million. "Global drive brands" continue to boost BAT's market share at higher price points and increased investment in new-generation products will allow longer-term growth.

Hengan International is one of the largest producers of sanitary napkins, diapers and tissue paper in China. Historically the company has captured significant market share in established distribution channels (maternity stores, hypermarkets) and more recently it is seeing growth from online exposure. Management has built up an e-commerce team to take advantage of the channel shift in China, whereby consumers are increasingly purchasing everyday items online. Alongside this there are new brand launches and a revitalised sales strategy to maintain its offline market share. Growing revenues, high and stable margins, year-on-year earnings growth and a well-covered, high dividend are some of the highlights making this a compelling addition to the fund.

We bought TEVA Pharmaceuticals in 2013 when the stock was trading at historic low multiples and the market was overly focused on "patent cliffs" – an issue which was associated with healthcare companies in general. Over the following two years the stock price recovered significantly as the expected pessimistic scenarios did not come about. Into 2016, however, the share price weakened as worries mounted regarding drug pricing in the U.S. and the company announced a significant M&A transaction, buying the generic drug business of Allergan for around \$40bn. This was an exceptionally large figure for the company and raised questions as to whether TEVA had both over paid and overstretched. In the second half of 2016, the share price continued to fall, although we felt this was more sentiment-driven. However, the second quarter earnings release came as a shock to the market due to the severity of the announcement, which entailed significant write-downs associated with the Allergan business acquisition and a large cut to the dividend, in part to preserve cash to pay down debt and prevent certain covenants being breached. As a consequence of these poor results, and especially in light of the dividend cut, we were quick to sell our full position in TEVA.

Mattel is another company that has been a long term holding in the portfolio, though over the last two years it has had mixed results. Ultimately sales have declined due to strong competition and lack of innovation from the company and the cost of goods sold have not declined in parallel – meaning earnings have been hit. With such an operationally leveraged company it has been of particular disappointment that the management had not been able to tackle costs and arrest the decline in margins. Throughout this period the company did maintain its commitment to the dividend, even as payout ratios increased from what were relatively low levels. After only two years we saw another CEO change announced in February this year, whose background was Google and Groupon, and who had a focus on modernising their product offering. Through 2017 the company continued to disappoint but the dividend cut announced by the new CEO on the second quarter earnings call further added to market worries, and as a consequence we sold our position in the company.

In the fourth quarter of the year, we made one change. We bought Reckitt Benckiser and sold Coca Cola.

We bought Coca-Cola in August 2011 and the drinks manufacturer has returned close to 70% (in USD) in total return over the holding period. A sizable proportion of this has come from a large and growing dividend payment over the years, and more recently the stock has seen significant multiple expansion. The company trades at a 10-year peak forward P/E multiple of 23x, and we have seen this as a good opportunity to take profit and sell our position. Although margins have improved, the beverage company has been seeing lower sales growth with earnings increasingly supported by share buybacks. Increased debt to fund these buybacks has left the company more leveraged and reduced our conviction on future growth. Although the dividend yield is still attractive at 3.3%, we believe that there is a higher risk of multiple de-rating if emerging market sales recovery disappoints or is already "priced in". Regulation on sugary drinks and growing consumer consciousness add to the concerns for Coca-Cola, and this is translating to falling sales growth consecutively for the last 5 years.

We replaced our position in Coca-Cola with Reckitt Benckiser, a stock we had previously held between 2011 and 2015. This is a British producer of health, hygiene and home products, with 'Powerbrands' – as Reckitt Benckiser likes to call them – such as Nurofen painkillers, Durex condoms and Dettol disinfectant. We see this as a high-quality business that has underperformed the MSCI World Consumer Staples index since mid-2016 due to falling sales growth, particularly in India, Brazil and the Middle East. More recently, in October, the consumer goods firm cut its full-year sales forecast, struggling with a fallout from a cyber-attack, a failed product launch and a safety scandal in South Korea. In turn, we believe the market has been overly-pessimistic and recent acquisitions (e.g. \$16bn purchase of baby milk maker Mead Johnson) and business re-organisation efforts have not fully been recognised. The stock is currently trading at a forward P/E multiple of 18x, compared to 24x in mid-2016. We see this as an attractive entry point, especially given that dividend growth was 10% in 2017 and earnings are forecasted to grow 6% in 2018.

#### Positioning

The major effect of the changes we made to the portfolio in 2017 was to increase our exposure to consumer staples. In terms of sector weightings, the fund continues to have a zero weighting to utilities, materials, and real estate. The largest overweight positions are to consumer staples, industrials and healthcare.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Equity Income Fund (continued)

#### Positioning (continued)

Asset allocation as %NAV	Current 31/12/2017
Consumer Discretionary	8.71%
Consumer Staples	25.96%
Energy	3.24%
Financials	14.41%
Health Care	15.31%
Industrials	18.74%
Information Technology	8.59%
Materials	0.00%
Real Estate	0.00%
Telecommunication Services	3.14%
Utilities	0.00%
Cash	1.90%

#### 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. Based on the measures, holistically, the high-conviction fund has companies which are on average better quality at similar value versus the index. At the year end, we are pleased to report that the portfolio continues to deliver on all four of these measures relative to the benchmark MSCI World Index.

The fund at the end of the quarter was trading on 17.2x 2018 expected price to earnings; a discount of 0.5% to the broad market. However, on a free cashflow basis, the fund trades at a significant discount to the market. With interest rates set to rise and continuous geopolitical uncertainty around the globe, our perpetual approach of focusing on the quality of the underlying companies we own should stand us in good stead in our search for rising income streams and long-term capital growth.

**Guinness Asset Management Limited**  
**March 2018**

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+36.3%	+11.9%	n/a	n/a	+10.7%	-4.4%	+7.5%	+36.3%
Index	+37.4%	+10.6%	+7.6%	+4.7%	+2.2%	-9.0%	+8.1%	+37.4%

2017 has been a strong year for Asian equities with the market up 37.4% (as measured by the MSCI AC Pacific ex Japan Index in USD terms). The Fund has performed well, rising 36.3% (X class, total return in USD) and capturing 96% of the market rise. This was better than we might have expected because the nature of this Fund, with its focus on higher-quality dividend-paying stocks giving it a lower sensitivity (or Beta) to overall market movements.

The best-performing sectors in 2017, as measured by the sector indices within the MSCI AC Pacific ex Japan Index in USD terms, were Technology +64%, Health Care +52%, Consumer Discretionary +41% and Real Estate +40%. The best countries were China +54% and South Korea +46%. The overall story was accelerating profits growth driven by stronger-than-expected economic growth in China, a resurgence in Chinese domestic consumption and a significant upswing in Technology names related to consumer electronics, especially smartphones. We also note that Asian currencies strengthened 6% against the dollar (on a weighted average basis). The largest moves were the Korean Won up 13%, followed by Malaysia and Thailand up 10% and Singapore and Taiwan up 8%. However, perhaps the most important signal of improvement came from the Chinese Yuan which reversed the weakness of 2016 and rose 6.7%.

Chinese stocks, as measured by the MSCI China Index, have had their best year since 2009, marking a decisive reversal of the gloomy sentiment that has dominated for so many years. The stock market recovery is as much about what did not happen as what did. The 'near certain' banking sector crisis did not happen. We have long argued that debt servicing capacity, rather than the ratio of debt to GDP, is the most important metric when assessing the burden of debt and gauging financial stability. The recovery in heavy industrial profits and cash flows by 9% in 2016 and by a further 16% for the first 11 months of 2017 has improved matters considerably. According to our analysis of 3,000 listed companies in China the share of debt at risk (where operating profit does not cover their annual interest expense) has almost halved from 2015, from 30% to 17%. Government efforts to slow debt accumulation appear to be having an effect, according to the International Institute of Finance, with the stock of debt to GDP rising only 2% in 2017, compared to an average rise of 17% per annum between 2010-2016.

Technology has also been a big part of the investment story this year. In Asia, Technology features both in application and in production. These areas show the region at its most innovative. In the region's burgeoning consumer markets, the race is on for businesses to adapt to changing business methods, to adopt new technologies and to respond rapidly to developing consumer spending patterns. Online retail, e-commerce platforms and e-payments have taken off, which has caused the stock prices of the Chinese internet names especially, to surge. On the production side, the launch of the new iPhone has brought with it significant advances in production technology from phone casings, to camera lenses, through to facial recognition and screens. The resultant increased performance requirements of handheld devices and the growth in Internet of Things has fed through to an upswing in demand for memory chips. There has been an increase in component prices, lifting profit forecasts throughout the supply chain.

South-East Asia (Indonesia, Malaysia, Philippines, Singapore and Thailand) has been out of favour for the past three years compared to North Asia, with only Thailand looking attractive, in our view. However, there are signs that Singapore's prospects are looking brighter. In 2017, full year economic growth came at top end of the official forecast range at 3.5%. The main drivers have been a strong rebound in services and stronger external demand pushing up exports growth across all major categories but especially in pharmaceuticals/biotech. There are expectations that improved productivity will support rising wages and hence lift domestic activity. The Monetary Authority of Singapore has been quick in the past to anticipate such turns and interest rate increases are possible. Mortgage rates have moved higher in anticipation.

If it was exceptionally low market valuations which drove the recovery in Asian markets in 2016, it was profit growth that drove them in 2017. In aggregate, Asian markets saw profits reported in the 12-month period to 31 December 2017 rise 21% over the same period in 2016; and if commodity-heavy Australia is added to the mix, they were up over 30% in US dollar terms. Korea and Taiwan led the group, rising 43% and 19% respectively, while elsewhere (China, Thailand, Singapore) reported profits grew over 13%. Earnings for calendar year 2017 are not yet in and companies will be reporting in February through to April 2018. Forecasts for these have risen through the year and this too has propelled stock prices higher.

#### Activity

We made only one change to the portfolio following the acquisition of Belle International by a private equity firm in August. In its place we purchased Elite Material in Taiwan, a company that produces printed circuit boards used in smartphones, servers and the automotive sector. It is the largest producer of halogen-free laminates in the world which are increasingly being adopted due to their environmentally-friendly nature. We think that spending on servers is likely to continue growing at a rapid pace as cloud storage continues to boom. Additionally, consumers are becoming more data hungry, whether it is through using their mobile phone to watch high quality videos or through streaming on their PCs. As the 5G buildout is likely to begin soon, these trends will only accelerate, placing greater demand on data and therefore the servers behind them.

#### Portfolio Position

Compared to the benchmark the Fund is overweight by 10% to Consumer Discretionary, 7% to Real Estate and 3% to Health Care. It is underweight by 6% to Materials, 4% to Industrials, 2% to Financials and 1% to Information Technology. The Fund has no exposure to Telecoms and Utilities. On a country basis it is underweight to Australia by 11%, to China by 7%, to Korea by 10% and is overweight to Singapore by 5%, to Taiwan by 10% and Thailand by 8%. The Fund also holds two positions in US listed stocks (Aflac and Qualcomm) which derive over 50% of revenues from the region.

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

For the financial year ended 31 December 2017

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

#### **Outlook**

Asian markets had a strong year in 2017, pushing valuations above their 10-year averages. In contrast to much of the past 10 years, however, corporate earnings have risen over the past year giving us greater confidence in the more bullish analyst forecasts for 2018 and 2019. Market confidence has also been lifted by China's economic growth momentum and by the crisis that did not happen. The focus for the last five years has been on rising Chinese debt levels and the potential instability caused by efforts to tackle it. This year we have seen intensifying efforts to regulate banks' behaviour and this has carried on into the new year.

At the time of writing the positive outlook hinges on continued acceleration in external demand, hope for a recovery in global capital expenditure and for Asian domestic demand to be lifted on the back of this. The risks to the outlook revolve around central bank policies in the US and Europe as they seek to wind down or reverse the years of quantitative easing, stretched valuations in developed markets and as ever, the possibility that China's economic outlook deteriorates.

**Guinness Asset Management Limited**

**March 2018**

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+21.2%	+8.6%	n/a	n/a	-8.6%	-2.0%	+7.8%	+21.2%
Index	+27.9%	+8.7%	+9.2%	+28.7%	-5.8%	+0.1%	+0.2%	+27.9%

#### Summary

In 2017 the fund had a total return of 21.2% compared to the MSCI Europe ex-UK index which was up 27.9%. The fund therefore significantly underperformed its index by 6.7% over the year.

Importantly, 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 launch. This year the Fund grew the dividend by 16.8% (X-class in Euros), whilst the annualised growth rate over the last three years has been 7.9%.

#### Performance

Every single one of the world's 45 major economies (defined by the OECD) grew in 2017, and is forecasted to grow in 2018. It has been more than a decade since the lift to the world economy was this broad. While risks from politics, central bank policies and military threats have not gone away, investors seem to have recognized that the global economy is not as vulnerable to these influences as perhaps thought of at the start of 2017.

The year started in the wake of political uncertainty caused by the UK voting to leave the EU and the election of Donald Trump to be President of the United States. Riding the wave of populist sentiment, political pundits and the markets alike turned their eyes to the upcoming elections in Europe. These uncertainties have largely been set aside with the Netherlands and France voting in candidates deemed the status quo by the markets. The markets rallied greatly in the first quarter from the expectation that President Donald Trump would implement swift action on his campaign promises; trade, tax reform, infrastructure spending, immigration, and healthcare. As the first half of the year progressed it became clear there were many obstacles in the way that would delay such promises, if they were to happen at all. Even as the "Trump Trade" turned into the "Trump Fade" sentiment has been positive, buoyed by strong earnings seasons in America.

In the second quarter President Donald Trump came to the end of his first 100 days in office. Having laid out an ambitious list of goals in his "100-day action plan" last October, some have been achieved but a greater number have not. Despite elections, cyber-attacks, terrorist attacks and a deepening crisis relating to the Trump-Russian election interference allegations, the worldwide financial markets on the whole rallied throughout the second quarter. France decisively voted for Emmanuel Macron in the presidential elections, beating Marine Le Pen, to become the youngest leader of France since Napoleon. This was largely expected by pollsters, financial markets and the betting markets alike. Across the Atlantic, the "Trump Fade" was in full swing, with further delays to President Trump's promised changes. The US dollar has given up all the gains made after the election as hopes of Trump rapidly passing policies that would benefit the US economy have largely receded.

Despite a good year for the European economy in terms of equity returns and corporate earnings (up 10% year on year in the third quarter), European stocks underperformed several other markets in local currency terms, highlighting the extremely strong returns delivered elsewhere. European equities had a great start to the year, as business surveys picked up and political risk faded with Emmanuel Macron's election win. The strong rally in the Euro in the first three quarters of the year explains much of the subsequent drag (since May) on European equities in local currency terms. Foreign revenues have had to be translated at a less favourable rate. In the fourth quarter, European equities delivered the lowest returns, despite a broadly flat Euro, suggesting they have not experienced the same boost from U.S. tax cuts. Furthermore, politics has given European investors reason to pause for breath. The Catalonian independence disputes have weighed on the relative performance of Spanish equities since August, and the start of October has seen Italian equities also give up a little of their outperformance for the year as investors start to look ahead to the Italian elections in 2018. Turning to look at central bank action, the European Central Bank was encouraged by the overall health of the European economy, perhaps coupled with legal constraints on the amount of German bunds it can buy, to announce in October that it will reduce its monthly quantitative easing purchases down to EUR 30 billion. This lower pace of purchases will start in January and last until at least September 2018.

UK equities have had to contend with the strength in Sterling over 2017, weighing on the value of foreign revenues, which make up close to 70% of FTSE 100 sales. The more domestically focused mid-and small-cap stocks have therefore outperformed in 2017, with UK equities overall underperforming most other regions this year. Part of the reason for the rally in the Pound this year has been an increasing probability of a transitional deal on Brexit. The completion of phase one of the Brexit negotiations in December supports the market's assumption that a transitional deal now looks more likely than it did at the start of the year, even though many challenges remain. The deterioration in UK consumer confidence stands in contrast to the buoyant consumer confidence seen in most other regions. The Bank of England increased interest rates in November for the first time since 2007, but noted that any further rate rises are likely to be very gradual and remain highly dependent on the outcome of the Brexit negotiations.

The best-performing equity markets this year have been in Asia and the emerging markets. Several factors have contributed to their strong performance. A weak Dollar has historically been supportive of the relative performance of emerging market equities and this proved to be the case in 2017. EM equities have also benefited from a rebound in earnings off a low base and the rally in technology stocks this year. The MSCI EM Index started the year with Technology making up 25% of the composition. It's also been another year when the China bears have been left disappointed. In the fourth quarter, the 19th National People's conference laid out a plan for reducing financial risks while focusing on delivering slightly lower, but still very substantial, GDP growth.

Overall, most equity investors have enjoyed a remarkably smooth and rewarding 2017 as all regions worldwide posted significant gains.

The big question going into 2018 is whether this can continue as new headwinds approach. 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 cashflow return on investment gives us confidence that the fund is well placed to weather different market conditions.

The Guinness European Equity Income Fund tends to outperform in down markets, and is skewed towards quality companies, at attractive valuations. This explains, in part, the Fund's underperformance this year as Growth companies significantly outperformed Value.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness European Equity Income Fund (continued)

#### Performance (continued)

In terms of sectors, technology stocks led the way returning almost 40% (in USD), but the market rally was relatively broad based, with materials, industrials, consumer discretionary, financials and healthcare all returning over 20% (in USD). For the fund, the lack of exposure to utilities, banks and IT has been a drag on performance from an allocation perspective.

#### Activity

In 2017 we made one change to the portfolio. We sold our position in RTL Group. And, following our one-in-one-out policy, we replaced this with a new holding in ANDRITZ.

The changes made decreased the funds exposure to Consumer Discretionary and increased its exposure to Industrials.

ANDRITZ had the characteristics we always seek for companies held in the portfolio; persistently high return on capital, good balance sheets, attractive valuation, reasonable dividend yields, and good prospects for dividend growth.

#### Portfolio breakdown

The table below shows the sector allocation of the fund at the end of the period.

Asset allocation as %NAV	Current 31/12/2017
Consumer Discretionary	19.57%
Consumer Staples	19.43%
Energy	3.51%
Financials	12.90%
Health Care	12.69%
Industrials	22.87%
Information Technology	3.17%
Materials	0.00%
Real Estate	0.00%
Telecommunication Services	3.06%
Utilities	0.00%
Cash	2.80%

The highest weighting in the fund is now Industrials at just under 22.87%, followed by Consumer Discretionary at 19.57%, and Consumer Staples at 19.43%.

The fund has maintained its zero exposure to both the materials, real estate and utilities sectors.

#### Outlook

As we reflect on 2017 and look forward to 2018, there is considerable uncertainty in markets. Even though earnings growth has started to pick up, with a positive backdrop of improving economic growth around the world, we are still conscious of the historically high valuations seen in markets.

On the political front, 2017 saw populist political parties gain ground around Europe many of which have anti-immigration, anti-EU, and protectionist policies at their heart. Indeed, in December a new Austrian government took office consisting of a coalition between the conservative People's Party and the right-wing populist Freedom Party. In Germany, Angela Merkel's failed to win a majority government, as the Alternative for Germany party made gains. In 2018, two major populist parties – the Five-Star Movement and the Northern League – are hoping to win Italy's March elections. As the Trump administration enters its second year, there are legislative challenges, midterm elections and threats from abroad to deal with. Republicans will be keen to progress a legislative agenda before attention shifts to the midterm elections.

Central bank policy will remain a vital driver of the markets in 2018. The solid economic performance of the U.S. in 2017 has led analysts to expect at least three rate hikes in 2018. The Eurozone is experiencing strong growth rates, but currently markets do not expect any rate hikes in 2018. The ECB has left open the option of increasing stimulus if economic conditions shift.

2017 has seen a growing optimism for the world economy amidst a political climate that has turned out to be less fractious than initially feared. Equity markets have been described as "climbing a wall of worry" with a backdrop of surprisingly low volatility. Uncertainty appears set to continue into the year ahead, but our investment process has never been one in which we try to position the portfolio based on a macro view or to capture any short-term trends.

We see time and again that companies who have demonstrated their ability to earn significantly above cost of capital returns on investment for long periods are well placed to weather whatever economic environments they find themselves in. This ability to generate economic profits also allows these companies to continue to grow, albeit at potentially more moderate rates. This is usually well rewarded when market sentiment turns and investors begin to monitor cash flows and earnings results more closely than they might have when markets were rallying. We would argue that in today's world this type of approach of focusing on value, business quality, and dividends, with investments diversified across the globe remains a sensible way to invest in equities.

**Guinness Asset Management Limited**

**March 2018**

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### 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	2013	2014	2015	2016	2017
Fund	+33.6%	+11.4%	n/a	n/a	n/a	-3.5%	+7.2%	+33.6%
Index	+23.1%	+9.9%	+12.3%	+27.4%	+5.6%	-0.3%	+8.2%	+23.1%

#### Summary

In 2017 the Guinness Global Innovators Fund produced a total return of 33.6% vs the MSCI World Index return of 23.1%. The fund therefore outperformed the benchmark by 10.5% over the year.

#### Performance

As we have highlighted in previous reviews, historically the Global Innovators Fund has tended to outperform in months where the index performance has been positive and underperform in months where the index performance has been negative. In a year where markets rallied strongly, the picture held true especially regarding the asymmetrically positive upside. During the 12 months of positive market returns, the fund outperformed in nine of them.

The months where the fund underperformed in positive markets were February, November and December. In February we saw a shift into defensive stocks, with especially strong performance from Health Care, Consumer Staples and Utilities. Our current underweight to these defensive sectors meant we therefore didn't partake fully in this rally. Certain cyclical sectors such as IT (which we are overweight) also performed well, which was a positive for the fund. Corporate earnings season resulted in some larger idiosyncratic stock movements. Weaker-than-expected results from WisdomTree and Schneider Electric sent their shares down 11% and 5% respectively. H&R Block's shares declined 4% as the market continued to worry about the upcoming tax season.

In November and December, there was some notable sector rotation – perhaps a healthy way for the market to consolidate some gains without the overall market suffering to any significant degree. U.S. tax reform prompted a rotation out of Technology stocks, the year's best-performing sector, and into firms seen to benefit the most from a potential reduction in the corporate tax rate, such as banks. Technology companies are expected to see little boost, as the industry's average effective tax rate of 18.5% is already lower than the new level of 21% passed by Republicans. Smaller, more domestically-focussed U.S. stocks are expected to benefit the most from a lower tax rate.

Towards the end of November, the Information Technology sector sold off, which appeared to be driven by concerns raised in a Morgan Stanley analyst report that the cycle was peaking for memory chips. This resulted in chip manufacturers and equipment makers leading the sell-off. This then led to other Information Technology companies (such as Facebook, Alphabet) selling off, although this didn't seem to be driven by any fundamental changes. End-of-year profit-taking has been suggested as an explanation for the fall.

In the context of the entire year, Technology stocks – where the fund has a big overweight (the fund with 51% on average over 2017, versus the MSCI World index with 16% on average) – have performed very strongly. Over the year, Information Technology was the biggest contributor to positive total attribution of the Fund. A zero weighting to Materials meant the fund did not participate in the commodities rally significantly. Similarly, the fund had a low exposure to the banking industry, which also rallied throughout the year as the expectation and materialisation of interest rate increases boosted the prospects for their returns.

On a stock-specific basis, strong earnings growth from companies in the Information Technology sector (Nvidia, AAC Technologies) aided performance. However, strong performance from stocks in other sectors also contributed to the overall outperformance of the fund, such as the Industrial sector (Boeing, Fanuc and Roper Technologies) and Consumer Discretionary (primarily New Oriental Education, and Nike rallying in Q4). These strong positive returns more than offset the weaker performing stocks (Qualcomm, Schlumberger).

We have always sought to apply a valuation discipline when running this strategy to avoid the temptation to invest in exciting stories at heady valuations. This discipline does not preclude our investment in companies with high levels of anticipated growth, but means we will only do so when we are comfortable that we are not taking on too much risk from a valuation perspective. This was tested when the fund underperformed in the first half of 2016 despite the good valuations we saw in many of the companies held in the portfolio. As long-term investors we stuck to our beliefs and it was pleasing to see the market reward stocks in 2017 that had been out of favour in previous years. One factor that explains in part the strong performance of the fund over the year is the outperformance of growth stocks that began in earnest in January 2017.

Although we are investing for growth, our valuation discipline and bottom-up approach means we have generally steered away from the most expensive parts of the growth universe. The growth rally we saw throughout the year benefitted some of the more cyclically-oriented businesses we held as the market began to price in the combination of improving earnings growth and better prospects for economic growth.

#### Activity

We sold four positions and initiated four new positions over the course of 2017, three less than in 2016 and slightly below the long-term turnover of the strategy.

We made one change to the portfolio in the first quarter. We sold H&R Block and replaced it with Catcher Technology.

H&R Block, the U.S.-based tax preparation company, was first purchased for the strategy in October 2012 so had been a long-term holding. Over our holding period the company went through quite significant changes. In particular, the spinning off of its banking arm in 2014 released the company from the regulatory burden and capital requirements associated with that business. This was well received by the market and the company added significantly to the performance of the fund from our first purchase in 2012 to the end of 2015. However, through 2016 the company posted a series of weak quarterly results as it appeared competition in the market place, particularly from the 'do-it-yourself' online tax returns model, had begun to erode its dominant position. This was reflected by sharp declines in the share price over this period. The quarterly results released in early March 2017 surprised to the upside, however, mainly as the market had become too pessimistic rather than results being obviously positive. The subsequent spike upwards in the share price provided us an opportune moment to exit our position. The valuation of the company is undemanding (around 13.5x 2017 expected earnings) but we found it hard to see where the growth we are looking for could come from and it appears that, for now at least, the company has lost its competitive edge. We felt our conviction was not strong enough to justify holding the stock through the next quarterly results (for the year ending April and released in June). These results were key as the company's earnings are so seasonally skewed due to the tax year.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Innovators Fund (continued)

#### Activity (continued)

Catcher Technology is a Taiwanese-listed technology company that specialises in the manufacture of metallic casing for devices. Historically sales were dominated by notebooks, but this has shifted to smartphones as more high-end phone suppliers moved to metallic casings following Apple's iPhone 5. This does mean the company has a handful of clients dominating its revenue stream (Apple, Samsung, for example) but also provides opportunity, as these companies search for the most innovative casings for their newest phones. The latest cases will be a combination of both metal and glass (or laminate) and will be more technically difficult to produce. This is reflected in the high operating margins the company has managed to achieve (around 30%) and which we believe they can defend in the future. From a quality perspective, the company has maintained a high return on capital for a significant period and has been growing this year-on-year, suggesting management has been allocating capital successfully. The company is exposed to the business cycle and is cyclical by nature but the uptick in earnings estimates and cheap valuation (just over 10X 2017 expected earnings) give reasonable margins of safety, in our opinion.

The overall effect on the portfolio was to reduce our exposure to the Consumer Discretionary sector and the U.S. and increase our exposure to Asia and the IT sector.

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

We made two changes to the portfolio in the third quarter. We sold positions in Gilead and Qualcomm and initiated new positions in Facebook and Continental.

Gilead, the U.S.-based biopharmaceutical company, has been held in the strategy since October 2010. It has done well from its innovative Hepatitis C and HIV drugs, but is losing market share due to competition and pricing from generic products, in part due to the expiry of a patent for an active ingredient in some of its key drugs. This has started to erode revenues and earnings and the amount of debt has been rising, albeit alongside a large cash pile. We therefore decided to sell our full position in Gilead. Gilead has been one of our most successful holdings, rising almost 400% over our holding period, in a time the market "only" rallied around 100% (total return in USD).

Qualcomm, the U.S. multinational semiconductor and telecommunications equipment company, designs chips for 4G and next-generation mobile technologies. The company has been held in the Global Innovators Fund since October 2013. Qualcomm's sales may be impacted by lawsuits against its royalty model from Apple and stressed by a falling share of the smartphone chip market. Qualcomm also faces revenue pressures as smartphone shipments slow and prices for its chips drop amid rising competition among the chip manufacturers. In addition, we believe over the next few years we will see more in-house chips from the major smartphone manufacturers. For these reasons, in combination with a declining cash flow return on investment, we decided it was time to sell our entire position in Qualcomm.

In the quarter we bought Facebook, the social media company, on the prospect of continued strong earnings growth which we believe the market is not appreciating. The company generates revenue through targeted advertising to over two billion users who regularly use its social media platform. There is significant earnings potential in Facebook's unmonetized apps such as WhatsApp and Messenger, which each have significant user bases. There is upside potential in the average revenue per user (ARPU) growth in the U.S., as Facebook still accounts for a relatively small percentage of the total revenue spend per person in the U.S. There is also upside potential in ARPU in the rest of the world, especially Europe and Asia. In our upside case we note that user growth could accelerate in Asia, especially in India. Facebook's cash flow return on investment has grown considerably over the last few years. Combined with a strong balance sheet (with no debt) and stable-to-growing margins, we think this makes Facebook a good addition to the portfolio.

Continental, the German automotive manufacturing company, was traditionally known as a tyre manufacturer. Today, over half its revenue comes from automotive systems, which cover a range of innovative technologies set to improve the automotive industry. Continental has expertise in safety technologies, efficiency improvement in internal combustion engines, battery management systems, comfort and security. It is well positioned to take advantage of a shift towards smarter and connected cars and autonomous driving. Continental has a stable and high cash flow return on investment, low debt, and margins which are higher than its peers, indicating its leading position in the tyre and automotive industry.

The overall effect of these changes was to reduce our exposure to Health Care and increase our exposure to Consumer Discretionary. It also had the effect of increasing our exposure to Europe and reducing our exposure to the U.S.

We made one change to the portfolio in the fourth quarter. We sold our position in Schlumberger and bought a new position in Anta Sports.

Schlumberger, the global oil and gas services company, was our only Energy sector holding. In recent times we have grown increasingly worried at the company's falling cash flow return on investment and this has been accompanied by stagnant capital growth. In our opinion, the company's inability to sustain healthy margins and grow its earnings has put the stock out of favour, especially at a time where industry-wide factors are hampering the performance of energy stocks. We believe there remain significant headwinds for the company as many of their customers are drastically cutting their capital expenditure plans.

We bought ANTA Sports to replace Schlumberger, sticking to our one-in, one-out policy. ANTA Sports, based in China, has a stellar cash flow return on investment of over 10%, over the last 10 years. The company generates revenue through the manufacture and trading of sporting goods, including footwear, apparel and accessories. Its brand portfolio includes ANTA, ANTA KIDS, FILA, FILA KIDS and NBA, and the company is also looking to new brands, such as South Korea's Kolon. Looking at the financials, ANTA Sports has very solid margin growth alongside a surge in sales in recent years. The company is well positioned to benefit from the growing wealth in China and recovering economy, and has maintained low debt. We have conviction that the stock has potential to sustain its earnings growth.

The overall effect of these changes was to reduce our exposure to the Energy sector and increase our exposure to the Consumer Discretionary sector, whilst also decreasing our exposure to the U.S. and increasing our exposure to Asia.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### Guinness Global Innovators Fund (continued)

#### Positioning

The overall effect of the changes made to the portfolio over the year was to reduce our exposure to Health Care and Energy and increase our exposure to IT and Consumer Discretionary. We now have no holdings in Energy and we still have no holdings in Consumer Staples, Materials, Telcos, Utilities or Real Estate.

Asset allocation as %NAV	Current 31/12/2017
Consumer Discretionary	16.84%
Consumer Staples	0.00%
Energy	0.00%
Financials	6.05%
Health Care	6.51%
Industrials	19.63%
Information Technology	47.17%
Materials	0.00%
Real Estate	0.00%
Telecommunication Services	0.00%
Utilities	0.00%
Cash	3.80%

#### Outlook

As we reflect on 2017 and look forward to 2018, there is still considerable uncertainty in markets. Even though earnings growth has started to pick up, with a positive backdrop of improving economic growth around the world, we are still conscious of the historically high valuations seen in markets.

On the political front, 2017 saw populist political parties gain ground around Europe many of which have anti-immigration, anti-EU, and protectionist policies at their heart. Indeed, in December a new Austrian government took office consisting of a coalition between the conservative People's Party and the right-wing populist Freedom Party. In Germany, Angela Merkel's failed to win a majority government, as the Alternative for Germany party made gains. In 2018, two major populist parties – the Five-Star Movement and the Northern League – are hoping to win Italy's May elections. As the Trump administration enters its second year, there are legislative challenges, midterm elections and threats from abroad to deal with. Republicans will be keen to progress a legislative agenda before attention shifts to the midterm elections.

Central bank policy will remain a vital driver of the markets in 2018. The solid economic performance of the U.S. in 2017 has led analysts to expect at least three rate hikes in 2018. The Eurozone is experiencing strong growth rates, but currently markets do not expect any rate hikes in 2018. The ECB has left open the option of increasing stimulus if economic conditions shift.

Uncertainty appears set to continue into the year ahead, but our investment process has never been one in which we try to position the portfolio based on a macro view or to capture any short-term trends. Even though this portfolio is focused predominantly on growth opportunities, we have always employed a value discipline and it has served us well. Value in this context does not mean simply optically cheap stocks. It means identifying companies where profitable growth opportunities exist and the market underappreciates these opportunities. More importantly, it means avoiding companies with characteristics that are statistically likely to destroy your capital. Weak businesses are one way to destroy capital. Companies with excessive valuations are another way. It is the combination of a weak business and excessive valuation that is most likely to lose you money, and we will always seek to avoid these companies. We will continue to focus on companies that can avoid the competitive threat of their peers, that have healthy balance sheets, that are earning returns on capital above their cost of capital and growing their economic profit, and that can reinvest their cash flows in profitable projects which can grow their business sustainably in the future.

In summary, the four key tenets to our approach are innovation, quality, growth, and conviction. This philosophy is reflected in the metrics of the fund. The fund has superior characteristics to the broad market, higher spend on intellectual property, less capital intensiveness, far higher cash flow returns on investment, net cash, with higher growth prospects, at only a slight premium in terms of valuation.

May we wish you a happy and prosperous New Year, and we look forward to updating you on the progress of the fund over the course of 2018.

**Guinness Asset Management Limited**

March 2018

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

### 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	2013	2014	2015	2016	2017
Fund	+50.4%	n/a	n/a	n/a	n/a	n/a	+2.3%	+50.4%
Index	+44.2%	+12.3%	+10.4%	+7.2%	+8.2%	-7.1%	+5.7%	+44.2%

The fund rose 50.4% in 2017 compared to the index which rose 44.2%. The MSCI Golden Dragon Index is made up of MSCI China (58% of the Golden Dragon Index), MSCI Hong Kong (19%) and MSCI Taiwan (22%). In 2017 China rose 54.4%, Hong Kong rose 36.3% and Taiwan rose 29.5%.

Our investment approach is to focus on businesses that have a long track record of generating profits at a rate that has been above the cost of that investment put in, which makes it more likely this will persist. We look to buy shares of those companies whose prices under estimate the likely persistence of that profitability.

In 2015 and 2016 many were worried that the Chinese economy was about to collapse with the cause coming from a big list including: an inability to service debt, a breakdown in the shadow banking system, a collapse in property prices and a crash in the renminbi. Unsurprisingly the economy is still growing solidly and the economy has not collapsed, leading to a rerating for Chinese stocks. The importance of positive producer price inflation cannot be understated as it has led to a recovery in the operating environment for firms in the industrials and materials sectors which represent significant parts of the economy. The recovery in industrial profits has also led to a reduction in the non-performing loan formation rate in the banking system. The improvement in the operating environment allowed policymakers to tackle the buildup of leverage in the financial system. In Taiwan export growth accelerated throughout 2017 leading to stronger than expected growth. Given the economy's dependence on exports this is a sign that global growth seems to be accelerating. In Hong Kong the property market continued to boom despite the government introducing new rules aimed at cooling down the market.

By far the best performing stock in the portfolio this year was Geely Automobile who make sedans and SUVs. Their new models have been well received by the market with strong volume growth. Sino Biopharmaceutical and New Oriental Education were also very strong in the year. Sino Biopharmaceutical is a leading manufacturer of generic drugs with a focus on hepatitis, cardio-vascular and oncology. The company received approval to market its own generic version of a new second generation drug. At the same time the company is very likely to receive approval for its generic version of anlotinib (oncology) which has the potential to be a blockbuster drug. New Oriental Education provides tuition services for students ranging from kindergarten to high school. There is huge demand for these services in China and New Oriental is one of the biggest brands in the business. The company is an example of one which is in a very exciting space and where importantly the cash return on investment is above the cost of capital.

The worst performing stocks were Pax Global, Elite Material and CNOOC. Pax Global is a manufacturer of point-of-sale terminals with sales coming predominantly from China and Latin America. Pax's sales in China have suffered due to intense competition. After an unexpected profit warning at the end of 2017 we decided to sell the stock. Elite Material produces printed circuit boards used in smartphones, servers and automotive. We bought Elite in July and since then the stock price sold off sharply with sales growth reversing from double digit growth to a low single digit contraction in sales. While we did anticipate sales to slow we did not think growth would decelerate as quickly as it did. CNOOC is one of China's largest oil producers. When we initially bought CNOOC it had the consistent return on capital we were looking for but with the oil price falling from its peak in 2014 the returns of the business have dipped below the cost of capital. When the returns of a business fade like this we do not automatically sell the stock if we think the timing is bad. In CNOOC's case we eventually sold the stock on the oil price recovery.

#### Activity

We made four changes to the portfolio in the year. In the first quarter we sold VTech for Qualcomm. Qualcomm's share price fell 18% after it was sued by Apple over its pricing model. We felt that the market was pricing in returns which were unduly pessimistic. In the third quarter we sold CNOOC for Elite Material who produces printed circuit boards used in smartphones, servers and automotive. Also in the third quarter Belle International was acquired. In its place we bought China Medical System, China's largest contract sales organization. It provides outsourced sales services for pharmaceutical companies with its customers predominantly being smaller Western pharmaceutical companies who do not have a sales team in China. In the fourth quarter we sold Pax Global and bought back into VTech. The decision to buy back into VTech was related to its valuation. One of VTech's customers, Toys'R'Us, declared bankruptcy in the US in September and this led to concern over VTech's exposure and the outlook for its 2017 sales. We felt that this fear was overplayed given that any sales lost from Toys'R'Us would be replaced by through other online channels – customers would still find their way to buy VTech's products. The results of the merger were also better than expected with new ranges being introduced under the LeapFrog brand. Sales growth in Asia was also unexpectedly much stronger than expected, something which was not the case before. Overall we felt that the prospects for organic growth were higher than they were just a year earlier, with strong performance in Asia certainly a factor.

#### Portfolio Position

The fund's largest sector exposures are to information technology, consumer discretionary and financials. Note that within financials we hold three banks and two insurance companies. Certain sectors like energy and materials have low representation within our universe because they are in cyclical industries and thus we have little exposure to these areas.

#### Outlook

2017 was the year where attitudes towards China began turning more positive and we expect this to continue in 2018. In our opinion in China the risks from high levels of debt have receded. Based on our analysis of 3,000 A-share companies half of debt is held by firms in industrials and materials sectors. With positive producer price inflation and continued cuts in capacity in steel and coal, higher prices have generated higher cash flows for firms in these sectors to service their debt. We expect this story to continue to play out in 2018. In our opinion the biggest risk comes from a fall in property values which we think is unlikely. Policymakers have spent a year introducing numerous rules to cool the property market and these have worked. If property prices, for whatever reason, were to suddenly fall then these measures could be unwound to support prices. We also expect policymakers' deleveraging efforts, specifically within the shadow banking system, to continue in 2018 which should further reduce the chance of a liquidity crisis turning into an economic crisis.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+37.7%	n/a	n/a	n/a	n/a	n/a	n/a	+37.7%
Index	+37.5%	+9.4%	+4.6%	-2.3%	+2.0%	-14.6%	+11.6%	+37.5%

2017 was a strong year for Emerging Markets, with the benchmark finishing up 37.5%. The fund outperformed slightly, increasing 37.7%. This is better performance than we expect: as with the Asian Equity Income Fund, which is run along the same principles, we expect the fund to outperform in weak markets, and to underperform in stronger markets.

On a regional basis, Asia was the strongest performer, achieving total returns of 42.9% (all regional, country and sector returns as measured by their respective MSCI indices, unless specified). EMEA (Europe, Middle East and Africa) and Latin America performed well, but were some distance behind Asia, rising 25.2% and 24.2% respectively.

Among the largest countries in the benchmark by weight (China, South Korea, Taiwan, India, South Africa, Brazil, Russia, Mexico, Malaysia and Thailand, which together account for roughly 90% of the index total), the best performers in 2017 were China (+54.4%), Korea (+46.0%) and India (+38.9%). The weakest performers were Russia (+6.1%), Mexico (+16.2%) and Brazil (+24.5%).

Chinese stocks, as measured by the MSCI China Index, have had their best year since 2009, marking a decisive reversal of the gloomy sentiment that has dominated for so many years. The stock market recovery is as much about what did not happen as what did. The 'near certain' banking sector crisis did not happen. We have long argued that debt servicing capacity, rather than the ratio of debt to GDP, is the most important metric when assessing the burden of debt and gauging financial stability. The recovery in heavy industrial profits and cash flows by 9% in 2016 and by a further 16% for the first 11 months of 2017 has improved matters considerably. According to our analysis of 3,000 listed companies in China the share of debt at risk (where operating profit does not cover their annual interest expense) has almost halved from 2015, from 30% to 17%. Government efforts to slow debt accumulation appear to be having an effect, according to the International Institute of Finance, with the stock of debt to GDP rising only 2% in 2017, compared to an average rise of 17% per annum between 2010-2016.

Among the weaker performers in the larger countries, Russia's stock market movements are closely linked to the behaviour of the oil price not least because Energy has a 47.9% weight in the MSCI Russia Index, and because Russian national finances are heavily dependent on oil (and especially gas) revenues. In the first half of the year the Index fell as the Brent Crude oil price fell from \$54 per barrel to \$48 and then recovered in the second half as the oil price rose to \$66. Mexico is having a challenging time with its well documented difficulties with President Trump. The ebb and flow of debate surrounding 'the Wall' takes second place to the President's stance toward the North American Free Trade Agreement (NAFTA). Earnings revisions in Mexico have stabilised in recent months as fears of significant trade disruption have been deferred.

The best performing sectors were Information Technology (+60.8%), Real Estate (+49.7%) and Consumer Discretionary (+40.0%). The worst performing sectors were Utilities (+16.8%), Telecom Services (+17.4%) and Energy (+21.4%).

Technology has been a big part of the investment story this year. The top four constituents of the Emerging Markets benchmark and five out of the top ten are in the Information Technology sector – all in Asia. (The five stocks are: Tencent, Samsung Electronics, Alibaba, TSMC and Baidu.) In Asia, Technology features both in application and in production. These areas show the region at its most innovative. In consumer markets, the race is on for businesses to adapt to changing business methods, to adopt new technologies and to respond rapidly to developing consumer spending patterns. Online retail, e-commerce platforms and e-payments have taken off, which has caused the stock prices of the Chinese internet names especially, to surge. On the production side, the launch of the new iPhone has brought with it significant advances in production technology from phone casings, to camera lenses, through to facial recognition and screens. The resultant increased performance requirements of handheld devices and the growth in Internet of Things has fed through to an upswing in demand for memory chips. There has been an increase in component prices, lifting profit forecasts throughout the supply chain.

#### Activity

There were several changes to the portfolio in 2017.

Following gaining access to the local Indian stock market, in August we sold our holding position in an MSCI India ETF (Lyxor MSCI India UCITS ETF), replacing it with Bajaj Auto, Indiabulls Housing Finance and Tata Consultancy Services. Bajaj Auto is a manufacturer of motorbikes and specialises in the premium end of the market. As the motorbike market reaches saturation, the premium end of the market is likely to see higher growth especially relative to the entry level market. Indiabulls Housing Finance provides loans for low-to-mid income housing in India. There is a push by the government to increase the number of affordable houses in the country, creating a favourable policy environment for Indiabulls. The company has a strong balance sheet, strong provisioning cover and as a result of sensible lending practices has a non-performing asset ratio of less than one percent. The company also effectively matches the maturity of its assets and liabilities. As a result, it has managed to sustain very high returns over the past eight years. Tata Consultancy Services is an information technology consultancy with most of its revenues coming from the US and Europe. The industry is facing multiple headwinds: the first is the US administration's attempt to restrict overseas visas for consultants, making them less competitive versus domestic consultants. Also revenue growth has slowed as banking and financial customers in turn face slower growth. We argue that the market is implying a low long-term return on capital which, in our view, is very unlikely.

We sold Teva Pharmaceutical, after the company announced that it would cut its dividend. The position was replaced by China Medical System (CMS), the largest pharmaceutical contract sales organisation in China. CMS provides outsourced sales services for pharmaceutical companies with its customers predominantly being smaller Western pharmaceutical companies who do not have a sales team in China. CMS generates a high cash return on investment as it is a capital-light business. We like that management of the business have been in place for decades. We like their strategy which is to sell drugs where there is relatively less competition, reducing the chance of price competition in the market. The healthcare market was disrupted by various new tenders throughout the year and the uncertainty over the implications over the two-invoice system, meaning that CMS was trading at a price we thought was undervaluing the business.

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

#### Activity (continued)

We sold Check Point Software, an Israeli IT security company providing both software and hardware. We replaced it with British American Tobacco (BAT). BAT has a good track record of growing its earnings and dividend over the past 10 years. The stock price weakened on news that the US FDA could seek to regulate nicotine levels in cigarettes, and also on the news that the company was being investigated by the UK Serious Fraud Office over bribery allegations in Africa. We think that the company will be able to navigate both of these challenges, and we took advantage of the lower stock price to initiate a position. While the company's acquisition of Reynolds American will increase exposure to the US, overall the company will retain its majority exposure to emerging markets.

We sold our position in Chinese internet company Tencent in October, on valuation grounds. The stock was replaced with Elite Material, a manufacturer of halogen-free printed circuit board materials. Elite Material produces printed circuit boards used in smartphones, servers and the automotive sector. It is the largest producer of halogen-free laminates in the world which are increasingly being adopted due to their environmentally-friendly nature. We think that spending on servers is likely to continue growing at a rapid pace as cloud storage continues to boom. Additionally, consumers are becoming more data hungry, whether it is through using their mobile phone to watch high quality videos or through streaming on their PCs. As the 5G buildout is likely to begin soon, these trends will only accelerate, placing greater demand on data and therefore the servers behind them. Though Elite is predominantly known for its expertise in smartphones, it has been growing its networking division quickly to gain exposure to the expected increase in demand. While the share price has not performed as well as we would have hoped following the initial purchase, we are confident in the business and the development of its networking and server clients. We think that the sell-off in the shares has been overdone.

#### Portfolio Position

On a regional basis, the fund is overweight Latin America and underweight EMEA and Asia. On a sector basis, the largest overweight positions are to the consumer sector – both Consumer Discretionary and Consumer Staples. The fund is also overweight Health Care, Information Technology and Financials. The largest underweight positions are in Materials and Energy – companies in these sectors don't tend to qualify for inclusion in our universe of quality companies because the returns on capital they earn are too cyclical.

#### Outlook

Encouraging factors supporting Emerging Markets include the marked improvement in earnings from 2016 that began to feed through into reported earnings in 2017. We expect the effect of this to continue into early 2018 as companies report full year results. Positive earnings revisions (earnings estimates moving higher) have also helped to boost sentiment. And based on long-term valuation metrics, Emerging Markets look attractive.

Much of the outlook depends on China, as it represents 30% of the benchmark. China has not witnessed the economic crash that some feared, and the authorities have stepped in to reduce some of the financial excesses that had built up in excessive corporate debt levels. We continue to see banks being the subject of new regulations, with particular emphasis on shadow banking activities.

This market is not without risks. At the moment we think expectations for interest rate rises in the US are fairly modest, so an increase in the speed at which rate rises are applied could destabilise markets. The same applies, of course, to an unexpected and sustained rise in inflation. At the same time, Central Banks are seeking to reverse the quantitative easing provided as a stimulus in previous years – this could be a tricky balancing act.

Global growth continues to look reasonably robust and is broadly distributed. Global trade has picked up and is providing a tailwind. A recovery in global capex, which would help to boost domestic demand, could provide the stimulus for the next phase of the business cycle. But this is by no means guaranteed.

In times of uncertainty, we believe our approach of focusing on quality, dividend paying companies, priced at attractive valuations, is a sensible place to be positioned.

**Guinness Asset Management Limited  
March 2018**

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+20.9%	n/a	n/a	n/a	n/a	n/a	n/a	+20.9%
Index	+23.1%	+9.9%	+12.3%	+27.4%	+5.6%	-0.3%	+8.2%	+23.1%

The Fund was launched on the 21st December 2016. It is a Global Equity fund designed to provide long-term capital growth.

The Fund is managed under the same rigorous investment process as the established Guinness Global Equity Income Fund, however, it is not seeking to invest in dividend paying companies and is also more focussed on mid-cap companies (< \$20bn market capitalisation).

The investment focus is based on initially identifying profitable companies that have consistently generated high return on capital over a business cycle. We think this is a very good indicator of a company's ability to generate high return on capital in the future and thus grow profitably over time. We believe market participants often underestimate, and thus misprice, this persistency factor and it is this anomaly we seek to exploit by only looking to invest in 'cheap' companies.

The Fund typically invests in just 40 companies, with each company having an equal weighting. This provides a good balance between the benefits of diversification while also allowing each company held to add meaningfully to performance. We don't have a long tail of small positions and by definition we can never just 'hug' the benchmark index. We focus on 'bottom-up' stock selection rather than trying to make decisions based on an expected outlook for the world economy. We like to invest in good companies that have, in the short term, fallen out of favour, but that have previously shown an ability to weather most economic environments over time. We prefer to invest over the long term and also recognise the increased costs of trading in and out of companies unnecessarily. Typically we will hold a company in the portfolio for between 3 and 5 years.

**Guinness Asset Management Limited**

March 2018

## Investment Manager's report (continued)

For the financial year ended 31 December 2017

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

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

	Annualised			Calendar years				
	1 year	3 years	5 years	2013	2014	2015	2016	2017
Fund	+23.1%	n/a	n/a	n/a	n/a	n/a	n/a	+23.1%
Index	+21.9%	+11.3%	+15.7%	+32.6%	+13.4%	+1.3%	+11.6%	+21.9%

The Fund was launched on the 21st December 2016. It is a US Equity fund designed to provide long-term capital growth.

The Fund is managed under the same rigorous investment process as the established Guinness Global Equity Income Fund, however, it is not seeking to purely invest in dividend paying companies.

The investment focus is based on initially identifying profitable companies that have consistently generated high return on capital over a business cycle. We think this is a very good indicator of a company's ability to generate high return on capital in the future and thus grow profitably over time. We believe market participants often underestimate, and thus misprice, this persistency factor and it is this anomaly we seek to exploit by only looking to invest in 'cheap' companies.

The Fund typically invests in just 35 companies, with each company having an equal weighting. This provides a good balance between the benefits of diversification while also allowing each company held to add meaningfully to performance. We don't have a long tail of small positions and by definition we can never just 'hug' the benchmark index. We focus on 'bottom-up' stock selection rather than trying to make decisions based on an expected outlook for the world economy. We like to invest in good companies that have, in the short term, fallen out of favour, but that have previously shown an ability to weather most economic environments over time. We prefer to invest over the long term and also recognise the increased costs of trading in and out of companies unnecessarily. Typically we will hold a company in the portfolio for between 3 and 5 years.

**Guinness Asset Management Limited**

March 2018

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

For the financial year ended 31 December 2017

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

The Fund was launched on the 28 December 2017. It is an Asia Pacific fund designed to provide investors with long-term capital appreciation.

Our universe of potential investments consists of quality stocks that we define as those that have demonstrated an ability to sustain profitability through the business cycle by their competitive advantage, management efficiency, product development and distribution, or a combination of these factors. This ability is reflected in the generation of persistently high returns on invested capital.

We have identified all those companies listed in Asia Pacific, and those who generate more than 50% of revenues from the region, that have generated a real return on invested capital of 8% or more for at least the past eight years. The companies that have achieved this are likely more often than not to repeat it the following year.

We believe such businesses have favourable prospects for long-term growth and we seek stocks that have already achieved, or look likely to achieve this profitable profile but whose share price undervalues growth in profitability.

The fund will typically hold 33 positions, with each position being equally weighted.

This approach is one which we believe will achieve a high degree of upside capture in strong market conditions and will outperform the broad market over time.

**Guinness Asset Management Limited  
March 2018**

## Depository's report

For the financial year ended 31 December 2017

We have enquired into the conduct of Guinness Asset Management Funds plc ('the Company') for the year ended 31 December 2017 in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) UCITS Regulations, 2011, as amended (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1))(Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations") and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depository

Our duties and responsibilities are outlined in the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as Depository must state why this is the case and outline the steps which we have taken to ensure the situation is rectified.

### Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the UCITS Regulations and to ensure that, in all material respects, the Company has been managed

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the provisions of its Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

### Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

For and on behalf of  
J.P. Morgan Bank (Ireland) plc  
JPMorgan House,  
IFSC,  
Dublin, 1.

**Date:** 25 April 2018

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

For the financial year ended 31 December 2017

### **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 31 December 2017 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and 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 financial statements we have audited comprise:

- the Statement of Financial Position
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets Attributable to the 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").

#### **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 Accounting and Auditing Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

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

For the financial year ended 31 December 2017

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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 2017

### **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.

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.

### **Matters on which we are required to report by exception**

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: 25 April 2018

**Statement of financial position**

As at 31 December 2017

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

The accompanying notes form an integral part of these financial statements

**Statement of financial position (continued)**

As at 31 December 2017

	Note	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund <sup>1</sup> USD	Total Company USD
<b>Assets</b>								
Financial assets at fair value through profit or loss	3							
- Transferable securities		153,648,708	1,811,086	302,324	245,036	246,571	302,308	1,043,319,279
Cash and cash equivalents	4	4,615,290	34,336	1,334	3,300	2,810	264,166	19,671,197
Dividends receivable		17,280	1,627	709	52	117	-	1,407,491
Subscriptions receivable		2,391,925	58,399	-	-	-	-	5,229,824
<b>Total assets</b>		<b>160,673,203</b>	<b>1,905,448</b>	<b>304,367</b>	<b>248,388</b>	<b>249,498</b>	<b>566,474</b>	<b>1,069,627,791</b>
<b>Liabilities</b>								
Securities purchased payable		-	-	-	-	-	265,813	265,813
Investment manager fee	5	113,344	1,180	177	57	55	4	720,511
Investment manager administration fee	7	58,923	658	115	96	97	4	403,585
CGT - Provision		-	-	-	-	-	-	9,719
Redemptions payable		480,824	59,871	-	-	-	-	4,895,621
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>653,091</b>	<b>61,709</b>	<b>292</b>	<b>153</b>	<b>152</b>	<b>265,821</b>	<b>6,295,249</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>160,020,112</b>	<b>1,843,739</b>	<b>304,075</b>	<b>248,235</b>	<b>249,346</b>	<b>300,653</b>	<b>1,063,332,542</b>

<sup>1</sup> Launched on 29 December 2017

On behalf of the Board

**Anthony Joyce****Johnny McClintock**

Date: 25 April 2018

The accompanying notes form an integral part of these financial statements

**Statement of financial position (continued)**

As at 31 December 2016

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund <sup>1</sup> USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
<b>Assets</b>								
Financial assets at fair value through profit or loss	3							
- Transferable securities		317,314,640	6,951,839	5,701,681	296,821,309	-	36,209,670	161,920
- CIS		-	-	-	-	-	-	-
Cash and cash equivalents	4							
		5,390,622	188,908	138,006	8,466,480	-	474,206	507
Dividends receivable		307,636	21,083	6,031	638,455	-	52,488	-
Subscriptions receivable		4,679,085	10,336	1,249	2,627,139	-	134,429	-
<b>Total assets</b>		<b>326,852,950</b>	<b>7,083,618</b>	<b>5,846,967</b>	<b>308,518,813</b>	-	<b>38,857,781</b>	<b>162,427</b>
<b>Liabilities</b>								
Investment manager fee	5	242,667	5,780	5,193	183,597	-	16,518	65
Investment manager administration fee	7	125,981	2,824	2,358	119,463	-	14,573	64
CGT - Provision		-	2,834	-	-	-	-	-
Redemptions payable		2,863,774	95,136	22,661	476,696	-	115,727	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>3,232,422</b>	<b>106,574</b>	<b>30,212</b>	<b>779,756</b>	-	<b>146,818</b>	<b>129</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>324,459,561</b>	<b>7,065,592</b>	<b>5,816,755</b>	<b>307,773,627</b>	-	<b>36,723,975</b>	<b>162,298</b>

<sup>1</sup>Fully redeemed effective 29 January 2016

The accompanying notes form an integral part of these financial statements

**Statement of financial position (continued)**

As at 31 December 2016

	Note	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Total Company USD
<b>Assets</b>							
Financial assets at fair value through profit or loss	3	76,533,323	600,010	185,616	204,208	200,949	740,885,165
- Transferable securities				17,658			17,658
- CIS							
Cash and cash equivalents	4	732,653	5,707	7,456	5,355	5,711	15,415,611
Dividends receivable		46,729	542	145	49	62	1,073,220
Subscriptions receivable		135,713	-	-	-	-	7,587,951
<b>Total assets</b>		<b>77,448,418</b>	<b>606,259</b>	<b>210,875</b>	<b>209,612</b>	<b>206,722</b>	<b>764,979,605</b>
<b>Liabilities</b>							
Investment manager fee	5	54,075	359	30	14	14	508,312
Investment manager administration fee	7	31,180	246	20	25	25	296,759
CGT - Provision		-	-	-	-	-	2,834
Redemptions payable		236,183	-	-	-	-	3,810,177
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>321,438</b>	<b>605</b>	<b>50</b>	<b>39</b>	<b>39</b>	<b>4,618,082</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>77,126,980</b>	<b>605,654</b>	<b>210,825</b>	<b>209,573</b>	<b>206,683</b>	<b>760,361,523</b>

The accompanying notes form an integral part of these financial statements

**Statement of comprehensive income**

For the financial year ended 31 December 2017

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

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

The accompanying notes form an integral part of these financial statements

## Statement of comprehensive income (continued)

For the financial year ended 31 December 2017

	Note	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
<b>Investment income</b>								
Dividend Income		1,563,761	30,478	7,748	3,826	3,219	-	27,381,634
Interest income	8	-	-	-	-	-	-	2,211
Other Income		-	-	-	-	-	-	1,437
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	29,974,115	357,802	77,838	42,613	47,370	436	105,393,528
<b>Total investment (expense)/income</b>		<b>31,537,884</b>	<b>388,280</b>	<b>85,586</b>	<b>46,439</b>	<b>50,589</b>	<b>436</b>	<b>132,778,810</b>
<b>Expenses</b>								
Investment manager fees	5	990,382	8,781	1,921	659	633	4	7,714,213
Investment manager administration fees	7	529,411	4,895	1,252	1,120	1,116	4	4,411,457
CGT - Provision		-	-	-	-	-	-	7,112
<b>Total operating expenses</b>		<b>1,519,793</b>	<b>13,676</b>	<b>3,173</b>	<b>1,779</b>	<b>1,749</b>	<b>8</b>	<b>12,132,782</b>
<b>Net (expense)/income</b>		<b>30,018,091</b>	<b>374,604</b>	<b>82,413</b>	<b>44,660</b>	<b>48,840</b>	<b>428</b>	<b>120,646,028</b>
<b>Finance costs</b>								
Dividend distribution	15	-	-	64	-	-	-	10,816,933
Interest expense		1,778	124	5	-	-	-	22,358
<b>Total finance costs</b>		<b>1,778</b>	<b>124</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,839,291</b>
<b>Taxation</b>								
Withholding tax on dividends		299,452	1,922	735	469	740	-	4,672,559
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>29,716,861</b>	<b>372,558</b>	<b>81,609</b>	<b>44,191</b>	<b>48,100</b>	<b>428</b>	<b>105,134,178</b>

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

The accompanying notes form an integral part of these financial statements

**Statement of comprehensive income (continued)**

For the financial year ended 31 December 2016

	Note	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund <sup>1</sup> USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
<b>Investment income</b>								
Dividend Income		8,374,359	115,081	272,588	7,809,718	-	1,584,609	5,989
Interest income		-	-	-	-	1,323	-	-
Other income		330	-	-	-	-	192	-
Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	3	73,480,615	(939,780)	(631,001)	5,951,019	(64,893)	1,656,290	9,073
<b>Total investment income/(expense)</b>		<b>81,855,304</b>	<b>(824,699)</b>	<b>(358,413)</b>	<b>13,760,737</b>	<b>(63,570)</b>	<b>3,241,091</b>	<b>15,062</b>
<b>Expenses</b>								
Investment manager fees	5	2,624,460	59,669	65,239	1,342,751	-	141,676	652
Investment manager administration fees	7	1,432,756	27,061	30,945	1,001,080	-	153,277	790
CGT provision	12	-	4,384	-	-	-	-	-
<b>Total operating expenses</b>		<b>4,057,216</b>	<b>91,114</b>	<b>96,184</b>	<b>2,343,831</b>	<b>-</b>	<b>294,953</b>	<b>1,442</b>
<b>Net income/(expense)</b>		<b>77,798,088</b>	<b>(915,813)</b>	<b>(454,597)</b>	<b>11,416,906</b>	<b>(63,570)</b>	<b>2,946,138</b>	<b>13,620</b>
<b>Finance costs</b>								
Dividend distribution	15	393,931	-	-	5,108,817	-	956,647	3,511
Interest expense		5,379	309	137	5,779	-	3,361	31
<b>Total finance costs</b>		<b>399,310</b>	<b>309</b>	<b>137</b>	<b>5,114,596</b>	<b>-</b>	<b>960,008</b>	<b>3,542</b>
<b>Taxation</b>								
Withholding tax on dividends	12	1,725,423	9,233	34,122	1,435,163	-	139,519	963
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations<sup>2</sup></b>		<b>75,673,355</b>	<b>(925,355)</b>	<b>(488,856)</b>	<b>4,867,147</b>	<b>(63,570)</b>	<b>1,846,611</b>	<b>9,115</b>

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

<sup>1</sup>Fully redeemed effective 29 January 2016<sup>2</sup>Continuing operations exclude Guinness China and Hong Kong Fund which was fully redeemed on 29 January 2016.

**Statement of comprehensive income (continued)**

For the financial year ended 31 December 2016

	Note	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund <sup>1</sup> USD	Guinness Global Equity Fund <sup>2</sup> USD	Guinness US Equity Fund <sup>2</sup> USD	Total Company USD
<b>Investment income</b>							
Dividend Income		1,586,357	24,850	186	63	80	19,773,880
Interest income		-	-	-	-	-	1,323
Other Income		-	-	-	-	-	522
Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	3	6,099,251	(637)	1,961	(279)	(3,182)	85,558,437
<b>Total investment income/(expense)</b>		<b>7,685,608</b>	<b>24,213</b>	<b>2,147</b>	<b>(216)</b>	<b>(3,102)</b>	<b>105,334,162</b>
<b>Expenses</b>							
Investment manager fees	5	556,947	4,428	30	14	14	4,795,880
Investment manager administration fees	7	360,898	2,856	20	25	25	3,009,733
CGT provision	12	-	-	-	-	-	4,384
<b>Total operating expenses</b>		<b>917,845</b>	<b>7,284</b>	<b>50</b>	<b>39</b>	<b>39</b>	<b>7,809,997</b>
<b>Net income/(expense)</b>		<b>6,767,763</b>	<b>16,929</b>	<b>2,097</b>	<b>(255)</b>	<b>(3,141)</b>	<b>97,524,165</b>
<b>Finance costs</b>							
Dividend distribution	15	-	-	-	-	-	6,462,906
Interest expense		1,636	23	-	-	-	16,655
<b>Total finance costs</b>		<b>1,636</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,479,561</b>
<b>Taxation</b>							
Withholding tax on dividends	12	299,262	1,603	41	14	18	3,645,361
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations<sup>3</sup></b>		<b>6,466,865</b>	<b>15,303</b>	<b>2,056</b>	<b>(269)</b>	<b>(3,159)</b>	<b>87,399,243</b>

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

<sup>1</sup> Launched on 23 December 2016

<sup>2</sup> Launched on 21 December 2016

<sup>3</sup> Continuing operations exclude Guinness China and Hong Kong Fund which was fully redeemed on 29 January 2016.

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

For the financial year ended 31 December 2017

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
Net assets attributable to holders of redeemable participating shares at the start of the year	324,459,561	7,065,592	5,816,755	307,773,627	36,723,975	162,298
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	(8,179,741)	1,682,615	2,121,366	62,109,385	15,402,078	1,734,728
Issue of redeemable participating shares	175,280,673	5,015,505	4,764,994	229,597,983	55,395,598	21,031,851
Redemption of redeemable participating shares	(208,349,994)	(1,986,284)	(2,646,058)	(122,572,828)	(10,167,256)	(1,870,041)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>283,210,499</b>	<b>11,777,428</b>	<b>10,057,057</b>	<b>476,908,167</b>	<b>97,354,395</b>	<b>21,058,836</b>

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	77,126,980	605,654	210,825	209,573	206,683	-	760,361,523
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from continuing operations	29,716,861	372,558	81,609	44,191	48,100	428	105,134,178
Issue of redeemable participating shares	88,551,006	1,864,532	11,641	5,971	63	300,225	581,820,042
Redemption of redeemable participating shares	(35,374,735)	(999,005)	-	(11,500)	(5,500)	-	(383,983,201)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>160,020,112</b>	<b>1,843,739</b>	<b>304,075</b>	<b>248,235</b>	<b>249,346</b>	<b>300,653</b>	<b>1,063,332,542</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 2016

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund <sup>1</sup> USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
Net assets attributable to holders of redeemable participating shares at the start of the year	222,988,522	5,505,343	8,406,740	146,755,450	413,392	20,943,230	164,804
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations <sup>2</sup>	75,673,355	(925,355)	(488,856)	4,867,147	(63,570)	1,846,611	9,115
Issue of redeemable participating shares	262,863,949	3,827,618	870,132	193,929,867	-	27,783,498	124,233
Redemption of redeemable participating shares	(237,066,265)	(1,342,014)	(2,971,261)	(37,778,837)	(349,822)	(13,849,364)	(135,854)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>324,459,561</b>	<b>7,065,592</b>	<b>5,816,755</b>	<b>307,773,627</b>	<b>-</b>	<b>36,723,975</b>	<b>162,298</b>

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund <sup>3</sup> USD	Guinness Global Equity Fund <sup>4</sup> USD	Guinness US Equity Fund <sup>4</sup> USD	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	62,703,678	585,188	-	-	-	468,466,347
Increase/ (decrease) in net assets attributable to holders of redeemable participating shares from continuing operations <sup>2</sup>	6,466,865	15,303	2,056	(269)	(3,159)	87,399,243
Issue of redeemable participating shares	32,280,594	406,326	208,769	209,842	209,842	522,714,670
Redemption of redeemable participating shares	(24,324,157)	(401,163)	-	-	-	(318,218,737)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>77,126,980</b>	<b>605,654</b>	<b>210,825</b>	<b>209,573</b>	<b>206,683</b>	<b>760,361,523</b>

<sup>1</sup> Fully redeemed effective 29 January 2016

<sup>2</sup> Continuing operations exclude Guinness China and Hong Kong Fund which was fully redeemed on 29 January 2016.

<sup>3</sup> Launched on 23 December 2016

<sup>4</sup> Launched on 21 December 2016

**Statement of cashflows**

For the financial year ended 31 December 2017

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

The accompanying notes form an integral part of these financial statements

**Statement of cashflows (continued)**

For the financial year ended 31 December 2017

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	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	29,716,861	372,558	81,609	44,191	48,100	428	105,134,178
<i>Adjustment for:</i>							
Other income	-	-	-	-	-	-	1,437
Interest Income	(8)	-	-	-	-	-	(2,211)
Distributions to holders of redeemable shares	-	-	64	-	-	-	10,816,933
Dividend income	(1,563,761)	(30,478)	(7,748)	(3,826)	(3,219)	-	(27,381,634)
Withholding taxes	299,452	1,922	735	469	740	-	4,672,559
Interest expense	1,778	124	5	-	-	-	22,358
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>28,454,322</b>	<b>344,126</b>	<b>74,665</b>	<b>40,834</b>	<b>45,621</b>	<b>428</b>	<b>93,263,620</b>
Net decrease/(increase) in financial assets at fair value through profit or loss	(77,115,385)	(1,211,076)	(99,050)	(40,828)	(45,622)	(302,308)	(302,416,456)
Net (decrease)/increase in other payables	87,012	1,233	242	114	113	265,821	591,723
<b>Cash from/(used in) operations</b>	<b>(48,574,051)</b>	<b>(865,717)</b>	<b>(24,143)</b>	<b>120</b>	<b>112</b>	<b>(36,059)</b>	<b>(208,561,113)</b>
Dividend received	1,293,758	27,471	6,449	3,354	2,424	-	22,374,804
Interest received	8	-	-	-	-	-	2,211
Other income received	-	-	-	-	-	-	(1,437)
Interest paid	(1,778)	(124)	(5)	-	-	-	(22,358)
<b>Net cash from/(used in) operating activities</b>	<b>(47,282,063)</b>	<b>(838,370)</b>	<b>(17,699)</b>	<b>3,474</b>	<b>2,536</b>	<b>(36,059)</b>	<b>(186,207,893)</b>
<b>Cash flows from financing activities</b>							
Distributions paid to holders of redeemable shares	-	-	(64)	-	-	-	(10,816,933)
Issue of redeemable participating shares	85,912,558	1,806,133	11,641	5,971	63	300,225	582,049,511
Redemption of participating shares	(34,747,858)	(939,134)	-	(11,500)	(5,500)	-	(380,769,099)
<b>Net cash (used in)/from financing activities</b>	<b>51,164,700</b>	<b>866,999</b>	<b>11,577</b>	<b>(5,529)</b>	<b>(5,437)</b>	<b>300,225</b>	<b>190,463,479</b>
Net (decrease)/increase in cash and cash equivalents	3,882,637	28,629	(6,122)	(2,055)	(2,901)	264,166	4,255,586
<b>Cash and cash equivalents at the start of the year</b>	<b>732,653</b>	<b>5,707</b>	<b>7,456</b>	<b>5,355</b>	<b>5,711</b>	<b>-</b>	<b>15,415,611</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,615,290</b>	<b>34,336</b>	<b>1,334</b>	<b>3,300</b>	<b>2,810</b>	<b>264,166</b>	<b>19,671,197</b>
<b>Breakdown of cash and cash equivalents</b>							
Cash and cash equivalents	4,615,290	34,336	1,334	3,300	2,810	264,166	19,671,197
Bank overdraft	-	-	-	-	-	-	-

The accompanying notes form an integral part of these financial statements

**Statement of cashflows (continued)**

For the financial year ended 31 December 2016

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund <sup>1</sup> USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
<b>Cash flow from operating activities</b>							
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations	75,673,355	(925,355)	(488,856)	4,867,147	(63,570)	1,846,611	9,115
<i>Adjustment for:</i>							
Interest income	-	-	-	-	(1,323)	-	-
Distributions to holders of redeemable shares	393,931	-	-	5,108,817	-	956,647	3,511
Dividend income	(8,374,359)	(115,081)	(272,588)	(7,809,718)	-	(1,584,609)	(5,989)
Withholding taxes	1,725,423	9,233	34,122	1,435,163	-	139,519	963
Interest expense	5,379	309	137	5,779	-	3,361	31
Other income	(330)	-	-	-	-	(192)	-
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>69,423,399</b>	<b>(1,030,894)</b>	<b>(727,185)</b>	<b>3,607,188</b>	<b>(64,893)</b>	<b>1,361,337</b>	<b>7,631</b>
Net (increase)/decrease in financial assets at fair value through profit or loss	(99,647,083)	(1,755,726)	2,394,122	(152,358,430)	428,587	(15,396,006)	(2,791)
Net decrease in other receivables	-	-	-	-	39,237	-	-
Net increase/(decrease) in other payables	111,310	4,274	(3,323)	176,100	(618)	16,302	14
<b>Cash (used in)/from operations</b>	<b>(30,112,374)</b>	<b>(2,782,346)</b>	<b>1,663,614</b>	<b>(148,575,142)</b>	<b>402,313</b>	<b>(14,018,367)</b>	<b>4,854</b>
Dividend received	6,490,738	91,841	238,851	5,981,232	14	1,431,761	5,026
Interest received	-	-	-	-	1,323	-	-
Other income received	330	-	-	-	-	192	-
Interest paid	(5,379)	(309)	(137)	(5,779)	-	(3,361)	(31)
<b>Net cash (used in)/from operating activities</b>	<b>(23,626,685)</b>	<b>(2,690,814)</b>	<b>1,902,328</b>	<b>(142,599,689)</b>	<b>403,650</b>	<b>(12,589,775)</b>	<b>9,849</b>
<b>Cash flows from financing activities</b>							
Distributions paid to holders of redeemable shares	(393,931)	-	-	(5,108,817)	-	(956,647)	(3,511)
Issue of redeemable participating shares	258,865,378	4,110,127	872,734	192,015,148	-	27,747,828	124,233
Redemption of participating shares	(234,600,799)	(1,249,056)	(2,969,949)	(37,431,802)	(476,801)	(13,746,939)	(135,854)
<b>Net cash from/(used in) financing activities</b>	<b>23,870,648</b>	<b>2,861,071</b>	<b>(2,097,215)</b>	<b>149,474,529</b>	<b>(476,801)</b>	<b>13,044,242</b>	<b>(15,132)</b>
Net (decrease)/increase in cash and cash equivalents	243,963	170,257	(194,887)	6,874,840	(73,151)	454,467	(5,283)
<b>Cash and cash equivalents at the start of the year</b>	<b>5,146,659</b>	<b>18,651</b>	<b>332,893</b>	<b>1,591,640</b>	<b>73,151</b>	<b>19,739</b>	<b>5,790</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,390,622</b>	<b>188,908</b>	<b>138,006</b>	<b>8,466,480</b>	<b>-</b>	<b>474,206</b>	<b>507</b>
<b>Breakdown of cash and cash equivalents</b>							
Cash and cash equivalents	5,390,622	188,908	138,006	8,466,480	-	474,206	507
Bank overdraft	-	-	-	-	-	-	-

<sup>1</sup> Fully redeemed effective 29 January 2016

The accompanying notes form an integral part of these financial statements

**Statement of cashflows (continued)**

For the financial year ended 31 December 2016

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund <sup>1</sup> USD	Guinness Global Equity Fund <sup>2</sup> USD	Guinness US Equity Fund <sup>2</sup> USD	Total Company USD
<b>Cash flow from operating activities</b>						
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations	6,466,865	15,303	2,056	(269)	(3,159)	87,399,243
<i>Adjustment for:</i>						
Interest income	-	-	-	-	-	(1,323)
Distributions to holders of redeemable shares	-	-	-	-	-	6,462,906
Dividend income	(1,586,357)	(24,850)	(186)	(63)	(80)	(19,773,880)
Withholding taxes	299,262	1,603	41	14	18	3,645,361
Interest expense	1,636	23	-	-	-	16,655
Other income	-	-	-	-	-	(522)
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>5,181,406</b>	<b>(7,921)</b>	<b>1,911</b>	<b>(318)</b>	<b>(3,221)</b>	<b>77,748,440</b>
Net (increase)/decrease in financial assets at fair value through profit or loss	(14,118,827)	(33,921)	(203,274)	(204,208)	(200,949)	(281,098,506)
Net (increase)/decrease in other receivables	-	-	-	-	-	39,237
Net increase/(decrease) in other payables	21,389	283	50	39	39	325,859
<b>Cash (used in)/from operations</b>	<b>(8,916,032)</b>	<b>(41,559)</b>	<b>(201,313)</b>	<b>(204,487)</b>	<b>(204,131)</b>	<b>(202,984,970)</b>
Dividend received	1,278,822	23,273	-	-	-	15,541,558
Interest received	-	-	-	-	-	1,323
Other income received	-	-	-	-	-	522
Interest paid	(1,636)	(23)	-	-	-	(16,655)
<b>Net cash (used in)/from operating activities</b>	<b>(7,638,846)</b>	<b>(18,309)</b>	<b>(201,313)</b>	<b>(204,487)</b>	<b>(204,131)</b>	<b>(187,458,222)</b>
<b>Cash flows from financing activities</b>						
Distributions paid to holders of redeemable shares	-	-	-	-	-	(6,462,906)
Issue of redeemable participating shares	32,392,206	533,305	208,769	209,842	209,842	517,289,412
Redemption of participating shares	(24,356,065)	(511,091)	-	-	-	(315,478,356)
<b>Net cash from/(used in) financing activities</b>	<b>8,036,141</b>	<b>22,214</b>	<b>208,769</b>	<b>209,842</b>	<b>209,842</b>	<b>195,348,150</b>
Net (decrease)/increase in cash and cash equivalents	397,295	3,905	7,456	5,355	5,711	7,889,928
<b>Cash and cash equivalents at the start of the year</b>	<b>335,358</b>	<b>1,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,525,683</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>732,653</b>	<b>5,707</b>	<b>7,456</b>	<b>5,355</b>	<b>5,711</b>	<b>15,415,611</b>
<b>Breakdown of cash and cash equivalents</b>						
Cash and cash equivalents	732,653	5,707	7,456	5,355	5,711	15,415,611
Bank overdraft	-	-	-	-	-	-

<sup>1</sup> Launched on 23 December 2016<sup>2</sup> Launched on 21 December 2016

The accompanying notes form an integral part of these financial statements

## Notes to the financial statements

For the financial year ended 31 December 2017

### 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 twelve active sub-funds.

### 2. Significant accounting policies

#### (a) Basis of preparation

The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and Irish statute comprising the Companies Act 2014, the UCITS Regulations, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) UCITS Regulations 2015 (the "Central Bank Regulations"). The financial statements have been prepared under the historical cost convention, except for financial assets and 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 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 year. Actual results could differ from those estimates and these differences could be material.

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

##### **IFRS 9 – Financial Instruments – Classification and Measurement**

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

##### **IFRS 15 – Revenue from Contracts with Customers**

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

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

#### (c) Foreign currency

##### (i) Functional and presentation currency

The functional currency of each sub-fund is U.S. Dollar ("USD"). The Company has adopted 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.

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

##### (i) Classification

The Company classifies its financial assets into the categories below in accordance with IAS 39.

- Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term.
- Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition are those that are managed and their performance evaluated on a fair value basis in accordance with each sub-fund's documented investment strategy.

The Company has classified all of its financial assets at fair value through profit or loss as held for trading for the reporting dates 31 December 2017 and 31 December 2016.

##### (ii) Recognition

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

##### (iii) Measurement

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

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 2. Significant accounting policies (continued)

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

##### (iii) Measurement (continued)

In the event that any of the assets or liabilities on the relevant valuation day are not listed or dealt on any recognised exchange, such assets will be valued by a competent person selected by the Directors and approved for such purpose by JP Morgan Bank (Ireland) plc (the "Depositary") with care and in good faith. There were no financial assets valued using this method at the reporting date, see note 3 (ii) for details (2016: nil).

##### (iv) Derecognition

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

##### (v) Offsetting

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

##### (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 quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a last traded price, because this price provides a reasonable approximation of the exit price. If there is no quoted price on an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

#### (e) Income

Dividends and interest arising on the investments are recognised as income of the Company on an ex-dividend or interest date, and for deposits of the Company, on an accrual basis.

#### (f) Capital gains tax

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

#### (g) Securities purchases payable

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

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

Net gain/loss from financial assets at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences.

These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade.

#### (i) Cash and cash equivalents and bank overdraft

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

#### (j) Expenses

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

#### (k) Redeemable participating shares

All redeemable shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Company's net assets at the redemption date. In accordance with IAS 32 – Financial Instruments: Presentation (amended) ("IAS 32") such instruments give rise to a financial liability for the present value of the redemption amount. The distribution (if applicable) on these shares is recognised in the statement of comprehensive income as finance costs.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 2. Significant accounting policies (continued)

#### (l) Withholding tax

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

#### (m) Transaction costs

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. The following costs are included in the transaction costs disclosure in note 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 2017

### 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 year ended 31 December 2017**

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

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**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 year ended 31 December 2016**

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(34,910,819)	(1,327,718)	(752,738)	(3,272,064)	(109,311)	(418,104)	(6,877)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	108,391,434	387,938	121,737	9,223,083	44,418	2,074,394	15,950
<b>Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange</b>	<b>73,480,615</b>	<b>(939,780)</b>	<b>(631,001)</b>	<b>5,951,019</b>	<b>(64,893)</b>	<b>1,656,290</b>	<b>9,073</b>
	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Total Company USD	
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(435,171)	2,940	51	(99)	10	(41,229,900)	
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	6,534,422	(3,577)	1,910	(180)	(3,192)	126,788,337	
<b>Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange</b>	<b>6,099,251</b>	<b>(637)</b>	<b>1,961</b>	<b>(279)</b>	<b>(3,182)</b>	<b>85,558,437</b>	

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

#### (ii) Fair value of financial instruments

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

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

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

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

Level 3 – Inputs that are not observable.

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

There were no transfers between any levels during the financial year ended 31 December 2017 and 31 December 2016.

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 2017**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Energy Fund</b>				
Held for trading				
- Equities	282,585,957	-	-	282,585,957
<b>Financial assets at fair value through profit or loss</b>	<b>282,585,957</b>	-	-	<b>282,585,957</b>
<b>Guinness Alternative Energy Fund</b>				
Held for trading				
- Equities	11,324,844	-	-	11,324,844
<b>Financial assets at fair value through profit or loss</b>	<b>11,324,844</b>	-	-	<b>11,324,844</b>
<b>Guinness Global Money Managers Fund</b>				
Held for trading				
- Equities	9,674,694	-	-	9,674,694
<b>Financial assets at fair value through profit or loss</b>	<b>9,674,694</b>	-	-	<b>9,674,694</b>
<b>Guinness Global Equity Income Fund</b>				
Held for trading				
- Equities	467,911,045			467,911,045
<b>Financial assets at fair value through profit or loss</b>	<b>467,911,045</b>	-	-	<b>467,911,045</b>
<b>Guinness Asian Equity Income Fund</b>				
Held for trading				
- Equities	94,805,093	-	-	94,805,093
<b>Financial assets at fair value through profit or loss</b>	<b>94,805,093</b>	-	-	<b>94,805,093</b>
<b>Guinness European Equity Income Fund</b>				
Held for trading				
- Equities	20,461,613			20,461,613
<b>Financial assets at fair value through profit or loss</b>	<b>20,461,613</b>	-	-	<b>20,461,613</b>
<b>Guinness Global Innovators Fund</b>				
Held for trading				
- Equities	153,648,708	-	-	153,648,708
<b>Financial assets at fair value through profit or loss</b>	<b>153,648,708</b>	-	-	<b>153,648,708</b>
<b>Guinness Best of China Fund</b>				
Held for trading				
- Equities	1,811,086			1,811,086
<b>Financial assets at fair value through profit or loss</b>	<b>1,811,086</b>	-	-	<b>1,811,086</b>
<b>Guinness Emerging Markets Equity Income Fund</b>				
Held for trading				
- Equities	302,324			302,324
<b>Financial assets at fair value through profit or loss</b>	<b>302,324</b>	-	-	<b>302,324</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2017 (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Equity Fund</b>				
Held for trading				
- Equities	245,036			245,036
<b>Financial assets at fair value through profit or loss</b>	<b>245,036</b>	-	-	<b>245,036</b>

#### Guinness US Equity Fund

Held for trading				
- Equities	246,571			246,571
<b>Financial assets at fair value through profit or loss</b>	<b>246,571</b>	-	-	<b>246,571</b>

#### Guinness Best of Asia Fund

Held for trading				
- Equities	302,308			302,308
<b>Financial assets at fair value through profit or loss</b>	<b>302,308</b>	-	-	<b>302,308</b>

#### As at 31 December 2016

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Energy Fund</b>				
Held for trading				
- Equities	317,314,640			317,314,640
<b>Financial assets at fair value through profit or loss</b>	<b>317,314,640</b>	-	-	<b>317,314,640</b>

#### Guinness Alternative Energy Fund

Held for trading				
- Equities	6,951,839			6,951,839
<b>Financial assets at fair value through profit or loss</b>	<b>6,951,839</b>	-	-	<b>6,951,839</b>

#### Guinness Global Money Managers Fund

Held for trading				
- Equities	5,701,681			5,701,681
<b>Financial assets at fair value through profit or loss</b>	<b>5,701,681</b>	-	-	<b>5,701,681</b>

#### Guinness Global Equity Income Fund

Held for trading				
- Equities	296,821,309			296,821,309
<b>Financial assets at fair value through profit or loss</b>	<b>296,821,309</b>	-	-	<b>296,821,309</b>

#### Guinness Asian Equity Income Fund

Held for trading				
- Equities	36,209,670			36,209,670
<b>Financial assets at fair value through profit or loss</b>	<b>36,209,670</b>	-	-	<b>36,209,670</b>

#### Guinness European Equity Income Fund

Held for trading				
- Equities	161,920			161,920
<b>Financial assets at fair value through profit or loss</b>	<b>161,920</b>	-	-	<b>161,920</b>

#### Guinness Global Innovators Fund

Held for trading				
- Equities	76,533,323			76,533,323
<b>Financial assets at fair value through profit or loss</b>	<b>76,533,323</b>	-	-	<b>76,533,323</b>

#### Guinness Best of China Fund

Held for trading				
- Equities	600,010			600,010
<b>Financial assets at fair value through profit or loss</b>	<b>600,010</b>	-	-	<b>600,010</b>

#### Guinness Emerging Markets Equity Income Fund

Held for trading				
- Equities	185,616			185,616
- CIS – Exchange traded funds ("ETF")	17,658			17,658
<b>Financial assets at fair value through profit or loss</b>	<b>203,274</b>	-	-	<b>203,274</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

#### (iii) Fair value of financial instruments (continued)

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

#### As at 31 December 2016 (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Guinness Global Equity Fund</b>				
Held for trading				
- Equities	204,208	-	-	204,208
<b>Financial assets at fair value through profit or loss</b>	<b>204,208</b>	<b>-</b>	<b>-</b>	<b>204,208</b>
<b>Guinness US Equity Fund</b>				
Held for trading				
- Equities	200,949	-	-	200,949
<b>Financial assets at fair value through profit or loss</b>	<b>200,949</b>	<b>-</b>	<b>-</b>	<b>200,949</b>

All other assets and liabilities held by the sub-funds at the reporting dates 31 December 2017 and 31 December 2016 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 have been classified at level 2.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

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

**As at 31 December 2017**

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
J.P. Morgan Bank (Ireland) plc	A-	EUR	-	-	-	-	-	631,910
J.P. Morgan Bank (Ireland) plc	A-	GBP	-	-	-	-	-	-
J.P. Morgan Bank (Ireland) plc	A-	USD	3,165,452	395,004	197,539	7,875,809	1,570,035	-
J.P. Morgan Bank (Ireland) plc	A-	TWD	-	-	-	-	-	-
BNYM – London Branch	AA-	USD	773,179	-	-	20,414	-	-
BNYM – London Branch	AA-	EUR	4,207	-	-	-	-	-
BNYM – London Branch	AA-	GBP	356	271	-	36,648	77,784	1,353
<b>Total</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>

**As at 31 December 2017 (continued)**

	Credit Rating (S&P)	Local Currency	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD	Total Company USD
J.P. Morgan Bank (Ireland) plc	A-	EUR	-	-	-	-	-	-	631,910
J.P. Morgan Bank (Ireland) plc	A-	GBP	-	-	-	-	-	-	0
J.P. Morgan Bank (Ireland) plc	A-	USD	4,492,119	27,572	1,334	3,300	2,810	227,320	17,958,294
J.P. Morgan Bank (Ireland) plc	A-	TWD	-	-	-	-	-	36,846	36,846
BNYM – London Branch	AA-	USD	-	-	-	-	-	-	793,593
BNYM – London Branch	AA-	EUR	3,578	-	-	-	-	-	7,785
BNYM – London Branch	AA-	GBP	119,593	6,764	-	-	-	-	242,769
<b>Total</b>			<b>4,615,290</b>	<b>34,336</b>	<b>1,334</b>	<b>3,300</b>	<b>2,810</b>	<b>264,166</b>	<b>19,671,197</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

Cash and cash equivalents and bank overdrafts represents the cash balances and bank overdrafts held at 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 2016**

	Credit Rating (S&P)	Local Currency	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asian Equity Income Fund USD
J.P. Morgan Bank (Ireland) plc	A-	EUR	-	-	-	-	-	-
J.P. Morgan Bank (Ireland) plc	A-	USD	4,150,312	86,598	138,006	6,353,869	-	423,035
BNYM – London Branch	AA-	USD	866,301	-	-	24,502	-	-
BNYM – London Branch	AA-	EUR	223,031	-	-	-	-	-
BNYM – London Branch	AA-	GBP	150,978	102,310	-	2,088,109	-	51,171
<b>Total</b>			<b>5,390,622</b>	<b>188,908</b>	<b>138,006</b>	<b>8,466,480</b>		<b>474,206</b>

**As at 31 December 2016 (continued)**

	Credit Rating (S&P)	Local Currency	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund	Total Company USD
J.P. Morgan Bank (Ireland) plc	A-	EUR	507	-	-	-	-	-	507
J.P. Morgan Bank (Ireland) plc	A-	USD	-	473,644	5,707	7,456	5,355	5,711	11,649,693
BNYM – London Branch	AA-	USD	-	200,532	-	-	-	-	1,091,335
BNYM – London Branch	AA-	EUR	-	16,684	-	-	-	-	239,715
BNYM – London Branch	AA-	GBP	-	41,793	-	-	-	-	2,434,361
<b>Total</b>			<b>507</b>	<b>732,653</b>	<b>5,707</b>	<b>7,456</b>	<b>5,355</b>	<b>5,711</b>	<b>15,415,611</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 5. Investment manager fee

The Investment Manager is entitled to receive out of the assets of each sub-fund the following fees subject to a maximum fee of 2% of the NAV:

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

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

### 6. Global Distributor's fee

Link Fund Manager Solutions (Ireland) Limited (the "Manager"), pays 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 year (2016: nil).

### 7. Other fees and expenses

The Manager pays to the Investment Manager, out of the assets of each sub-fund, an annual administrative fee. The Investment Manager is responsible for paying the administrative expenses of the Company, including establishment costs, fees and expenses payable to the Manager and Link Fund Administrators (Ireland) Limited (the "Administrator"), the Depositary, independent auditor, directors' fees and general administrative expenses.

All administrative expenses of the Company were paid by the Investment Manager out of the investment manager and administration fee.

Details of the investment manager administration fee are as follows:

- 0.49% of the NAV of each sub-fund on the first \$500 million
- Up to 0.25% of the NAV of each sub-fund on amounts in excess of \$500 million

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

#### Administrative expenses

The below provides details of administrative expenses for the financial year ended 31 December 2017. It should be noted that the below fees were paid by the Investment Manager from the investment manager administration fee during the 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 €45,000 –exclusive of VAT (2016: €45,000 - exclusive of VAT). Fees charged by the Company's statutory Auditor in relation to VAT services provided amounted to €6,000 (2016: €3,700). There were no other tax compliance fees charged during the year (2016: 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 (2016: nil).

##### (ii) Directors' fees

Aggregate directors' fees charged during the financial year ended 31 December 2017 amounted to €69,000 (2016: €52,000).

##### (iii) Management and administration fees

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

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2017 USD	31 December 2016 USD
Guinness Global Energy Fund	240,158	487,648
Guinness Alternative Energy Fund	17,670	15,454
Guinness Global Money Managers Fund	7,522	4,637
Guinness Global Equity Income Fund	593,713	467,014
Guinness China and Hong Kong Fund	-	1,063
Guinness Asian Equity Income Fund	116,240	82,860
Guinness European Equity Income Fund	31,646	167
Guinness Global Innovators Fund	120,284	95,474
Guinness Best of China Fund	3,115	710
Guinness Emerging Markets Equity Income Fund	407	324
Guinness Global Equity Fund	2	204
Guinness US Equity Fund	2	102
Guinness Best of Asia Fund	473	-
<b>Total</b>	<b>1,131,232</b>	<b>1,155,657</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 2017 Exchange rate to USD	31 December 2016 Exchange rate to USD
Australian Dollar	1.278527	1.381025
Brazilian Real	3.317100	3.254700
Canadian Dollar	1.252950	1.341050
Columbian Peso	2,984.500000	3,002.000000
Danish Krone	6.200400	7.049550
Euro	0.832778	0.948092
Hong Kong Dollar	7.817300	7.753150
Indian Rupee	63.827500	67.870000
Japanese Yen	112.650000	116.635000
Mexican Peso	19.565500	20.601500
Norwegian Krone	8.179350	8.607700
Pound Sterling	0.739235	0.809290
Singapore Dollar	1.336400	1.444700
South African Rand	12.380000	13.675000
South Korean Won	1,070.550000	1,207.800000
Swedish Krona	8.187500	9.084600
Swiss Franc	0.974500	1.016350
Taiwan Dollar	29.758500	32.229000
Thai Baht	32.590000	35.810500

### 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 Guinness Asset Management Limited. 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 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016:

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
<b>Class A shares:</b>							
Opening balance	4,092,825.40	110,912.79	15,197.74	118,760.81	-	-	-
Shares issued	1,716,480.78	-	-	15,548.30	-	-	-
Shares redeemed	(1,870,607.91)	(41,130.21)	(15,150.00)	(15,965.46)	-	-	-
<b>Closing balance</b>	<b>3,938,698.27</b>	<b>69,782.58</b>	<b>47.74</b>	<b>118,343.65</b>	-	-	-
<b>Class B shares:</b>							
Opening balance	1,653,670.37	335,586.03	28,831.38	370,166.65	-	-	-
Shares issued	4,505,635.86	34,454.91	5,221.85	248,628.15	-	-	-
Shares redeemed	(1,468,488.94)	(48,060.82)	(7,996.52)	(114,968.74)	-	-	-
<b>Closing balance</b>	<b>4,690,817.29</b>	<b>321,980.12</b>	<b>26,056.71</b>	<b>503,826.06</b>	-	-	-
<b>Class C shares:</b>							
Opening balance	483,750.07	336,598.25	85,500.12	853,435.50	0.01	-	-
Shares issued	971,121.47	107,193.71	20,585.80	1,456,667.86	-	-	-
Shares redeemed	(324,584.62)	(137,098.63)	(28,507.53)	(327,321.08)	(0.01)	-	-
<b>Closing balance</b>	<b>1,130,286.92</b>	<b>306,693.33</b>	<b>77,578.39</b>	<b>1,982,782.28</b>	-	-	-
<b>Class C EUR accumulation shares:</b>							
Opening balance	696,262.23	7,771.85	7,182.03	151,777.84	-	5,811.29	100.00
Shares issued	579,016.83	1,352.56	22.90	170,007.61	-	11,300.77	-
Shares redeemed	(397,513.84)	-	(2,049.56)	(92,300.56)	-	(5,699.43)	-
<b>Closing balance</b>	<b>877,765.22</b>	<b>9,124.41</b>	<b>5,155.37</b>	<b>229,484.89</b>	-	<b>11,412.63</b>	<b>100.00</b>
<b>Class C GBP accumulation shares:</b>							
Opening balance	-	-	-	263,408.85	-	77,804.95	100.00
Shares issued	-	-	-	1,500,640.49	-	265,582.18	-
Shares redeemed	-	-	-	(220,752.72)	-	(45,765.25)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,543,296.62</b>	-	<b>297,621.88</b>	<b>100.00</b>
<b>Class C USD accumulation shares</b>							
Opening balance	-	-	-	164,183.01	-	76,166.19	100.00
Shares issued	-	-	-	824,986.32	-	120,364.44	-
Shares redeemed	-	-	-	(106,998.01)	-	(56,459.34)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882,171.32</b>	-	<b>140,071.29</b>	<b>100.00</b>
<b>Class D shares:</b>							
Opening balance	1,296,211.03	230.60	55,405.06	185,893.57	-	-	-
Shares issued	1,762,223.13	-	12,220.00	2,104,582.69	-	-	-
Shares redeemed	(1,317,245.93)	-	-	(12,141.55)	-	-	-
<b>Closing balance</b>	<b>1,741,188.23</b>	<b>230.60</b>	<b>67,625.06</b>	<b>2,278,334.71</b>	-	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund
<b>Class A shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class B shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class C shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class C EUR accumulation shares:</b>					
Opening balance	74,595.18	100.00	-	-	-
Shares issued	125,113.34	-	-	100.00	100.00
Shares redeemed	(23,287.49)	-	-	-	-
<b>Closing balance</b>	<b>176,421.03</b>	<b>100.00</b>	-	<b>100.00</b>	<b>100.00</b>
<b>Class C GBP accumulation shares:</b>					
Opening balance	659,707.84	8,488.01	-	-	-
Shares issued	567,745.92	10,934.99	-	100.00	100.00
Shares redeemed	(276,437.74)	(12,046.34)	-	-	-
<b>Closing balance</b>	<b>951,016.02</b>	<b>7,376.66</b>	-	<b>100.00</b>	<b>100.00</b>
<b>Class C USD accumulation shares</b>					
Opening balance	594,121.97	100.00	-	-	-
Shares issued	332,425.51	-	100.00	100.00	100.00
Shares redeemed	(123,949.72)	-	-	-	-
<b>Closing balance</b>	<b>802,597.76</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Class D shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
<b>Class E shares:</b>							
Opening balance	7,615,424.28	216,849.77	179,153.60	79,962.95	40,411.36	-	-
Shares issued	21,520,584.78	593,735.57	-	648,787.79	-	-	-
Shares redeemed	(10,446,667.72)	-	(98,172.79)	(1,431.59)	(40,411.36)	-	-
<b>Closing balance</b>	<b>18,689,341.34</b>	<b>810,585.34</b>	<b>80,980.81</b>	<b>727,319.15</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class X shares:</b>							
Opening balance	7,106,673.90	101,800.78	72,057.18	-	5,239.28	-	-
Shares issued	1,973,988.85	98,958.87	6,386.30	-	-	-	-
Shares redeemed	(6,560,039.17)	(31,339.96)	(28,070.19)	-	(5,239.28)	-	-
<b>Closing balance</b>	<b>2,520,623.58</b>	<b>169,419.69</b>	<b>50,373.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class X EUR accumulation shares:</b>							
Opening balance	-	-	-	-	-	100.00	100.00
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>
<b>Class X EUR distribution shares:</b>							
Opening balance	-	-	-	-	-	2,395.17	105.39
Shares issued	-	-	-	-	-	391,382.12	2.95
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>393,777.29</b>	<b>108.34</b>
<b>Class X GBP accumulation shares:</b>							
Opening balance	-	-	-	-	-	25,903.71	616.96
Shares issued	-	-	-	-	-	89,694.06	3,811.40
Shares redeemed	-	-	-	-	-	(34,681.53)	(975.99)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,916.24</b>	<b>3,452.37</b>
<b>Class X GBP distribution shares:</b>							
Opening balance	-	-	-	79,303.07	-	12,266.29	109.62
Shares issued	-	-	-	112,755.19	-	29,876.35	1,961.40
Shares redeemed	-	-	-	(22,270.52)	-	(24,973.75)	(1,290.74)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169,787.74</b>	<b>-</b>	<b>17,168.89</b>	<b>780.28</b>
<b>Class X USD accumulation shares:</b>							
Opening balance	-	-	-	-	-	2,888.88	100.00
Shares issued	-	-	-	-	-	2,495.63	-
Shares redeemed	-	-	-	-	-	(2,495.63)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,888.88</b>	<b>100.00</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund
<b>Class E shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class X shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class X EUR accumulation shares:</b>					
Opening balance	1,402,582.70	100.00	-	-	-
Shares issued	505,000.00	-	100.00	100.00	100.00
Shares redeemed	(91,153.96)	-	-	-	-
<b>Closing balance</b>	<b>1,816,428.74</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Class X EUR distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	100.00	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>100.00</b>	-	-
<b>Class X GBP accumulation shares:</b>					
Opening balance	5,729.5	100.00	-	-	-
Shares issued	8,636.63	-	100.00	100.00	100.00
Shares redeemed	(3,274.75)	-	-	-	-
<b>Closing balance</b>	<b>11,091.38</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Class X GBP distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	100.00	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>100.00</b>	-	-
<b>Class X USD accumulation shares:</b>					
Opening balance	9,656.66	44,658.14	-	-	-
Shares issued	2,483.50	4,932.17	20,100.00	100.00	100.00
Shares redeemed	(7,356.69)	(23,346.31)	-	-	-
<b>Closing balance</b>	<b>4,783.47</b>	<b>26,244.00</b>	<b>20,100.00</b>	<b>100.00</b>	<b>100.00</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
<b>Class X USD distribution shares:</b>							
Opening balance	5,870,808.48	-	-	-	-	106.61	105.51
Shares issued	444,023.48	-	-	-	-	4.77	2.99
Shares redeemed	(5,050,195.12)	-	-	-	-	-	-
<b>Closing balance</b>	<b>1,264,636.84</b>	-	-	-	-	<b>111.38</b>	<b>108.50</b>
<b>Class Y EUR accumulation shares:</b>							
Opening balance	-	-	-	100	-	-	-
Shares issued	-	-	-	157,444.25	-	-	-
Shares redeemed	-	-	-	(7,046.84)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,497.41</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class Y EUR distribution shares:</b>							
Opening balance	-	-	-	101.13	-	-	-
Shares issued	-	-	-	3.49	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104.62</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class Y GBP accumulation shares:</b>							
Opening balance	-	-	-	158,416.32	-	-	-
Shares issued	-	-	-	272,567.03	-	-	-
Shares redeemed	-	-	-	(107,120.03)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,863.32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class Y GBP distribution shares:</b>							
Opening balance	-	-	-	285,665.29	-	-	-
Shares issued	-	-	-	4,446,728.06	-	-	-
Shares redeemed	-	-	-	(113,291.19)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,619,102.16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class Y USD accumulation shares:</b>							
Opening balance	-	-	-	17,926.02	-	-	-
Shares issued	-	-	-	106,035.87	-	-	-
Shares redeemed	-	-	-	(5,595.95)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,365.94</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Class Y USD distribution shares:</b>							
Opening balance	-	-	-	101.16	-	-	-
Shares issued	-	-	-	111,411.35	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,512.51</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund
<b>Class X USD distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	100.00	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>100.00</b>	-	-
<b>Class Y EUR accumulation shares:</b>					
Opening balance	100.00	-	-	-	-
Shares issued	960,000.00	-	-	-	-
Shares redeemed	(150,000.00)	-	-	-	-
<b>Closing balance</b>	<b>810,100.00</b>	-	-	-	-
<b>Class Y EUR distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class Y GBP accumulation shares:</b>					
Opening balance	16,157.20	-	-	-	-
Shares issued	58,305.48	-	-	-	-
Shares redeemed	(5,917.33)	-	-	-	-
<b>Closing balance</b>	<b>68,545.35</b>	-	-	-	-
<b>Class Y GBP distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Class Y USD accumulation shares:</b>					
Opening balance	100.00	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	<b>100.00</b>	-	-	-	-
<b>Class Y USD distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	-	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016 (continued):

	Guinness Global Energy Fund	Guinness Alternative Energy Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund <sup>1</sup>	Guinness Asian Equity Income Fund	Guinness European Equity Income Fund
<b>Class Z EUR accumulation shares:</b>							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-
<b>Class Z GBP accumulation shares:</b>							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-
<b>Class Z GBP distribution shares:</b>							
Opening balance	-	-	-	5,226,929.30	-	1,096,011.64	10,096.38
Shares issued	-	-	-	460,404.63	-	886,177.50	2,329.99
Shares redeemed	-	-	-	(990,501.44)	-	(647,366.21)	(6,801.90)
<b>Closing balance</b>	-	-	-	<b>4,696,832.49</b>	-	<b>1,334,822.93</b>	<b>5,624.47</b>
<b>Class Z USD accumulation shares:</b>							
Opening balance	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 10. Share capital (continued)

The following table details the share transactions during the financial year ended 31 December 2016:

	Guinness Global Innovators Fund	Guinness Best of China Fund	Guinness Emerging Markets Equity Income Fund	Guinness Global Equity Fund	Guinness US Equity Fund
<b>Class Z EUR</b>					
<b>accumulation shares:</b>					
Opening balance	974.33	-	-	-	-
Shares issued	-	-	-	100.00	100.00
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	<b>974.33</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>
<b>Class Z GBP</b>					
<b>accumulation shares:</b>					
Opening balance	1,425,096.45	100.00	-	-	-
Shares issued	96,231.85	13,766.88	-	100.00	100.00
Shares redeemed	(704,749.95)	-	-	-	-
<b>Closing balance</b>	<b>816,578.35</b>	<b>13,866.88</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>
<b>Class Z GBP distribution shares:</b>					
Opening balance	-	-	-	-	-
Shares issued	-	-	100.00	-	-
Shares redeemed	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>Class Z USD</b>					
<b>accumulation shares:</b>					
Opening balance	701,794.22	-	-	-	-
Shares issued	3,406.83	-	-	20,100.00	20,100.00
Shares redeemed	(438,916.23)	-	-	-	-
<b>Closing balance</b>	<b>266,284.82</b>	<b>-</b>	<b>-</b>	<b>20,100.00</b>	<b>20,100.00</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 does not invest in financial derivative instruments in order to mitigate against currency risk.

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

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2017 (continued):

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia USD
Australian Dollar	-	-	-	10,868	-	(279)
Brazilian Real	-	-	17,014	-	-	-
Canadian Dollar	-	-	-	-	-	-
Swiss Franc	-	-	-	11,396	-	-
Colombia Peso	-	-	7,895	-	-	-
Danish Krone	-	-	-	8,367	-	-
Euro	25,981,513	-	9,572	46,122	-	-
British Pound	5,230,467	(383)	16,197	-	-	-
Hong Kong Dollar	10,871,919	1,213,884	62,621	8,916	-	299
Indian Rupee	-	-	23,709	-	-	319
Japanese Yen	5,212,623	-	-	-	-	-
South Korean Won	-	-	17,907	-	-	(18)
Mexican Peso	-	-	6,300	-	-	-
Norwegian Krone	-	-	-	-	-	-
Swedish Krona	-	-	-	19,626	-	-
Singapore Dollar	-	52,139	-	-	-	(42)
Thai Baht	-	-	9,776	-	-	16
Taiwan Dollar	5,246,501	332,874	53,094	-	-	383
South African Rand	-	-	29,355	-	-	-
	<b>52,543,023</b>	<b>1,598,514</b>	<b>253,440</b>	<b>105,295</b>	<b>-</b>	<b>678</b>

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2016:

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
Australian Dollar	437,175	-	-	8,410,392	-	3,012,327	-
Brazilian Real	-	236,285	-	-	-	-	-
Canadian Dollar	33,587,919	260,848	224,648	-	-	-	-
Danish Krone	-	-	-	-	-	-	5,853
Euro	48,304,468	909,086	179,328	51,830,623	-	10,020	98,000
Hong Kong Dollar	23,738,638	2,296,828	186,711	-	-	12,884,740	-
Japanese Yen	-	-	-	8,670,167	-	1,128,426	-
Mexican Peso	-	-	-	-	-	-	-
Malaysian Ringgit	-	-	-	-	-	-	-
Norwegian Krone	11,620,668	-	-	-	-	-	4,977
Pound Sterling	25,029,395	646,360	1,432,475	44,813,864	-	130,088	-
Singapore Dollar	-	-	134,542	-	-	4,046,973	-
South African Rand	-	-	200,207	9,266,143	-	-	-
South Korean Won	-	-	-	-	-	1,921,865	-
Swedish Krona	-	247,782	-	-	-	-	21,757
Swiss Franc	-	-	389,473	8,605,067	-	-	31,840
Taiwan Dollar	-	-	-	-	-	6,933,956	-
Thai Baht	-	-	-	-	-	4,307,324	-
United States Dollar	-	-	-	-	-	-	-
	<b>142,718,263</b>	<b>4,597,189</b>	<b>2,747,384</b>	<b>131,596,256</b>	<b>-</b>	<b>34,375,719</b>	<b>162,427</b>

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2016 (continued):

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD
Australian Dollar	-	-	-	10,272	-
Brazilian Real	-	-	12,376	-	-
Canadian Dollar	-	-	-	-	-
Danish Krone	-	-	-	5,208	-
Euro	10,638,871	-	23,614	36,539	-
Hong Kong Dollar	2,680,556	430,793	38,453	4,543	-
Japanese Yen	2,259,523	-	-	-	-
Mexican Peso	-	-	5,739	-	-
Malaysian Ringgit	-	-	-	-	-
Norwegian Krone	-	-	-	-	-
Pound Sterling	2,589,536	-	5,818	5,199	-
Singapore Dollar	-	19,350	-	-	-
South African Rand	-	-	18,085	-	-
South Korean Won	-	-	11,736	-	-
Swedish Krona	-	-	-	15,780	-
Swiss Franc	-	-	-	10,428	-
Taiwan Dollar	-	99,098	34,782	-	-
Thai Baht	-	-	6,057	-	-
United States Dollar	-	-	-	-	-
	<b>18,168,486</b>	<b>549,241</b>	<b>156,660</b>	<b>87,969</b>	<b>-</b>

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	31 December 2017 USD	31 December 2016 USD
Guinness Global Energy Fund	12,450,380	14,271,826
Guinness Alternative Energy Fund	795,163	459,719
Guinness Global Money Managers Fund	274,738	274,738
Guinness Global Equity Income Fund	25,735,250	13,159,626
Guinness Asian Equity Income Fund	8,977,213	3,437,572
Guinness European Equity Income Fund	2,102,463	16,243
Guinness Global Innovators Fund	5,254,302	1,816,849
Guinness Best of China Fund	159,851	54,924
Guinness Emerging Markets Equity Income Fund	25,344	15,666
Guinness Global Equity Fund	10,530	8,797
Guinness US Equity Fund	-	-
Guinness Best of China Fund	68	-

##### (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 investment 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	31 December 2017 USD	31 December 2016 USD
Guinness Global Energy Fund	28,258,596	31,731,464
Guinness Alternative Energy Fund	1,132,484	695,184
Guinness Global Money Managers Fund	967,469	570,168
Guinness Global Equity Income Fund	46,791,105	29,682,131
Guinness Asian Equity Income Fund	9,480,509	3,620,967
Guinness European Equity Income Fund	2,046,161	16,192
Guinness Global Innovators Fund	15,364,871	7,653,332
Guinness Best of China Fund	181,109	60,001
Guinness Emerging Markets Equity Income Fund	30,232	20,327
Guinness Global Equity Fund	24,504	20,421
Guinness US Equity Fund	24,657	20,095
Guinness Best of Asia Fund	30,231	-

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

#### 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 2017 and 31 December 2016 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 (2016: A-). The Depositary is not rated.

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

### 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 restated and the benefit will be allocated to the existing shareholders rateably at the time of the repayment. Any reclaims due to the sub-funds are accounted for on a receipt basis. In addition, where the Company invests in securities that are not subject to local taxes, for example withholdings tax, at the time of acquisition, there can be no assurance that tax may not be charged or withheld in the future as a result of any change in the applicable laws, treaties, rules or regulations or the interpretation thereof.

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

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

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**13. Net asset values**

<b>Net asset value</b>	<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Guinness Global Energy Fund</b>				
Class A shares	USD	\$39,374,480	\$32,501,985	\$26,479,244
Class B shares	USD	\$47,175,786	\$37,492,468	\$10,414,433
Class C shares	GBP	£10,850,015	£13,458,909	£3,805,037
Class C EUR accumulation shares	EUR	€7,858,791	€8,396,461	€5,095,459
Class D shares	EUR	€22,258,427	€20,583,468	€11,664,760
Class E shares	USD	\$118,607,846	\$163,566,311	\$52,123,774
Class X shares	GBP	£5,883,846	£27,760,380	£51,315,740
Class X USD distribution shares	USD	\$15,765,205	\$9,399,547	\$34,521,762
<b>Guinness Alternative Energy Fund</b>				
Class A shares	USD	\$169,850	\$153,207	\$286,536
Class B shares	USD	\$748,648	\$675,630	\$832,747
Class C shares	GBP	£1,674,431	£1,202,350	£1,308,261
Class C EUR accumulation shares	EUR	€192,609	€73,594	€71,977
Class D shares	EUR	€952	€897	€1,025
Class E shares	USD	\$2,639,902	\$2,343,475	\$735,868
Class X shares	GBP	£4,229,540	£1,884,857	£1,114,481
<b>Guinness Global Money Managers Fund</b>				
Class A shares	USD	\$925	\$686	\$229,664
Class B shares	USD	\$843,542	\$359,796	\$420,783
Class C shares	GBP	£3,628,621	£1,362,107	£1,330,207
Class C EUR accumulation shares	EUR	€153,264	€59,430	€84,967
Class D shares	EUR	€861,154	€1,228,096	€1,027,461
Class E shares	USD	\$1,563,990	\$1,174,003	\$2,724,701
Class X shares	GBP	£1,125,017	£1,004,460	£1,263,697
<b>Guinness Global Equity Income Fund</b>				
Class A shares	USD	\$1,631,805	\$1,493,339	\$1,464,219
Class B shares	USD	\$12,188,355	\$6,179,265	\$4,458,186
Class C shares	GBP	£57,700,901	£30,780,981	£10,885,607
Class C EUR accumulation shares	EUR	€6,740,867	€3,124,626	€1,905,153
Class C EUR distribution shares	EUR	€3,774,258	-	-
Class C GBP accumulation shares	GBP	£36,876,644	£18,980,182	£2,578,595
Class C USD accumulation shares	USD	\$14,061,149	\$8,970,942	\$1,585,219
Class D shares	EUR	€27,613,083	€36,621,534	€2,833,602
Class D EUR accumulation shares	EUR	€1,049	-	-
Class E shares	USD	\$30,642,503	\$9,323,780	\$999,036
Class X GBP distribution shares	GBP	£5,547,057	£2,711,460	£1,032,726
Class Y EUR accumulation shares	EUR	€1,370,582	€1,564,825	€948
Class Y EUR distribution shares	EUR	€7,109,744	€1,040	€948
Class Y GBP accumulation shares	GBP	£8,647,090	£4,055,740	£1,563,427
Class Y GBP distribution shares	GBP	£85,758,371	£55,377,816	£2,785,765
Class Y USD accumulation shares	USD	\$1,906,458	\$1,225,784	\$174,508
Class Y USD distribution shares	USD	\$2,707,221	\$1,104,629	\$974
Class Z GBP distribution shares	GBP	£69,969,406	£79,006,956	£71,338,526
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation shares	EUR	€776,525	€167,157	€77,453
Class C GBP accumulation shares	GBP	£7,886,880	£3,656,920	£751,112
Class C USD accumulation shares	USD	\$3,677,919	\$1,422,885	\$725,112
Class X EUR accumulation shares	EUR	€7,914	€1,500	€1,354
Class X EUR distribution shares	EUR	€8,578,839	€5,321,370	€30,490
Class X GBP accumulation shares	GBP	£3,202,429	£1,239,824	£309,518
Class X GBP distribution shares	GBP	£239,961	£237,177	£137,570
Class X USD accumulation shares	USD	\$45,564	\$33,423	\$31,090
Class X USD distribution shares	USD	\$1,578	\$1,160	\$1,077
Class Y EUR accumulation shares	EUR	€7,567,990	-	-
Class Y EUR distribution shares	EUR	€1,081	-	-
Class Y GBP accumulation shares	GBP	£1,023,907	-	-
Class Y GBP distribution shares	GBP	£6,298,112	-	-
Class Y USD accumulation shares	USD	\$667,098	-	-
Class Y USD distribution shares	USD	\$1,188	-	-
Class Z GBP distribution shares	GBP	£35,038,328	£18,720,628	£12,416,809
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation shares	EUR	€232,970	€1,257	€1,141
Class C GBP accumulation shares	GBP	£1,942,785	£1,240	£972
Class C USD accumulation shares	USD	\$391,337	\$1,026	\$959
Class X EUR accumulation shares	EUR	€1,370	€1,287	€1,160
Class X EUR distribution shares	EUR	€43,807	€1,286	€1,160
Class X GBP accumulation shares	GBP	£222,172	£45,505	£6,328

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**13. Net asset values (continued)**

<b>Net asset value (continued)</b>	<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Guinness European Equity Income Fund (continued)</b>				
Class X GBP distribution shares	GBP	£117,900	£9,489	£1,065
Class X USD accumulation shares	USD	\$1,208	\$997	\$925
Class X USD distribution shares	USD	\$1,207	\$997	\$925
Class Z GBP distribution shares	GBP	£12,746,584	£69,399	£98,994
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation shares	EUR	€5,810,205	€2,114,128	€818,989
Class C GBP accumulation shares	GBP	£29,086,157	£12,421,758	£6,816,432
Class C USD accumulation shares	USD	\$20,188,069	\$8,096,886	\$5,655,611
Class X EUR accumulation shares	EUR	€28,557,144	€22,113,220	€15,527,433
Class X GBP accumulation shares	GBP	£2,027,576	£147,245	£59,722
Class X USD accumulation shares	USD	\$613,912	\$49,050	\$92,737
Class Y EUR accumulation shares	EUR	€11,950,391	€9,908,945	€1,110
Class Y GBP accumulation shares	GBP	£6,652,910	£914,908	£168,906
Class Y USD accumulation shares	USD	\$9,155,880	\$1,034	\$965
Class Z EUR accumulation shares	EUR	€1,137,957	€11,991	€10,850
Class Z GBP accumulation shares	GBP	£14,288,922	£10,958,350	£14,941,261
Class Z USD accumulation shares	USD	\$2,659,202	\$2,759,986	\$6,778,597
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation shares	EUR	€6,459	€1,059	€1,013
Class C GBP accumulation shares	GBP	£529,682	£91,964	£87,332
Class C USD accumulation shares	USD	\$195,386	\$1,024	\$1,008
Class X EUR accumulation shares	EUR	€1,414	€1,069	€1,014
Class X GBP accumulation shares	GBP	£71,477	£1,257	£1,029
Class X USD accumulation shares	USD	\$1,394	\$270,785	\$450,225
Class Z GBP accumulation shares	GBP	£609,340	£175,140	£1,029
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD Accumulation shares	USD	\$1,382	\$1,010	-
Class X GBP Accumulation shares	GBP	£6,784	£1,002	-
Class X GBP Distribution shares	GBP	£1,337	£1,002	-
Class X EUR Accumulation shares	EUR	€1,211	€1,002	-
Class X EUR Distribution shares	EUR	€1,211	€1,002	-
Class X USD Accumulation shares	USD	\$285,694	\$202,979	-
Class X USD Distribution shares	USD	\$1,390	\$1,010	-
Class Z GBP Distribution shares	GBP	£1,266	£1,002	-
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation shares	EUR	€1,042	€988	-
Class C GBP accumulation shares	GBP	£1,095	£1,000	-
Class C USD accumulation shares	USD	\$1,198	\$998	-
Class X EUR accumulation shares	EUR	€1,049	€988	-
Class X GBP accumulation shares	GBP	£6,106	£1,000	-
Class X USD accumulation shares	USD	\$1,208	\$999	-
Class Z EUR accumulation shares	EUR	€1,054	€988	-
Class Z GBP accumulation shares	GBP	£1,110	£1,000	-
Class Z USD accumulation shares	USD	\$230,809	\$200,743	-
<b>Guinness US Equity Fund</b>				
Class C GBP accumulation shares	GBP	£1,100	£986	-
Class C EUR accumulation shares	EUR	€1,044	€974	-
Class C USD accumulation shares	USD	\$1,203	\$985	-
Class X GBP accumulation shares	GBP	£1,163	£986	-
Class X EUR accumulation shares	EUR	€1,053	€974	-
Class X USD accumulation shares	USD	\$1,212	\$985	-
Class Z GBP accumulation shares	GBP	£1,114	£986	-
Class Z EUR accumulation shares	EUR	€1,058	€974	-
Class Z USD accumulation shares	USD	\$238,573	\$197,975	-
<b>Guinness Best of Asia Fund</b>				
Class C GBP Accumulation	GBP	£ 995	-	-
Class Y GBP Accumulation	GBP	£ 995	-	-
Class Y EUR Accumulation	EUR	€ 996	-	-
Class Y USD Accumulation	USD	\$295,421	-	-
Class Z GBP Accumulation	GBP	£995	-	-

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**13. Net asset values (continued)**

<b>Net asset value per share</b>	<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Guinness Global Energy Fund</b>				
Class A shares	USD	\$8.1236	\$8.2520	\$6.4697
Class B shares	USD	\$7.8292	\$7.9927	\$6.2978
Class C shares	GBP	£10.6542	£11.9075	£7.8657
Class C EUR accumulation shares	EUR	€8.2304	€9.5657	€7.3183
Class D shares	EUR	€10.2221	€11.8215	€8.9991
Class E shares	USD	\$8.6372	\$8.7518	\$6.8445
Class X shares	GBP	£9.9281	£11.0133	£7.2208
Class X USD distribution shares	USD	\$7.2719	\$7.4326	\$5.8802
<b>Guinness Alternative Energy Fund</b>				
Class A shares	USD	\$2.6516	\$2.1955	\$2.5834
Class B shares	USD	\$2.5217	\$2.0984	\$2.4815
Class C shares	GBP	£4.3035	£3.9204	£3.8867
Class C EUR accumulation shares	EUR	€8.5139	€8.0656	€9.2612
Class D shares	EUR	€4.1291	€3.8901	€4.4438
Class E shares	USD	\$3.5005	\$2.8911	\$3.3934
Class X shares	GBP	£12.3044	£11.1254	£10.9477
<b>Guinness Global Money Managers Fund</b>				
Class A shares	USD	\$19.3708	\$14.3674	\$15.1117
Class B shares	USD	\$18.5138	\$13.8082	\$14.5946
Class C shares	GBP	£21.5020	£17.5578	£15.5580
Class C EUR accumulation shares	EUR	€13.5796	€11.5278	€11.8306
Class D shares	EUR	€21.4949	€18.1604	€18.5445
Class E shares	USD	\$19.5840	\$14.4973	\$15.2087
Class X shares	GBP	£24.6050	£19.9403	£17.5374
<b>Guinness Global Equity Income Fund</b>				
Class A shares	USD	\$14.6392	\$12.6187	\$12.3291
Class B shares	USD	\$14.1573	\$12.2647	\$12.0437
Class C shares	GBP	£16.3703	£15.5241	£12.7550
Class C EUR accumulation shares	EUR	€14.2079	€13.6158	€12.5522
Class C EUR distribution shares	EUR	€10.2871	-	-
Class C GBP accumulation shares	GBP	£13.3455	£12.2985	£9.7893
Class C USD accumulation shares	USD	\$12.0807	\$10.1692	\$9.6552
Class D shares	EUR	€16.3787	€16.0738	€15.2431
Class D EUR accumulation shares	EUR	€10.4949	-	-
Class E shares	USD	\$14.9094	\$12.8194	\$12.4937
Class X shares GBP distribution shares	GBP	£16.9677	£15.9697	£13.0225
Class Y EUR accumulation shares	EUR	€10.9587	€10.3977	€9.4846
Class Y EUR distribution shares	EUR	€10.1841	€9.9446	€9.3754
Class Y GBP accumulation shares	GBP	£13.7255	£12.5230	£9.8691
Class Y GBP distribution shares	GBP	£12.7701	£11.9889	£9.7519
Class Y USD accumulation shares	USD	\$12.4259	\$10.3559	\$9.7349
Class Y USD distribution shares	USD	\$11.5498	\$9.9059	\$9.6298
Class Z GBP distribution shares	GBP	£17.9622	£16.8213	£13.6483
<b>Guinness Asian Equity Income Fund</b>				
Class C EUR accumulation shares	EUR	€17.4078	€14.6467	€13.3280
Class C GBP accumulation shares	GBP	£15.1864	£12.2871	£9.6538
Class C USD accumulation shares	USD	\$13.7452	\$10.1583	\$9.5201
Class X EUR accumulation shares	EUR	€17.9580	€14.9965	€13.5422
Class X EUR distribution shares	EUR	€15.5351	€13.5137	€12.7298
Class X GBP accumulation shares	GBP	£19.0800	£15.3223	£11.9488
Class X GBP distribution shares	GBP	£16.5152	£13.8144	£11.2153
Class X USD accumulation shares	USD	\$15.7722	\$11.5695	\$10.7619
Class X USD distribution shares	USD	\$13.6144	\$10.4107	\$10.1018
Class Y EUR accumulation shares	EUR	€10.8099	-	-
Class Y EUR distribution shares	EUR	€10.7261	-	-
Class Y GBP accumulation shares	GBP	£11.3581	-	-
Class Y GBP distribution shares	GBP	£11.2821	-	-
Class Y USD accumulation shares	USD	\$11.8806	-	-
Class Y USD distribution shares	USD	\$11.7952	-	-
Class Z GBP distribution shares	GBP	£16.8523	£14.0248	£11.3291
<b>Guinness European Equity Income Fund</b>				
Class C EUR accumulation shares	EUR	€13.2717	€12.5673	€11.4138
Class C GBP accumulation shares	GBP	£13.6176	£12.3999	£9.7210
Class C USD accumulation shares	USD	\$12.3469	\$10.2634	\$9.5917
Class X EUR accumulation shares	EUR	€13.6958	€12.8671	€11.6029
Class X EUR distribution shares	EUR	€12.2275	€11.8682	€11.0038
Class X GBP accumulation shares	GBP	£14.5876	£13.1809	£10.2563
Class X GBP distribution shares	GBP	£13.0365	£12.1609	£9.7129

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**13. Net asset values (continued)**

<b>Net asset value per share (continued)</b>	<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Guinness European Equity Income Fund (continued)</b>				
Class X USD accumulation shares	USD	\$12.0801	\$9.9669	\$9.2469
Class X USD distribution shares	USD	\$10.7902	\$9.1860	\$8.7650
Class Z GBP distribution shares	GBP	£13.2935	£12.3388	£9.8049
<b>Guinness Global Innovators Fund</b>				
Class C EUR accumulation shares	EUR	€13.9186	€11.9834	€10.9791
Class C GBP accumulation shares	GBP	£15.7765	£13.0616	£10.3325
Class C USD accumulation shares	USD	\$13.3401	\$10.0883	\$9.5193
Class X EUR accumulation shares	EUR	€14.2461	€12.1740	€11.0706
Class X GBP accumulation shares	GBP	£16.1555	£13.2757	£10.4236
Class X USD accumulation shares	USD	\$13.6609	\$10.2541	\$9.6035
Class Y EUR accumulation shares	EUR	€14.3494	€12.2318	€11.0953
Class Y GBP accumulation shares	GBP	£16.2833	£13.3475	£10.4539
Class Y USD accumulation shares	USD	\$13.8056	\$10.3366	\$9.6453
Class Z EUR accumulation shares	EUR	€14.4731	€12.3071	€11.1357
Class Z GBP accumulation shares	GBP	£16.4123	£13.4198	£10.4844
Class Z USD accumulation shares	USD	\$13.8774	\$10.3648	\$9.6590
<b>Guinness Best of China Fund</b>				
Class C EUR accumulation shares	EUR	€13.9034	€10.5908	€10.1314
Class C GBP accumulation shares	GBP	£17.0189	£12.4670	£10.2889
Class C USD accumulation shares	USD	\$15.3106	\$10.2449	\$10.0788
Class X EUR accumulation shares	EUR	€14.1356	€10.6889	€10.1358
Class X GBP accumulation shares	GBP	£17.2860	£12.5657	£10.2922
Class X USD accumulation shares	USD	\$15.5224	\$10.3180	\$10.0816
Class Z GBP accumulation shares	GBP	£17.4584	£12.6301	£10.2947
<b>Guinness Emerging Markets Equity Income Fund</b>				
Class C USD accumulation shares	USD	\$13.8176	\$10.0974	-
Class X GBP accumulation shares	GBP	£12.5969	£10.0170	-
Class X GBP distribution shares	GBP	£12.4539	£10.0170	-
Class X EUR accumulation shares	EUR	€12.1106	€10.0162	-
Class X EUR distribution shares	EUR	€11.9667	€10.0162	-
Class X USD accumulation shares	USD	\$13.9069	\$10.0985	-
Class X USD distribution shares	USD	\$13.7479	\$10.0985	-
Class Z GBP distribution shares	GBP	£12.5175	£10.0180	-
<b>Guinness Global Equity Fund</b>				
Class C EUR accumulation shares	EUR	€10.4222	€9.8756	-
Class C GBP accumulation shares	GBP	£10.9549	£9.9982	-
Class C USD accumulation shares	USD	\$11.9786	\$9.9843	-
Class X EUR accumulation shares	EUR	€10.4907	€9.8777	-
Class X GBP accumulation shares	GBP	£11.0415	£9.9999	-
Class X USD accumulation shares	USD	\$12.0765	\$9.9862	-
Class Z EUR accumulation shares	EUR	€10.5387	€9.8788	-
Class Z GBP accumulation shares	GBP	£11.0956	£10.0012	-
Class Z USD accumulation shares	USD	\$12.1345	\$9.9872	-
<b>Guinness US Equity Fund</b>				
Class C GBP accumulation shares	GBP	£11.0032	£9.8598	-
Class C EUR accumulation shares	EUR	€10.4439	€9.7399	-
Class C USD accumulation shares	USD	\$12.0279	\$9.8466	-
Class X GBP accumulation shares	GBP	£11.0797	£9.8621	-
Class X EUR accumulation shares	EUR	€10.5300	€9.7416	-
Class X USD accumulation shares	USD	\$12.1249	\$9.8484	-
Class Z GBP accumulation shares	GBP	£11.1357	£9.8634	-
Class Z EUR accumulation shares	EUR	€10.5761	€9.7427	-
Class Z USD accumulation shares	USD	\$12.1785	\$9.8495	-
<b>Guinness Best of Asia Fund</b>				
Class C GBP Accumulation	GBP	£9.9483	-	-
Class Y GBP Accumulation	GBP	£9.9484	-	-
Class Y EUR Accumulation	EUR	€9.9558	-	-
Class Y USD Accumulation	USD	\$10.0143	-	-
Class Z GBP Accumulation	GBP	£9.9485	-	-

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**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 year.

**As at 31 December 2017**

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

**As at 31 December 2017 (Continued)**

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD	Guinness Best of Asia Fund USD
Net asset value per financial statements	160,020,112	1,843,739	304,075	248,235	249,346	300,653
Subscriptions receivable <sup>1</sup>	(398,859)	(2,029)	-	-	-	-
Redemptions payable <sup>1</sup>	94,240	58,000	-	-	-	-
<b>Published net asset value</b>	<b>159,715,493</b>	<b>1,899,710</b>	<b>304,075</b>	<b>248,235</b>	<b>249,346</b>	<b>300,653</b>

**As at 31 December 2016**

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund <sup>2</sup> USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD
Net asset value per financial statements	324,459,561	7,065,592	5,816,755	307,773,627	-	36,723,975	162,298
Subscriptions receivable <sup>1</sup>	(52,294)	(620)	-	(1,866,785)	-	(6,404)	-
Redemptions payable <sup>1</sup>	854,687	390	9,572	235,783	-	-	-
<b>Published net asset value</b>	<b>325,261,954</b>	<b>7,065,362</b>	<b>5,826,327</b>	<b>306,142,625</b>	<b>-</b>	<b>36,717,571</b>	<b>162,298</b>

**As at 31 December 2016 (Continued)**

	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD
Net asset value per financial statements	77,126,980	605,654	210,825	209,573	206,683
Subscriptions receivable <sup>1</sup>	(8,565)	-	-	-	-
Redemptions payable <sup>1</sup>	-	-	-	-	-
<b>Published net asset value</b>	<b>77,118,415</b>	<b>605,654</b>	<b>210,825</b>	<b>209,573</b>	<b>206,683</b>

<sup>1</sup> Subscriptions and redemptions effective 31 December 2017<sup>2</sup> Fully redeemed effective 29 January 2016

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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-fund will be accumulated within the sub-fund.

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 2017:

#### Guinness Global Energy Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X USD distribution	USD	\$0.0651	\$82,328 \$82,328	\$82,328	(\$7,005)	\$181,922	\$257,245	03 January 2017

#### Guinness Global Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A	USD	\$0.1687	\$19,966	\$19,966	(\$692)	\$765	\$20,039	03 January 2017
Class B	USD	\$0.1642	\$82,729	\$82,729	(\$17,643)	\$4,587	\$69,673	03 January 2017
Class C	GBP	£0.2012	\$488,336	£398,936	(£133,082)	£13,335	£279,189	03 January 2017
Class D	EUR	€0.2067	\$489,017	€470,932	(€37,182)	€1,351	€435,101	03 January 2017
Class E	USD	\$0.1713	\$124,591	\$124,591	(\$40,338)	-	\$84,253	03 January 2017
Class X GBP distribution	GBP	£0.2066	\$42,940	£35,078	(£10,210)	£559	£25,427	03 January 2017
Class Y EUR distribution	EUR	€0.1280	\$15	€13	-	-	€13	03 January 2017
Class Y GBP distribution	GBP	£0.1550	\$876,405	£715,961	(£275,695)	£7,253	£447,519	03 January 2017
Class Y USD distribution	USD	\$0.1323	\$14,754	\$14,754	(\$4,898)	-	\$9,856	03 January 2017
Class Z GBP distribution	GBP	£0.2174	\$1,249,915	£1,021,091	(£30,177)	£44,714	£1,035,628	03 January 2017
Class A	USD	\$0.2096	\$24,874	\$24,874	(\$286)	\$61	\$24,649	03 July 2017
Class B	USD	\$0.2034	\$160,579	\$160,579	(\$33,261)	\$7,943	\$135,261	03 July 2017
Class C	GBP	£0.2529	\$1,010,216	£780,873	(£117,356)	£24,811	£688,328	03 July 2017
Class C EUR distribution	EUR	€0.1570	\$33,430	€29,407	(€14,985)	€4,080	€18,502	03 July 2017
Class D	EUR	€0.2603	\$463,983	€408,148	(€130,659)	€23,855	€301,344	03 July 2017
Class E	USD	\$0.2131	\$357,560	\$357,560	(\$67,973)	\$69	\$289,656	03 July 2017
Class X GBP distribution	GBP	£0.2607	\$97,638	£75,472	(£14,437)	£840	£61,875	03 July 2017
Class Y EUR distribution	EUR	€0.1613	\$150,754	€132,612	(€40,764)	€6	€91,854	03 July 2017
Class Y GBP distribution	GBP	£0.1959	\$1,672,728	£1,292,979	(£143,912)	£17,528	£1,166,595	03 July 2017
Class Y USD distribution	USD	\$0.1648	\$29,753	\$29,753	(\$3,231)	\$833	\$27,355	03 July 2017
Class Z GBP distribution	GBP	£0.2751	\$1,507,224 \$8,897,407	£1,165,049	(£28,986)	£96,861	£1,232,924	03 July 2017

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 15. Distribution (continued)

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

#### Guinness Asian Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.3290	\$6,914	£5,649	(£3,659)	£1,463	£3,453	03 January 2017
Class X EUR distribution	EUR	€0.3198	\$130,767	€125,930	(€15,643)	-	€110,287	03 January 2017
Class X USD distribution	USD	\$0.2565	\$29	\$29	-	-	\$29	03 January 2017
Class Z GBP distribution	GBP	£0.3335	\$544,923	£445,163	(£33,126)	£67,126	£479,163	03 January 2017
Class X GBP distribution	GBP	£0.2600	\$5,414	£4,185	(£2,741)	£5,613	£7,057	03 July 2017
Class X EUR distribution	EUR	€0.2525	\$152,014	€133,721	(€22,624)	€9,123	€120,220	03 July 2017
Class X USD distribution	USD	\$0.1998	\$23	\$23	-	-	\$23	03 July 2017
Class Y EUR distribution	EUR	€0.0766	\$9	€8	-	-	€8	03 July 2017
Class Y GBP distribution	GBP	£0.0778	\$13,962	£10,792	(£5,430)	£3	£5,365	03 July 2017
Class Y USD distribution	USD	\$0.0760	\$8	\$8	-	-	\$8	03 July 2017
Class Z GBP distribution	GBP	£0.2644	<u>\$614,607</u>	<u>£475,077</u>	<u>(£81,527)</u>	<u>£10,729</u>	<u>£404,279</u>	<u>03 July 2017</u>
			<b><u>\$1,468,670</u></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 GBP distribution	GBP	£0.0672	\$64	£52	(£30)	£43	£65	03 January 2017
Class X EUR distribution	EUR	€0.0652	\$7	€7	-	-	€7	03 January 2017
Class X USD distribution	USD	\$0.0524	\$6	\$6	-	-	\$6	03 January 2017
Class Z GBP distribution	GBP	£0.0681	\$469	£383	(£86)	£170	£467	03 January 2017
Class X GBP distribution	GBP	£0.3533	\$1,586	£1,226	(£517)	£122	£831	03 July 2017
Class X EUR distribution	EUR	€0.3422	\$1,393	€1,225	(€1,153)	-	€72	03 July 2017
Class X USD distribution	USD	\$0.2719	\$30	\$30	-	-	\$30	03 July 2017
Class Z GBP distribution	GBP	£0.3591	<u>\$364,909</u>	<u>£282,066</u>	<u>(£51,705)</u>	<u>£6,165</u>	<u>£236,526</u>	<u>03 July 2017</u>
			<b><u>\$368,464</u></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 GBP distribution	GBP	£0.1321	\$18	£14	-	-	£14	03 July 2017
Class X EUR distribution	EUR	€0.1312	\$15	€13	-	-	€13	03 July 2017
Class X USD distribution	USD	\$0.1357	\$14	\$14	-	-	\$14	03 July 2017
Class Z GBP distribution	GBP	£0.1326	<u>\$17</u>	<u>£13</u>	<u>-</u>	<u>-</u>	<u>£13</u>	<u>03 July 2017</u>
			<b><u>\$64</u></b>					

The following distributions were declared during the financial year ended 31 December 2016:

#### 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	\$0.0671	<u>\$393,931</u>	<u>\$393,931</u>	<u>(-\$175,600)</u>	<u>\$59,522</u>	<u>\$277,853</u>	<u>4 January 2016</u>
			<b><u>\$393,931</u></b>					

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2017

**15. Distribution (continued)**

The following distributions were declared during the financial year ended 31 December 2016 (continued):

**Guinness Global Equity Income Fund**

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A	USD	\$0.1974	\$23,443	\$23,443	(\$850)	\$1,675	\$24,268	4 January 2016
Class B	USD	\$0.1931	\$71,479	\$71,479	(\$7,144)	\$4,191	\$68,526	4 January 2016
Class C	GBP	£0.1967	£246,586	£167,871	(£13,711)	£6,530	£160,690	4 January 2016
Class D	EUR	€0.2403	€48,264	€44,670	(€2,389)	€1,499	€43,780	4 January 2016
Class E	USD	\$0.1999	\$15,985	\$15,985	(\$407)	\$23	\$15,601	4 January 2016
Class X GBP distribution	GBP	£0.2004	£23,344	£15,892	(£1,481)	£1,220	£15,631	4 January 2016
Class Y EUR distribution	EUR	€0.1478	\$16	€15	-	-	€15	4 January 2016
Class Y GBP distribution	GBP	£0.1500	£62,942	£42,850	(£12,331)	£535	£31,054	4 January 2016
Class Y USD distribution	USD	\$0.1539	\$16	\$16	-	-	\$16	4 January 2016
Class Z GBP distribution	GBP	£0.2098	£1,610,814	£1,096,610	(£11,929)	£93,149	£1,177,830	4 January 2016
Class A	USD	\$0.2168	\$24,083	\$24,083	(\$124)	\$1,532	\$25,491	01 July 2016
Class B	USD	\$0.2115	\$73,361	\$73,361	(\$3,132)	\$3,618	\$73,847	01 July 2016
Class C	GBP	£0.2306	£265,186	£199,913	(£17,180)	£13,081	£195,814	01 July 2016
Class D	EUR	€0.2611	€581,973	€522,792	(€301,560)	-	€221,232	01 July 2016
Class E	USD	\$0.2198	\$54,789	\$54,789	(\$14,204)	\$44	\$40,629	01 July 2016
Class X GBP distribution	GBP	£0.2359	£31,172	£23,499	(£2,984)	£550	£21,065	1 July 2016
Class Y EUR distribution	EUR	€0.1609	\$18	€17	-	-	€17	1 July 2016
Class Y GBP distribution	GBP	£0.1768	£353,825	£266,734	(£107,116)	£2,567	£162,185	1 July 2016
Class Y USD distribution	USD	\$0.1694	\$580	\$580	(\$246)	-	\$334	1 July 2016
Class Z GBP distribution	GBP	£0.2476	<u>\$1,620,941</u>	<u>£1,221,963</u>	<u>(£17,256)</u>	<u>£45,136</u>	<u>£1,249,843</u>	<u>1 July 2016</u>
			<u><b>\$5,108,817</b></u>					

**Guinness Asian Equity Income Fund**

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.2557	\$4,607	£3,136	(£592)	£753	£3,297	4 January 2016
Class X EUR distribution	EUR	€0.2970	\$769	€711	(€580)	-	€131	4 January 2016
Class X USD distribution	USD	\$0.2394	\$26	\$26	-	-	\$26	4 January 2016
Class Z GBP distribution	GBP	£0.2580	£415,363	£282,771	(£65,206)	£3,364	£220,929	4 January 2016
Class X GBP distribution	GBP	£0.2129	\$4,551	£3,431	(£976)	£337	£2,792	1 July 2016
Class X EUR distribution	EUR	€0.2286	\$55,707	€50,042	(€1,910)	-	€48,132	1 July 2016
Class X USD distribution	USD	\$0.1862	\$20	\$20	-	-	\$20	1 July 2016
Class Z GBP distribution	GBP	£0.2155	<u>\$475,604</u>	<u>£358,539</u>	<u>(£41,311)</u>	<u>£4,820</u>	<u>£322,048</u>	<u>1 July 2016</u>
			<u><b>\$956,647</b></u>					

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 15. Distribution (continued)

The following distributions were declared during the financial year ended 31 December 2016 (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 GBP distribution	GBP	£0.0328	\$5	£4	-	-	£4	4 January 2016
Class X EUR distribution	EUR	€0.0377	\$4	€4	-	-	€4	4 January 2016
Class X USD distribution	USD	\$0.0309	\$3	\$3	-	-	\$3	4 January 2016
Class Z GBP distribution	GBP	£0.0330	\$490	£334	(£2)	-	£332	4 January 2016
Class X GBP distribution	GBP	£0.2444	\$479	£361	(£281)	-	£80	1 July 2016
Class X EUR distribution	EUR	€0.2620	\$31	€28	-	-	€28	1 July 2016
Class X USD distribution	USD	\$0.2145	\$23	\$23	-	-	\$23	1 July 2016
Class Z GBP distribution	GBP	£0.2472	<u>\$2,476</u>	<u>£1,867</u>	-	£537	<u>\$2,404</u>	1 July 2016
			<b><u>\$3,511</u></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, 2015 (the “Central Bank Regulations”) headed ‘Transactions involving Connected Persons’ states in regulation 41 that a responsible person shall ensure that any transaction between a UCITS and the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate (“connected persons”) is conducted at arm’s length and is in the best interests of the unitholders of the UCITS.

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

### 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 and Andrew E Martin Smith are employees of the Investment Manager. Each sub-fund pays the Investment Manager fees at the rates set out in note 5.

The Company also pays an administrative fee to the Investment Manager and out of this fee 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. Each sub-fund pays the Investment Manager an administration fee at the rates set out in note 7.

Details of fees charged are outlined below:

	31 December 2017 USD	31 December 2016 USD
Investment manager fees	7,714,213	4,795,880
Investment manager administration fees	4,411,457	3,009,733
<b>Total</b>	<b>12,125,670</b>	<b>7,805,613</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 year (2016: 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 2017 amounted to €69,000 (year ended 31 December 2016: €52,000).

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 17. Related party disclosures (continued)

#### Share transactions

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

**As at 31 December 2017**

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

**As at 31 December 2016**

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.81
Andrew E. Martin Smith	Director	Guinness Global Equity Income Fund	Class Z	4,397.03
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	7,376.46

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

**As at 31 December 2017**

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

**As at 31 December 2016**

	Guinness Alternative Energy Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD
Class B shares	108,834.83	-	-	-	-
Class X USD accumulation shares	-	6,811.83	20,000.00	-	-
Class Z USD accumulation shares	-	-	-	20,000.00	20,100.00

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2017

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

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 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 2016

	Guinness Global Energy Fund USD	Guinness Alternative Energy Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness Asian Equity Income Fund USD	Guinness European Equity Income Fund USD	Guinness Global Innovators Fund USD	Guinness Best of China Fund USD	Guinness Emerging Markets Equity Income Fund USD	Guinness Global Equity Fund USD	Guinness US Equity Fund USD
Class A shares	-	-	47.74	-	-	-	-	-	-	-	-
Class C shares	-	-	100.00	-	-	-	-	-	-	-	-
Class C EUR accumulation shares	-	-	-	-	-	100.00	-	100.00	-	100.00	100.00
Class C GBP accumulation shares	-	-	-	-	-	100.00	-	5,802.33	-	100.00	100.00
Class C USD accumulation shares	-	-	-	-	-	100.00	-	100.00	100.00	100.00	100.00
Class D shares	-	230.60	100.00	-	-	-	-	-	-	-	-
Class E shares	116,722.20	302.52	-	-	-	-	-	-	-	-	-
Class X shares	-	-	4,827.22	-	-	-	-	-	-	-	-
Class X EUR accumulation shares	-	-	-	-	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Class X EUR distribution shares	-	-	-	-	110.95	108.34	-	-	100.00	-	-
Class X GBP accumulation shares	-	-	-	-	-	100.00	-	100.00	100.00	100.00	100.00
Class X GBP distribution shares	-	-	-	-	-	108.38	-	-	100.00	-	-
Class X USD accumulation shares	-	-	-	-	90.98	100.00	100.00	19,432.17	100.00	100.00	100.00
Class X USD distribution shares	-	-	-	-	111.38	108.50	-	-	100.00	-	-
Class Y EUR accumulation shares	-	-	-	100.00	-	-	100.00	-	-	-	-
Class Y EUR distribution shares	-	-	-	104.62	-	-	-	-	-	-	-
Class Y GBP accumulation shares	-	-	-	-	-	100.00	-	-	-	-	-
Class Y USD accumulation shares	-	-	-	100.00	-	-	100.00	-	-	-	-
Class Y USD distribution shares	-	-	-	104.68	-	-	-	-	-	-	-
Class Z EUR accumulation shares	-	-	-	-	-	-	100.00	-	-	100.00	100.00
Class Z GBP accumulation shares	-	-	-	-	-	-	-	100.00	-	100.00	100.00
Class Z GBP distribution shares	-	-	-	-	-	4,485.60	-	-	100.00	-	-
Class Z USD accumulation shares	-	-	-	-	-	-	-	-	-	100.00	100.00

At the reporting dates 31 December 2017 and 31 December 2016, 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 2017

### 18. Soft commission arrangements

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

CSA pool based on the following commission rates:

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

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

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

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

The CSA was terminated at the end of the year and there are currently no soft commission arrangements in place.

During the financial year ended 31 December 2016, the Investment Manager continued with a soft commission arrangement with Morgan Stanley. The soft commission arrangement with Marex was terminated and a Commission Sharing Arrangement (CSA) was established with Bloomberg Tradebook. Soft Dollar Arrangements in place as at the reporting date:

The arrangements noted below are in place to receive energy 'space' research data:

#### 1. Morgan Stanley / Cornerstone

10% of commissions paid to Morgan Stanley for the Guinness Global Energy Fund are set aside in a commission sharing arrangements pool. \$5,000 p.a. is paid to Cornerstone Analytics out of this for daily oil market reports.

#### 2. Bloomberg Tradebook / Evaluate Energy

CSA pool based on the following commission rates:

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

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

Asia/Hong Kong: 20bps split 13bps for research and 7bps for execution to fund subscription to "Evaluate Energy" of £8,250 per annum.

### 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 equivalents.

### 20. Efficient portfolio management

No efficient portfolio management techniques were used during the period (2016 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-fund's 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

An updated prospectus was issued on 5 May 2017. The updated prospectus was amended generally and to reflect updates necessitated by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (UCTIS V) and the Central Bank Regulations.

### 23. Significant events during the year

Effective 20 January 2017, Class C Euro Distribution and Class D Euro Accumulation launched on the Guinness Global Equity Income Fund.

Effective 08 May 2017 the following share classes launched on the Guinness Asian Equity Income Fund:

- Y EUR Accumulating & EUR Distributing share classes
- Y USD Accumulating & USD Distributing share classes
- Y GBP Accumulating & GBP Distributing share classes

Effective 15 September 2017, Class X USD was fully redeemed on Guinness Best of China Fund.

Effective 27 September 2017, Class X USD relaunched on Guinness Best of China Fund.

Effective 6 November 2017, following an acquisition by Link Group, Capita Financial Managers (Ireland) Limited changed its trading name to Link Fund Manager Solutions (Ireland) Limited.

Effective 6 November 2017, following an acquisition by Link Group, Capita Financial Administrators (Ireland) Limited changed its trading name to Link Fund Administrators (Ireland) Limited.

Effective 28 December 2017, Guinness Best of Asia Fund launched.

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

### 24. Events after the reporting date

Effective 14 February 2018, Class Z GBP accumulation, Class Z EUR accumulation and Class Z USD accumulation launched on the Guinness Alternative Energy Fund.

Effective 27 February 2018, Class X EUR distribution launched on Guinness Global Equity Income Fund.

The following distributions were declared after the reporting date:

#### Guinness Global Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class A	USD	\$0.1622	\$18,080	\$18,080	(\$258)	\$908	\$18,730	02 January 2018
Class B	USD	\$0.1570	\$135,165	\$135,165	(\$15,807)	\$13,330	\$132,688	02 January 2018
Class C	GBP	£0.1864	£892,190	£657,011	(£55,742)	£32,988	£634,257	02 January 2018
Class C EUR distribution	EUR	€0.1165	€51,484	€42,743	(€5,726)	€250	€37,267	02 January 2018
Class D	EUR	€0.1853	€376,286	€312,400	(€21,299)	€1,821	€292,922	02 January 2018
Class E	USD	\$0.1651	\$339,322	\$339,322	(\$51,539)	\$5	\$287,788	02 January 2018
Class X GBP distribution	GBP	£0.1929	£85,636	£63,063	(£3,111)	£1,939	£61,891	02 January 2018
Class Y EUR distribution	EUR	€0.1151	€96,786	€80,354	(€9,910)	€9,933	€80,377	02 January 2018
Class Y GBP distribution	GBP	£0.1451	£1,323,229	£974,430	(£64,595)	£101,370	£1,011,205	02 January 2018
Class Y USD distribution	USD	\$0.1278	\$29,956	\$29,956	(\$3,070)	\$225	\$27,111	02 January 2018
Class Z GBP distribution	GBP	£0.2040	<u>£1,079,102</u>	<u>£794,656</u>	<u>(£14,708)</u>	<u>£59,011</u>	<u>£838,959</u>	<u>02 January 2018</u>
			<u><b>£4,427,236</b></u>					

#### Guinness Asian Equity Income Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.3231	\$6,375	£4,695	(£696)	£544	£4,543	02 January 2018
Class X EUR distribution	EUR	€0.3023	\$201,076	€166,937	(€8,507)	€783	€159,213	02 January 2018
Class X USD distribution	USD	\$0.2592	\$30	\$30	-	-	\$30	02 January 2018
Class Y EUR distribution	EUR	€0.2084	\$25	€21	-	-	€21	02 January 2018
Class Y GBP distribution	GBP	£0.2204	£167,077	£123,036	(£70,134)	£4,287	£57,189	02 January 2018
Class Y USD distribution	USD	\$0.2244	\$23	\$23	-	-	\$23	02 January 2018
Class Z GBP distribution	GBP	£0.3292	<u>£929,453</u>	<u>£684,452</u>	<u>(£53,913)</u>	<u>£10,848</u>	<u>£641,387</u>	<u>02 January 2018</u>
			<u><b>£1,304,059</b></u>					

#### Guinness Emerging Markets Equity Fund

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.1750	\$26	£19	-	-	£19	02 January 2018
Class X EUR distribution	EUR	€0.1674	\$20	€17	-	-	€17	02 January 2018
Class X USD distribution	USD	\$0.1885	\$19	\$19	-	-	\$19	02 January 2018
Class Z GBP distribution	GBP	£0.1758	<u>\$24</u>	<u>£18</u>	<u>-</u>	<u>-</u>	<u>£18</u>	<u>02 January 2018</u>
			<u><b>\$89</b></u>					

## Notes to the financial statements (continued)

For the financial year ended 31 December 2017

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

#### Guinness European Equity Income Fund:

Class	Currency	Distribution per share	Final distribution paid (base)	Final distribution paid (local)	Income received on subscriptions	Income deducted on redemptions	Net distribution charge	Ex -date
Class X GBP distribution	GBP	£0.0429	\$527	£388	(£236)	£16	£168	02 January 2018
Class X EUR distribution	EUR	€0.0400	\$173	€143	-	-	€143	02 January 2018
Class X USD distribution	USD	\$0.0347	\$4	\$4	-	-	\$4	02 January 2018
Class Z GBP distribution	GBP	£0.0437	<u>\$56,901</u>	£41,902	(£5,400)	£918	£37,420	02 January 2018
			<u><b>\$57,605</b></u>					

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

#### 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	<u>\$63,273</u>	\$63,273	(\$26,738)	\$14,635	\$51,170	02 January 2018
			<u><b>\$63,273</b></u>					

### 25. Approval of financial statements

The audited financial statements were approved for issue by the Board of Directors on 25 April 2018.

## Schedule of investments

As at 31 December 2017

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>				
Apache Corp	USD	236,507	9,985,326	3.53%
Canadian Natural Resources Ltd	CAD	290,831	10,426,696	3.68%
CNOOC Ltd	HKD	6,967,000	9,999,583	3.53%
Devon Energy Corp	USD	259,176	10,729,886	3.79%
EnQuest PLC	GBP	3,881,218	1,496,341	0.53%
JKX Oil & Gas PLC	GBP	1,357,016	201,927	0.07%
Newfield Exploration Co	USD	329,875	10,400,959	3.67%
Noble Energy Inc	USD	354,925	10,342,515	3.65%
Oasis Petroleum Inc	USD	540,000	4,541,400	1.60%
Occidental Petroleum Corp	USD	138,250	10,183,495	3.60%
Ophir Energy PLC	GBP	129,200	118,847	0.04%
QEP Resources Inc	USD	538,290	5,151,435	1.82%
Sino Gas & Energy Holdings Ltd	AUD	5,249,999	636,475	0.22%
Soco International PLC	GBP	1,487,900	2,244,225	0.79%
Tullow Oil PLC	GBP	2,213,233	6,185,506	2.18%
Valero Energy Corp	USD	113,447	10,426,914	3.68%
			<b>103,071,530</b>	<b>36.38%</b>
<b>Integrated Oil &amp; Gas</b>				
BP PLC	GBP	1,431,241	10,120,058	3.58%
Chevron Corp	USD	81,500	10,202,985	3.60%
ConocoPhillips	USD	184,000	10,099,760	3.57%
Eni SpA	EUR	600,185	9,945,697	3.51%
Gazprom PJSC	USD	2,148,642	9,475,511	3.36%
Hess Corp	USD	221,402	10,509,953	3.71%
Imperial Oil Ltd	CAD	333,966	10,456,512	3.69%
OMV AG	EUR	156,065	9,900,500	3.50%
PetroChina Co Ltd	HKD	14,010,679	9,767,848	3.45%
Royal Dutch Shell PLC	EUR	304,210	10,149,740	3.58%
Statoil ASA	NOK	484,205	10,371,572	3.67%
Suncor Energy Inc	CAD	288,662	10,632,309	3.75%
TOTAL SA	EUR	177,483	9,813,191	3.46%
			<b>131,445,636</b>	<b>46.43%</b>
<b>Oil Equipment &amp; Services</b>				
Cluff Natural Resources PLC	GBP	23,303,370	748,687	0.26%
Halliburton Co	USD	223,586	10,926,648	3.86%
Helix Energy Solutions Group Inc	USD	702,495	5,296,812	1.87%
Schlumberger Ltd	USD	157,200	10,593,708	3.74%
Shandong Molong Petroleum Machinery Co Ltd	HKD	814,400	133,349	0.05%
Unit Corp	USD	244,323	5,375,106	1.90%
			<b>33,074,310</b>	<b>11.68%</b>
<b>Pipelines</b>				
Enbridge Inc	USD	253,500	9,914,385	3.50%
			<b>9,914,385</b>	<b>3.50%</b>
<b>Renewable Energy Equipment</b>				
JA Solar Holdings Co Ltd	USD	360,008	2,685,660	0.95%
SunPower Corp	USD	168,500	1,420,455	0.50%
			<b>4,106,115</b>	<b>1.45%</b>
<b>Specialty Finance</b>				
Reabold Resources PLC	GBP	90,000,000	973,981	0.34%
			<b>973,981</b>	<b>0.34%</b>
<b>Total equities</b>				
			<b>282,585,957</b>	<b>99.78%</b>
<b>Total financial assets at fair value through profit or loss</b>				
			<b>282,585,957</b>	<b>99.78%</b>
Cash and cash equivalents and other net assets			624,542	0.22%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>283,210,499</b>	<b>100.00%</b>

Analysis of total assets	% of total assets
Transferable securities listed on an official stock exchange	98.45%
Other current assets	1.55%
	<b>100.00%</b>

**Schedule of investments (continued)**

As at 31 December 2017

<b>Guinness Alternative Energy Fund</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Biofuels</b>				
Cosan SA Industria e Comercio	BRL	32,500	406,605	3.44%
			<b>406,605</b>	<b>3.44%</b>
<b>Efficiency</b>				
Boer Power Holdings Ltd	HKD	1,401,000	267,035	2.26%
Johnson Controls International plc	USD	9,477	361,168	3.07%
Kingspan Group PLC	EUR	9,180	401,305	3.41%
LG Chem Ltd	KRW	970	366,961	3.12%
Nibe Industrier AB	SEK	37,751	362,410	3.08%
Prysmian SpA	EUR	11,100	362,413	3.08%
Ricardo PLC	GBP	35,530	426,081	3.62%
Schneider Electric SE	EUR	4,270	363,329	3.08%
Sensata Technologies Holding NV	USD	7,400	378,214	3.21%
Tianneng Power International Ltd	HKD	434,000	450,805	3.83%
Wasion Group Holdings Ltd	HKD	762,000	372,359	3.16%
			<b>4,112,080</b>	<b>34.92%</b>
<b>Geothermal</b>				
Ormat Technologies Inc	USD	6,020	385,039	3.27%
			<b>385,039</b>	<b>3.27%</b>
<b>Hydro</b>				
Iniziative Bresciane - Inbre - SpA	EUR	11,352	272,630	2.31%
			<b>272,630</b>	<b>2.31%</b>
<b>Solar</b>				
Canadian Solar Inc	USD	21,500	362,490	3.08%
China Singyes Solar Technologies Holdings Ltd	HKD	1,037,400	449,872	3.82%
First Solar Inc	USD	5,800	391,616	3.33%
Good Energy Group PLC	GBP	60,759	150,000	1.27%
JA Solar Holdings Co Ltd	USD	48,940	365,092	3.10%
JinkoSolar Holding Co Ltd	USD	13,990	336,460	2.86%
SunPower Corp	USD	45,377	382,528	3.25%
Xinyi Solar Holdings Ltd	HKD	1,032,000	398,685	3.39%
			<b>2,836,743</b>	<b>24.10%</b>
<b>Wind</b>				
Boralex Inc	CAD	20,320	381,117	3.24%
China Datang Corp Renewable Power Co Ltd	HKD	3,250,000	386,642	3.28%
China Longyuan Power Group Corp Ltd	HKD	543,000	386,205	3.28%
China Suntien Green Energy Corp Ltd	HKD	1,579,000	418,115	3.55%
Concord New Energy Group Ltd	HKD	8,340,000	368,068	3.13%
Huaneng Renewables Corp Ltd	HKD	1,185,000	401,705	3.41%
Mytrah Energy Ltd	GBP	397,359	145,132	1.23%
Senvion SA	EUR	33,930	419,655	3.56%
TPI Composites Inc	USD	19,800	405,108	3.44%
			<b>3,311,747</b>	<b>28.12%</b>
<b>Total equities</b>			<b>11,324,844</b>	<b>96.16%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>11,324,844</b>	<b>96.16%</b>
Cash and cash equivalents and other net assets			452,584	3.84%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>11,777,428</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
Transferable securities listed on an official stock exchange				95.75%
Other current assets				4.25%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	1,790	367,398	3.65%
AllianceBernstein Holding LP	USD	13,940	349,197	3.47%
Ameriprise Financial Inc	USD	2,050	347,414	3.45%
Associated Capital Group Inc	USD	3,000	102,300	1.02%
Azimut Holding SpA	EUR	18,600	356,688	3.55%
Banca Generali SpA	EUR	10,070	335,434	3.34%
BlackRock Inc	USD	760	390,420	3.88%
Blackstone Group LP/The	USD	11,340	363,107	3.61%
Brewin Dolphin Holdings PLC	GBP	72,180	380,802	3.79%
CI Financial Corp	CAD	15,600	370,654	3.69%
Coronation Fund Managers Ltd	ZAR	66,070	394,392	3.92%
Franklin Resources Inc	USD	8,040	348,373	3.46%
GAM Holding AG	CHF	22,720	367,204	3.65%
GAMCO Investors Inc	USD	3,000	88,950	0.88%
Invesco Ltd	USD	9,220	336,898	3.34%
Janus Henderson Group PLC	USD	9,323	356,698	3.55%
Jupiter Fund Management PLC	GBP	43,280	367,968	3.66%
KKR & Co LP	USD	18,200	383,292	3.81%
Liontrust Asset Management PLC	GBP	50,850	337,058	3.35%
Och-Ziff Capital Management Group LLC	USD	23,200	58,000	0.58%
Polar Capital Holdings PLC	GBP	54,318	398,806	3.97%
Rathbone Brothers PLC	GBP	9,940	343,420	3.41%
River & Mercantile Group PLC	GBP	69,347	335,251	3.33%
State Street Corp	USD	3,710	362,133	3.60%
T Rowe Price Group Inc	USD	3,600	377,748	3.76%
Value Partners Group Ltd	HKD	351,000	372,672	3.71%
			<b>8,592,277</b>	<b>85.43%</b>
<b>Banks</b>				
Vontobel Holding AG	CHF	5,890	371,714	3.70%
			<b>371,714</b>	<b>3.70%</b>
<b>Investment Banking &amp; Brokerage</b>				
Raymond James Financial Inc	USD	4,130	368,809	3.67%
			<b>368,809</b>	<b>3.67%</b>
<b>Specialised Finance</b>				
Nasdaq Inc	USD	4,450	341,894	3.40%
			<b>341,894</b>	<b>3.40%</b>
<b>Total equities</b>			<b>9,674,694</b>	<b>96.20%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>9,674,694</b>	<b>96.20%</b>
Cash and cash equivalents and other net assets			382,363	3.80%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>10,057,057</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
Transferable securities listed on an official stock exchange				95.82%
Other current assets				4.18%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	1,568,850	12,160,567	2.56%
General Dynamics Corp	USD	58,830	11,968,964	2.52%
United Technologies Corp	USD	96,860	12,356,430	2.59%
			<b>36,485,961</b>	<b>7.67%</b>
<b>Broadline Retailers</b>				
Wal-Mart Stores Inc	USD	134,110	13,243,363	2.78%
			<b>13,243,363</b>	<b>2.78%</b>
<b>Business Training Employment Agency</b>				
Randstad Holding NV	EUR	201,800	12,416,560	2.60%
			<b>12,416,560</b>	<b>2.60%</b>
<b>Clothing &amp; Accessories</b>				
VF Corp	USD	178,120	13,180,880	2.76%
			<b>13,180,880</b>	<b>2.76%</b>
<b>Electrical Components &amp; Equipment</b>				
Eaton Corp PLC	USD	166,590	13,162,276	2.76%
Schneider Electric SE	EUR	151,710	12,908,815	2.71%
			<b>26,071,091</b>	<b>5.47%</b>
<b>Footwear</b>				
ANTA Sports Products Ltd	HKD	3,327,000	15,087,326	3.16%
			<b>15,087,326</b>	<b>3.16%</b>
<b>Healthcare Providers</b>				
Sonic Healthcare Ltd	AUD	653,675	11,687,681	2.45%
			<b>11,687,681</b>	<b>2.45%</b>
<b>Household Products</b>				
Procter & Gamble Co/The	USD	133,520	12,267,818	2.57%
Reckitt Benckiser Group PLC	GBP	150,400	14,076,962	2.95%
			<b>26,344,780</b>	<b>5.52%</b>
<b>Industrial Machinery</b>				
Illinois Tool Works Inc	USD	86,510	14,434,194	3.03%
			<b>14,434,194</b>	<b>3.03%</b>
<b>Integrated Oil &amp; Gas</b>				
Royal Dutch Shell PLC	EUR	461,110	15,384,591	3.23%
			<b>15,384,591</b>	<b>3.23%</b>
<b>Investment Services</b>				
Deutsche Boerse AG	EUR	112,750	13,105,782	2.75%
CME Group Inc	USD	116,360	16,994,378	3.56%
NEX Group PLC	GBP	1,499,731	12,304,443	2.58%
			<b>42,404,603</b>	<b>8.89%</b>
<b>Life Insurance</b>				
Aflac Inc	USD	152,840	13,416,295	2.81%
			<b>13,416,295</b>	<b>2.81%</b>
<b>Media Agencies</b>				
WPP PLC	GBP	733,410	13,304,340	2.80%
			<b>13,304,340</b>	<b>2.80%</b>
<b>Mobile Telecommunications</b>				
Vodacom Group Ltd	ZAR	1,273,460	14,985,271	3.14%
			<b>14,985,271</b>	<b>3.14%</b>
<b>Packaged Foods &amp; Meats</b>				
Danone SA	EUR	155,770	13,084,061	2.74%
			<b>13,084,061</b>	<b>2.74%</b>
<b>Personal Products</b>				
Hengan International Group Co Ltd	HKD	1,419,000	15,746,901	3.30%
Unilever PLC	GBP	219,680	12,259,842	2.57%
			<b>28,006,743</b>	<b>5.87%</b>
<b>Pharmaceuticals</b>				
AbbVie Inc	USD	135,100	13,065,521	2.74%
Johnson & Johnson	USD	90,930	12,704,740	2.66%
Merck & Co Inc	USD	183,190	10,308,101	2.16%
Novo Nordisk A/S	DKK	251,460	13,565,797	2.84%
Roche Holding AG	CHF	46,230	11,693,889	2.45%
			<b>61,338,048</b>	<b>12.85%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	204,180	12,920,510	2.71%
			<b>12,920,510</b>	<b>2.71%</b>
<b>Software</b>				
CA Inc	USD	367,460	12,229,069	2.56%
Microsoft Corp	USD	170,430	14,578,582	3.06%
			<b>26,807,651</b>	<b>5.62%</b>
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	369,870	14,166,021	2.97%
			<b>14,166,021</b>	<b>2.97%</b>

## Schedule of investments (continued)

As at 31 December 2017

<b>Guinness Global Equity Income Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Tobacco</b>				
British American Tobacco PLC	GBP	241,670	16,404,809	3.44%
Imperial Brands PLC	GBP	281,910	12,073,666	2.53%
Japan Tobacco Inc	JPY	454,900	14,662,600	3.07%
			<b>43,141,075</b>	<b>9.04%</b>
<b>Total equities</b>			<b>467,911,045</b>	<b>98.11%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>467,911,045</b>	<b>98.11%</b>
Cash and cash equivalents and other net assets			8,997,122	1.89%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>476,908,167</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				97.86%
Other current assets				2.14%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	588,000	2,523,556	2.59%
			2,523,556	2.59%
<b>Asset Managers</b>				
Janus Henderson Group PLC	AUD	69,541	2,676,063	2.76%
			2,676,063	2.76%
<b>Auto Parts</b>				
Hanon Systems	KRW	214,800	2,788,959	2.86%
			2,788,959	2.86%
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	527,500	2,672,150	2.74%
China Construction Bank Corp	HKD	2,995,000	2,758,497	2.83%
China Merchants Bank Co Ltd	HKD	666,500	2,651,574	2.72%
China Minsheng Banking Corp Ltd	HKD	2,591,300	2,595,510	2.67%
DBS Group Holdings Ltd	SGD	144,163	2,680,672	2.75%
Industrial & Commercial Bank of China Ltd	HKD	3,360,000	2,703,542	2.78%
Tisco Financial Group PCL	THB	964,300	2,618,612	2.69%
			18,680,557	19.18%
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	3,119,000	2,517,607	2.59%
Li & Fung Ltd	HKD	5,696,000	3,125,867	3.21%
Pacific Textiles Holdings Ltd	HKD	2,433,000	2,567,670	2.64%
			8,211,144	8.44%
<b>Commercial Vehicles &amp; Trucks</b>				
Yangzijiang Shipbuilding Holdings Ltd	SGD	2,208,900	2,429,724	2.50%
			2,429,724	2.50%
<b>Computer Hardware</b>				
Asustek Computer Inc	TWD	277,000	2,601,660	2.67%
			2,601,660	2.67%
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	130,500	2,327,108	2.39%
Delta Electronics Thailand PCL	THB	1,010,100	2,270,323	2.33%
Hon Hai Precision Industry Co Ltd	TWD	783,500	2,506,484	2.57%
			7,103,915	7.29%
<b>Exploration &amp; Production</b>				
PTT PCL	THB	199,100	2,688,064	2.76%
			2,688,064	2.76%
<b>Health Care Providers</b>				
Sonic Healthcare Ltd	AUD	154,793	2,767,692	2.84%
			2,767,692	2.84%
<b>Industrial &amp; Office REITs</b>				
Ascendas Real Estate Investment Trust	SGD	1,281,200	2,607,650	2.68%
			2,607,650	2.68%
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	242,600	2,673,952	2.75%
			2,673,952	2.75%
<b>Life Insurance</b>				
Aflac Inc	USD	29,700	2,607,066	2.68%
			2,607,066	2.68%
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	91,040	2,982,812	3.06%
			2,982,812	3.06%
<b>Mobile Telecommunications</b>				
China Mobile Ltd	HKD	247,500	2,509,098	2.58%
			2,509,098	2.58%
<b>Real Estate Holding &amp; Development</b>				
LPN Development PCL	THB	6,496,100	2,631,130	2.70%
			2,631,130	2.70%
<b>Real Estate Services</b>				
Relo Group Inc	JPY	98,200	2,676,201	2.75%
			2,676,201	2.75%
<b>Recreational Products</b>				
Lagan Precision Co Ltd	TWD	18,000	2,431,574	2.50%
			2,431,574	2.50%
<b>Retail REITs</b>				
Link REIT	HKD	283,000	2,622,817	2.69%
			2,622,817	2.69%
<b>Semiconductors</b>				
Novatek Microelectronics Corp	TWD	684,300	2,609,945	2.68%
QUALCOMM Inc	USD	40,390	2,585,768	2.66%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	347,000	2,676,093	2.75%
			7,871,806	8.09%
<b>Specialty Retailers</b>				
JB Hi-Fi Ltd	AUD	147,436	2,876,009	2.95%
			2,876,009	2.95%

## Schedule of investments (continued)

As at 31 December 2017

<b>Guinness Asian Equity Income Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Tobacco</b>				
KT&G Corp	KRW	22,700	2,449,068 2,449,068	2.52% 2.52%
<b>Electrical Components &amp; Equipment</b>				
Elite Material Co Ltd	TWD	779,000	2,657,006 2,657,006	2.73% 2.73%
<b>Retail REITs</b>				
CapitaLand Mall Trust	SGD	1,717,600	2,737,570 2,737,570	2.81% 2.81%
<b>Total equities</b>			94,805,093	97.38%
<b>Total financial assets at fair value through profit or loss</b>			94,805,093	97.38%
Cash and cash equivalents and other net assets			2,549,302	2.62%
<b>Net assets attributable to holders of redeemable participating shares</b>			97,354,395	100.00%
<hr/>				
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				96.92%
Other current assets				3.08%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

<b>Guinness European Equity Income Fund</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Apparel Retailers</b>				
Hennes & Mauritz AB	SEK	28,440	588,078 <b>588,078</b>	2.79% <b>2.79%</b>
<b>Asset Managers</b>				
Azimut Holding SpA	EUR	35,748	685,532 <b>685,532</b>	3.26% <b>3.26%</b>
<b>Brewers</b>				
Heineken NV	EUR	6,686	697,922 <b>697,922</b>	3.31% <b>3.31%</b>
<b>Broadcasting &amp; Entertainment</b>				
Metropole Television SA	EUR	28,675	741,514	3.52%
Modern Times Group MTG AB	SEK	17,834	751,043 <b>1,492,557</b>	3.57% <b>7.09%</b>
<b>Business Training Employment Agency</b>				
Adecco Group AG	CHF	8,812	674,125 <b>674,125</b>	3.20% <b>3.20%</b>
<b>Clothing &amp; Accessories</b>				
HUGO BOSS AG	EUR	8,245	702,349 <b>702,349</b>	3.34% <b>3.34%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Konecranes OYJ	EUR	15,043	689,670 <b>689,670</b>	3.27% <b>3.27%</b>
<b>Computer Services</b>				
Tieto OYJ	EUR	21,397	667,518 <b>667,518</b>	3.17% <b>3.17%</b>
<b>Delivery Services</b>				
Deutsche Post AG	EUR	14,149	675,358 <b>675,358</b>	3.21% <b>3.21%</b>
<b>Diversified Industrials</b>				
Siemens AG	EUR	4,945	689,694 <b>689,694</b>	3.28% <b>3.28%</b>
<b>Electrical Components &amp; Equipment</b>				
Schneider Electric SE	EUR	7,952	676,626 <b>676,626</b>	3.21% <b>3.21%</b>
<b>Farming</b>				
Salmar ASA	NOK	22,155	668,495 <b>668,495</b>	3.17% <b>3.17%</b>
<b>Food Products</b>				
Danone SA	EUR	8,148	684,400	3.25%
Nestle SA	CHF	7,802	670,916 <b>1,355,316</b>	3.19% <b>6.44%</b>
<b>Food Retailers &amp; Wholesalers</b>				
Axfood AB	SEK	36,792	710,451 <b>710,451</b>	3.37% <b>3.37%</b>
<b>Full Line Insurance</b>				
Helvetia Holding AG	CHF	1,232	693,435	3.29%
Mapfre SA	EUR	197,111	633,859 <b>1,327,294</b>	3.01% <b>6.30%</b>
<b>Industrial Machinery</b>				
ABB Ltd	CHF	26,214	702,627	3.34%
ANDRITZ AG	EUR	12,482	705,729 <b>1,408,356</b>	3.35% <b>6.69%</b>
<b>Investment Services</b>				
Deutsche Boerse AG	EUR	6,048	703,004 <b>703,004</b>	3.34% <b>3.34%</b>
<b>Media Agencies</b>				
Publicis Groupe SA	EUR	10,446	710,592 <b>710,592</b>	3.37% <b>3.37%</b>
<b>Mobile Telecommunications</b>				
Freenet AG	EUR	17,411	644,357 <b>644,357</b>	3.06% <b>3.06%</b>
<b>Oil Equipment &amp; Services</b>				
Tecnicas Reunidas SA	EUR	23,251	738,759 <b>738,759</b>	3.51% <b>3.51%</b>
<b>Personal Products</b>				
Unilever NV	EUR	11,697	659,519 <b>659,519</b>	3.13% <b>3.13%</b>
<b>Pharmaceuticals</b>				
Novartis AG	CHF	7,905	668,417	3.17%
Novo Nordisk A/S	DKK	12,646	682,228	3.24%
Roche Holding AG	CHF	2,683	678,665	3.22%
Sanofi	EUR	7,437	641,646 <b>2,670,956</b>	3.05% <b>12.68%</b>
<b>Real Estate Holding &amp; Development</b>				
JM AB	SEK	27,383	625,085 <b>625,085</b>	2.97% <b>2.97%</b>

**Schedule of investments (continued)**

As at 31 December 2017

<b>Guinness European Equity Income Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Total equities</b>			<b>20,461,613</b>	<b>97.16%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>20,461,613</b>	<b>97.16%</b>
Cash and cash equivalents and other net assets			597,223	2.84%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>21,058,836</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				96.45%
Other current assets				3.55%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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>Aerospace</b>				
Boeing Co/The	USD	17,800	5,249,397	3.28%
			<b>5,249,397</b>	<b>3.28%</b>
<b>Asset Managers</b>				
WisdomTree Investments Inc	USD	354,530	4,449,352	2.78%
			<b>4,449,352</b>	<b>2.78%</b>
<b>Broadcasting &amp; Entertainment</b>				
Comcast Corp	USD	132,460	5,305,023	3.32%
			<b>5,305,023</b>	<b>3.32%</b>
<b>Computer Hardware</b>				
VeriFone Systems Inc	USD	178,150	3,155,037	1.97%
			<b>3,155,037</b>	<b>1.97%</b>
<b>Computer Services</b>				
Cognizant Technology Solutions Corp	USD	72,570	5,153,921	3.22%
			<b>5,153,921</b>	<b>3.22%</b>
<b>Consumer Electronics</b>				
Samsung Electronics Co Ltd	USD	4,430	5,307,140	3.32%
			<b>5,307,140</b>	<b>3.32%</b>
<b>Diversified Industrials</b>				
Danaher Corp	USD	55,150	5,119,023	3.20%
Eaton Corp PLC	USD	67,500	5,333,175	3.33%
Siemens AG	EUR	36,950	5,153,528	3.22%
			<b>15,605,726</b>	<b>9.75%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	289,000	5,153,518	3.22%
Schneider Electric SE	EUR	61,480	5,231,257	3.27%
			<b>10,384,775</b>	<b>6.49%</b>
<b>Electronic Equipment</b>				
Roper Technologies Inc	USD	19,970	5,172,230	3.23%
			<b>5,172,230</b>	<b>3.23%</b>
<b>Financial Administration</b>				
PayPal Holdings Inc	USD	69,490	5,115,854	3.20%
			<b>5,115,854</b>	<b>3.20%</b>
<b>Footwear</b>				
ANTA Sports Products Ltd	HKD	1,261,000	5,718,400	3.57%
NIKE Inc	USD	84,830	5,306,117	3.32%
			<b>11,024,517</b>	<b>6.89%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	476,000	5,246,501	3.28%
FANUC Corp	JPY	21,700	5,212,623	3.26%
			<b>10,459,124</b>	<b>6.54%</b>
<b>Internet</b>				
Alphabet Inc	USD	4,830	5,087,922	3.18%
Facebook Inc	USD	29,110	5,136,751	3.21%
			<b>10,224,673</b>	<b>6.39%</b>
<b>Investment Services</b>				
Intercontinental Exchange Inc	USD	73,830	5,209,445	3.26%
			<b>5,209,445</b>	<b>3.26%</b>
<b>Pharmaceuticals</b>				
Shire PLC	GBP	100,200	5,286,279	3.30%
			<b>5,286,279</b>	<b>3.30%</b>
<b>Semiconductors</b>				
Applied Materials Inc	USD	98,390	5,029,697	3.14%
Infinion Technologies AG	EUR	190,810	5,232,065	3.27%
Intel Corp	USD	113,250	5,227,620	3.27%
NVIDIA Corp	USD	26,500	5,127,750	3.20%
			<b>20,617,132</b>	<b>12.88%</b>
<b>Software</b>				
Check Point Software Technologies Ltd	USD	49,360	5,114,683	3.20%
SAP SE	EUR	45,180	5,069,867	3.17%
			<b>10,184,550</b>	<b>6.37%</b>
<b>Specialized Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	56,750	5,334,500	3.33%
			<b>5,334,500</b>	<b>3.33%</b>
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	135,130	5,175,479	3.23%
			<b>5,175,479</b>	<b>3.23%</b>
<b>Tires</b>				
Continental AG	EUR	19,370	5,234,554	3.27%
			<b>5,234,554</b>	<b>3.27%</b>
<b>Total equities</b>			<b>153,648,708</b>	<b>96.02%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>153,648,708</b>	<b>96.02%</b>

**Schedule of investments (continued)**

As at 31 December 2017

	Fair value in USD	% of NAV
<b>Guinness Global Innovators Fund (continued)</b>		
Cash and cash equivalents and other net assets	6,371,404	3.98%
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>160,020,112</b>	<b>100.00%</b>
<b>Analysis of total assets</b>		<b>% of total assets</b>
Transferable securities listed on an official stock exchange	97.45%	
Other current assets	4.55%	
		<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	12,000	51,501	2.79%
			<b>51,501</b>	<b>2.79%</b>
<b>Automobiles</b>				
Geely Automobile Holdings Ltd	HKD	17,000	58,933	3.20%
			<b>58,933</b>	<b>3.20%</b>
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	11,000	55,723	3.02%
China Construction Bank Corp	HKD	61,000	56,183	3.05%
China Merchants Bank Co Ltd	HKD	14,000	55,697	3.02%
			<b>167,603</b>	<b>9.09%</b>
<b>Building Materials &amp; Fixtures</b>				
Anhui Conch Cement Co Ltd	HKD	11,500	54,063	2.93%
			<b>54,063</b>	<b>2.93%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	67,000	54,081	2.93%
Li & Fung Ltd	HKD	96,000	52,683	2.86%
Pacific Textiles Holdings Ltd	HKD	53,000	55,934	3.03%
			<b>162,698</b>	<b>8.82%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Yangzijiang Shipbuilding Holdings Ltd	SGD	47,400	52,139	2.83%
			<b>52,139</b>	<b>2.83%</b>
<b>Computer Hardware</b>				
Lenovo Group Ltd	HKD	96,000	54,157	2.94%
			<b>54,157</b>	<b>2.94%</b>
<b>Durable Household Products</b>				
Haier Electronics Group Co Ltd	HKD	20,000	54,748	2.97%
			<b>54,748</b>	<b>2.97%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	3,000	53,497	2.90%
Elite Material Co Ltd	TWD	17,000	57,983	3.14%
Hollsys Automation Technologies Ltd	USD	2,310	51,444	2.79%
Hon Hai Precision Industry Co Ltd	TWD	16,700	53,425	2.90%
			<b>216,349</b>	<b>11.73%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	5,000	55,110	2.99%
China Lesso Group Holdings Ltd	HKD	86,000	55,666	3.02%
Haitian International Holdings Ltd	HKD	19,000	57,117	3.10%
Tongda Group Holdings Ltd	HKD	210,000	53,727	2.91%
			<b>221,620</b>	<b>12.02%</b>
<b>Internet</b>				
NetEase Inc	USD	165	56,937	3.09%
Tencent Holdings Ltd	HKD	1,000	51,936	2.82%
			<b>108,873</b>	<b>5.91%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	5,000	52,032	2.82%
			<b>52,032</b>	<b>2.82%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	1,800	58,975	3.20%
			<b>58,975</b>	<b>3.20%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	25,000	58,268	3.16%
Sino Biopharmaceutical Ltd	HKD	34,000	60,282	3.27%
			<b>118,550</b>	<b>6.43%</b>
<b>Property &amp; Casualty Insurance</b>				
PICC Property & Casualty Co Ltd	HKD	29,000	55,720	3.02%
			<b>55,720</b>	<b>3.02%</b>
<b>Real Estate Holding &amp; Development</b>				
China Overseas Land & Investment Ltd	HKD	18,000	57,910	3.14%
			<b>57,910</b>	<b>3.14%</b>
<b>Semiconductors</b>				
Novatek Microelectronics Corp	TWD	14,000	53,397	2.90%
QUALCOMM Inc	USD	810	51,856	2.81%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	7,000	53,985	2.93%
			<b>159,238</b>	<b>8.64%</b>
<b>Specialized Consumer Services</b>				
New Oriental Education & Technology Group Inc	USD	570	53,580	2.91%
			<b>53,580</b>	<b>2.91%</b>
<b>Telecommunications Equipment</b>				
VTech Holdings Ltd	HKD	4,000	52,397	2.84%
			<b>52,397</b>	<b>2.84%</b>
<b>Total equities</b>				
			<b>1,811,086</b>	<b>98.23%</b>
<b>Total financial assets at fair value through profit or loss</b>				
			<b>1,811,086</b>	<b>98.23%</b>

**Schedule of investments (continued)**

As at 31 December 2017

	Fair value in USD	% of NAV
<b>Guinness Best of China Fund (continued)</b>		
Cash and cash equivalents and other net assets	32,653	1.77%
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>1,843,739</b>	<b>100.00%</b>
<b>Analysis of total assets</b>		% of total assets
Transferable securities listed on an official stock exchange		92.64%
Other current assets		7.36%
		<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	1,314	10,027	3.30%
			<b>10,027</b>	<b>3.30%</b>
<b>Auto Parts</b>				
Bajaj Auto Ltd	INR	160	8,357	2.75%
Hanon Systems	KRW	814	10,569	3.49%
			<b>18,926</b>	<b>6.24%</b>
<b>Banks</b>				
Banco Davivienda SA	COP	787	7,895	2.60%
China Construction Bank Corp	HKD	8,000	7,368	2.42%
Credicorp Ltd	USD	40	8,297	2.73%
Tisco Financial Group PCL	THB	3,600	9,776	3.22%
			<b>33,336</b>	<b>10.97%</b>
<b>Clothing &amp; Accessories</b>				
China Lilang Ltd	HKD	10,000	8,072	2.65%
Shenzhou International Group Holdings Ltd	HKD	1,000	9,517	3.13%
			<b>17,589</b>	<b>5.78%</b>
<b>Computer Services</b>				
Infosys Ltd	USD	480	7,786	2.56%
Tata Consultancy Services Ltd	INR	190	8,041	2.64%
			<b>15,827</b>	<b>5.20%</b>
<b>Consumer Finance</b>				
Indiabulls Housing Finance Ltd	INR	390	7,311	2.40%
			<b>7,311</b>	<b>2.40%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	500	8,916	2.93%
Elite Material Co Ltd	TWD	2,000	6,822	2.24%
Hollysys Automation Technologies Ltd	USD	320	7,126	2.34%
Hon Hai Precision Industry Co Ltd	TWD	2,000	6,398	2.10%
			<b>29,262</b>	<b>9.61%</b>
<b>Food Products</b>				
Grape King Bio Ltd	TWD	1,000	6,990	2.30%
SPAR Group Ltd/The	ZAR	511	8,393	2.76%
			<b>15,383</b>	<b>5.06%</b>
<b>Full Line Insurance</b>				
Porto Seguro SA	BRL	700	7,667	2.52%
			<b>7,667</b>	<b>2.52%</b>
<b>Industrial Machinery</b>				
Catcher Technology Co Ltd	TWD	700	7,715	2.54%
Haitian International Holdings Ltd	HKD	3,000	9,018	2.97%
			<b>16,733</b>	<b>5.51%</b>
<b>Internet</b>				
NetEase Inc	USD	30	10,352	3.40%
			<b>10,352</b>	<b>3.40%</b>
<b>Investment Services</b>				
B3 SA - Brasil Bolsa Balcao	BRL	1,300	8,928	2.94%
JSE Ltd	ZAR	880	10,935	3.60%
			<b>19,863</b>	<b>6.54%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	1,000	10,406	3.42%
			<b>10,406</b>	<b>3.42%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	300	9,829	3.23%
			<b>9,829</b>	<b>3.23%</b>
<b>Personal Products</b>				
Unilever PLC	GBP	143	7,981	2.62%
			<b>7,981</b>	<b>2.62%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	4,000	9,323	3.07%
			<b>9,323</b>	<b>3.07%</b>
<b>Semiconductors</b>				
Broadcom Ltd	USD	30	7,707	2.53%
Novatek Microelectronics Corp	TWD	2,000	7,628	2.51%
QUALCOMM Inc	USD	130	8,323	2.74%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	1,000	7,712	2.54%
			<b>31,370</b>	<b>10.32%</b>
<b>Soft Drinks</b>				
Coca-Cola Femsa SAB de CV	MXN	900	6,300	2.07%
			<b>6,300</b>	<b>2.07%</b>
<b>Tobacco</b>				
British American Tobacco PLC	GBP	120	8,146	2.68%
KT&G Corp	KRW	66	7,121	2.34%
			<b>15,267</b>	<b>5.02%</b>
<b>Toys</b>				
JUMBO SA	EUR	535	9,572	3.15%
			<b>9,572</b>	<b>3.15%</b>

**Schedule of investments (continued)**

As at 31 December 2017

Guinness Emerging Markets Equity Income Fund (continued)	Fair value in USD	% of NAV
<b>Total equities</b>	<b>302,324</b>	<b>99.43%</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>302,324</b>	<b>99.43%</b>
Cash and cash equivalents and other net assets	1,751	0.57%
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>304,075</b>	<b>100.00%</b>
<b>Analysis of total assets</b>		<b>% of total assets</b>
Transferable securities listed on an official stock exchange		99.33%
Other current assets		0.67%
		<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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	35	7,184	2.89%
Janus Henderson Group PLC	USD	178	6,810	2.74%
			<b>13,994</b>	<b>5.63%</b>
<b>Auto Parts</b>				
LKQ Corp	USD	160	6,507	2.62%
			<b>6,507</b>	<b>2.62%</b>
<b>Business Support Services</b>				
Genpact Ltd	USD	213	6,761	2.72%
Securitas AB	SEK	334	5,842	2.35%
			<b>12,603</b>	<b>5.07%</b>
<b>Business Training Employment Agency</b>				
Randstad Holding NV	EUR	95	5,845	2.35%
			<b>5,845</b>	<b>2.35%</b>
<b>Clothing &amp; Accessories</b>				
VF Corp	USD	94	6,956	2.80%
			<b>6,956</b>	<b>2.80%</b>
<b>Diversified Industrials</b>				
Carlisle Cos Inc	USD	46	5,228	2.11%
			<b>5,228</b>	<b>2.11%</b>
<b>Drug Retailers</b>				
Cardinal Health Inc	USD	70	4,289	1.73%
			<b>4,289</b>	<b>1.73%</b>
<b>Durable Household Products</b>				
Stanley Black & Decker Inc	USD	44	7,466	3.01%
			<b>7,466</b>	<b>3.01%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	500	8,916	3.59%
			<b>8,916</b>	<b>3.59%</b>
<b>Financial Administration</b>				
Deluxe Corp	USD	70	5,379	2.17%
Euronet Worldwide Inc	USD	69	5,815	2.34%
			<b>11,194</b>	<b>4.51%</b>
<b>Food Products</b>				
Aryzta AG	CHF	118	4,680	1.89%
Kerry Group PLC	EUR	74	8,314	3.35%
Hain Celestial Group Inc/The	USD	129	5,468	2.20%
JM Smucker Co/The	USD	40	4,970	2.00%
			<b>23,432</b>	<b>9.44%</b>
<b>Food Retailers &amp; Wholesalers</b>				
Axfood AB	SEK	337	6,507	2.62%
			<b>6,507</b>	<b>2.62%</b>
<b>Health Care Providers</b>				
Envision Healthcare Corp	USD	79	2,730	1.10%
MEDNAX Inc	USD	78	4,168	1.68%
Sonic Healthcare Ltd	AUD	334	5,971	2.41%
			<b>12,869</b>	<b>5.19%</b>
<b>Industrial Machinery</b>				
Ingersoll-Rand PLC	USD	66	5,887	2.37%
			<b>5,887</b>	<b>2.37%</b>
<b>Investment Services</b>				
Deutsche Boerse AG	EUR	62	7,207	2.90%
			<b>7,207</b>	<b>2.90%</b>
<b>Media Agencies</b>				
Publicis Groupe SA	EUR	75	5,102	2.06%
			<b>5,102</b>	<b>2.06%</b>
<b>Medical Equipment</b>				
Sonova Holding AG	CHF	43	6,716	2.71%
Varian Medical Systems Inc	USD	57	6,336	2.55%
William Demant Holding A/S	DKK	299	8,367	3.37%
			<b>21,419</b>	<b>8.63%</b>
<b>Mobile Telecommunications</b>				
Freenet AG	EUR	187	6,921	2.79%
			<b>6,921</b>	<b>2.79%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	99	6,265	2.52%
			<b>6,265</b>	<b>2.52%</b>
<b>Restaurants &amp; Bars</b>				
Sodexo SA	EUR	46	6,189	2.49%
			<b>6,189</b>	<b>2.49%</b>
<b>Software</b>				
Amdocs Ltd	USD	85	5,566	2.24%
Check Point Software Technologies Ltd	USD	60	6,217	2.50%
Citrix Systems Inc	USD	56	4,928	1.99%
Hexagon AB	SEK	145	7,277	2.93%
			<b>23,988</b>	<b>9.66%</b>

**Schedule of investments (continued)**

As at 31 December 2017

<b>Guinness Global Equity Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Specialty Chemicals</b>				
FMC Corp	USD	90	8,519	3.43%
FUCHS PETROLUB SE	EUR	135	6,544	2.64%
Innospec Inc	USD	73	5,154	2.08%
			<b>20,217</b>	<b>8.15%</b>
<b>Specialty Retailers</b>				
IHS Markit Ltd	USD	145	6,547	2.64%
JB Hi-Fi Ltd	AUD	251	4,895	1.98%
			<b>11,442</b>	<b>4.62%</b>
<b>Telecommunications Equipment</b>				
F5 Networks Inc	USD	35	4,593	1.85%
			<b>4,593</b>	<b>1.85%</b>
<b>Total equities</b>			<b>245,036</b>	<b>98.71%</b>
<b>Total financial assets at fair value through profit or loss</b>				
Cash and cash equivalents and other net assets			3,199	1.29%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>248,235</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				
Transferable securities listed on an official stock exchange				98.65%
Other current assets				1.35%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

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>				
Affiliated Managers Group Inc	USD	40	8,209	3.28%
Invesco Ltd	USD	184	6,722	2.69%
T Rowe Price Group Inc	USD	75	7,869	3.15%
			<b>22,800</b>	<b>9.12%</b>
<b>Auto Parts</b>				
LKQ Corp	USD	183	7,443	2.99%
			<b>7,443</b>	<b>2.99%</b>
<b>Biotechnology</b>				
Biogen Inc	USD	20	6,371	2.56%
			<b>6,371</b>	<b>2.56%</b>
<b>Clothing &amp; Accessories</b>				
PVH Corp	USD	63	8,644	3.47%
VF Corp	USD	107	7,918	3.18%
			<b>16,562</b>	<b>6.65%</b>
<b>Computer Hardware</b>				
Apple Inc	USD	50	8,462	3.39%
			<b>8,462</b>	<b>3.39%</b>
<b>Computer Services</b>				
Cognizant Technology Solutions Corp	USD	104	7,386	2.96%
			<b>7,386</b>	<b>2.96%</b>
<b>Diversified Industrials</b>				
Carlisle Cos Inc	USD	52	5,910	2.37%
Eaton Corp PLC	USD	85	6,716	2.69%
Honeywell International Inc	USD	50	7,668	3.08%
			<b>20,294</b>	<b>8.14%</b>
<b>Drug Retailers</b>				
Cardinal Health Inc	USD	80	4,902	1.97%
CVS Health Corp	USD	73	5,293	2.12%
			<b>10,195</b>	<b>4.09%</b>
<b>Durable Household Products</b>				
Stanley Black & Decker Inc	USD	50	8,485	3.40%
			<b>8,485</b>	<b>3.40%</b>
<b>Food Products</b>				
Hain Celestial Group Inc/The	USD	148	6,274	2.52%
JM Smucker Co/The	USD	45	5,591	2.24%
Mondelez International Inc	USD	132	5,650	2.27%
			<b>17,515</b>	<b>7.03%</b>
<b>Footwear</b>				
NIKE Inc	USD	113	7,068	2.83%
			<b>7,068</b>	<b>2.83%</b>
<b>Health Care Providers</b>				
Anthem Inc	USD	40	9,000	3.61%
Cigna Corp	USD	43	8,733	3.50%
			<b>17,733</b>	<b>7.11%</b>
<b>Industrial Machinery</b>				
Ingersoll-Rand PLC	USD	76	6,778	2.72%
			<b>6,778</b>	<b>2.72%</b>
<b>Internet</b>				
Alphabet Inc	USD	7	7,374	2.96%
			<b>7,374</b>	<b>2.96%</b>
<b>Medical Equipment</b>				
Medtronic PLC	USD	81	6,541	2.62%
Thermo Fisher Scientific Inc	USD	41	7,785	3.12%
			<b>14,326</b>	<b>5.74%</b>
<b>Pharmaceuticals</b>				
Johnson & Johnson	USD	51	7,126	2.86%
			<b>7,126</b>	<b>2.86%</b>
<b>Property &amp; Casualty Insurance</b>				
Arthur J Gallagher & Co	USD	113	7,151	2.87%
			<b>7,151</b>	<b>2.87%</b>
<b>Real Estate Services</b>				
Jones Lang LaSalle Inc	USD	57	8,489	3.40%
			<b>8,489</b>	<b>3.40%</b>
<b>Software</b>				
Amdocs Ltd	USD	97	6,352	2.55%
CA Inc	USD	178	5,924	2.38%
Check Point Software Technologies Ltd	USD	68	7,046	2.83%
Citrix Systems Inc	USD	64	5,632	2.26%
			<b>24,954</b>	<b>10.02%</b>
<b>Specialty Finance</b>				
IHS Markit Ltd	USD	166	7,495	3.01%
			<b>7,495</b>	<b>3.01%</b>

**Schedule of investments (continued)**

As at 31 December 2017

<b>Guinness US Equity Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
<b>Telecommunications Equipment</b>				
Cisco Systems Inc	USD	191	7,315	2.93%
F5 Networks Inc	USD	40	5,249	2.11%
			<b>12,564</b>	<b>5.04%</b>
<b>Total equities</b>			<b>246,571</b>	<b>98.89%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>246,571</b>	<b>98.89%</b>
Cash and cash equivalents and other net assets			2,775	1.11%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>249,346</b>	<b>100.00%</b>
<hr/>				
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				98.83%
Other current assets				1.17%
				<b>100.00%</b>

## Schedule of investments (continued)

As at 31 December 2017

<b>Guinness Best of Asia Fund</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Asset Managers</b>				
Noah Holdings Ltd	USD	200	9,258	3.08%
			<b>9,258</b>	<b>3.08%</b>
<b>Auto Parts</b>				
Hanon Systems	KRW	720	9,348	3.11%
			<b>9,348</b>	<b>3.11%</b>
<b>Automobiles</b>				
Bajaj Auto Ltd	INR	170	8,879	2.95%
Geely Automobile Holdings Ltd	HKD	3,000	10,400	3.46%
			<b>19,279</b>	<b>6.41%</b>
<b>Banks</b>				
BOC Hong Kong Holdings Ltd	HKD	2,000	10,131	3.37%
China Merchants Bank Co Ltd	HKD	2,500	9,946	3.31%
DBS Group Holdings Ltd	SGD	500	9,297	3.09%
Tisco Financial Group PCL	THB	3,300	8,961	2.98%
			<b>38,335</b>	<b>12.75%</b>
<b>Clothing &amp; Accessories</b>				
Li & Fung Ltd	HKD	16,000	8,781	2.92%
			<b>8,781</b>	<b>2.92%</b>
<b>Commercial Vehicles &amp; Trucks</b>				
Yangzijiang Shipbuilding Holdings Ltd	SGD	8,100	8,910	2.96%
			<b>8,910</b>	<b>2.96%</b>
<b>Computer Services</b>				
Infosys Ltd	INR	560	9,143	3.04%
Tata Consultancy Services Ltd	INR	220	9,310	3.10%
			<b>18,453</b>	<b>6.14%</b>
<b>Consumer Finance</b>				
Indiabulls Housing Finance Ltd	INR	480	8,999	2.99%
			<b>8,999</b>	<b>2.99%</b>
<b>Durable Household Products</b>				
Haier Electronics Group Co Ltd	HKD	3,000	8,213	2.73%
			<b>8,213</b>	<b>2.73%</b>
<b>Electrical Components &amp; Equipment</b>				
AAC Technologies Holdings Inc	HKD	500	8,916	2.97%
Elite Material Co Ltd	TWD	3,000	10,232	3.40%
Venture Corp Ltd	SGD	600	9,190	3.06%
			<b>28,338</b>	<b>9.43%</b>
<b>Financial Administration</b>				
Link Administration Holdings Ltd	AUD	1,360	8,978	2.99%
			<b>8,978</b>	<b>2.99%</b>
<b>Food Products</b>				
Dali Foods Group Co Ltd	HKD	10,000	9,082	3.02%
			<b>9,082</b>	<b>3.02%</b>
<b>Health Care Providers</b>				
Sonic Healthcare Ltd	AUD	500	8,940	2.97%
			<b>8,940</b>	<b>2.97%</b>
<b>Industrial Machinery</b>				
Haitian International Holdings Ltd	HKD	3,000	9,018	3.00%
			<b>9,018</b>	<b>3.00%</b>
<b>Internet</b>				
Autohome Inc	USD	140	9,054	3.01%
Baidu Inc	USD	40	9,368	3.12%
NetEase Inc	USD	26	8,972	2.98%
			<b>27,394</b>	<b>9.11%</b>
<b>Life Insurance</b>				
Ping An Insurance Group Co of China Ltd	HKD	1,000	10,406	3.46%
			<b>10,406</b>	<b>3.46%</b>
<b>Medical Supplies</b>				
St Shine Optical Co Ltd	TWD	300	9,829	3.27%
			<b>9,829</b>	<b>3.27%</b>
<b>Personal Products</b>				
LG Household & Health Care Ltd	KRW	8	8,885	2.96%
			<b>8,885</b>	<b>2.96%</b>
<b>Pharmaceuticals</b>				
China Medical System Holdings Ltd	HKD	4,000	9,323	3.10%
			<b>9,323</b>	<b>3.10%</b>
<b>Recreational Products</b>				
Lagan Precision Co Ltd	TWD	70	9,456	3.15%
			<b>9,456</b>	<b>3.15%</b>
<b>Semiconductors</b>				
Applied Materials Inc	USD	170	8,690	2.89%
Broadcom Ltd	USD	30	7,707	2.56%
Taiwan Semiconductor Manufacturing Co Ltd	TWD	1,000	7,712	2.57%
			<b>24,109</b>	<b>8.02%</b>

**Schedule of investments (continued)**

As at 31 December 2017

<b>Guinness Best of Asia Fund (continued)</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value in USD</b>	<b>% of NAV</b>
<b>Financial assets at fair value through profit or loss (continued)</b>				
<b>Equities (continued)</b>				
Travel & Tourism				
Corporate Travel Management Ltd	AUD	550	8,974 8,974	2.98% <b>2.98%</b>
<b>Total equities</b>			<b>302,308</b>	<b>100.55%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>302,308</b>	<b>100.55%</b>
Cash and cash equivalents and other net assets			(1,655)	(0.55%)
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>300,653</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				50.17%
Other current assets				49.83%
				<b>100.00%</b>

## Statement of significant portfolio movements (unaudited)

For the financial year ended 31 December 2017

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 Global Energy Fund

	Cost USD
<b>Purchases</b>	
Enbridge Inc	11,914,394
Oasis Petroleum Inc	5,332,647
Newfield Exploration Co	3,340,008
Devon Energy Corp	3,221,772
Apache Corp	3,146,142
Imperial Oil Ltd	3,002,071
Hess Corp	2,730,532
Suncor Energy Inc	2,693,796
Noble Energy Inc	2,652,091
Halliburton Co	2,560,256
ConocoPhillips	2,361,550
Schlumberger Ltd	2,338,852
Statoil ASA	2,285,078
Occidental Petroleum Corp	2,125,043
Gazprom PJSC	2,011,290
Chevron Corp	1,968,696
TOTAL SA	1,860,445
Canadian Natural Resources Ltd	1,746,247
Helix Energy Solutions Group Inc	1,705,286
QEP Resources Inc	1,692,357
BP PLC	1,530,207
CNOOC Ltd	1,444,601
Royal Dutch Shell PLC	1,411,418
PetroChina Co Ltd	1,410,561
Valero Energy Corp	1,265,773
Eni SpA	1,223,645
Carrizo Oil & Gas Inc	1,054,364
<b>Sales</b>	<b>Proceeds USD</b>
Exxon Mobil Corp	10,440,834
OMV AG	8,462,795
Valero Energy Corp	5,826,123
Royal Dutch Shell PLC	5,252,032
Statoil ASA	5,202,712
Suncor Energy Inc	4,887,122
TOTAL SA	4,791,312
Carrizo Oil & Gas Inc	4,632,099
BP PLC	4,595,827
ConocoPhillips	4,370,695
CNOOC Ltd	4,028,010
Chevron Corp	4,026,000
Eni SpA	3,490,185
Canadian Natural Resources Ltd	3,354,112
PetroChina Co Ltd	3,217,847
Occidental Petroleum Corp	3,098,366
Imperial Oil Ltd	2,690,734
Gazprom PJSC	2,386,316
Devon Energy Corp	2,338,906
Halliburton Co	1,917,002
Tullow Oil PLC	1,326,372
Unit Corp	1,292,171
Hess Corp	1,247,459
Enbridge Inc	1,196,620
Oasis Petroleum Inc	1,081,492

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

For the financial year ended 31 December 2017

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 Alternative Energy Fund

	Cost USD
<b>Purchases</b>	
TPI Composites Inc	406,904
LG Chem Ltd	334,307
SunPower Corp	322,142
Kingspan Group PLC	296,991
Prysmian SpA	294,816
Kingspan Group PLC	257,531
Boer Power Holdings Ltd	250,756
Senvion SA	250,231
China Singyes Solar Technologies Holdings Ltd	205,262
JA Solar Holdings Co Ltd	189,154
Huaneng Renewables Corp Ltd	182,630
Ricardo PLC	179,235
China Longyuan Power Group Corp Ltd	175,702
Concord New Energy Group Ltd	167,919
Wasion Group Holdings Ltd	167,048
Johnson Controls International plc	164,407
Cosan SA Industria e Comercio	161,430
Tianneng Power International Ltd	159,657
Cia Energetica de Minas Gerais	127,539
Canadian Solar Inc	122,357
Xinyi Solar Holdings Ltd	113,222
Nibe Industrier AB	102,685
China Datang Corp Renewable Power Co Ltd	99,346
JinkoSolar Holding Co Ltd	92,505
CENTROTEC Sustainable AG	85,842
First Solar Inc	83,123
Boralex Inc	70,841
Ormat Technologies Inc	69,586
Schneider Electric SE	65,976
China Suntien Green Energy Corp Ltd	63,882
Sensata Technologies Holding NV	59,436
<b>Sales</b>	<b>Proceeds USD</b>
Cia Energetica de Minas Gerais	467,841
CENTROTEC Sustainable AG	380,964
SunPower Corp	284,535
SolarEdge Technologies Inc	272,675
Kingspan Group PLC	255,265
First Solar Inc	201,214
JA Solar Holdings Co Ltd	196,404
JinkoSolar Holding Co Ltd	153,467
Canadian Solar Inc	111,742
China Suntien Green Energy Corp Ltd	82,098
Nibe Industrier AB	42,142
Cosan SA Industria e Comercio	36,461
Huaneng Renewables Corp Ltd	35,132
Good Energy Group PLC	30,247
China Datang Corp Renewable Power Co Ltd	28,374
Senvion SA	28,201
Ricardo PLC	23,187
Boralex Inc	22,461
Northern Power Systems Corp	5,374

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

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

For the financial year ended 31 December 2017

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 Global Money Managers Fund

	Cost USD
<b>Purchases</b>	
Banca Generali SpA	313,284
Coronation Fund Managers Ltd	171,572
Vontobel Holding AG	165,569
Azimut Holding SpA	156,961
State Street Corp	149,101
Value Partners Group Ltd	142,274
GAM Holding AG	140,927
Blackstone Group LP/The	140,127
Franklin Resources Inc	132,120
Raymond James Financial Inc	121,163
Rathbone Brothers PLC	117,206
AllianceBernstein Holding LP	115,460
KKR & Co LP	114,801
Invesco Ltd	113,534
CI Financial Corp	112,908
Nasdaq Inc	112,682
Affiliated Managers Group Inc	90,889
Brewin Dolphin Holdings PLC	87,278
BlackRock Inc	86,443
Janus Henderson Group PLC	78,741
Ameriprise Financial Inc	68,425
T Rowe Price Group Inc	61,644
Jupiter Fund Management PLC	54,505
Liontrust Asset Management PLC	37,413
<b>Sales</b>	<b>Proceeds USD</b>
Fortress Investment Group LLC	313,795
ARA Asset Management Ltd	145,205
Vontobel Holding AG	71,867
Rathbone Brothers PLC	69,910
Ameriprise Financial Inc	51,979
State Street Corp	50,276
Value Partners Group Ltd	40,702
Liontrust Asset Management PLC	38,826
Coronation Fund Managers Ltd	34,242
Affiliated Managers Group Inc	33,353
KKR & Co LP	26,957
Raymond James Financial Inc	23,258
Franklin Resources Inc	21,015
Jupiter Fund Management PLC	19,565
Brewin Dolphin Holdings PLC	17,628
Janus Henderson Group PLC	13,270
Invesco Ltd	10,576
Blackstone Group LP/The	9,930

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

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

For the financial year ended 31 December 2017

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 Global Equity Income Fund

	Cost USD
<b>Purchases</b>	
British American Tobacco PLC	15,949,414
Reckitt Benckiser Group PLC	13,559,011
ANTA Sports Products Ltd	12,925,181
Hengan International Group Co Ltd	12,677,253
Novo Nordisk A/S	10,040,095
WPP PLC	7,266,470
Mattel Inc	7,067,522
Japan Tobacco Inc	6,467,407
NEX Group PLC	6,229,109
CME Group Inc	6,047,862
Teva Pharmaceutical Industries Ltd	5,460,706
Vodacom Group Ltd	5,294,788
Imperial Brands PLC	4,393,958
Royal Dutch Shell PLC	3,778,870
Eaton Corp PLC	3,765,337
BAE Systems PLC	3,672,382
Merck & Co Inc	3,278,831
CA Inc	3,259,791
Cisco Systems Inc	3,197,267
VF Corp	3,120,446
Wal-Mart Stores Inc	3,078,852
AbbVie Inc	3,042,072
Illinois Tool Works Inc	3,023,360
Randstad Holding NV	2,974,712
Coca-Cola Co/The	2,950,804
Procter & Gamble Co/The	2,853,143
Roche Holding AG	2,717,352
Microsoft Corp	2,667,812
Aflac Inc	2,537,451
Arthur J Gallagher & Co	2,495,652
United Technologies Corp	2,432,659
Johnson & Johnson	2,413,601
Schneider Electric SE	2,317,423
General Dynamics Corp	1,898,175
<b>Sales</b>	<b>Proceeds USD</b>
Coca-Cola Co/The	12,609,367
TOTAL SA	10,689,807
Mattel Inc	9,540,270
Teva Pharmaceutical Industries Ltd	8,721,293
H&R Block Inc	8,519,270
AbbVie Inc	4,529,794
TP ICAP PLC	3,725,319
VF Corp	2,942,868
Wal-Mart Stores Inc	2,695,249
ANTA Sports Products Ltd	2,648,924
Novo Nordisk A/S	2,327,845
Unilever PLC	1,181,445
Eaton Corp PLC	700,705
Illinois Tool Works Inc	557,963
Deutsche Boerse AG	542,489
CME Group Inc	540,524
Roche Holding AG	476,788
Vodacom Group Ltd	472,825
Imperial Brands PLC	456,741
Arthur J Gallagher & Co	428,653

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

For the financial year ended 31 December 2017

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 Asian Equity Income Fund

	Cost USD
<b>Purchases</b>	
Elite Material Co Ltd	3,446,076
JB Hi-Fi Ltd	1,691,817
China Mobile Ltd	1,690,201
China Minsheng Banking Corp Ltd	1,686,952
Lagan Precision Co Ltd	1,655,862
Pacific Textiles Holdings Ltd	1,633,746
Sonic Healthcare Ltd	1,538,808
Delta Electronics Thailand PCL	1,503,031
Novatek Microelectronics Corp	1,496,017
Asustek Computer Inc	1,483,841
Li & Fung Ltd	1,470,471
China Construction Bank Corp	1,461,807
CapitaLand Mall Trust	1,458,704
QUALCOMM Inc	1,433,556
Hon Hai Precision Industry Co Ltd	1,402,662
Taiwan Semiconductor Manufacturing Co Ltd	1,271,061
LPN Development PCL	1,254,473
Ascendas Real Estate Investment Trust	1,244,121
Industrial & Commercial Bank of China Ltd	1,216,896
Aflac Inc	1,196,284
KT&G Corp	1,186,913
PTT PCL	1,165,140
BOC Hong Kong Holdings Ltd	1,131,612
Catcher Technology Co Ltd	1,122,539
China Lilang Ltd	1,121,365
Link REIT	1,095,130
Luk Fook Holdings International Ltd	1,047,326
AAC Technologies Holdings Inc	990,472
DBS Group Holdings Ltd	959,968
Hanon Systems	879,462
St Shine Optical Co Ltd	852,677
Yangzijiang Shipbuilding Holdings Ltd	817,496
China Merchants Bank Co Ltd	807,111
Tisco Financial Group PCL	803,298
Janus Henderson Group PLC	751,104
Relo Group Inc	520,986
<b>Sales</b>	<b>Proceeds USD</b>
Belle International Holdings Ltd	1,669,376
AAC Technologies Holdings Inc	765,522
Luk Fook Holdings International Ltd	417,970
Yangzijiang Shipbuilding Holdings Ltd	302,673
Lagan Precision Co Ltd	280,102
LPN Development PCL	276,002
China Lilang Ltd	121,871
DBS Group Holdings Ltd	109,320
QUALCOMM Inc	87,683
Relo Group Inc	62,122

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

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

For the financial year ended 31 December 2017

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 European Equity Income Fund

	Cost USD
<b>Purchases</b>	
Tecnicas Reunidas SA	835,644
JM AB	809,755
Hennes & Mauritz AB	726,682
Publicis Groupe SA	699,178
ANDRITZ AG	682,799
Helvetia Holding AG	680,545
Roche Holding AG	655,778
Azimut Holding SpA	649,533
Siemens AG	646,035
Sanofi	643,881
Adecco Group AG	634,252
Mapfre SA	628,130
ABB Ltd	619,579
Tieto OYJ	615,499
Novartis AG	602,661
Metropole Television SA	602,184
Axfood AB	598,990
Nestle SA	598,196
Modern Times Group MTG AB	595,197
Schneider Electric SE	588,851
Salmar ASA	586,858
Konecranes OYJ	585,488
Heineken NV	560,378
HUGO BOSS AG	554,869
Danone SA	550,492
Unilever NV	534,432
Freenet AG	530,591
Deutsche Post AG	474,903
Novo Nordisk A/S	434,002
Deutsche Boerse AG	383,689
<b>Sales</b>	<b>Proceeds USD</b>
RTL Group SA	5,207

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

For the financial year ended 31 December 2017

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 Global Innovators Fund

	Cost USD
<b>Purchases</b>	
ANTA Sports Products Ltd	5,697,793
Facebook Inc	4,993,166
Catcher Technology Co Ltd	4,715,235
Continental AG	4,494,021
Shire PLC	3,014,968
AAC Technologies Holdings Inc	2,392,854
Schlumberger Ltd	2,275,982
Eaton Corp PLC	2,242,165
Danaher Corp	2,209,629
Siemens AG	2,173,127
Comcast Corp	1,969,773
Check Point Software Technologies Ltd	1,959,783
Schneider Electric SE	1,943,226
Cognizant Technology Solutions Corp	1,905,052
NIKE Inc	1,843,001
FANUC Corp	1,735,789
Intercontinental Exchange Inc	1,707,225
Cisco Systems Inc	1,630,507
SAP SE	1,592,539
Alphabet Inc	1,571,512
Roper Technologies Inc	1,542,272
QUALCOMM Inc	1,512,346
Intel Corp	1,468,205
WisdomTree Investments Inc	1,381,845
New Oriental Education & Technology Group Inc	1,325,918
Applied Materials Inc	1,230,826
NVIDIA Corp	1,160,245
Samsung Electronics Co Ltd	1,083,506
Gilead Sciences Inc	1,068,805
Infineon Technologies AG	1,033,850
<b>Sales</b>	<b>Proceeds USD</b>
Schlumberger Ltd	4,089,058
Gilead Sciences Inc	3,955,415
QUALCOMM Inc	3,260,226
AAC Technologies Holdings Inc	2,727,079
H&R Block Inc	2,602,718
NVIDIA Corp	842,888
New Oriental Education & Technology Group Inc	684,370
Applied Materials Inc	540,388

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

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

For the financial year ended 31 December 2017

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 China Fund

	Cost USD
<b>Purchases</b>	
Elite Material Co Ltd	70,222
VTech Holdings Ltd	56,022
QUALCOMM Inc	45,616
China Medical System Holdings Ltd	43,691
Pacific Textiles Holdings Ltd	42,017
China Lesso Group Holdings Ltd	41,891
Lenovo Group Ltd	40,428
Tongda Group Holdings Ltd	38,603
China Overseas Land & Investment Ltd	37,291
PICC Property & Casualty Co Ltd	35,258
Novatek Microelectronics Corp	34,800
Catcher Technology Co Ltd	32,357
PAX Global Technology Ltd	31,280
AAC Technologies Holdings Inc	31,179
Hon Hai Precision Industry Co Ltd	30,719
China Construction Bank Corp	30,354
Haier Electronics Group Co Ltd	29,861
China Lilang Ltd	29,267
NetEase Inc	28,155
BOC Hong Kong Holdings Ltd	26,836
Haitian International Holdings Ltd	26,338
Hollsys Automation Technologies Ltd	25,507
Li & Fung Ltd	24,365
Yangzijiang Shipbuilding Holdings Ltd	23,889
Taiwan Semiconductor Manufacturing Co Ltd	22,655
China Merchants Bank Co Ltd	22,491
Anhui Conch Cement Co Ltd	21,226
St Shine Optical Co Ltd	20,824
New Oriental Education & Technology Group Inc	20,214
Luk Fook Holdings International Ltd	18,223
Geely Automobile Holdings Ltd	16,055
Sino Biopharmaceutical Ltd	15,957
CNOOC Ltd	11,247
<b>Sales</b>	<b>Cost USD</b>
PAX Global Technology Ltd	36,039
Belle International Holdings Ltd	26,588
CNOOC Ltd	26,563
VTech Holdings Ltd	21,345
Geely Automobile Holdings Ltd	16,725
AAC Technologies Holdings Inc	16,483
Catcher Technology Co Ltd	11,640
Yangzijiang Shipbuilding Holdings Ltd	7,502
Sino Biopharmaceutical Ltd	7,376
Haier Electronics Group Co Ltd	7,214
China Lesso Group Holdings Ltd	5,073
New Oriental Education & Technology Group Inc	4,896
Tongda Group Holdings Ltd	2,904

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

For the financial year ended 31 December 2017

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 Emerging Markets Equity Income Fund

	Cost USD
<b>Purchases</b>	<b>Proceeds USD</b>
Banco Davivienda SA	8,518
Elite Material Co Ltd	8,392
British American Tobacco PLC	7,658
Tata Consultancy Services Ltd	7,475
Bajaj Auto Ltd	7,297
Indiabulls Housing Finance Ltd	7,290
China Medical System Holdings Ltd	6,691
Tisco Financial Group PCL	6,061
AAC Technologies Holdings Inc	5,660
JSE Ltd	3,553
Teva Pharmaceutical Industries Ltd	2,794
JUMBO SA	2,400
QUALCOMM Inc	2,230
Truworths International Ltd	1,635
Hollsys Automation Technologies Ltd	1,550
Infosys Ltd	1,395
SPAR Group Ltd/The	1,330
Grape King Bio Ltd	1,150
Hanon Systems	790
<b>Sales</b>	<b>Proceeds USD</b>
Lyxor MSCI India UCITS ETF C-EUR	22,593
Tencent Holdings Ltd	8,911
Check Point Software Technologies Ltd	7,552
AAC Technologies Holdings Inc	7,322
Tisco Financial Group PCL	6,061
Teva Pharmaceutical Industries Ltd	4,987
Catcher Technology Co Ltd	3,265
Hollsys Automation Technologies Ltd	2,036

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

For the financial year ended 31 December 2017

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 Global Equity Fund**

	Cost USD
<b>Purchases</b>	-
<b>Sales</b>	<b>Proceeds USD</b>
LogMeln Inc	1,003
Varex Imaging Corp	725

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

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

For the financial year ended 31 December 2017

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 US Equity Fund**

	Cost USD
Purchases	-
Sales	Proceeds USD
LogMeln Inc	1,115
Bioverativ Inc	533

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

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

For the financial year ended 31 December 2017

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

### Guinness Best of Asia Fund

	Cost USD
Purchases	
Ping An Insurance Group Co of China Ltd	10,462
Geely Automobile Holdings Ltd	10,232
BOC Hong Kong Holdings Ltd	10,155
St Shine Optical Co Ltd	9,913
China Merchants Bank Co Ltd	9,793
Elite Material Co Ltd	9,782
Largan Precision Co Ltd	9,530
Baidu Inc	9,396
Hanon Systems	9,358
DBS Group Holdings Ltd	9,320
Venture Corp Ltd	9,181
Noah Holdings Ltd	9,176
AAC Technologies Holdings Inc	9,135
NetEase Inc	9,105
Link Administration Holdings Ltd	9,084
Dali Foods Group Co Ltd	9,065
Infosys Ltd	9,058
Tata Consultancy Services Ltd	9,041
Autohome Inc	9,031
Haitian International Holdings Ltd	9,020
Corporate Travel Management Ltd	9,004
Indiabulls Housing Finance Ltd	8,993
Sonic Healthcare Ltd	8,978
Tisco Financial Group PCL	8,928
China Medical System Holdings Ltd	8,924
Yangzijiang Shipbuilding Holdings Ltd	8,914
LG Household & Health Care Ltd	8,894
Li & Fung Ltd	8,883
Applied Materials Inc	8,799
Bajaj Auto Ltd	8,764
Haier Electronics Group Co Ltd	8,270
Broadcom Ltd	7,818
Taiwan Semiconductor Manufacturing Co Ltd	7,597
Sales	Proceeds USD
-	-

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

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

Class	Currency	Launch date	Price 31 December 2017	Performance to year ended 31 December 2017	Performance cumulative since launch	Total expense ratio (TER) annualised
<b>Guinness Global Energy Fund</b>						
Class A	USD	28.03.08	8.1236	-1.56%	-17.77%	1.49%
Class B	USD	28.03.08	7.8292	-2.05%	-21.65%	1.99%
Class C	GBP	02.09.08	10.6542	-10.53%	6.54%	1.99%
Class C EUR accumulation	EUR	29.11.13	8.2304	-13.96%	-17.70%	1.99%
Class D	EUR	02.09.08	10.2221	-13.53%	2.32%	1.49%
Class E	USD	02.09.08	8.6372	-1.31%	-13.48%	1.24%
Class X	GBP	15.02.12	9.9281	-9.85%	-0.72%	1.24%
Class X USD distribution	USD	29.11.13	7.2719	-1.31%	-25.14%	1.24%
<b>Guinness Alternative Energy Fund</b>						
Class A	USD	19.12.07	2.6516	20.77%	-73.48%	1.49%
Class B	USD	19.12.07	2.5217	20.17%	-74.78%	1.99%
Class C	GBP	02.09.08	4.3035	9.77%	-56.97%	1.99%
Class C EUR accumulation	EUR	29.11.13	8.5139	5.56%	-14.86%	1.99%
Class D	EUR	02.09.08	4.1291	6.14%	-58.71%	1.49%
Class E	USD	02.09.08	3.5005	21.08%	-65.00%	1.24%
Class X	GBP	15.02.12	12.3044	10.60%	23.04%	1.24%
<b>Guinness Global Money Managers Fund</b>						
Class A	USD	31.12.10	19.3708	34.82%	93.71%	1.49%
Class B	USD	31.12.10	18.5138	34.08%	85.14%	1.99%
Class C	GBP	31.12.10	21.502	22.46%	115.02%	1.99%
Class C EUR accumulation	EUR	29.11.13	13.5796	17.80%	35.80%	1.99%
Class D	EUR	31.12.10	21.4949	18.36%	114.95%	1.49%
Class E	USD	31.12.10	19.584	35.09%	95.84%	1.24%
Class X	GBP	15.02.12	24.605	23.39%	146.05%	1.24%
<b>Guinness Global Equity Income Fund</b>						
Class A	USD	31.12.10	14.6392	19.39%	80.59%	1.49%
Class B	USD	31.12.10	14.1573	18.80%	74.77%	1.99%
Class C	GBP	31.12.10	16.3703	8.51%	101.93%	1.99%
Class C EUR accumulation	EUR	29.11.13	14.2079	4.35%	42.08%	1.99%
Class C EUR distribution	EUR	20.01.17	10.2871	4.47%	4.47%	1.99%
Class C GBP accumulation	GBP	11.03.15	13.3455	8.51%	33.46%	1.99%
Class C USD accumulation	USD	11.03.15	12.0807	18.80%	20.81%	1.99%
Class D	EUR	31.12.10	16.3787	4.87%	101.78%	1.49%
Class D EUR accumulation	EUR	20.01.17	10.4949	4.95%	4.95%	1.49%
Class E	USD	31.12.10	14.9094	19.69%	83.85%	1.24%
Class X GBP distribution	GBP	15.02.12	16.9677	9.33%	101.08%	1.24%
Class Y EUR accumulation	EUR	11.03.15	10.9587	5.40%	9.59%	0.99%
Class Y EUR distribution	EUR	11.03.15	10.1841	5.40%	9.63%	0.99%
Class Y GBP accumulation	GBP	11.03.15	13.7255	9.60%	37.26%	0.99%
Class Y GBP distribution	GBP	11.03.15	12.7701	9.60%	37.26%	0.99%
Class Y USD accumulation	USD	11.03.15	12.4259	19.99%	24.26%	0.99%
Class Y USD distribution	USD	11.03.15	11.5498	19.99%	25.31%	0.99%
Class Z GBP distribution	GBP	30.12.11	17.9622	9.88%	113.47%	0.74%
<b>Guinness Asian Equity Income Fund</b>						
Class C EUR accumulation	EUR	19.12.13	17.4078	18.85%	74.08%	1.99%
Class C GBP accumulation	GBP	11.03.15	15.1864	23.60%	51.86%	1.99%
Class C USD accumulation	USD	11.03.15	13.7452	35.31%	37.45%	1.99%
Class X EUR accumulation	EUR	19.12.13	17.958	19.75%	79.58%	1.24%
Class X EUR distribution	EUR	19.12.13	15.5351	19.74%	79.53%	1.24%
Class X GBP accumulation	GBP	19.12.13	19.08	24.52%	90.80%	1.24%
Class X GBP distribution	GBP	19.12.13	16.5152	24.52%	90.78%	1.24%
Class X USD accumulation	USD	19.12.13	15.7722	36.33%	57.72%	1.24%
Class X USD distribution	USD	19.12.13	13.6144	36.30%	57.81%	1.24%
Class Y EUR accumulation	EUR	08.05.17	10.8099	8.10%	8.10%	0.99%
Class Y EUR distribution	EUR	08.05.17	10.7261	8.09%	8.09%	0.99%
Class Y GBP accumulation	GBP	08.05.17	11.3581	13.58%	13.58%	0.99%
Class Y GBP distribution	GBP	08.05.17	11.2821	13.67%	13.67%	0.99%
Class Y USD accumulation	USD	08.05.17	11.8806	18.81%	18.81%	0.99%
Class Y USD distribution	USD	08.05.17	11.7952	18.82%	18.82%	0.99%
Class Z GBP distribution	GBP	19.12.13	16.8523	25.15%	94.64%	0.74%

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

Class	Currency	Launch date	Price 31 December 2017	Performance	Performance cumulative since launch	Total expense ratio (TER) annualised
				to year ended 31 December 2017		
<b>Guinness European Equity Income Fund</b>						
Class C EUR accumulation	EUR	19.12.13	13.2717	5.61%	32.72%	1.99%
Class C GBP accumulation	GBP	11.03.15	13.6176	9.82%	36.18%	1.99%
Class C USD accumulation	USD	11.03.15	12.3469	20.30%	23.47%	1.99%
Class X EUR accumulation	EUR	19.12.13	13.6958	6.44%	36.96%	1.24%
Class X EUR distribution	EUR	19.12.13	12.2275	6.42%	36.95%	1.24%
Class X GBP accumulation	GBP	19.12.13	14.5876	10.67%	45.88%	1.24%
Class X GBP distribution	GBP	19.12.13	13.0365	10.67%	45.89%	1.24%
Class X USD accumulation	USD	19.12.13	12.0801	21.20%	20.80%	1.24%
Class X USD distribution	USD	19.12.13	10.7902	21.21%	20.80%	1.24%
Class Z GBP distribution	GBP	19.12.13	13.2935	11.22%	48.75%	0.74%
<b>Guinness Global Innovators Fund</b>						
Class C EUR accumulation	EUR	31.10.14	13.9186	16.15%	39.19%	1.99%
Class C GBP accumulation	GBP	31.10.14	15.7765	20.79%	57.77%	1.99%
Class C USD accumulation	USD	31.10.14	13.3401	32.23%	33.40%	1.99%
Class X EUR accumulation	EUR	31.10.14	14.2461	17.02%	42.46%	1.24%
Class X GBP accumulation	GBP	31.10.14	16.1555	21.69%	61.56%	1.24%
Class X USD accumulation	USD	31.10.14	13.6609	33.22%	36.61%	1.24%
Class Y EUR accumulation	EUR	31.10.14	14.3494	17.31%	43.49%	0.99%
Class Y GBP accumulation	GBP	31.10.14	16.2833	22.00%	62.83%	0.99%
Class Y USD accumulation	USD	31.10.14	13.8056	33.56%	38.06%	0.99%
Class Z EUR accumulation	EUR	31.10.14	14.4731	17.60%	44.73%	0.74%
Class Z GBP accumulation	GBP	31.10.14	16.4123	22.30%	64.12%	0.74%
Class Z USD accumulation	USD	31.10.14	13.8774	33.89%	38.77%	0.74%
<b>Guinness Best of China Fund</b>						
Class C EUR accumulation	EUR	15.12.15	13.9034	31.28%	39.03%	1.99%
Class C GBP accumulation	GBP	15.12.15	17.0189	36.51%	70.19%	1.99%
Class C USD accumulation	USD	15.12.15	15.3106	49.45%	53.11%	1.99%
Class X EUR accumulation	EUR	15.12.15	14.1356	32.25%	41.36%	1.24%
Class X GBP accumulation	GBP	15.12.15	17.286	37.56%	72.86%	1.24%
Class X USD accumulation	USD	15.12.15	15.5224	50.44%	55.22%	1.24%
Class Z GBP accumulation	GBP	15.12.15	17.4584	38.23%	74.58%	0.74%
<b>Guinness Emerging Markets Equity Income Fund</b>						
Class C USD accumulation	USD	23.12.16	13.8176	36.84%	38.18%	1.99%
Class X GBP accumulation	GBP	23.12.16	12.5969	25.76%	25.97%	1.24%
Class X GBP distribution	GBP	23.12.16	12.4539	25.79%	26.01%	1.24%
Class X EUR accumulation	EUR	23.12.16	12.1106	20.91%	21.11%	1.24%
Class X EUR distribution	EUR	23.12.16	11.9667	20.91%	21.11%	1.24%
Class X USD accumulation	USD	23.12.16	13.9069	37.71%	39.07%	1.24%
Class X USD distribution	USD	23.12.16	13.7479	37.70%	39.05%	1.24%
Class Z GBP distribution	GBP	23.12.16	12.5175	26.42%	26.65%	0.74%
<b>Guinness Global Equity Fund</b>						
Class C GBP accumulation	GBP	21.12.16	10.9549	9.57%	9.55%	1.99%
Class C EUR accumulation	EUR	21.12.16	10.4222	5.53%	4.22%	1.99%
Class C USD accumulation	USD	21.12.16	11.9786	19.97%	19.79%	1.99%
Class X GBP accumulation	GBP	21.12.16	11.0415	10.42%	10.42%	1.24%
Class X EUR accumulation	EUR	21.12.16	10.4907	6.21%	4.91%	1.24%
Class X USD accumulation	USD	21.12.16	12.0765	20.93%	20.77%	1.24%
Class Z GBP accumulation	GBP	21.12.16	11.0956	10.94%	10.96%	0.74%
Class Z EUR accumulation	EUR	21.12.16	10.5387	6.68%	5.39%	0.74%
Class Z USD accumulation	USD	21.12.16	12.1345	21.50%	21.35%	0.74%
<b>Guinness US Equity Fund</b>						
Class C GBP accumulation	GBP	21.12.16	11.0032	11.60%	10.03%	1.99%
Class C EUR accumulation	EUR	21.12.16	10.4439	7.23%	4.44%	1.99%
Class C USD accumulation	USD	21.12.16	12.0279	22.15%	20.28%	1.99%
Class X GBP accumulation	GBP	21.12.16	11.0797	12.35%	10.80%	1.24%
Class X EUR accumulation	EUR	21.12.16	10.5300	8.09%	5.30%	1.24%
Class X USD accumulation	USD	21.12.16	12.1249	23.12%	21.25%	1.24%
Class Z GBP accumulation	GBP	21.12.16	11.1357	12.90%	10.77%	0.74%
Class Z EUR accumulation	EUR	21.12.16	10.5761	8.55%	5.76%	0.74%
Class Z USD accumulation	USD	21.12.16	12.1785	23.65%	21.79%	0.74%
<b>Guinness Best of Asia Fund</b>						
Class C GBP accumulation	GBP	28.12.17	9.9482	-0.52%	-0.52%	1.99%
Class Y GBP accumulation	GBP	28.12.17	9.9557	-0.44%	-0.44%	0.99%
Class Y EUR accumulation	EUR	28.12.17	9.9484	-0.52%	-0.52%	0.99%
Class Y USD accumulation	USD	28.12.17	10.0143	0.14%	0.14%	0.99%
Class Z GBP accumulation	GBP	28.12.17	9.9485	-0.52%	-0.52%	0.74%

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

<b>UCITS calculation</b>	<b>PTR for 12 months to 31 December 2017</b>	<b>PTR for 12 months to 31 December 2016</b>
Guinness Global Energy Fund	-71%	-33%
Guinness Alternative Energy Fund	11%	54%
Guinness Global Money Managers Fund	-52%	17%
Guinness Global Equity Income Fund	-23%	7%
Guinness Asian Equity Income Fund	-27%	-21%
Guinness European Equity Income Fund	-32%	-98%
Guinness Global Innovators Fund	-36%	12%
Guinness Best of China Fund	-165%	-95%
Guinness Emerging Markets Equity Income Fund	53%	-3%
Guinness Global Equity Fund	-7%	-3%
Guinness US Equity Fund	-2%	-3%
Guinness Best of Asia Fund	1%	-

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

<b>SEC calculation</b>	<b>PTR for 12 months to 31 December 2017</b>	<b>PTR for 12 months to 31 December 2016</b>
Guinness Global Energy Fund	24%	64%
Guinness Alternative Energy Fund	29%	49%
Guinness Global Money Managers Fund	9%	25%
Guinness Global Equity Income Fund	19%	25%
Guinness Asian Equity Income Fund	4%	34%
Guinness European Equity Income Fund	0%	30%
Guinness Global Innovators Fund	17%	39%
Guinness Best of China Fund	16%	19%
Guinness Emerging Markets Equity Income Fund	24%	0%
Guinness Global Equity Fund	0%	0%
Guinness US Equity Fund	0%	0%
Guinness Best of Asia Fund	0%	-

**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.

	EUR
Fixed remuneration	836,525
Variable remuneration	-
<b>Total remuneration paid</b>	<b>836,525</b>
Number of beneficiaries	23
 <b>Remuneration paid to employees of the Manager attributable to the Company</b>	 EUR
Fixed remuneration	200,402
Variable remuneration	-
<b>Total remuneration paid</b>	<b>200,402</b>

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