

This is a marketing communication. Please refer to the prospectus and KIID for the Fund, which contains detailed information on the Fund's characteristics and objectives before making any final investment decisions.

1 Asia presents a long-term investment opportunity

Asia's dynamism, expanding population and increasing wealth will shape the world's economic future. If successful investing is about recognising patterns of change to identify value and opportunities for wealth creation, then Asia is the place to look.

With both developed and emerging economies, Asia is diversified, whereas many emerging markets rely on production of resources or a larger neighbour or regional trading bloc. Asia has mobilised its resources to produce the full range of manufactured goods (from cheap clothing to top-of-the-range electronics), and is plugged into the global manufacturing network.

Asia's economic diversity, combined with the lessons learned in its 1998 financial crisis, has provided economic and financial stability that have been ignored by investors

Asia is the future for economic growth

The Asia Pacific region's population – 54% of the world total – is younger on average than the developed world and its wealth is increasing.

In 1990, 40% of Asia's workers were employed in the higher-value sectors of industry or services, with the rest in agriculture. In 2010, 57% were in the higher-value sectors. It is this shift which generates wealth, fuels rising wages and provides a growing Asian market for goods and services.

The rise of the Asian consumer, growing more numerous with more money to spend each year, is the economic force driving change.

2 Our investment process balances opportunity and risk

With change and opportunity comes risk. We balance this by investing in **quality companies** at **attractive valuations**.

Quality

We focus on bottom-up stock selection rather than trying to make decisions based on an expected outlook for the region's economy. This means looking for companies that have generated a real return on investment of at least 8% for each of the previous eight years. Companies must also have critical mass and strong balance sheets.

Value

We look for value: we want to invest in those companies where we believe the returns on investment will persist but the share price implies that they will decline, resulting in under-valuation.

Downside protection

Our focus on quality and value has led to consistent performance characteristics. Since inception the Fund has tended to fall by less when the broad market falls and lag when it rises strongly. By protecting on the downside more than it lags, the Fund has outperformed its benchmark and exhibited lower volatility.

How do we define a quality company?

Real return on investment

A 'real' return measure strips out variation in inflation rates between countries.

... of at least 8% per year

8% is above the real cost of capital, ensuring these companies are truly creating value.

... every year

This excludes highly cyclical companies or those with high but declining or volatile earnings.

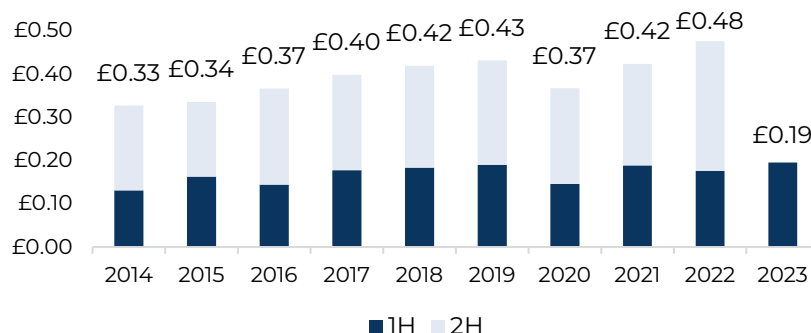
... for eight years

A long track record of success shows a company's ability to make it through hard times.

A high return on investment is a powerful indicator of future success. Of the 1,900 companies worldwide that meet our criteria for quality, 500 are in the Asia Pacific region.

3 We look for dividend growth rather than high yield

We don't select companies just for high yield. We look for quality companies first, and then look at their dividends. In particular, we select companies which we think can grow their dividends in future – an ability which shows good capital discipline on the part of company management, and another mark of a quality company. *Source: Guinness Global Investors*



4 Our connected, equally weighted portfolio reflects conviction in our holdings

✓ Conviction in every position

Every company in the portfolio is a quality company. We only want to own the best – so we limit the number of positions. This avoids a long tail of unloved stocks, which can drag on performance.

✓ Limited stock-specific risk

With 36 stocks of 2.75% each at neutral weight, individual stocks are large enough to make a difference, but numerous enough for sensible diversification.

✓ One in, one out

If we want to buy a stock, an existing holding must be sold to make room in the portfolio. This keeps the portfolio up to date with our current best ideas and ensures we only own the 36 best companies we can find.

✓ Rebalancing effect

We rebalance our portfolio by trimming down outperforming holdings and buying more of the laggards, assuming our conviction in the companies still holds. This adds a natural element of 'buy low, sell high' to the process and counters loss aversion – a key behavioural bias for portfolio managers to confront.

✓ High active share

The portfolio's equally-weighted construction makes it very different to the index and to other funds.

5 Fund Managers



Edmund Harriss
Co-Manager

Edmund is manager of the Guinness Best of China Fund and Guinness Emerging Markets Equity Income Fund, and co-manager of the Guinness Asian Equity Income Fund.



Mark Hammonds
Co-Manager

Mark joined Guinness Global Investors as an investment analyst in September 2012. Previously he worked at Ernst & Young, where he qualified as a Chartered Accountant. Mark is a CFA charterholder. Mark is co-manager of the Guinness Asian Equity Income Fund

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

This report is primarily designed to inform you about the Guinness Asian Income Fund and the WS Guinness Asian Income Fund. It may provide information about the Funds' portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Funds or to buy or sell individual securities, nor does it constitute an offer for sale.

GUINNESS ASIAN EQUITY INCOME FUND

Documentation

The documentation needed to make an investment, including the Prospectus, the Key Information Document (KID), Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 A4E, Ireland or
- the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE Management Company (IE), as UCITS Man Co, has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

Investor Rights

A summary of investor rights in English is available here: <https://www.waystone.com/waystone-policies/>

Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.

Structure & regulation

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Switzerland

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.

Singapore

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

Telephone calls will be recorded and monitored.