

**SHINING A LIGHT ON THE.....  
Guinness Asian Equity Income Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
The investment objective of the Fund is long term capital appreciation and income	

<b>Inception Date</b>	19 December 2013
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000SFIO">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000SFIO</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Edmund Harriss	19 December 2013
Mark Hammond	19 December 2013

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	31.77%
Large	36.56%
Medium	24.54%
Small	7.13%
Micro	0.00%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	36	
<b>Assets in Top 10 Holdings</b>	29.35%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
BOC Hong Kong Holdings Ltd	Financial Services	3.01%
China Mobile Ltd	Communication Services	3.00%
Ascendas Real Estate Investment Trust	Real Estate	2.98%
Tech Mahindra Ltd	Technology	2.96%
Sonic Healthcare Ltd	Healthcare	2.96%
DBS Group Holdings Ltd	Financial Services	2.95%
China Construction Bank Corp Class H	Financial Services	2.89%
Link Real Estate Investment Trust	Real Estate	2.88%
Elite Material Co Ltd	Technology	2.86%
China Merchants Bank Co Ltd Class H	Financial Services	2.86%

<b>Volatility Measurements</b>	
<b>3-Yr Std Dev (volatility)</b>	14.28%
<b>3-Yr Mean Return (average)</b>	-3.06%

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## FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2014 to 31<sup>st</sup> March 2020:

	2014	2015	2016	2017	2018	2019	2020
<b>Guinness Asian Equity Income Fund</b>	17.59%	1.15%	28.23%	24.52%	-10.48%	14.14%	-20.73%
<b>iShares MSCI AC Far East ex Japan ETF</b>	8.54%	-5.92%	27.34%	28.84%	-10.18%	13.60%	-11.27%

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
<b>Guinness Asian Equity Income Fund</b>	-17.92%	-8.90%	54.73%
<b>iShares MSCI AC Far East ex Japan ETF</b>	-7.00%	4.86%	48.76%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**\*This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

As a reminder:

*"The investment philosophy is the same across all strategies. Edmund and Mark are looking for companies with a long history of persistent high returns, those companies which are cheap vs the market, and those companies with a moderate-income yield (between 2.5% and 2.8%)."*

The update focuses a lot around the fund and positioning, as well as looking at the wider market. We talked about the macro outlook and Mark explained that although this forms a part of the process, the main focus is on companies. Geographical allocation is therefore more about the companies than any particular bias to a country.

In terms of recent market events they have not done much to the portfolio. They have one stock which was directly impacted by events which is an Australian Company which focuses on corporate travel management. They still believe the long-term story is intact for this and continue to hold the stock. They have sold out of one stock and added two more, including a China A company which manufactures domestic cookware.

They believe that the focus they have on the companies within the fund mean that they are more likely to be resilient to market shocks and are the types of companies which will be able to adapt and evolve over time. The fund has tended to outperform in weaker markets and slightly lags in fast growing companies. It is not purely defensive and this time it has been hit harder.

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In terms of dividends 20 of 24 companies have reported dividends; the rest have either reduced cancelled or deferred dividends for this year.

In terms of the overall picture they feel this might not be as bad as many expect. Nike (which is not a holding) has shown sales down just 5% this year. The trade deal has been signed and countries like China, Taiwan, South Korea, Singapore and Hong Kong have all been successful in their responses. China is getting back to work and businesses like Huawei are now back to full production capacity. This is early days and a global recession will hit Asia, but over the long-term Asia is starting to decouple from the global economy. It is clear that some businesses will benefit more from this than others, but this will become clearer over time.

In summary this fund like others, has suffered in the recent downturn. The team have not made any major changes to the portfolio and are monitoring things with the companies they invest in carefully.

*The source of information in this note has been provided by Guinness and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*