

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

AT A GLANCE

Investment Objective	
The investment objective of the Fund is to provide investors with both income and long-term capital appreciation. In seeking to achieve its investment objective the Fund intends to invest primarily in a portfolio of global equities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). However, the Fund may also invest, to a limited extent, in other instruments such as government bonds and corporate fixed income securities of investment grade rating.	

Inception Date	31 December 2010
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps-hot/snapshot.aspx?id=F00000MA1

Management	
Manager Name	Start Date
Ian Mortimer	31 December 2010
Matthew Page	31 December 2010

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	54.87%
Large	39.16%
Medium	5.96%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	35	
Assets in Top 10 Holdings	30.42%	
Name	Sector	% of Assets
Merck & Co Inc	Healthcare	3.12%
Walmart Inc	Consumer Defensive	3.09%
Procter & Gamble Co	Consumer Defensive	3.09%
CME Group Inc Class A	Financial Services	3.08%
Broadcom Inc	Technology	3.05%
Johnson & Johnson	Healthcare	3.05%
Arthur J. Gallagher & Co	Financial Services	3.03%
ANTA Sports Products Ltd	Consumer Cyclical	3.03%
Nestle SA	Consumer Defensive	2.97%
Roche Holding AG Dividend Right Cert	Healthcare	2.91%

Volatility Measurements	
3-Yr Std Dev (volatility)	8.89%
3-Yr Mean Return (average)	13.25%

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FUND PERFORMANCE

Performance from 1st January 2013 to 30th November 2018:

	2013	2014	2015	2016	2017	2018
Guinness Global Equity Income Fund	25.40%	9.28%	1.23%	25.63%	8.51%	4.54%
iShares MSCI World ETF	30.32%	10.75%	1.17%	8.13%	17.26%	-1.80%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Guinness Global Equity Income Fund	6.58%	41.49%	58.66%	111.10%
iShares MSCI World ETF	-0.25%	22.12%	41.81%	92.57%

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 was our first introduction to the team. The Analyst for the fund covered the Income strategy and the Global Innovators Fund. Both follow a similar investment philosophy. This review focuses on the Income Strategy. The Innovators Fund focuses on 10 core innovation themes identified through subjective analysis and research. These themes include advanced health care, artificial intelligence and big data, and consumer trends. The current holdings include Continental, NIKE, NVIDIA, Facebook, Samsung and Cisco.

The main discussion in our meeting was on the Income Strategy, and if investors are interested in the Innovators Fund then separate research would be required.

The investment philosophy is the same across all strategies. They are looking for companies with a long history of persistent high returns, those companies which are cheap vs the market, peers or their own history, and for the income strategy those companies with a moderate-income yield (between 2.5% and 2.8%).

They naturally avoid those companies with high levels of debt and through this process the investment universe reduces from 16,000 companies to around 500 quality companies. These are mainly large cap. The fund has 35 holdings with equal weightings. This takes out behavioural bias. They are happy for a holding to go up to 3.5% or drop to 2%. The fund is rebalanced to bring the holdings back in line. When they are rebalancing they always check they are happy with topping up and if not, then the holding will be removed.

They see this as a defensive strategy which performs best in a down market. They have a one in, one out strategy so everything earns a place in the fund. The fund naturally has low turnover and a holding period of 3 to 5 years. They add / remove around 5 companies a year.

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In terms of performance, we can see over the last 12 months the defensive nature of the fund has enabled it to perform strongly. Since launch it has slightly outperformed its index. In terms of volatility it is slightly lower than the index.

In summary, the fund has significantly outperformed the index over 3 years although this has narrowed over the long term. As a defensive play this might be a fund to consider as a blend with other strategies.

The source of information in this note has been provided by Guinness and is correct as at November 2018. 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.