

**SHINING A LIGHT ON THE.....
Guinness Global Innovators Fund**

AT A GLANCE

Investment Objective	
The investment objective of the Fund is to provide investors with both income and long-term capital appreciation.	

Inception Date	31 October 2010
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000UNFK

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

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	45.44%
Large	54.56%
Medium	0.00%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	30	
Assets in Top 10 Holdings	35.76%	
Name	Sector	% of Assets
ANTA Sports Products Ltd	Consumer Cyclical	3.81%
New Oriental Education & Technology	Consumer Defensive	3.76%
KLA-Tencor Corp	Technology	3.69%
Lam Research Corp	Technology	3.68%
Danaher Corp	Healthcare	3.55%
Roper Technologies Inc	Industrials	3.51%
Cisco Systems Inc	Technology	3.47%
Schneider Electric SE	Industrials	3.46%
PayPal Holdings Inc	Financial Services	3.42%
Check Point Software Technologies Ltd	Technology	3.41%

Volatility Measurements	
3-Yr Std Dev (volatility)	12.44%
3-Yr Mean Return (average)	17.07%

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FUND PERFORMANCE

Performance from 1st January 2013 to 31st March 2019:

	2013	2014	2015	2016	2017	2018	2019
Guinness Global Innovators Fund	43.69%	19.63%	2.21%	28.00%	22.30%	-11.65%	15.21%
iShares MSCI World ETF	30.32%	10.75%	1.17%	8.13%	17.26%	-8.94%	11.53%

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

	1 year	3 years	5 years	Since launch
Guinness Global Innovators Fund	4.15%	56.89%	90.53%	249.23%
iShares MSCI World ETF	5.17%	32.32%	42.97%	116.10%

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....

The 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 investment philosophy is the same across all strategies. They are looking for companies with a long history of persistent high returns and those companies which are cheap vs the market, peers or their own history.

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 30 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.

The types of companies they like are innovators so those companies which over time will outperform. They are likely to be intellectual based companies, asset light, have first mover advantage and tend to perform well even when the market slows down.

There are three specific areas:

1. **Inventing** - example companies not necessarily investable would include Illumina, Tesla and Uber
2. **Disrupting** - which is the likes of Paypal, Apple and Netflix
3. **Leading** - this would be the likes of Nvidia, Nike and Facebook.

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Starting with innovation and an index of 500 companies they apply quality which would screen out companies with high levels of debt, where there is no profit and a lot of hope. This would remove companies like Uber and Tesla. A lot of innovative companies fail when it comes to quality.

They are currently overweight industrials, healthcare and financials. The fund tends to perform well in rising markets and under performs when the markets are weak. It has a low turnover with a holding period of 3 to 5 years.

In summary, this fund follows a similar strategy to all the funds managed by Guinness. Where the Income strategy offers defensive qualities, this is more growth focused so will underperform in down markets. However, over the long term this fund has delivered strong outperformance.

The source of information in this note has been provided by Guinness and is correct as at April 2019. 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.