

Tim Guinness Lead Manager



2002: Founded Guinness Asset Management **1998:** Manager of Investec Global Energy Fund **1998:** Guinness Flight Hambro acquired by Investec **1985:** Founding portfolio manager of the Global Equity Fund; co-founder Guinness Flight Global Asset Management **1973:** MSc Sloan MIT, Management **1971:** MEng Cambridge, Engineering

Edward Guinness Co-manager



2006: Joined Guinness Asset Management **2002:** Merger arbitrage analyst for Tiedemann Investment Group, New York **1998:** Joined HSBC Investment Bank, Corporate Finance **1998:** MA Cambridge, Engineering, Management Studies

Matthew Page Co-manager



2005: Joined Guinness Asset Management **2004:** Goldman Sachs, Analyst in FICC **2004:** MPhys Oxford, Physics

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Guinness

Alternative Energy Fund

Investment Strategy The investment objective of the Fund is to provide investors with long-term capital appreciation by investing in public listed equities in the alternative energy industry sector.

Strategy Overview The growth of the alternative energy sector is driven primarily by rising global demand for energy with only a limited resource of fossil fuels. The International Energy Agency has predicted that world energy consumption is set to rise 53% from 2005 to 2030. This considerable growth in demand, combined with the fact that easily extractable, cheap fossil fuels are running out, leads us to the conclusion that alternative energy will have to meet some of the world's increasing demand for energy.

Governments around the world are becoming increasingly concerned about climate change and energy security which has led them to encourage investment in alternative energy through various incentive schemes. This will allow the newer alternative energy technologies such as solar to become cost competitive with conventional energy sources in the near future.

Investment process The Fund screens for companies that are in the alternative energy space. Companies should meet the following criteria to be included in the potential universe of companies for the Fund.

- More than 50% of their business must be in the alternative energy sector. By this we mean companies involved in business relating to energy from non fossil fuel sources and companies involved in efficiency improvements.
- Quoted on a recognised investment exchange
- More than \$100 million in market capitalisation.

The stock selection process is a combination of sector selection (deciding how much exposure to have to specific sectors such as wind or solar) and specific stock analysis. For the specific stock analysis we use a multi-factor research tool to identify stocks which have high returns, low valuations, earnings momentum and price momentum. The investment team then researches these in detail to arrive at the investment view.

Investment teams Tim Guinness leads the company's energy funds' investment teams. Tim has nearly 30 years' experience in banking and investment management and is lead manager on this Fund and its sister, longer-running, US mutual fund: the Guinness Atkinson Alternative Energy Fund (launched 31.3.06). Tim is also lead manager on the Guinness Global Energy Fund and its US sister fund. He has been running global energy funds since November 1998.

Fund portfolio data as at 31.08.10

Sector breakdown %		Geographic breakdown %		Top 10 holdings %	
Solar	52.2	Europe	40.4	Theolia	4.8
Wind	25.2	North America	28.9	Renesola Ltd	4.2
Efficiency	8.2	Asia	21.6	Trina Solar Ltd	4.1
Hydro	4.0	Latin America	3.5	CEMIG SA	4.0
Geothermal	3.8	Australasia	0.2	LDK Solar Co Ltd	3.9
Biomass Energy	1.6	Cash	5.0	LSB Industries Inc	3.9
Fuelcell	0.0			Ormat Technologies Inc	3.7
Biofuels	0.0			JA Solar Holdings Co Ltd	3.6
Wave/tidal	0.0			Yingli Green Energy Hold	3.6
Cash	5.0			MEMC Electronics Materials	3.4

Past performance should not be taken as an indicator of future performance.

Performance stated below is in US dollars; returns in other currencies may be higher or lower as a result of currency fluctuations.

Past performance

Data to 31.08.2010	YTD	1 year	Annualised since launch	Calendar 2009	Calendar 2008
Guinness Alternative Energy Fund, class B	-25.5%	-13.9%	-32.0%	38.7%	-67.4%
Wilderhill Clean Energy Index (TR)	-22.3%	-12.7%	-34.2%	29.8%	-69.9%
Wilderhill New Energy Global Innovation Index (TR)	-25.1%	-18.6%	-26.5%	41.2%	-60.5%

The Fund was launched on 19.12.07 and therefore no longer-term performance data are available.

Source: Bloomberg, bid to bid, (inclusive of all annual management fees but excluding any initial charge or redemption fee), gross income reinvested, annualised where period longer than 1 year. Performance would be lower if initial charge and/or redemption fee were included.

Guinness Alternative Energy Fund

**IMPORTANT
INFORMATION**

This document is provided for general information only; it is not an invitation to make an investment nor does it constitute an offer for sale. It also does not constitute an advertisement for a fund in a country where that fund is not registered for sale. All the information in the document is believed to be reliable but may be incorrect or incomplete. Any opinions contained in this document are honestly held but are not guarantees and should not be relied upon.

The full fund documentation contains more complete and detailed information of risk, fees, charges and expenses that are to be borne by an investor. The documentation should be read carefully before investing. The full documentation needed to make an investment, including the Prospectus, the Simplified Prospectus and the Application Form are available, free of charge, from the Manager: Capita Financial Administrators (Ireland) Limited, 1 Adelaide Court, Adelaide Road, Dublin 2 Ireland or the Promoter and Investment Manager: Guinness Asset Management Ltd, 14 Queen Anne's Gate, London SW1H 9AA.

Documentation is also available from the website www.guinnessfunds.com.

This document should not be distributed to private customers who are resident 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 Guinness Alternative Energy 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 Irish Financial Services Regulatory Authority. The Fund has been approved by the Financial Services Authority for sale in the UK. The Company and the Fund have been recognised in the UK by the FSA pursuant to section 264 of the FSMA. Guinness Asset Management Ltd is authorised and regulated by the Financial Services Authority.

THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS

RISK FACTORS

The Guinness Alternative Energy Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of the Fund's portfolio changes daily and can be affected by changes in currencies, interest rates, general market conditions and other political, social and economic developments, as well as specific matters relating to the companies in whose securities the Fund invests. In addition the investment universe of the Fund is relatively narrow and the volatility of the Fund may therefore be higher than it would be for a more broadly invested equity fund.

The value of this investment and any income generated by it, may fall as well as rise as a result of the market and currency fluctuations and an investor may not get back the amount they invest.

Guinness Alternative Energy Fund at 31.08.10					
General Fund Information					
AUM for strategy	\$43.2 million		Manager	Capita Financial Managers Ltd	
AUM for fund	\$3.1 million		Domicile	Ireland	
Valuation	daily		Structure	OEIC	
Benchmark	See performance table		Framework	UCITS III	
Redemption fee	2% within 30 days of purchase		Risk factors	see above	
Class-specific information					
Shareclass	class A	class B	class C	class D	class E
Currency	USD	USD	GBP	EUR	USD
Min. investment	\$200,000	\$20,000	£5,000	€100,000.00	\$10,000,000
AMC	1.0%	1.5%	1.5%	1.0%	0.75%
Initial charge	0.0%	2.0%	5.0%	0.0%	0.0%
Launch date	19.12.07	19.12.07	02.09.08	02.09.08	02.09.08
Launch price	\$10	\$10	£10	€10	\$10
Latest dividend	N/A	N/A	N/A	N/A	N/A
Total expense ratio	1.50%	2.00%	2.00%	1.50%	1.25%
Fund codes					
ISIN	IE00B2PGVJ29	IE00B2PGVK34	IE00B3CCJ633	IE00B3CCJ740	IE00B3CCJ856
SEDOL	B2PGVJ2	B2PGVK3	B3CCJ63	B3CCJ74	B3CCJ85
Bloomberg	GUINAEA ID	GUINAEB ID	GUINAE C ID	GUINAE D ID	GUINAE E ID

*Data source: Guinness Asset Management Limited.