

GUINNESS

ASSET MANAGEMENT LTD

Guinness Alternative Energy Fund - Frequently asked questions.

- **What is the minimum investment?**

The minimum investment in the Fund for direct investors is £5,000. Investors who want to invest less than £5,000 may be able to do so through their IFA or through a fund supermarket such as FundsDirect www.fundsdirect.com or Hargreaves Lansdown www.h-l.co.uk.

- **Why is the Fund priced in different currencies? Can I pay in Pounds Sterling or Euros?**

The base currency of the fund is in US Dollars, and the fund is valued daily in US Dollars. The Fund is intended for investors in a number of different countries and therefore we have share classes which are priced in different currencies. Investors may deal in US dollars, Pounds Sterling or Euros and if any currency conversion is required this will be dealt with by the administrator.

- **Am I exposed to currency risks?**

The fund invests internationally and holds all investments in local currency with no hedging of the currency exposure. The fund management rationale for this is that we see energy as a universal currency. The Fund aims to be fully invested most of the time, but any cash balances are normally held in US dollars. This means that the exposure of the Fund to any one currency is mainly limited to the value of our holdings in stocks priced in that currency.

- **Is the Fund an ethical or green fund?**

The fund invests in companies which derive at least 50% of their business from Alternative Energy. By this we mean companies involved in business relating to energy from non fossil fuel sources and companies involved in efficiency improvements. We do not try to judge whether these companies are ethical or green; we judge companies solely on investment criteria. We think that our approach would suit investors looking to invest ethically or in a green manner but investors should note that we do not apply any explicit ethical or green criteria to investments.

- **What determines the price of the Fund?**

The Fund is priced at the daily Net Asset Value ("NAV") of the Fund. The NAV is calculated on every Dealing Day at the Valuation Point, 11.59pm in Dublin, by the independent Administrator, Capita. Quoted securities are expected to form the majority of the valuation

GUINNESS

ASSET MANAGEMENT LTD

and are typically valued at the last traded price. The Net Asset Value per share will be expressed in US Dollars, £ sterling or Euros, depending on the relevant share class.

- **Where can I find price information?**

The Net Asset Value (which is the price) is published on a daily basis and is available on our website www.guinnessfunds.com or on various websites including www.bloomberg.com.

- **How do I redeem my investment?**

A redemption form with instructions is available on our website. Once you fax this to the administrator your instruction will be carried out that Dealing Day if received before 3pm (Irish time), otherwise it will be carried out the next dealing day. Please note that no payment will be made until the administrator has received your original redemption form in the post.

- **What are the different share classes?**

We offer a range of classes of shares which have different minimum investment levels and different levels of charges. These are detailed below:

Class	ISIN	currency	minimum investment	Annual management charge	Initial charge
class A	IE00B2PGVJ29	USD	\$200,000	1.00%	0%
class B	IE00B2PGVK34	USD	\$20,000	1.50%	2%
class C	IE00B3CCJ633	GBP	£5,000	1.50%	5%
class D	IE00B3CCJ740	EUR	EUR 100,000	1.00%	0%
class E	IE00B3CCJ856	USD	\$10,000,000	0.75%	0%

- **What are the annual charges?**

There is an annual management charge which varies for the different classes. The relevant rates are shown above.

In addition to the annual management charge there are fund expenses. We have capped the expenses which will be charged to the Fund at a maximum of 0.5% of the NAV per annum. Therefore, if you hold Class A Shares, the total annual cost for holding the shares would not be greater than 1.5% of the NAV, and for Class B shares not greater than 2% of the NAV.

GUINNESS

ASSET MANAGEMENT LTD

- **What are the costs of buying and selling?**

For some share classes there is an initial charge, as detailed above.

Additionally, if you redeem your shares within 30 days of purchase, there is an early redemption fee that the Fund will levy. The purpose of the redemption fee is to protect long term investors from the trading costs that short term investors would incur for the fund.

- **How do you choose which companies to invest in?**

The Fund screens for companies that are in the alternative energy space. Companies must meet the following criteria to be included in the potential universe of companies for the fund:

- a. 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.
- b. Quoted on a recognised investment exchange.
- c. More than \$100 million in market capitalization.

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 stock momentum. The investment team then researches these in detail to arrive at their investment view.

- **Who are the Fund Managers?**

The Alternative Energy Fund managers are Tim Guinness, Matthew Page and Edward Guinness. You can read their biography's on the Guinness Asset Management website. www.guinnessfunds.com.

- **Can I use my ISA/ PEP?**

The Guinness Alternative Energy Fund is eligible to be included in an ISA or a PEP. You should ask your provider if they will allow you to include this fund in your ISA or PEP. If they cannot provide you with this service then you may be able to invest in an ISA through a provider such as Hargreaves Lansdown (www.h-l.co.uk) or FundsDirect (www.fundsdirect.com).

GUINNESS

ASSET MANAGEMENT LTD

- **Can I make monthly payments?**

Whilst we do not offer a Direct Debit facility, Investors can make subsequent investments in the Fund. The minimum additional investment is \$10,000 or £5,000. To make an additional investment, you need to fill in an application form with your account number and your payment details.

- **What does Alternative Energy mean?**

By this we mean companies involved in business relating to energy from non fossil fuel sources and companies involved in efficiency improvements. Alternative Energy subsectors include Solar Power, Wind Power, Geothermal Power, Hydro Power, Biofuels, Fuelcells, Wave and Tidal Power.

- **How long should I put my money in for?**

We cannot advise you on your investment strategy. The Guinness Alternative Energy Fund is a high risk investment. It is only suitable for investors who appreciate the level of risk attached to this type of investment. The Fund should be viewed as a long term investment. If in any doubt, potential investors should consult their IFA.

- **What are the risks involved in investing in this fund?**

As with all securities based investments, the value of your investment can go up as well as down. Investors should read the Prospectus and in particular the Risk Factors Section for full details on the risks.

- **Can I buy this through my IFA?**

Most IFA's will be able to invest in this fund for you. In addition to direct investment the Fund is available on various IFA fund platforms, including Ascentric and Transact.

- **Why is the Fund based in Dublin?**

Because the Fund is based in Dublin it benefits from being an Offshore Fund. This makes the fund accessible and transparent for investors from multiple jurisdictions while limiting the cost for investors.

- **What is your website address?**

www.guinnessfunds.com

GUINNESS

ASSET MANAGEMENT LTD

- **Can I invest my pension money in this Fund?**

Depending on your pension provider, yes you should be able to invest some of your pension monies into this fund. Please contact your Pension Administrator for further information.

- **When do I get my share certificate?**

Investors will be sent a contract note confirming the number of shares they hold in the Fund and the price that was paid for them. We do not issue Certificates as the shares are held in registered form rather than bearer form.

- **Do you invest in Nuclear Power?**

Whilst we are not prohibited from investing in Nuclear Power by our Investment mandate terms, we do not currently hold any investments in companies whose principal business related to Nuclear Power. If we were to make an investment in a company whose principal business related to Nuclear Power, we would inform our investors when we made such an investment.

15 September 2010