



## Guinness Alternative Energy Fund Factsheet

May-2012

### Investment objective

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.

### Investment case

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.

### Fund performance

**Past performance should not be taken as an indicator of future performance. Returns stated below are in US dollars; returns in other currencies may be higher or lower as a result of currency fluctuations.**

Returns to 30.4.2012	YTD	1 year	3 year annualised	5 year annualised	10 year annualised
Fund	-5.2%	-52.7%	-17.4%	n/a	n/a
Wilderhill Clean Energy Index	+0.3%	-50.1%	-16.6%	-23.4%	-10.3%
Wilderhill New Energy Innovation	+0.3%	-44.9%	-12.7%	-17.8%	+0.2%

Calendar year returns	2007	2008	2009	2010	2011
Fund	n/a	-67.4%	+38.7%	-21.5%	-41.9%
Wilderhill Clean Energy Index	+58.9%	-69.9%	+29.8%	-4.8%	-50.5%
Wilderhill New Energy Innovation	+59.4%	-60.5%	+41.2%	-13.7%	-39.6%

Source: Bloomberg, bid to bid, (inclusive of all annual management fees but excluding any initial charge or redemption fee), gross income reinvested, in US dollars; \*calculation Guinness Asset Management Limited. Performance would be lower if initial charge and/or redemption fee were included.

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

### Key facts 'B' shares

**Co-managers:** Edward Guinness & Matthew Page, CFA

**Administrator:** Capita Financial Administrators (Ireland) Ltd

**Custodian:** JPMorgan

**Fund size:** \$2.2m

**Benchmark:** Wilderhill Clean Energy Index; Wilderhill New Energy Global innovation Index

**Domicile & structure:** Ireland, OEIC

**Framework:** UCITS

**Valuation:** Daily, 23.00 (Dublin time)

**Dealing cut off:** 15.00 (Dublin time)

**Dealing currency:** USD

**Annual management fee:** 1.5%

**Initial charge:** 2.0%

**Total expense ratio:** 2.00 %

**Minimum investment:** \$20,000

**Launch date:** 19.12.07

**Launch price:** \$10

*Please see overleaf for other share classes*

### Fund top 10 holdings (%)

Waterfurnace Renewable Energy	5.0%
CEMIG	4.5%
Elster Group ADS	4.0%
Boralex	4.0%
Itron	3.9%
Verbund	3.8%
Suntech Power	3.7%
Ormat Technologies	3.7%
China Longyuan Power	3.6%
Theolia	3.5%

% of fund in top 10	39.7%
Total number of stocks in fund	30

### Geographic allocation (%)

China	37.3%
United States	19.2%
Germany	9.5%
Spain	6.7%
Denmark	4.9%
Brazil	4.5%
Canada	4.2%
Austria	3.8%
France	3.5%
Italy	2.6%

Cash	3.9%
	100.0%

### Sector analysis (%)

Wind	37.8%
Solar	33.2%
Efficiency	13.1%
Hydro	8.3%
Geothermal	3.7%

Cash	3.9%
	100.0%



Edward Guinness

**Edward Guinness** joined Guinness Asset Management in January 2006 and is co-manager of the Guinness Alternative Energy Fund and executive manager of the Guinness Global Thematic Fund.

Prior to joining Guinness Asset Management, Edward worked from 2002 as a merger arbitrage analyst for the Arbitrage Associates Fund at the Tiedemann Investment Group in New York. In 1998 he joined HSBC Investment Bank, where he worked in the Corporate Finance Department in the Energy & Utilities Team and in the Telecoms & Technology Team.

Edward Graduated from Cambridge University with a Master's degree in Engineering and Management Studies.



Matthew Page, CFA

**Matthew Page, CFA**, joined Guinness Asset Management in 2005 and is the co-manager of the Guinness Alternative Energy Fund and of the Guinness Global Equity Income Fund.

Prior to starting at Guinness, Matthew joined Goldman Sachs on the graduate scheme in 2004 working in Foreign Exchange and Fixed Income.

Matthew graduated from New College, University of Oxford with a Master's Degree in Physics. He has completed the IMC and is a CFA charterholder.

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*Telephone calls may be recorded*

## Share classes

	'A' shares	'B' shares	'C' shares	'D' shares	'E' shares	'X' shares
Type	Institutional	Retail	Retail	Institutional	Institutional	Platform
Currency	USD	USD	GBP	EUR	USD	GBP
Min. investment	\$200,000	\$20,000	£5,000	EUR 100,000	\$10,000,000	£5,000,000
Annual management fee	1.00%	1.50%	1.50%	1.00%	0.75%	0.75%
Initial charge	0.00%	2.00%	5.00%	0.00%	0.00%	0.00%
Total expense ratio	1.50%	2.00%	2.00%	1.50%	1.25%	1.25%
Fund Bloomberg ticker	GUINAEA ID	GUINAEB ID	GUINAE C ID	GUINAE D ID	GUINAE E ID	GUINAE X ID
Fund ISIN	IE00B2PGVJ29	IE00B2PGVK34	IE00B3CCJ633	IE00B3CCJ740	IE00B3CCJ856	IE00B7LWDH14
Fund SEDOL	B2PGVJ2	B2PGVK3	B3CCJ63	B3CCJ74	B3CCJ85	B7LWDH1

**Redemption fee (all share classes):** 2% within 30 days of purchase

## Important information and 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. Investments in the fund carries with it a degree of risk and investors should read the risk factors section in the prospectus before investing.

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It is not an invitation to make an investment nor does it constitute an offer for sale

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 Managers (Ireland) Limited, Montague House, 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](http://www.guinnessfunds.com).** This document should not be distributed to Retail Clients 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.

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

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 Central Bank of Ireland. 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.

The prospectus for Switzerland, the simplified prospectus for Switzerland, the articles of association, the annual and semi-annual reports, as well as the list of the buying and selling transactions can be obtained free of charge from the representative in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, Fax: + 41 22 705 11 79, [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland

**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.**