Guinness Asset Management Funds plc

Annual Report and Audited Financial Statements

For the year ended 31 December 2011

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Company Information

Directors of the Company	Anthony Joyce* (Irish) Edward Guinness** (British) Andrew E. Martin Smith** (British) Johnny McClintock (Irish) (Independent) David McGeough (Irish) (Independent) * Director of the Manager ** Employees of the Investment Manager
Registered Office	Montague House Adelaide Road Dublin 2 Ireland
Investment Manager, Global Distributor and Promoter	Guinness Asset Management Limited 14 Queen Anne's Gate London SW1H 9AA United Kingdom
Administrator, Registrar and Company Secretary	Capita Financial Administrators (Ireland) Limited Montague House Adelaide Road Dublin 2 Ireland
Independent Auditor	Deloitte & Touche Chartered Accountants and Registered Auditors Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
Irish Legal Advisors	Dillon Eustace Solicitors 33 Sir John Rogerson's Quay Dublin 2 Ireland
Manager	Capita Financial Managers (Ireland) Limited Montague House Adelaide Road Dublin 2 Ireland
Custodian	JP Morgan Bank (Ireland) plc JP Morgan House IFSC Dublin 1 Ireland
Company Number	450670 (Registered in Ireland)

Directors' Report

The Directors of Guinness Asset Management Fund Plc (the "Company") present herewith their Annual Report and Audited Financial Statements for the year ended 31 December 2011.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Financial Statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at anytime the financial position of the Company and enable them to ensure that the Financial Statements comply with Irish Statute comprising the Companies Acts, 1963 to 2009, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to this end the Company has appointed JP Morgan Bank (Ireland) Plc as Custodian of its assets.

Basis of Preparation
The format and certain wordings of the Financial Statements have been adapted from those contained in the Companies (Amendment) Act 1986 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

Directors' Statement on Proper Books of Account
To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act 1990, the Directors of the Company have employed a service organisation, Capita Financial Administrators (Ireland) Limited (the "Administrator"). The books of account are located at the offices of the Administrator as stated on page 3.

Activities and Business Review
See the Investment Manager's report on pages 6 to 13.

Risks and Uncertainties
The principal risks and uncertainties faced by the Company are outlined in the Prospectus. These risks include market price risk, currency risk, interest rate risk, liquidity risk and credit risk as per FRS 29. The Investment Manager reviews and agrees policies for managing each of these risks and these are detailed in Note 10 to the Financial Statements.

Directors
The current Directors are as stated on page 3.

Directors' Interests in Shares of the Company
Please see Note 15 to the Financial Statements.

Directors' Report (continued)

Transactions involving Directors
Other than as disclosed in Note 15 to the Financial Statements under Related Party Disclosures, there were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act, 1990, at any time during the year.

Results of Operations
The results of operations for the year are set out in the Profit and Loss Account on page 22.

Distributions
The Directors declared a distribution for the year ended 31 December 2011. Please see Note 19 to the Financial Statements for further details.

Independent Auditors
The Auditors, Deloitte & Touche, have indicated their willingness to continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

Events after the Year End
There have been no events after the year end other than those disclosed in Note 19 which impact on these Financial Statements.

On behalf of the Board

Johnny McClintock
_____
Director

Anthony Joyce
_____
Director

Date: 24 April 2012

Investment Manager's Report

Guinness Alternative Energy Fund

Review

The Guinness Alternative Energy Fund (Class B in USD) was down 41.59% in 2011. This compared to a fall in the Wilderhill New Energy Global Innovation Index of 39.61% and in the Wilderhill Clean Energy Index of 50.48%. The year was particularly disappointing given the strong first quarter. The alternative energy industry appeared to be getting back on track but the European debt crisis set the recovery back dramatically.

As a result of the crisis, demand for alternative energy was weaker in key European markets, which was compounded by the difficulty investors faced in procuring bank financing. The ensuing oversupply in both the wind and solar sectors saw pricing pressure and lower volumes than expected which significantly eroded profitability and hurt share prices.

The fund has been positioned in the lower cost solar manufacturers, and while these companies are best positioned to emerge as leaders in the next cycle of the industry, 2012 saw indiscriminate poor performance from all solar stocks and notwithstanding the fund's sales of some solar holdings in the first quarter, the remaining solar holdings were the main driver of the fund's weak performance.

The wind sector also experienced a difficult year, with installations levels plateauing in most market and continued pricing pressure, which weighed on the stock prices of the turbine manufacturers.

The fund's better performing stocks were mainly the renewables utility holdings, with a notable outperformance from one of the fund's ground source heat pump stocks – LSB Industries.

Activity

The fund uses a structure of 30 equally weighted holdings, a small number of which are split into two half holdings. The fund has also historically held a small number of research holdings. The fund has moved away from holding half-units in stocks in favour of holding full units in stocks and there has been a reduction in the number of research holdings. The fund will continue to hold around 30 equally weighted holdings.

The fund acquired new positions in Enel Green Power, Nordex, Verbund, China Datang, China Longyuan, China Suntien, Huaneng Renewables, Elster, Power One. As a result the fund has increased its exposure to utility stocks in both Europe and growth markets. Elster is a metering company that complements the fund's holding in Itron and Power One increases the fund's holdings in inverter manufacturers.

The fund sold its holdings in Iberdrola Renovables, Phoenix Solar, Solarworld, Clipper Windpower, Hansen Transmissions, PV Crystalox, Renewable Energy Corporation, Canadian Solar, First Solar, LSB Industries and MEMC Electronics. The main emphasis has been on removing the fund's exposure to solar companies that do not have a competitive cost structure in the current pricing environment, which has principally involved selling the fund's remaining European solar holdings.

Outlook

We believe that 2012 will be a challenging year for companies in the sector as a result of the current economic environment. The sector is vulnerable to lack of financing and reductions in subsidies. However, we would point out that the share prices and valuations reflect this challenging environment and there is potential for earnings expectations for 2012 to be exceeded given how low they have been set and for the outlook for 2013 to improve, both of which would be positive for share prices.

It is our view that there will be a demand response to the current low price of solar modules that will see demand exceed expectations. The low cost solar manufacturers will be able to operate plant at capacities that allow them to continue lowering costs further which will lead to higher margins and a better ability to compete. Headwinds include further German tariff reductions and the potential imposition of import tariffs on solar modules by the US. However, a major difference between today and three years ago is that Germany is now less than 30% of the market, having been over half of the market and the main countries experiencing growth in demand are emerging markets and those with high electricity prices. This provides better diversification of the sources of solar demand.

Key markets for 2012 will be China and the US. China has introduced a feed-in tariff that is leading to demand far in excess of that expected and based on Edward Guinness' visit to China in early 2011, we do not think that China will look to constrain the volumes of installations. The US is emerging as a serious market with utility scale installations leading the way. We also note the emergence of the rent-a-roof model in the US that is likely to lead to rapid deployment of residential installations that provide a firmer foundation for demand. We also believe that we will start to see installations in Germany and Italy being made that do not rely on Feed-in Tariffs for their economics, which will begin the transition away from subsidies.

We expect that the key drivers of growth in the wind market will be emerging markets and the construction of large new offshore wind installations. The US market has been hurt by the low natural gas price caused by the production of high volumes of shale gas. There is an expectation that 2012 will be a relatively strong year for US installations as a crucial tax credit – the Production Tax Credit – expires at the end of 2012, but expectations for installations in 2013 are low unless it is extended. Previously this credit has been extended on expiration, but the freeze in legislative activity caused by the US presidential election and the aggressive positioning of the Republican Party against alternative energy mean that wind developers in the US are not expecting an extension and are preparing low levels of installations in the US from 2013.

Investment Manager's Report (continued)

Guinness Alternative Energy Fund (continued)

Outlook (continued)
The Chinese market has grown dramatically over the last five years to over 20GW of annual installations. However, the level of new installations is now expected to plateau at this high level as a result of grid constraints. There has been a sharp reduction in turbine prices as the domestic manufacturers – Dongfang Electric, Sinovel and Goldwind – compete hard. The main beneficiaries of this are the Chinese wind developers who are able to generate higher returns from newly constructed assets.

We have begun to see the first indications of improvement in the US housing market, which should improve the outlook for ground source heat pump installations, and we see good opportunities for companies in the metering sector as utilities execute upgrades to their networks.

The long term outlook for the sector remains positive and continues to improve as costs of alternative energy technologies become more competitive and global demand for energy continues to rise, pushing fossil fuel prices higher.

Edward Guinness & Matthew Page

Date: February 2012

Investment Manager's Report (continued)

Guinness Global Energy Fund

Review

The Guinness Global Energy Fund in 2011 produced a total return of -13.9%. This compares to the price return of the Morgan Stanley Capital International World Energy Index of 0.7%, and the MSCI World Index's total return of -5.0%. It was a challenging year for the fund.

The best performers over the year as a group were our integrated oil and gas companies. Chevron was up 17%, Statoil was up 8% and ConocoPhillips 7%. The giants (Chevron, BP, Total) were up an average of 3.9%, while the midcaps (ConocoPhillips, ENI, Statoil, Hess, OMV) were down an average of 8.4%, with Hess (-26%) and OMV (-27%) the worst performers. The Exploration and Production stocks were similarly bifurcated: Marathon Oil was up 33% and Noble Energy was up 10%, while at the other end of the spectrum Newfield Exploration was down 48% and Forest Oil was down 50%. Amongst our service stocks the best performers were Helix (up 30%) and Unit (flat), while Halliburton underperformed (-15%). International Exploration and Production, solar and our Canadian holdings were all drags on performance, and the structural underweight to the large cap integrated oil and gas companies versus the energy benchmark also hurt us. Exxon, which we did not hold in the fund and represents 15% of the MSCI World Energy Index, was up 19% over the year.

Having averaged $79 in 2010, WTI oil averaged $95 in 2011. It traded in a range of $80-100 for most of the year, with a brief period in March and April when it rose as high as $115, caused by unrest in the Middle East and North Africa. The shortfall in Libyan production (1.6m barrels/day) was made up for by Saudi Arabia and others, and by August the price was back in the $80-85 range. 2011 saw a new high for global oil demand at 89m barrels/day: this represented growth of 0.7m barrels/day from 2010, while non-OPEC supply grew by only 0.1m barrels/day. This explains some of the tightening we saw in OECD oil inventories over the course of the year. It is also worth mentioning the significant spread which opened up between WTI and Brent crude during 2011: an oversupply of WTI at the trading hub in Cushing, Oklahoma depressed the WTI price at precisely the moment that Brent moved higher on a shortage of Libyan production – the spread reached $26 during July and August but narrowed to end the year around $10.

The US natural gas price weakened materially in the second half of 2011. The spot price was range-bound between $4 and $5 until August, when it fell steadily to reach $2.98 at year-end. The spot price averaged $4 for the year and the 12-month strip averaged $4.35. The reasons for this weakness are well-known: horizontal drilling, well stimulation and fracturing, and the associated gas from liquids drilling have caused an oversupply of natural gas. This manifests itself in the inventory (storage) number, which is currently 20% higher than the five-year average. We continue to wait for the drop in natural gas production which we need to balance the market: a meaningful fall in the rig count will likely be the leading indicator.

Activity

In January we sold a research position, Insignia Energy, and in March we sold two further research positions, Opti Canada and Falkland Oil & Gas. We added to the research portfolio Triangle Petroleum, a US domestic oil producer with acreage in the Bakken.

In June we sold our holding in Repsol YPF, the Spanish integrated oil and gas company, following its good performance year to date and we bought two companies in its place; Carrizo Oil & Gas and Penn Virginia. Carrizo is a US-focused natural gas exploration and production company which is transitioning towards greater liquids production. Penn Virginia is also a US-focused exploration and production company, with undervalued natural gas reserves. In June we also bought a half unit in Petrominerales, a Colombian exploration and production company with production predominantly centred in the Llanos Basin in southern Colombia.

In July we bought two new research positions for the fund. We participated in the IPO of Bayfield Energy, a company with oil producing assets in Trinidad and a very strong management team. We also bought Ithaca Energy, which has a portfolio of North Sea assets which we think is significantly undervalued by the market. In November we sold our holding in Bill Barrett and replaced it with Royal Dutch Shell. Barrett had been a good relative performer since we purchased it in 2010, whilst Royal Dutch Shell offers the combination of an extremely attractive free cashflow yield and appealing growth projects in the global LNG sector. We also sold our position in Coastal Energy in November, the stock having more than doubled in 2011 in response to strong exploration results offshore of Thailand.

Outlook

What is in store for 2012? We expect oil to remain relatively strong and forecast a trading range of $80-$100, with an average for the year of $90. Recent OPEC rhetoric has referred to oil prices at the high end of this range. In the short term, the threat of Iranian conflict continues to bolster the price, while looking further out we expect demand forecasts for 2012 to be scaled back and oil to weaken. We continue to think that the US natural gas price will move up when drilling activity slows and supply drops and that the price move could be meaningful. And above all, we regard the energy sector as cheap relative to the broad market on an earnings basis and have positioned the fund to take advantage of the commodity price environment outlined above.

Tim Guinness
Lead Manager

Will Riley, Ian Mortimer & Tom Nelson
Fund Investment Team

Date: January 2012

Investment Manager's Report (continued)

Guinness Thematic Equity Fund

Review

The Global Thematic Equity Fund was down 21.28% in 2011, significantly underperforming the MSCI World Index, which was down 4.98% for the year. This underperformance reflects the nature of the themes that the fund is currently focused on. The best performing themes over the year were equity income and energy, while the worst performing themes were alternative energy and China and Hong Kong.

The best performing stocks over 2011 (on a total return basis) were: Coastal Energy (+70.3%), Reynolds American (+33.5%), VF Corp (+25.0%), Sanofi (+16.3%) and Vodafone (+13.1%).

The worst performing stocks over 2011 were: JA Solar (-80.8%), Trina Solar (-71.3%), STR Holdings (-57.4%), Janus Corporation (-51.8%) and China Liansu (-49.4%).

Outlook

Expectations for the specific areas that the fund invests in are covered in more detail in the specific fund reports.

We think that the outlook for the areas we focus on remains positive. Energy, Alternative Energy and Asia are all areas that we expect to perform well in an inflationary market we believe they have an intrinsic structural growth story. At the same time, the investments in Equity Income and Innovation provide diversification and stability to the portfolio. The fund’s holdings in Money Managers give the portfolio some leverage to world markets and growing global wealth.

Overall we remain optimistic about the prospects for the world economy and believe that thematic investing will provide high returns over the long term.

Edward Guinness & Tom Nelson

Date: February 2012

Investment Manager's Report (continued)

Guinness Global Money Managers Fund

Performance
The Guinness Global Money Managers Fund in 2011 produced a total return of -19.4% (Class B in USD). This compares to the return of the MSCI World Index of -5.0% and the MSCI World Financials Index of -18.1%. The performance of the fund reflects the relative weakness of the financial sector as a whole, and in particular the asset management sub-sector, over this period.

The better performers over the year (on a total return basis) were: Polar Capital (+41.3%), Aberdeen Asset Management (+8.9%), Coronation Fund Managers (+7.1%) and Ashmore Group (+4.1%). Another strong performer was TMX Group which, when we sold it in July, had returned +20.7%. The worst performers in 2011 were: Artio Global Investors (-66.1%), Janus Capital (-50.5%), Value Partners Group (-47.9%) and Och-Ziff (-41.9%).

As a general comment, the large-cap (>$5bn AUM) diversified asset managers in the fund have performed better over the year than the mid cap ($1-5bn AUM) managers. Our holdings in wealth management companies and stock exchanges have also proved reasonably defensive and outperformed the fund as a whole, whilst holdings in 'alternative' managers and the small-cap ($0.5-1bn) managers have been relatively weak.

Activity
We made only one change to the portfolio in the first half of the year. In February we sold our research holding in Life Partners Holding Limited. The company, a broker in the secondary life assurance market, has been subject, since January, to an SEC investigation into various aspects of its marketing materials. In our view, this was likely to cloud the outlook for the stock for some time; hence we took the decision to sell.

The second half of 2011 also saw one change. In July we sold our position in TMX Group. TMX was subject in February to a takeover bid from the London Stock Exchange Group, leading to a healthy rise in TMX's share price. A rival offer was then received from Maple Group, a consortium of Canadian financial institutions. At the time that we sold the position in July, the London Stock Exchange Group had been dropped and the Maple bid was subject to regulatory and shareholder approval. In its place we bought a position in NASDAQ OMX Group. NASDAQ owns and operates the NASDAQ stock market as well as eight smaller European exchanges.

Review & Outlook
The first quarter of 2011 was characterized by strong broad market returns as markets responded positively to impressive company earnings growth in most sectors. The asset management sector continued the strong performance exhibited in the second half of 2010, with particularly good performance from the UK wealth management sector and companies pursuing 'alternative' asset investment strategies such as hedge funds and private equity. The fund was up 5.7% over this period.

The second quarter was a more volatile period for stock markets which fed directly through to the asset managers. Broad market sentiment weighed particularly strongly on the financial sector during the quarter. Fears that the worsening Eurozone sovereign debt crisis could result in a Greek default, combined with the risk of default spreading to other southern European countries, resulted in concerns that private sector banks could eventually suffer write-downs. The focus by investors on these uncertainties resulted in poor performance from the asset management sector in particular, as weakness in the performance of almost all investment classes reduced most asset managers' funds under management (one of the key drivers for profitability in the sector). The fund declined 5.8% over this period.

The ripples of concern seen in stock markets in the second quarter turned into waves in the third, which proved to be a particularly torrid time for equities. In Europe the sovereign debt crisis intensified as governments failed to provide any coherent response, feeding concerns that the Eurozone might be slipping back into recession. The likelihood of the US returning to recession also appeared to rise as key economic indicators were generally weaker than expected. The resulting poor broad market sentiment weighed strongly on the financial sector, with the MSCI World Financial Index falling 23.0% during the quarter. Asset managers were no safe haven, falling in line with broader financials. The fund declined 23.6% over this period.

The final three months of the year were a period of consolidation for most asset classes globally following the exceptionally weak third quarter. News from the US was generally better, as key economic indicators (unemployment, housing starts) pointed to modestly improving US growth in 2012. Overall, broad market sentiment was strong enough in the fourth quarter to result in a rebound for most asset classes from their third quarter lows. Notably the MSCI World and IBOXX Corp Bond Indices (proxies for the health of equities and fixed income) were up 7.7% and 8.0%. The fund was up 6.8% over this period.

2011 was, overall, a year when most global asset classes declined in value and net US and European mutual fund flows finished the year in negative territory. Unsurprisingly then, the performance of the asset management sector was relatively weak.

We are cautiously optimistic about the prospects for the world economy in 2012 and expect the asset management sector, which trades at a discount to the broad market and to the sector's long term average, to benefit from any recovery.

Tim Guinness & Will Riley

Date: January 2012

Investment Manager's Report (continued)

Guinness Global Equity Income Fund

Review
The Global Equity Income Fund in 2011 (the fund's first full year) produced a total return of +1.3% (Class B in USD). This compares favourably to the return of the MSCI World Index of -5.0%, an outperformance of 6.3%. This performance is also particularly pleasing in comparison to our peer group of global equity income funds, and places us in 3rd position (out of a total of 15 global equity income funds in the IMA sector) for the year.

Activity
In the first quarter we made no changes to the portfolio and in the second quarter portfolio activity was restricted to two changes. In June we sold our position in Television Broadcast. The stock had performed particularly well since we launched the fund at the end of 2010, rising over 25% on the back of an improved future earnings. In its place we bought Compal, the Taiwanese PC and notebook manufacturer. We also sold our position in Waddell and Reed, the US-based asset manager which had reached a valuation we felt left little room for upside after a reasonable performance over the year. In its place we bought Alten, the French technology and engineering consultancy business.

In the third quarter we made a number of changes to the portfolio. We began to become concerned about the outlook for the global economy in early August as we saw economic data points in the US deteriorating and the yields of peripheral European Sovereign debt start to increase. We concluded that any resolution to the Eurozone Sovereign debt crisis was likely to be complex and take some considerable time to reach a conclusion and that a meaningful rally in global equities was unlikely in the near term and a further fall in global equities was very possible. We therefore decided to take a top down view on the portfolio to identify those companies we held that we thought were most likely to underperform in a falling or sideways-but-volatile market. At the same time we sought to identify the stocks in our universe that were most defensive in nature yet still at attractive valuations. On the 5th August we decided to make 4 switches to the portfolio. We sold Alten, Mapfre, Mitie and Iress which were all small cap stocks and in more cyclical sectors, and bought Coca-Cola, Kraft, Unilever and Reckitt Benckiser which are large cap stocks in non-cyclical sectors. A few days later on the 9th August we decided to make three more switches. We sold our positions in asset managers AGF and Blackrock and bought Imperial Tobacco and Pfizer. We also sold our position in Compal electronics and kept the proceeds as an additional cash balance.

We made no changes to the portfolio in the fourth quarter.

Outlook
At the beginning of 2012 our global outlook remains somewhat cautious, but we note that some progress has been made towards stimulating a recovery in the US. However, at the same time our concerns over the Eurozone have escalated. The Eurozone crisis is largely a result of a lack of political will to address a very difficult situation. Until certainty can be provided to the market, yields on peripheral Eurozone debt is likely to remain high, banks will likely continue to reduce lending, and the threat of a default by Greece will mean management of companies will continue to hoard cash rather than make investments. We therefore expect lower growth, or even recession, in the Eurozone in the short- to medium- term.

Clearly this will have some knock-on effects for the US and emerging market economies, but to what extent is largely in the hands of the European leaders. If the bad debts of peripheral European countries can somehow be renegotiated and ring-fenced, and a stimulus enabled to spur growth in Europe, then the pain felt around the rest of the world is likely to be quite small. Despite various headline grabbing statements there are currently major political differences about how to deal with the crisis and this deadlock seems likely to continue. This increases the real concern of a default by Greece, which could potentially lead to further defaults by other peripheral Eurozone countries, which would spark a significant banking and credit crisis that would be felt worldwide.

While the US economic recovery is encouraging it remains to be seen to what extent this recovery can last, and at what level trend GDP growth is likely to settle in the future. The risk is that US trend growth of GDP will be somewhat lower in the short-term than it has been in the past 50 years and markets may anticipate a stronger recovery than actually appears. However, the power of the business cycle is a very strong force which can itself stimulate improved confidence and generate continued economic growth.

As always there are also those risks of which we are not currently aware. 2011 is a case in point. The markets were focused on understanding the scale and consequences of the Eurozone crisis, but no one could have predicted the catastrophic earthquake in Japan, the floods in Australia and Thailand, or the speed at which the Arab Spring spread throughout the Middle East. With the continued heightened uncertainty for the direction of financial markets, and the fine balance between economic growth and recession now seen in many Western economies, we believe the effects of any 'unexpected' events will continue to have an outsized impact and lead to increased volatility across the financial markets.

With this outlook in mind we remain focused on seeking to identify strong businesses that can weather economic uncertainty and who can opportunistically take advantage of any situations that may arise (for example, taking market share or making acquisitions). Balance sheet strength continues to be very important and particularly the amount of cash companies have in reserve. We continue to believe our focus on quality companies with a long history of top quartile returns on capital and those with managements that are focused on capital efficiency will be well rewarded in the long-term.

Overall we believe the fund is well positioned for the rest of 2012 and provides good value for shareholders; the fund is trading on a PER of 11.2X 2012 earnings and has a yield of 3.5% (which is expected to grow by c.7% year-on-year).

Ian Mortimer & Matthew Page

Date: January 2012

Investment Manager's Report (continued)

Guinness China and Hong Kong Fund

Performance Review
During the year investor sentiment has been very bearish toward China as inflation remained high and as a consequence, the measures put in place to tighten liquidity looked unlikely to ease any time soon. This was compounded by increasing fears for the property market which has been a particular focus of monetary tightening. In the last three months of the year the China and Hong Kong markets rebounded as investors' fears about a European debt receded somewhat and Chinese inflation began to ease. The Fund finished the year down 27.3%, compared to a fall in the Hang Seng Composite Index of 19.2%

The portfolio is positioned with higher exposure toward energy, industrials and materials which reflects our belief that China's domestic economy offers the best investment prospects. This meant that stocks related to construction such as steelmaking and cement did poorly for much of the year but rebounded strongly on signs of policy easing.

The last three months of the year brought some relief to policymakers as inflation began to come down in the food, non-food and industrial products categories. This has provided more policy flexibility at a time when external demand was deteriorating. We therefore saw increased bank lending, a cut in banks' required reserve ratios and an increase in money supply. While the authorities are wary about providing actual stimulus, since they are trying to correct the ill-effects of the last stimulus package, the mood has certainly changed to one that is supportive of growth.

Outlook
We expect inflation in China will continue to fall and we also expect external demand for Chinese-manufactured goods will continue to weaken. China's measures to put downward pressure on residential property prices are also likely to continue and this will depress construction activity. However, policy makers now have the flexibility and the resources to tailor policy to support domestic growth while maintaining a grip on those sectors of the economy that overheated following the stimulus policies of 2009/10.

We have already seen moves to support growth with increased liquidity being made available and we expect this to continue with additional cuts to the required reserve ratio over the course of the year. Fiscal measures are likely to be preferred rather than direct stimulus which could take the form of tax cuts, rebates and/or subsidies. There is also a big social housing construction programme underway which is likely to ramp up this year.

These measures however will cushion, but not prevent, a deceleration of growth. The reality is that the days of double digit growth are almost certainly behind us and the focus now is on the quality and sustainability of growth. The social housing programme should help preserve jobs in the construction industry while at the same time provide an adequate supply of affordable housing which would help take the heat out of the residential property market.

From an investment perspective we believe that stable growth, albeit slower than in 2009-11, is still better than investors were expecting. Stock market valuations are currently very cheap and we believe will close up toward the regional average supported by a steady stream of low level supportive policy moves.

Edmund Harriss & James Weir

Date: January 2012

Investment Manager's Report (continued)

Guinness Asia Focus Fund

Performance Review
Asia markets had a particularly difficult year in 2011 as the sectors that outperformed in the first half of the year all under-performed in the second half as sentiment swung around. For the Fund, the third quarter was the hardest as concerns about Europe and its impact on Asia coincided with increased concerns about a sharp economic slow down in China. The Fund finished the year down 26.3%, compared to a fall in the MSCI Far East ex Japan benchmark of 14.7%.

During the third quarter of 2011 fears of a debt crisis in the Eurozone intensified and amongst investors there was a flight to safety, out of Europe and out of equities. Emerging markets equities suffered more relative to developed world equities both as a result of perceived vulnerability but also because the markets are relatively smaller, thereby magnifying the effect. In our view, the flight to developed world assets reflects a misunderstanding of the real risks in the financial world at present, given much of the excess leverage, and the risk to sovereign finances, lies in the developed world and not in Asia.

The Fund's positioning in Materials, Energy and Industrials stocks is based upon our view that these will benefit from China's domestic economic growth policies. In our view, these stocks offer a good combination of earnings growth, and a reasonable valuation, although their earnings can be considered reasonably cyclical. These stocks have suffered excessively, on investor concerns that Chinese growth may slow sharply. However, these same companies have shown strong growth in operating revenues and profits; and Chinese economic growth has held up better than many expected.

Global growth is clearly slowing, demand for Asian exports is slackening and inflation is easing. Authorities in Asia, including China, have changed course on monetary policy, and have already started some limited loosening. The loosening reflects a shift to more pro-growth policies, but also their view that inflation and the property market are coming under control. If this trend continues, it is likely to be positive for the construction industry in China with positive implications both for commodity prices and for the Fund.

Elsewhere in Asia, there was a decent performance from Thai equities, where the Fund is well represented. Thailand held a successful transfer of power following its general election in July, and this helped improve confidence with international investors. However, there was widespread flooding in October, and as a result there was disruption and dislocation of economic activity. It seems, though, that there was little permanent damage to Thailand's infrastructure as a result, and the market was one of the better performers over the full year.

Activity
The Fund remains overweight in Chinese equities, and the rise of domestic consumption there is the central theme in the portfolio. Portfolio construction is driven principally by stock selection, but the portfolio is managed to reflect our view of the macro circumstances. Although Chinese economic growth has slowed in recent quarters, it is still rapid for a country of its size, and China will continue to suck in goods and services from elsewhere in Asia.
The Fund is also overweight in Thailand and Indonesia, and both of these countries have continued to grow well in the last year, despite facing challenges. We did not change positioning as a result of the flooding in Thailand, and we have been rewarded with a decent bounce in our equity holdings there. Growth in Indonesia has been consistently impressive in the last two years, and the market has attracted more foreign capital as a result. Indeed, Indonesia was one of the select few equity indices in Asia to finish 2011 in positive territory. We are looking more closely at Indonesia in the light of the Land Acquisition Act, which passed into law in December 2011. This Act is designed to encourage infrastructure development by making it easier to acquire land for government projects.
By sector, the Fund is overweight in Energy, Materials, Industrials and Information Technology stocks. This makes the Fund sensitive to domestic construction and infrastructure projects, which we see as a good way to benefit from domestic consumption growth whilst avoiding Consumer stocks, which we feel have insufficient value to be attractive. The portfolio is also underweight in Financials and Real Estate stocks, which have been under pressure due to monetary tightening in the last year.

Outlook
Looking forward, we remain concerned that the fundamental problem of excess leverage in the developed world has not been resolved, and this could cause further equity instability in the future. Economic growth remains slow in Europe, although there are some signs that growth may be beginning to bottom out in the US. In Asia, Chinese growth is clearly slowing, but the most recent economic data suggest that a gradual slowdown is underway, rather than the 'hard landing' which has been suggested by some commentators.

In our view, China remains central to the economic welfare of Asia, and we think that the prospects for this market are good for the coming year. Chinese equities have suffered a de-rating over the course of the last two years, and a range of blue-chip stocks have effectively remained below their medium-term ratings since the financial crisis of 2008/9. We think that this situation will not persist, and that investors will recognise the superior prospects of these stocks, relative to their indebted cousins in the developed world.

Elsewhere in Asia, we believe that slower external demand and a benign inflation outlook will prompt policy makers to adopt a pro-growth monetary stance. Indonesia is the only real exception where strong domestic demand has kept upward pressure on inflation. In this environment, we prefer exposure to countries that have lesser reliance on exports and perhaps more importantly, a significant domestic economy.

Edmund Harriss & James Weir

Date: January 2012

Custodian's Report

As at 31 December 2011

Statement of custodian's responsibilities

The custodian is required under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (the "Regulations") to:-

1. Ensure that the sale, issue, repurchase, redemption and cancellation of shares effected by or on behalf of the Company are carried out in accordance with the Regulations and in accordance with the Memorandum and Articles of Association.

2. Ensure that the value of shares is calculated in accordance with the Regulations and the Memorandum and Articles of Association.

3. Carry out the instructions of the Company unless they conflict with the Regulations or the Memorandum and Articles of Association.

4. Ensure that in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction.

5. Ensure that the Company's income is applied in accordance with the Regulations and the Memorandum and Articles of Association.

6. Enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders. The custodian's report shall be delivered to the Company in good time to enable the Company to include a copy of the report in its Annual Report. The custodian's Report shall state whether in the custodian's opinion the Company has been managed in that period:

   (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company and custodian by the Memorandum and Articles of Association and the Regulations; and

   (ii) Otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

   If the Company does not comply with (i) or (ii) above, the custodian must state why this is the case and outline the steps which the custodian has taken to rectify the situation.

7. Notify the Central Bank of Ireland promptly of any material breach of the Regulations, conditions imposed by the Central Bank of Ireland or provisions of the prospectus with regard to the Company.

The duties provided for above may not be delegated by the custodian to a third party. These duties must be carried out in the State.

The custodian also takes into its custody or under its control all the assets of the Company and holds them in safekeeping for the shareholders.

Custodian's Report (continued)

Report of the custodian to the shareholders
We have enquired into the conduct of the Guinness Asset Management Funds plc ("the Company") for the year ended 31 December 2011 in our capacity as custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the custodian
Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of custodian opinion
The custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed:

(i) In accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documents and the appropriate regulations; and

(ii) Otherwise in accordance with the Company's constitutional documents and the appropriate regulations.

Opinion
In our opinion, the Company has been managed during the year, in all material respects:

(i) In accordance with the limitations imposed on its investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ('the Regulations'); and

(ii) Otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

_____

J.P. Morgan Bank (Ireland) plc
JP Morgan House
IFSC
Dublin 1.

Date: 24 April 2012

Independent Auditors' Report to the shareholders of Guinness Asset Management Funds plc

We have audited the Financial Statements of Guinness Asset Management Funds plc ("the Company") for the year ended 31 December 2011 which comprise the Balance Sheet, Profit and Loss Account, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Schedule of Investments and the related Notes 1 to 20. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
The Directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the Financial Statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditor, is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Directors' Report is consistent with the Financial Statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the company's Balance Sheet and Profit and Loss Account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the Financial Statements. The other information comprises only the Directors Report, the Investment Manager's Report, the Custodian's Report and Statement of Significant Portfolio Movements. Our responsibilities do not extend to other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the Financial Statements.

Independent Auditors' Report to the shareholders of Guinness Asset Management Funds plc (continued)

Opinion

In our opinion the Financial Statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Company as at 31 December 2011 and of the loss for the year then ended; and

- have been properly prepared in accordance with the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. The Company's Balance Sheet and its Profit and Loss Account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the Financial Statements.

Glenn Gillard
For and on behalf of Deloitte & Touche
Chartered Accountants and Registered Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

Date: 24 April 2012

Balance Sheet
As at 31 December 2011

	Notes	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Assets									
Financial assets at fair value through profit or loss	3	2,139,973	312,835,646	221,792	440,767	575,064	430,687	468,388	317,112,317
Cash at bank	4	112,080	1,377,881	14,409	36,321	27,032	18,849	15,284	1,601,856
Dividends receivable		4,708	90,905	726	695	2,251	206	151	99,642
Total assets		**2,256,761**	**314,304,432**	**236,927**	**477,783**	**604,347**	**449,742**	**483,823**	**318,813,815**
Liabilities									
Investment Manager's fee	5	2,732	237,184	163	295	386	295	318	241,373
Investment Manager Administration fee	7	946	128,218	95	192	240	182	196	130,069
Securities purchased payable		26,693	-	-	-	-	-	-	26,693
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		**30,371**	**365,402**	**258**	**487**	**626**	**477**	**514**	**398,135**
FRS 26 bid price adjustment	3 (iii)	(11,449)	-	-	-	-	-	-	(11,449)
Net assets attributable to holders of redeemable participating shares		**2,214,941**	**313,939,030**	**236,669**	**477,296**	**603,721**	**449,265**	**483,309**	**318,404,231**

The accompanying notes form an integral part of these Financial Statements

Balance Sheet (continued)

As at 31 December 2011

	Guinness Alternative Energy Fund	Guinness Global Energy Fund	Guinness Thematic Equity Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asia Focus Fund
Number of redeemable participating shares							
Class A Shares	70,062.24	12,925,821.47	9,500.00	47.74	1,594.51	9,500.00	8,110.71
Class B Shares	254,156.51	2,132,337.86	100.00	52.25	102.23	100.00	100.00
Class C Shares	272,529.12	184,842.24	100.00	100.00	1,466.89	100.00	854.83
Class D Shares	68.87	1,630,805.12	100.00	100.00	102.22	100.00	100.00
Class E Shares	55,502.16	17,421,082.11	20,000.00	58,293.73	56,297.71	51,500.00	55,500.00
Net asset value per redeemable participating share							
Class A Shares	$2.1972	$8.6982	$7.9049	$8.128	$9.9688	$7.303	$7.3997
Class B Shares	$2.1531	$8.6383	$7.8718	$8.0633	$9.9298	$7.2703	$7.366
Class C Shares	£3.1990	£10.2319	£7.9225	£8.1325	£9.9939	£7.3197	£7.4182
Class D Shares	€3.1781	€10.1246	€8.1683	€8.3829	€10.2968	€7.545	€7.6447
Class E Shares	$2.8573	$9.1105	$7.9247	$8.1335	$9.9944	$7.3212	$7.4182

On behalf of the Board

Johnny McClintock
_____
Director

Anthony Joyce
_____
Director

Date: 24 April 2012

Balance Sheet
As at 31 December 2010

	Notes	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund* USD	Guinness Global Money Managers Fund* USD	Guinness Global Equity Income Fund* USD	Guinness China and Hong Kong Fund* USD	Guinness Asia Focus Fund* USD	Total Company USD
Assets									
Financial assets at fair value through profit or loss	3	3,718,846	188,489,539	-	-	-	-	-	192,208,385
Cash at bank	4	117,647	6,301,059	298,907	573,907	533,907	613,907	651,820	9,091,154
Dividends receivable		5,674	38,658	-	-	-	-	-	44,332
Other assets		15,883	5,778	-	-	-	-	-	21,661
Total assets		**3,858,050**	**194,835,034**	**298,907**	**573,907**	**533,907**	**613,907**	**651,820**	**201,365,532**
Liabilities									
Redemptions Payable		3,270	400,000	-	-	-	-	-	403,270
Investment Manager's fee	5	4,482	152,973	-	-	-	-	-	157,455
Other accrued expenses		24,579	54,556	-	-	-	-	-	79,135
Administration fee	7	9,587	21,467	-	-	-	-	-	31,054
Custodian fee		7,370	11,374	-	-	-	-	-	18,744
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		**49,288**	**640,370**	**-**	**-**	**-**	**-**	**-**	**689,658**
Net assets attributable to holders of redeemable participating shares		**3,808,762**	**194,194,664**	**298,907**	**573,907**	**533,907**	**613,907**	**651,820**	**200,675,874**

*Launched on 31 December 2010

The accompanying notes form an integral part of these Financial Statements

Balance Sheet (continued)

As at 31 December 2010

	Guinness Alternative Energy Fund	Guinness Global Energy Fund	Guinness Thematic Equity Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asia Focus Fund
Number of redeemable participating shares in issue							
Class A Shares	83,062.24	11,853,063.94	9,500.00	9,500.00	9,500.00	9,500.00	9,291.27
Class B Shares	275,947.22	901,205.74	100.00	100.00	100.00	100.00	100.00
Class C Shares	257,352.86	132,348.34	100.00	100.00	100.00	100.00	100.00
Class D Shares	68.87	1,259,624.15	100.00	100.00	100.00	100.00	100.00
Class E Shares	55,502.16	4,132,138.41	20,000.00	47,500.00	43,500.00	51,500.00	55,500.00
Net asset value per redeemable participating share							
Class A Shares	$3.7629	$10.1061	$10.0000	$10.0000	$10.0000	$10.0000	$10.0000
Class B Shares	$3.7059	$10.0831	$10.0000	$10.0000	$10.0000	$10.0000	$10.0000
Class C Shares	£5.4654	£11.8546	£10.0000	£10.0000	£10.0000	£10.0000	£10.0000
Class D Shares	€5.2663	€11.3835	€10.0000	€10.0000	€10.0000	€10.0000	€10.0000
Class E Shares	$4.8813	$10.5581	$10.0000	$10.0000	$10.0000	$10.0000	$10.0000

Profit and Loss Account

For the year ended 31 December 2011

	Notes	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Investment income									
Dividend income		46,715	7,279,102	7,505	20,274	24,420	14,895	16,017	7,408,928
Net gain/(loss) on financial assets at fair value through profit or loss	3	(1,734,523)	(76,534,066)	(64,487)	(120,366)	566	(171,668)	(174,952)	(78,799,496)
Total investment income		**(1,687,808)**	**(69,254,964)**	**(56,982)**	**(100,092)**	**24,986**	**(156,773)**	**(158,935)**	**(71,390,568)**
Expenses									
Investment Manager's fee	5	50,863	3,455,606	2,309	4,179	4,322	4,317	4,655	3,526,251
Investment Manager Administration fees	7	18,169	1,776,594	1,352	2,704	2,741	2,670	2,866	1,807,096
Total expenses		**69,032**	**5,232,200**	**3,661**	**6,883**	**7,063**	**6,987**	**7,521**	**5,333,347**
Fee cap reimbursement		18,634	-	-	-	-	-	-	18,634
Net income/(expense)		**(1,738,206)**	**(74,487,164)**	**(60,643)**	**(106,975)**	**17,923**	**(163,760)**	**(166,456)**	**(76,705,281)**
Finance costs									
Distribution		-	131,900	-	-	10,955	-	-	142,855
Interest expense		342	2,516	76	31	47	147	126	3,285
Total finance costs		**342**	**134,416**	**76**	**31**	**11,002**	**147**	**126**	**146,140**
Taxation									
Withholding tax on dividends		6,436	1,671,583	1,519	3,180	4,659	735	1,929	1,690,041
FRS 26 bid price adjustment	3 (iii)	(11,449)	-	-	-	-	-	-	(11,449)
Change in net assets attributable to holders of redeemable participating shares from continuing operations		**(1,756,433)**	**(76,293,163)**	**(62,238)**	**(110,186)**	**2,262**	**(164,642)**	**(168,511)**	**(78,552,911)**

All amounts relate to continuing operations. There were no gains/losses in the year other than the change in net assets attributable to holders of participating shares.

On behalf of the Board

Johnny McClintock
_____
Director

Anthony Joyce
_____
Director

Date: 24 April 2012

The accompanying notes form an integral part of these Financial Statements

Profit and Loss Account
For the year ended 31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Total Company USD
Investment income			
Dividend income	29,035	1,854,178	1,883,213
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(767,395)	20,205,191	19,437,796
Total investment income	**(738,360)**	**22,059,369**	**21,321,009**
Expenses			
Investment Manager's fee	46,020	1,301,224	1,347,244
Administration fees	103,921	185,321	289,242
Other expenses	46,064	113,481	159,545
Custodian fees	37,352	69,613	106,965
Directors' fees	1,324	61,761	63,085
Audit fees	359	38,117	38,476
Total expenses	**235,040**	**1,769,517**	**2,004,557**
Fee cap reimbursement	181,645	-	181,645
Net income/(expense)	**(53,395)**	**1,769,517**	**(1,822,912)**
Finance costs			
Distribution	-	512,966	512,966
Interest Expense on cash balances	76	2,170	2,246
Total finance costs	**76**	**515,136**	**515,212**
Change in net assets attributable to holders of redeemable participating shares from continuing operations	**(791,831)**	**19,774,716**	**18,982,885**

All amounts relate to continuing operations. There were no gains/losses in the year other than the change in net assets attributable to holders of participating shares.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the year ended 31 December 2011

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	**3,808,762**	**194,194,664**	**298,907**	**573,907**	**533,907**	**613,907**	**651,820**	**200,675,874**
Change in net assets attributable to holders of redeemable participating shares from continuing operations	(1,756,433)	(76,293,163)	(62,238)	(110,186)	2,262	(164,642)	(168,511)	(78,552,911)
Proceeds from issue of redeemable participating shares	1,121,205	383,265,506	-	113,578	150,036	-	11,372	384,661,697
Payment on redemption of redeemable participating shares	(958,593)	(187,227,977)	-	(100,003)	(82,484)	-	(11,372)	(188,380,429)
Net assets attributable to holders of redeemable participating shares at the end of the year	**2,214,941**	**313,939,030**	**236,669**	**477,296**	**603,721**	**449,265**	**483,309**	**318,404,231**

The accompanying notes form an integral part of these Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the year ended 31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Net assets attributable to holders of redeemable participating shares at the start of the year	**2,516,990**	**117,659,646**	**-**	**-**	**-**	**-**	**-**	**120,176,636**
Change in net assets attributable to holders of redeemable participating shares from continuing operations	(791,831)	19,774,716	-	-	-	-	-	18,982,885
Proceeds from issue of redeemable participating shares	3,572,934	109,938,017	298,907	573,907	533,907	613,907	651,820	116,183,399
Payment on redemption of redeemable participating shares	(1,489,331)	(53,177,715)	-	-	-	-	-	(54,667,046)
Net assets attributable to holders of redeemable participating shares at the end of the year	**3,808,762**	**194,194,664**	**298,907**	**573,907**	**533,907**	**613,907**	**651,820**	**200,675,874**

The accompanying notes form an integral part of these Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2011

1. General Information

The Guinness Asset Management Funds plc (the "Company") is an open-ended investment company with variable capital incorporated in Ireland on 12 December 2007 under the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 with registration number 450670.

The Company is organised in the form of an umbrella fund. Each sub-fund has a distinct portfolio of investments. There are currently seven active sub-funds. All sub-funds have five active share classes, Class A, Class B, Class C, Class D and Class E.

2. Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. Accounting standards generally accepted in Ireland in preparing Financial Statements, giving a true and fair view, are those published Chartered Accountants Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the Financial Statements has been adapted from those contained in the Companies (Amendment) Act, 1986 and FRS 3 "Reporting Financial Performance" so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss. The Company has availed of the exemption available to open-ended investment funds under FRS 1 Cash Flow Statements not to prepare a cash flow statement.

(b) Foreign Currency

(i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the 'functional currency'). The Financial Statements of the Company are presented in US Dollars ("USD"), which is the Company's functional and presentation currency.

(ii) Foreign currency translation

Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. Assets and liabilities denominated in other currencies are translated into the functional currency using exchange rates prevailing at year end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities that are denominated in foreign currencies are recognised in profit or loss in the period in which they arise.

(c) Financial assets and liabilities at fair value through profit or loss

(i) Classification

The Company classifies its financial assets and financial liabilities into the categories below in accordance with Financial Reporting Standard No. 26 "Financial Instruments: Recognition and Measurement".

- Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the short term.
- Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with each sub-fund's investment strategy.

The Company has classified all of its financial assets and liabilities at fair value through profit or loss as held for trading for the year ended 31 December 2011.

(ii) Recognition

All "regular way" purchases and sales of financial instruments are recognised using trade date accounting, the day that the sub-fund's commit to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Regular way purchases, or sales, are purchases and sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

2. Significant Accounting Policies (continued)

(c) Financial assets and liabilities at fair value through profit or loss (continued)

(iii) Measurement

At initial recognition financial assets and liabilities categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Profit and Loss Account.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Profit and Loss Account.

(iv) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(v) Offsetting

The Company only offsets financial assets and financial liabilities at fair value through profit or loss if the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(d) Income

Dividends and interest arising on the investments are recognised as income of the Company on an ex-dividend or interest date, and for deposits of the Company, on an accruals basis.

(e) Cash at bank

Cash at bank comprises deposits with banks, other short term investments in an active market with original maturities of three months or less and bank overdrafts.

(f) Expenses

Expenses represent fees paid to the Investment Manager, recorded on an accrual basis. The Investment Manager shall be responsible for paying all other administrative expenses of the Company from its fee.

(g) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities. The distribution on these shares is recognised in the Profit and Loss Account as finance costs. All expenses are recognised in the Profit and Loss Account on the accrual basis.

(h) Comparative figures

Comparative figures are reclassified where necessary to be consistent with current year presentation.

3. Financial assets and liabilities at fair value through profit or loss

(i) Categories of financial assets at fair value through profit or loss

31 December 2011

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Held for trading								
- Equities	2,139,973	312,835,646	221,792	440,767	575,064	430,687	468,388	317,112,317
Financial assets at fair value through profit or loss	**2,139,973**	**312,835,646**	**221,792**	**440,767**	**575,064**	**430,687**	**468,388**	**317,112,317**

Notes to the Financial Statements (continued)
For the year ended 31 December 2011

3. Financial assets and liabilities at fair value through profit or loss (continued)

31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Held for trading								
- Equities	3,718,846	188,489,539	-	-	-	-	-	192,208,385
Financial assets at fair value through profit or loss	**3,718,846**	**188,489,539**	**-**	**-**	**-**	**-**	**-**	**192,208,385**

(ii) Net gains and losses of financial assets at fair value through profit or loss

31 December 2011

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Net realised gain/(loss) on financial assets at fair value through profit or loss	(948,709)	3,633,953	7,415	4,247	(9,867)	(17,033)	(27,047)	2,642,959
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss	(785,814)	(80,168,019)	(71,902)	(124,613)	10,433	(154,635)	(147,905)	(81,442,455)
Net gain/(loss) on financial assets at fair value through profit or loss	**(1,734,523)**	**(76,534,066)**	**(64,487)**	**(120,366)**	**566**	**(171,668)**	**(174,952)**	**(78,799,496)**

31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD	Total Company USD
Net realised gain/(loss) on financial assets at fair value through profit or loss	(154,360)	891,076	-	-	-	-	-	736,716
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss	(613,035)	19,314,115	-	-	-	-	-	18,701,080
Net gain/(loss) on financial assets at fair value through profit or loss	**(767,395)**	**20,205,191**	**-**	**-**	**-**	**-**	**-**	**19,437,796**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

3. Financial assets and liabilities at fair value through profit or loss (continued)

(iii) Fair value of financial instruments

Quoted investments and investments traded on over the counter markets are valued at the last traded price. However, this is not in accordance with FRS 26 for reporting purposes, which requires investments to be valued at bid for long positions and ask for short positions. For the year ended 31 December 2011 this is materially different from the valuation using bid prices as required by FRS 26 for the Guinness Alternative Energy Fund. This bid price adjustment to the dealing valuation is represented by the adjustment on the face of the Balance Sheet and the Profit and Loss Account.

In the event that any of the assets on the relevant Valuation Day are not listed or dealt on any Recognised Exchange, such assets shall be valued by the Directors or a competent person selected by the Directors and approved for such purpose by the Custodian with care and in good faith at the probable realisation value. Such probable realisation value may be determined by using a bid quotation from a broker.

If for specific assets the latest available prices do not in the opinion of the Directors or a competent person selected by the Directors and approved for such purpose by the Custodian reflect their fair value, the value shall be calculated with care and in good faith by a competent person selected by the Directors and approved for such purpose by the Custodian with a view to establishing the probable realisation value for such assets as at close of business in the relevant markets on the relevant Valuation Day.

Financial Reporting Standard No. 29 “Financial Instruments: Disclosures” (“FRS 29”) requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3: Inputs that are not observable.

At 31 December 2011	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Alternative Energy Fund				
Financial assets held for trading				
- Investment in equities	2,139,973	-	-	2,139,973
Financial assets at fair value through profit of loss	**2,139,973**			**2,139,973**
Guinness Global Energy Fund				
Financial assets held for trading				
- Investment in equities	312,835,646	-	-	312,835,646
Financial assets at fair value through profit of loss	**312,835,646**	**-**	**-**	**312,835,646**
Guinness Thematic Equity Fund				
Financial assets held for trading				
- Investment in equities	221,792	-	-	221,792
Financial assets at fair value through profit of loss	**221,792**	-	-	**221,792**
Guinness Global Money Managers Fund				
Financial assets held for trading				
- Investment in equities	440,767	-	-	440,767
Financial assets at fair value through profit of loss	**440,767**	-	-	**440,767**
Guinness Global Equity Income Fund				
Financial assets held for trading				
- Investment in equities	575,064	-	-	575,064
Financial assets at fair value through profit of loss	**575,064**	**-**	**-**	**575,064**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

3. Financial assets and liabilities at fair value through profit or loss (continued)

At 31 December 2011 (continued)	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness China and Hong Kong Fund				
Financial assets held for trading				
- Investment in equities	430,687	-	-	430,687
Financial assets at fair value through profit of loss	**430,687**	**-**	**-**	**430,687**
Guinness Asia Focus Fund				
Financial assets held for trading				
- Investment in equities	468,388	-	-	468,388
Financial assets at fair value through profit of loss	**468,388**	**-**	**-**	**468,388**

At 31 December 2010	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Guinness Global Energy Fund				
Financial assets held for trading				
- Investment in equities	188,489,539	-	-	188,489,539
Financial assets at fair value through profit of loss	**188,489,539**	**-**	**-**	**188,489,539**
Guinness Alternative Energy Fund				
Financial assets held for trading				
- Investment in equities	3,718,846	-	-	3,718,846
Financial assets at fair value through profit of loss	3,718,846	**-**	**-**	3,718,846

4. Cash at bank

Cash at bank represents the cash balances held at JP Morgan Bank (Ireland) plc.

5. Investment Manager's fee

Guinness Asset Management Limited, the Investment Manager, is entitled to receive out of the assets of each sub-fund the following fees subject to a maximum fee of 2%:

Class A Shares	1.0% of the net asset value
Class B Shares	1.5% of the net asset value
Class C Shares	1.5% of the net asset value
Class D Shares	1.0% of the net asset value
Class E Shares	0.75% of the net asset value

Total Investment Manager's fees charged for the year and the fee accrued at the year end are disclosed in the Profit and Loss account and Balance Sheet respectively.

6. Global Distributor's fee

The Manager shall pay the Global Distributor a fee out of the assets of the relevant sub-fund, as detailed below. This fee may be waived in whole or in part at the discretion of the Global Distributor.

- 2% on subscription proceeds in respect of Class B Shares on each sub-fund and up to 5% on Class C.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

7. Fees and Expenses

A change in how administrative expenses of the Company are paid was made effective 11 February 2011. The impact of this change resulted in the Company no longer being directly responsible for paying its administrative expenses. Instead the Company pays an administrative fee to the Investment Manager ("Investment Manager Administration Fee") and out of this fee the Investment Manager is responsible for paying the administrative expenses of the Company, to include establishment costs, fees and expenses payable to the Manager and Administrator, the Custodian, Independent Auditor, Directors fees and general administrative expenses.

For the year ended 31 December 2010

For the year ended 31 December 2010 the Company paid all administrative expenses directly out of the assets of the Company.

For the year ended 31 December 2011

For the year ended 31 December 2011, all administrative expenses of the Company were paid by the Investment Manager out of the Investment Manager and Administration Fee. Please see below details of this fee:

Details of the Investment Manager Administration fee are as follows:

- 0.49% of the net asset value of the Company on the first $500 million
- Up to 0.25% of the net asset value of the Company on amounts in excess of $500 million

The total administration fee charged for the year ended 31 December 2011 and the fee accrued at the year ended 31 December 2011 are disclosed in the Profit and Loss Account and Balance Sheet respectively.

Administrative Expenses

The below provides details of administrative expenses for the year ended 31 December 2011. It should be noted that the below fees were paid by the Investment Manager from the Investment Manager Administration fee during the year ended 31 December 2011.

(i) Auditors Remuneration

Fees and expenses charged by the Company's statutory auditor, Deloitte & Touche, in respect of the financial year, entirely relate to the audit of the Financial Statements of the Company (€23,000 - exclusive of VAT) and tax compliance fees (€3,100). There were no fees and expenses charged in respect of other assurance, tax advisory or non-audit services or non-audit services provided by the statutory auditor for the year ended 31 December 2011.

(ii) Directors' fee

The fees due to the Directors for their services to the Company as at 31 December 2011 are detailed below:

Director	Fee at Company Level*
Anthony Joyce	€16,000
Johnny McClintock	€16,000
David McGeough	€16,000
Edward Guinness	Waived
Andrew E. Martin Smith	Waived

*This fee is the annual fee payable exclusive of value added tax (VAT), if any.

(iii) Management and Administration fees

Effective 31 December 2010 Capita Financial Managers (Ireland) Limited, the Manager, was entitled to receive out of the assets of the Company a fee as detailed below:

- for assets up to €315m	12 basis points per annum
- assets over €315m	10 basis points per annum

	Minimum fee
Where combined assets in the umbrella are between €100m and €315m	€31,500 per month
Where combined assets in the umbrella are between €75m and €100m	€27,500 per month
Where combined assets in the umbrella are between €50m and €75m	€20,000 per month
Where combined assets in the umbrella are less then €50m	€13,750 per month

Capita Financial Administrators (Ireland) Limited, the Administrator, was paid by the Manager out of the fees which the Manager earned. The Administrator was also entitled to be repaid out of the assets of the Company, all of its reasonable out of pocket expenses incurred on behalf of the Company which shall include, inter alia, legal fees, courier's fees and telecommunication costs and expenses

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

7. Fees and Expenses (continued)

Administrative Expenses (continued)

(iii) Management and Administration fees (continued)

For the year ended 31 December 2010, Capita Financial Managers (Ireland) Limited, the Manager, was entitled to receive from the Company out of the assets of both the Guinness Alternative Energy Fund and the Guinness Global Energy Fund a fee as detailed below subject to a minimum annual fee of €78,000 (plus VAT, if any) thereon:

- 0.15% of the Net Asset Value of the Fund on the first $100 million
- 0.12% of the Net Asset Value of the Fund on amounts in excess of $100 million

(iv) Fee cap reimbursement

Prior to 11 February 2011 and notwithstanding the fees and expenses detailed above, the Investment Manager had agreed to reimburse until further notice, to the account of the Company, any fees and expenses of the Company, other than the fees of the Investment Manager, which exceed 0.5% of the Net Asset Value of the Company per annum (such fees and expenses to include the annual fees of the custodian, the Manager, the Auditor, any Paying Agent and the Directors, and excluding any transaction charges, disbursements and out-of-pocket expenses that the Custodian, Manager, any Paying Agent and the Directors may be entitled to receive out of the assets of the Company as outlined in the Company's legal documents).

8. Exchange Rates

The following exchange rates were used at the year end:

	Exchange Rate to USD 31 December 2011	Exchange Rate to USD 31 December 2010
Australian Dollar	0.97542	0.97556
Canadian Dollar	1.01825	0.99365
Danish Kroner	5.72535	5.55485
Euro	0.77033	0.74541
Hong Kong Dollar	7.76660	7.77365
Indonesian Rupiah	9,067.50000	9,010.00000
Malaysian Ringgit	3.17000	3.08350
Norwegian Kroner	5.96795	5.81250
Pound Sterling	0.64346	0.63871
Singapore Dollar	1.29665	1.28105
South African Rand	8.07340	6.61575
South Korean Won	1,152.45000	1,134.9000
Swedish Krona	6.85530	6.72285
Swiss Franc	0.93510	0.93210
Taiwan Dollar	30.27900	29.1565

9. Share Capital

Authorised

The authorised share capital of the Company is 500,000,000,000 shares of no par value and 2 redeemable non-participating shares of Euro 1.00 each.

Subscriber Shares

There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are held by Guinness Asset Management Limited. The subscriber shares do not form part of the net asset vale of the Company and are thus disclosed in the Financial Statements by way of this note only.

Redeemable Participating Shares

Redeemable participating shares carry the right to a proportionate share in the assets of the sub-funds and the holders of redeemable participating shares are entitled to attend and vote on all meetings of the Company and the relevant sub-fund. Shares are redeemable by holders of the relevant share class at the respective NAV

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

9. Share Capital (continued)

At 31 December 2011, the Company had the following shares in issue:

	Guinness Alternative Energy Fund	Guinness Global Energy Fund	Guinness Thematic Equity Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asia Focus Fund
Class A Shares:							
Opening Balance	83,062.24	11,853,063.94	9,500.00	9,500.00	9,500.00	9,500.00	9,291.27
Shares issued during the year	-	8,803,365.15	-	47.74	34.68	-	-
Shares redeemed during the year	(13,000.00)	(7,730,607.62)	-	(9,500.00)	(7,940.17)	-	(1,180.56)
Closing Balance	**70,062.24**	**12,925,821.47**	**9,500.00**	**47.74**	**1,594.51**	**9,500.00**	**8,110.71**
Class B Shares:							
Opening Balance	275,947.22	901,205.74	100.00	100.00	100.00	100.00	100.00
Shares issued during the year	8,088.36	2,140,691.50	-	-	2.23	-	-
Shares redeemed during the year	(29,879.07)	(909,559.38)	-	(47.75)	-	-	-
Closing Balance	**254,156.51**	**2,132,337.86**	**100.00**	**52.25**	**102.23**	**100.00**	**100.00**
Class C Shares:							
Opening Balance	257,352.86	132,348.34	100.00	100.00	100.00	100.00	100.00
Shares issued during the year	136,473.84	121,691.43	-	-	1,366.89	-	754.83
Shares redeemed during the year	(121,297.58)	(69,197.53)	-	-	-	-	-
Closing Balance	**272,529.12**	**184,842.24**	**100.00**	**100.00**	**1,466.89**	**100.00**	**854.83**
Class D Shares:							
Opening Balance	68.87	1,259,624.15	100.00	100.00	100.00	100.00	100.00
Shares issued during the year	-	1,869,128.08	-	-	2.22	-	-
Shares redeemed during the year	-	(1,497,947.11)	-	-	-	-	-
Closing Balance	**68.87**	**1,630,805.12**	**100.00**	**100.00**	**102.22**	**100.00**	**100.00**
Class E Shares:							
Opening Balance	55,502.16	4,132,138.41	20,000.00	47,500.00	43,500.00	51,500.00	55,500.00
Shares issued during the year	-	21,062,074.68	-	10,793.73	12,797.71	-	-
Shares redeemed during the year	-	(7,773,130.98)	-	-	-	-	-
Closing Balance	**55,502.16**	**17,421,082.11**	**20,000.00**	**58,293.73**	**56,297.71**	**51,500.00**	**55,500.00**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

9. Share Capital (continued)

At 31 December 2010, the Company had the following shares in issue:

	Guinness Alternative Energy Fund	Guinness Global Energy Fund	Guinness Thematic Equity Fund	Guinness Global Money Managers Fund	Guinness Global Equity Income Fund	Guinness China and Hong Kong Fund	Guinness Asia Focus Fund
Class A Shares:							
Opening Balance	4,971.36	9,529,740.83	-	-	-	-	-
Shares issued during the year	78,090.88	6,701,281.04	9,500.00	9,500.00	9,500.00	9,500.00	9,291.27
Shares redeemed during the year	-	(4,377,957.93)	-	-	-	-	-
Closing Balance	83,062.24	11,853,063.94	9,500.00	9,500.00	9,500.00	9,500.00	9,291.27
Class B Shares:							
Opening Balance	340,440.25	731,093.17	-	-	-	-	-
Shares issued during the year	20,873.48	420,210.07	100.00	100.00	100.00	100.00	100.00
Shares redeemed during the year	(85,366.51)	(250,097.50)	-	-	-	-	-
Closing Balance	275,947.22	901,205.74	100.00	100.00	100.00	100.00	100.00
Class C Shares:							
Opening Balance	63,028.64	83,914.31	-	-	-	-	-
Shares issued during the year	226,386.93	61,781.46	100.00	100.00	100.00	100.00	100.00
Shares redeemed during the year	(32,062.71)	(13,347.43)	-	-	-	-	-
Closing Balance	257,352.86	132,348.34	100.00	100.00	100.00	100.00	100.00
Class D Shares:							
Opening Balance	68.87	660,327.63	-	-	-	-	-
Shares issued during the year	71,021.47	1,004,863.30	100.00	100.00	100.00	100.00	100.00
Shares redeemed during the year	(71,021.47)	(405,566.78)	-	-	-	-	-
Closing Balance	68.87	1,259,624.15	100.00	100.00	100.00	100.00	100.00
Class E Shares:							
Opening Balance	34,828.85	1,841,698.71	-	-	-	-	-
Shares issued during the year	87,662.16	3,097,236.17	20,000.00	47,500.00	43,500.00	51,500.00	55,500.00
Shares redeemed during the year	(66,988.85)	(806,796.47)	-	-	-	-	-
Closing Balance	55,502.16	4,132,138.41	20,000.00	47,500.00	43,500.00	51,500.00	55,500.00

10. Financial Instruments and risk management

The Company's risks are set out in the Prospectus and any consideration of the risks here should be viewed in the context of the Prospectus which is the primary document governing the operation of the Company. The Company's investing activities expose it to various types of risks that are associated with the financial investments and markets in which it invests. Asset allocation is determined by the Investment Manager, who manages the distribution of assets to achieve the investment objectives. Divergence from target asset allocation and the composition of the portfolio is closely monitored by the Investment Manager.

The Investment Manager has developed mechanisms designed to ensure that risk is controlled effectively and systematically in all markets, strategies and sectors and if total risk deviates outside pre-determined thresholds, the risk is brought back within acceptable limits. The nature and extent of the financial instruments outstanding at the Balance Sheet date and the specific risk management policies employed by the sub-funds are discussed below.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

10. Financial instruments and risk management (continued)

Market Risk

Market risk arises from uncertainty about future prices of financial investments held by a sub-fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments.

Market risk consists of currency risk, interest rate risk and price risk. It represents the potential loss the Company might suffer through holding market positions in the face of market movements.

(i) Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. A substantial portion of the net assets of the Company are denominated in currencies other than the functional currency with the effect that the Financial Statements and total return can be significantly affected by currency movements. The Company does not actively manage currency risk.

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2011:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Australian Dollar	-	-	-	5,190	15,463	-	-
Canadian Dollar	171,677	41,076,692	8,390	15,226	-	-	-
Danish Kroner	142,025	-	-	-	-	-	-
Euro	593,136	42,798,634	11,787	17,049	95,787	-	-
Hong Kong Dollar	280,461	11,575,481	49,324	9,712	14,952	400,889	208,422
Indonesian Rupiah	-	-	8,525	-	-	-	18,420
Malaysian Ringgit	-	-	-	-	-	-	20,808
Norwegian Kroner	-	10,719,112	-	-	-	-	-
Pound Sterling	(21,633)	32,014,556	30,736	138,772	148,131		
Singapore Dollar	-	-	-	8,314	-	-	12,771
South African Rand	-	-	-	19,176	-	-	-
South Korean Won	-	-	-	-	-	-	41,448
Swedish Krona	-	-	-	-			
Swiss Franc	-	-	-	12,544	-	-	-
Taiwan Dollar	38	-	-	-	-	-	49,218
Thai Baht	-	-	6,397	-	-	-	47,659
	1,165,704	**138,184,475**	**115,159**	**225,983**	**274,333**	**400,889**	**398,746**

The following table sets out the Company's total exposure to foreign currency risk as at 31 December 2010:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Canadian Dollar	225,427	23,211,941	-	-	-	-	-
Danish Kroner	185,498	-	-	-	-	-	-
Euro	1,007,654	25,301,543	-	-	-	-	-
British Pound	309,719	19,629,496	-	-	-	-	-
Hong Kong Dollar	-	6,916,319	-	-	-	-	-
Taiwan Dollar	40	-	-	-	-	-	-
Norwegian Kroner	115,530	6,587,226	-	-	-	-	-
	1,843,868	**81,646,525**	**-**	**-**	**-**	**-**	**-**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

10. Financial instruments and risk management (continued)

(i) Currency Risk (continued)

The following table demonstrates the impact on net assets attributable to holders of redeemable participating shares of a movement in local currencies against the sub-funds' functional currency. The table assumes a 10% upwards movement in the value of the local currencies (a negative 10% would have an equal but opposite effect).

Sub-fund	31 December 2011 USD	31 December 2010 USD
Guinness Alternative Energy Fund	116,570	184,060
Guinness Global Energy Fund	13,818,448	8,164,653
Guinness Thematic Equity Fund	11,516	-
Guinness Global Money Managers Fund	22,598	-
Guinness Global Equity Income Fund	27,433	-
Guinness China and Hong Kong Fund	40,089	-
Guinness Asia Focus Fund	39,875	-

(ii) Interest Rate Risk

Interest rate risk represents the potential losses that a sub-fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates. This is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. In general, as rates rise, the price of a fixed bond will fall, and vice versa. For floating rate notes the interest will normally adjust in line with the specified rate. The Company is not significantly exposed to interest rate risk as 100% of its investments are in equities. None of the sub-funds have a material exposure to interest rate risks.

(iii) Market Price Risk

Market price risk arises mainly from uncertainty about future prices of investments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. Details of all investments held at 31 December 2011 are listed in the Schedule of Investments within each country and sector. The Investment Manager manages each sub-funds market price risk on a daily basis in accordance with each sub-fund's investment objective and policies. The sub-fund's overall market positions are monitored on a quarterly basis by the Board of Directors.

The following table demonstrates the impact on net assets attributable to holder's of redeemable participating shares of a movement in investments market prices. The table assumes a 10% upwards movement in investment market prices (a negative 10% would have an equal but opposite effect).

Sub-fund	31 December 2011 USD	31 December 2010 USD
Guinness Alternative Energy Fund	213,997	371,885
Guinness Global Energy Fund	31,283,565	18,848,954
Guinness Thematic Equity Fund	22,179	-
Guinness Global Money Managers Fund	44,077	-
Guinness Global Equity Income Fund	57,506	-
Guinness China and Hong Kong Fund	43,069	-
Guinness Asia Focus Fund	46,839	-

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the sub-fund's ability to respond to market movements may be impaired and the sub-fund may experience adverse price movements upon liquidation of its investments. There can be no assurance that the liquidity of the investments of underlying funds will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity may affect the liquidity of the Shares of a sub-fund and the value of its investments.

The liquidity of the exchanges and that of the individual stocks are monitored by the Investment Manager and where liquidity issues arise the Investment Manager will trade accordingly. The main liability of the Company is the net assets attributable to redeemable participating shareholders which may be redeemed by shareholders in writing on any business day.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

10. Financial instruments and risk management (continued)

Liquidity Risk (continued)

The below table summaries the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

At 31 December 2011

Sub-fund	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Alternative Energy Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Securities purchased payable	26,693	-	-	-	-	26,693
Investment Manager's fee	2,732	-	-	-	-	2,732
Investment Manager Administration fee	946	-	-	-	-	946
Adjustment for valuation from bid/ask market prices to trading valuation prices	11,449					11,449
Net assets attributable to holders of redeemable participating units	2,214,941	-	-	-	-	2,214,941
	2,256,761	**-**	**-**	**-**	**-**	**2,256,761**

Sub-fund	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Global Energy Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	237,184	-	-	-	-	237,184
Investment Manager Administration fee	128,218	-	-	-	-	128,218
Net assets attributable to holders of redeemable participating units	313,939,030	-	-	-	-	313,939,030
	313,304,432	**-**	**-**	**-**	**-**	**313,304,432**

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Thematic Equity Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	163	-	-	-	-	163
Investment Manager Administration fee	95	-	-	-	-	95
Net assets attributable to holders of redeemable participating units	236,669	-	-	-	-	236,669
	236,927	**-**	**-**	**-**	**-**	**236,927**

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Global Money Managers Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	295	-	-	-	-	295
Investment Manager Administration fee	192	-	-	-	-	192
Net assets attributable to holders of redeemable participating units	477,296	-	-	-	-	477,296
	477,783	**-**	**-**	**-**	**-**	**477,783**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

10. Financial instruments and risk management (continued)

Liquidity Risk (continued)

Sub-fund	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Global Equity Income Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	386	-	-	-	-	386
Investment Manager Administration fee	240	-	-	-	-	240
Net assets attributable to holders of redeemable participating units	603,721	-	-	-	-	603,721
	604,347	**-**	**-**	**-**	**-**	**604,347**

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness China and Hong Kong Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	295	-	-	-	-	295
Investment Manager Administration fee	182	-	-	-	-	182
Net assets attributable to holders of redeemable participating units	449,265	-	-	-	-	449,265
	449,742	**-**	**-**	**-**	**-**	**449,742**

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Asia Focus Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Investment Manager's fee	318	-	-	-	-	318
Investment Manager Administration fee	196	-	-	-	-	196
Net assets attributable to holders of redeemable participating units	483,309	-	-	-	-	483,309
	483,823	**-**	**-**	**-**	**-**	**483,823**

31 December 2010

Sub-fund	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Alternative Energy Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Redemptions Payable	3,270	-	-	-	-	3,270
Administration fee	9,587	-	-	-	-	9,587
Custodian fee	7,370	-	-	-	-	7,370
Investment Manager's fee	4,482	-	-	-	-	4,482
Other accrued expenses	11,164	-	13,415	-	-	24,579
Net assets attributable to holders of redeemable participating units	3,808,762	-	-	-	-	3,808,762
	3,844,635	**-**	**13,415**	**-**	**-**	**3,858,050**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

10. Financial instruments and risk management (continued)

Liquidity Risk (continued)

31 December 2010 (continued)

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
Guinness Global Energy Fund	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Redemptions Payable	400,000	-	-	-	-	400,000
Administration fee	21,467	-	-	-	-	21,467
Custodian fee	11,374	-	-	-	-	11,374
Investment Manager's fee	152,973	-	-	-	-	152,973
Other accrued expenses	16,307	-	38,249	-	-	54,556
Net assets attributable to holders of redeemable participating units	194,194,664	-	-	-	-	194,194,664
	194,796,785	**-**	**38,249**	**-**	**-**	**194,835,034**

Credit Risk

The Company is exposed to credit risk on parties with whom it trades and also bears the risk of settlement default. Credit risk arises on cash held with the Custodian. The Company has adopted a policy of only dealing with credit worthy counterparties and the Company's exposure and the counterparty's exposure are constantly monitored.

The Custodian has a credit rating of A+. The total exposure to the Custodian at 31 December 2011 is the cash balance of $1,601,856 (2010:$9,091,154). In the event of insolvency or bankruptcy of the custodian, the funds securities are segregated and protected.

11. Taxation

The Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains. However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Dividends, interest and capital gains (if any) which the Company or any Fund receives with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets. No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act) which is registered in Ireland.

All share classes of the Company have obtained "Reporting Fund Status" under the United Kingdom Offshore Funds (Tax) Regulations 2009 for the purpose of United Kingdom taxation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

12. Net Asset Values

A. Net Asset Value	Currency	31 December 2011	31 December 2010	31 December 2009
Guinness Alternative Energy Fund				
Class A shares	USD	153,938	312,555	23,557
Class B shares	USD	547,224	1,022,633	1,596,699
Class C shares	GBP	871,829	1,406,536	422,683
Class D shares	EUR	219	363	426
Class E shares	USD	158,588	270,923	213,553
Guinness Global Energy Fund				
Class A shares	USD	112,431,855	119,788,249	84,196,213
Class B shares	USD	18,419,782	9,086,948	6,445,756
Class C shares	GBP	1,891,287	1,568,937	842,659
Class D shares	EUR	16,511,269	14,338,932	6,113,511
Class E shares	USD	158,714,128	43,627,531	16,885,983
Guinness Thematic Equity Fund				
Class A shares	USD	75,097	95,000	-
Class B shares	USD	787	1,000	-
Class C shares	GBP	792	1,000	-
Class D shares	EUR	817	1,000	-
Class E shares	USD	158,494	200,000	-
Guinness Global Money Managers Fund				
Class A shares	USD	388	95,000	-
Class B shares	USD	421	1,000	-
Class C shares	GBP	813	1,000	-
Class D shares	EUR	838	1,000	-
Class E shares	USD	474,134	475,000	-
Guinness Global Equity Income Fund				
Class A shares	USD	15,895	95,000	-
Class B shares	USD	1,015	1,000	-
Class C shares	GBP	14,660	1,000	-
Class D shares	EUR	1,053	1,000	-
Class E shares	USD	562,659	435,000	-
Guinness China and Hong Kong Fund				
Class A shares	USD	69,378	95,000	-
Class B shares	USD	727	1,000	-
Class C shares	GBP	732	1,000	-
Class D shares	EUR	755	1,000	-
Class E shares	USD	377,043	515,000	-
Guinness Asia Focus Fund				
Class A shares	USD	60,017	95,000	-
Class B shares	USD	737	1,000	-
Class C shares	GBP	6,341	1,000	-
Class D shares	EUR	764	1,000	-
Class E shares	USD	411,709	555,000	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

12. Net Asset Values (continued)

B. Net Asset Value per Share	31 December 2011	31 December 2010	31 December 2009
Guinness Alternative Energy Fund			
Class A shares	$2.1972	$3.7629	$4.7385
Class B shares	$2.1531	$3.7059	$4.6901
Class C shares	£3.1990	£5.4654	£6.7062
Class D shares	€3.1781	€5.2663	€6.1821
Class E shares	$2.8573	$4.8813	$6.1315
Guinness Global Energy Fund			
Class A shares	$8.6982	$10.1061	$8.8351
Class B shares	$8.6383	$10.0831	$8.8166
Class C shares	£10.2319	£11.8546	£10.0419
Class D shares	€10.1246	€11.3835	€9.2583
Class E shares	$9.1105	$10.5581	$9.1687
Guinness Thematic Equity Fund			
Class A shares	$7.9049	$10.0000	-
Class B shares	$7.8718	$10.0000	-
Class C shares	£7.9225	£10.0000	-
Class D shares	€8.1683	€10.0000	-
Class E shares	$7.9247	$10.0000	-
Guinness Global Money Managers Fund			
Class A shares	$8.128	$10.0000	-
Class B shares	$8.0633	$10.0000	-
Class C shares	£8.1325	£10.0000	-
Class D shares	€8.3829	€10.0000	-
Class E shares	$8.1335	$10.0000	-
Guinness Global Equity Income Fund			
Class A shares	$9.9688	$10.0000	-
Class B shares	$9.9298	$10.0000	-
Class C shares	£9.9939	£10.0000	-
Class D shares	€10.2968	€10.0000	-
Class E shares	$9.9944	$10.0000	-
Guinness China and Hong Kong Fund			
Class A shares	$7.303	$10.0000	-
Class B shares	$7.2703	$10.0000	-
Class C shares	£7.3197	£10.0000	-
Class D shares	€7.545	€10.0000	-
Class E shares	$7.3212	$10.0000	-
Guinness Asia Focus Fund			
Class A shares	$7.3997	$10.0000	-
Class B shares	$7.366	$10.0000	-
Class C shares	£7.4182	£10.0000	-
Class D shares	€7.6447	€10.0000	-
Class E shares	$7.4182	$10.0000	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

13. Published Net Asset Value

For the purpose of determining Net Asset Value in accordance with the terms of the Prospectus, quoted investments and investments traded on over the counter markets are valued at the last traded price. However, this is not in accordance with FRS 26 for reporting purposes, which requires investments to be valued at bid for long positions and ask for short positions. For the year ended 31 December 2011 this is materially different from the valuation using bid prices as required by FRS 26. This bid price adjustment to the dealing valuation is represented by the adjustment on the face of the Balance Sheet and the Profit and Loss Account.

Also, for the purpose of these Financial Statements, redemptions with a value date as at the 31 December 2011 must also be included as a payable on the 31 December whereas per the prospectus, it would only be included on the trade date which in this case would be the 1 January 2012. Again, this is required under accounting standards generally accepted in Ireland.

As at 31 December 2011

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Net Asset Value per Financial Statements	2,214,941	313,939,030	236,669	477,296	603,721	449,265	483,309
Capitalised expenses	-	-	-	-	-	-	-
FRS 26 bid price adjustment	11,449	-	-	-	-	-	-
Published NAV	**2,226,390**	**313,939,030**	**236,669**	**477,296**	**603,721**	**449,265**	**483,309**

As at 31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Net Asset Value per Financial Statements	3,808,762	194,194,664	298,907	573,907	533,907	613,907	651,820
Capitalised expenses	18,296	41,815	-	-	-	-	-
Redemption payable	3,270	400,000	-	-	-	-	-
Published NAV	**3,830,328**	**194,636,479**	**298,907**	**573,907**	**533,907**	**613,907**	**651,820**

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

13. Published Net Asset Value (continued)

Published Net Asset Value per Share	31 December 2011	31 December 2010	31 December 2009
Guinness Alternative Energy Fund			
Class A shares	$2.2085	$37810	$4.7907
Class B shares	$2.1642	$3.7237	$4.7418
Class C shares	£3.2156	£5.4917	£6.7801
Class D shares	€3.1946	€5.2916	€6.2502
Class E shares	$2.8721	$4.9048	$6.1991
Guinness Global Energy Fund			
Class A shares	$8.6982	$10.1083	$8.8396
Class B shares	$8.6383	$10.0851	$8.8211
Class C shares	£10.2319	£11.8570	£10.0470
Class D shares	€10.1246	€11.3859	€9.2630
Class E shares	$9.1105	$10.5602	$9.1733
Guinness Thematic Equity Fund			
Class A shares	$7.9049	$10.0000	-
Class B shares	$7.8718	$10.0000	-
Class C shares	£7.9225	£10.0000	-
Class D shares	€8.1683	€10.0000	-
Class E shares	$7.9247	$10.0000	-
Guinness Global Money Managers Fund			
Class A shares	$8.128	$10.0000	-
Class B shares	$8.0633	$10.0000	-
Class C shares	£8.1325	£10.0000	-
Class D shares	€8.3829	€10.0000	-
Class E shares	$8.1335	$10.0000	-
Guinness Global Equity Income Fund			
Class A shares	$9.9688	$10.0000	-
Class B shares	$9.9298	$10.0000	-
Class C shares	£9.9939	£10.0000	-
Class D shares	€10.2968	€10.0000	-
Class E shares	$9.9944	$10.0000	-
Guinness China and Hong Kong Fund			
Class A shares	$7.303	$10.0000	-
Class B shares	$7.2703	$10.0000	-
Class C shares	£7.3197	£10.0000	-
Class D shares	€7.545	€10.0000	-
Class E shares	$7.3212	$10.0000	-
Guinness Asia Focus Fund			
Class A shares	$7.3997	$10.0000	-
Class B shares	$7.366	$10.0000	-
Class C shares	£7.4182	£10.0000	-
Class D shares	€7.6447	€10.0000	-
Class E shares	$7.4182	$10.0000	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

14. Distribution

The Company may in a general meeting declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividends, if declared, will be paid annually within four months of declaration.

All share classes of the Company have obtained "Reporting Fund Status" under the United Kingdom Offshore Funds (Tax) Regulations 2009 for the purpose of United Kingdom taxation.

Dividends may be paid out of the net investment income. Otherwise all income and gains of the Fund will be accumulated within the Fund. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Fund.

Where the amount of any distribution payable to an individual Shareholder would be less than US$100 the Directors in their sole discretion may determine that such amount shall not be distributed but shall be retained and reinvested within and for the benefit of the Fund.

Income Equalisation is applied to share classes of the Guinness Global Equity Income Fund.

Total distributions made during the year 2011 for Guinness Global Equity Income Fund:

Guinness Global Equity Income Fund	Currency	Distribution per Share	Gross Amount	Equalisation	Net Amount	Ex -date	Pay date
Class A shares	USD	0.2052	417.91	97.83	320.08	02 August 2011	08 August 2011
Class B shares	USD	0.2052	20.52	-	20.52	02 August 2011	08 August 2011
Class C shares	GBP	0.1965	19.65	-	19.65	02 August 2011	08 August 2011
Class D shares	EUR	0.1936	19.36	-	19.36	02 August 2011	08 August 2011
Class E shares	USD	0.2052	10,457.33	(97.83)	10,555.16	02 August 2011	08 August 2011

The Directors declared the following dividends during the year ended 31 December 2011:

Guinness Global Energy Fund	Currency	Distribution per Share	Amount	Ex -date	Pay date
Class A shares	USD	0.0041	60,500.00	08 March 2011	18 March 2011
Class B shares	USD	-	-	-	-
Class C shares	GBP	-	-	-	-
Class D shares	EUR	0.0053	10,957.53	08 March 2011	18 March 2011
Class E shares	USD	0.0034	56,700.00	08 March 2011	18 March 2011

15. Related Party Disclosures

Financial Reporting Standard No.8 "Related Party Transactions" requires the disclosure of information relating to material transactions with parties, who are deemed to be related to the reporting entity. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In the opinion of Directors', the Investment Manager is a related party by virtue of the employment of Tim Guinness, Edward Guinness and Andrew Martin Smith of Guinness Asset Management Limited.

The Manager is also considered a related party due to Tony Joyce being a Director of Capita Financial Managers (Ireland) Limited.

In relation to the Investment Manager and Administration fees, the total fees charged for the year ended 31 December 2011, are outlined in the table below. See Note 5 for further information on Investment Manger and Administration fees charged by Guinness Asset Management Limited.

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

15. Related Party Disclosures (continued)

As at 31 December 2011

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Investment Manager fees charged by Guinness Asset Management Limited	50,863	3,455,606	2,309	4,179	4,322	4,317	4,655
Investment Manager Administration fees charged by Guinness Asset Management Limited*	18,169	1,776,594	1,352	2,704	2,741	2,670	2,866

*The Investment Manager shall be responsible for paying the administrative expenses of the Fund, to include establishment costs, fees and expenses payable to the Manager, the Custodian, the Administrator, including transfer agency transaction fees, Directors fees, any Paying Agent appointed by or on behalf of the Company, and general administrative expenses , which include but are not limited to legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and
accounting expenses, taxes and governmental expenses applicable to the Fund, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Fund and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for the Fund or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax.

As at 31 December 2010

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Investment Manager fees charged by Guinness Asset Management Limited	46,020	1,301,224	-	-	-	-	-

The fees due to the Directors for their services to the company as at 31 December 2011 are detailed below:

Director	Fee at Company Level*
Anthony Joyce	€16,000
Edward Guinness	Waived
Andrew E. Martin Smith	Waived
Johnny McClintock	€16,000
David McGeough	€16,000

* This fee is the annual fee payable exclusive of value added tax (VAT), if any.

The below table provides details of shares held by related parties as at 31 December 2011.

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79
Andrew E. Martin Smith	Director	Guinness Global Money Managers Fund	Class E	7,709.81
Jennifer Martin Smith	Spouse of Director	Guinness Global Money Managers Fund	Class E	3,083.92
Jennifer Martin Smith	Spouse of Director	Guinness Global Equity Income Fund	Class C	1,364.67
Jennifer Martin Smith	Spouse of Director	Guinness Global Equity Income Fund	Class E	4,669.64

The below table provides details of shares held by related parties as at 31 December 2010.

Related Party	Related Party Type	Sub-fund	Class	Shares
Edward Guinness	Director	Guinness Alternative Energy Fund	Class B	2,347.12
Edward Guinness	Director	Guinness Alternative Energy Fund	Class C	1,900.79

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

15. Related Party Disclosures (continued)

As at 31 December 2011, Guinness Asset Management Limited had the following shares in the fund as detailed below:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Class A shares	-	-	-	-	-	-	-
Class B shares	108,834.83	-	-	-	-	-	-
Class C shares	-	-	-	-	-	-	-
Class D shares	68.87	68.94	-	-	-	-	-
Class E shares	100.00	100.17	-	-	-	-	-

As at 31 December 2011, Guinness Capital Management Limited had the following shares in the fund as detailed below:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Class A shares	-	-	9,500.00	47.74	1,594.51	9,500.00	8,110.71
Class B shares	-	-	100.00	52.25	102.23	100.00	100.00
Class C shares	-	-	100.00	100.00	102.22	100.00	100.00
Class D shares	-	-	100.00	100.00	102.22	100.00	100.00
Class E shares	-	-	-	-	-	-	-

As at 31 December 2010, Guinness Asset Management Limited had the following shares in the fund as detailed below:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Class A shares	-	-	-	-	-	-	-
Class B shares	108,834.83	-	-	-	-	-	-
Class C shares	-	-	-	-	-	-	-
Class D shares	68.87	68.91	-	-	-	-	-
Class E shares	100.00	100.14	-	-	-	-	-

As at 31 December 2010, Guinness Capital Management Limited had the following shares in the fund as detailed below:

	Guinness Alternative Energy Fund USD	Guinness Global Energy Fund USD	Guinness Thematic Equity Fund USD	Guinness Global Money Managers Fund USD	Guinness Global Equity Income Fund USD	Guinness China and Hong Kong Fund USD	Guinness Asia Focus Fund USD
Class A shares	-	-	9,500.00	9,500.00	9,500.00	9,500.00	9,291.27
Class B shares	-	-	100.00	100.00	100.00	100.00	100.00
Class C shares	-	-	100.00	100.00	100.00	100.00	100.00
Class D shares	-	-	100.00	100.00	100.00	100.00	100.00
Class E shares	-	-	-	-	-	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2011

16. Soft Commission Arrangements

During the year ended 31 December 2011, the Investment Manager continued with a soft commission arrangement with Weeden & Co, LP.

17. Efficient Portfolio Management

No efficient portfolio management techniques were used during the year.

18. Significant events during the year

On 11 February 2011, a change was made with regards to fees. From this date onwards the Manager will pay to the Investment Manager out of the assets of the Company a fee as outlined in Note 7. The Investment Manager shall be responsible for paying the administrative expenses of the Company, to include establishment costs, fees and expenses payable to the Manager, the Custodian, the Administrator, Audit fees, Directors fees and general administrative expenses.

19. Events after the year end

Effective 3 January 2012, the Global Equity Income Fund launched a new share class “Class Z (GBP)”.

Effective 15 February 2012, all 7 sub-funds under the Guinness Asset Management Funds plc umbrella launched a new share class “Class X (GBP)”.

The directors declared the below distributions on Guinness Global Equity Income Fund:

Guinness Global Equity Income Fund	Currency	Distribution per Share	Gross Amount	Equalisation	Net Amount	Ex -date	Pay date
Class A shares	USD	0.1543	244.43	1.62	246.05	03 January 2012	16 January 2012
Class B shares	USD	0.1543	15.67	0.10	15.77	03 January 2012	16 January 2012
Class C shares	GBP	0.1526	198.92	151.29	350.21	03 January 2012	16 January 2012
Class D shares	EUR	0.1580	20.95	0.14	21.09	03 January 2012	16 January 2012
Class E shares	USD	0.1543	8,278.95	410.96	8,689.91	03 January 2012	16 January 2012

20. Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 24 April 2012.

Schedule of Investments

As at 31 December 2011

Guinness Alternative Energy Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (94.82% of total assets)				
Equities				
Efficiency				
Elster Group ADS	Germany	5,850	75,992	3.43%
Itron	United States	2,090	74,759	3.38%
Thermal Energy International	Canada	99,567	5,378	0.24%
Waterfurnace Renewable Energy	United States	6,030	92,145	4.16%
			248,274	**11.21%**
Geothermal				
Ormat Technologies	United States	4,090	73,743	3.33%
			73,743	**3.33%**
Hydro				
CEMIG	Brazil	3,983	70,857	3.20%
Verbund	Austria	2,990	80,482	3.63%
			151,339	**6.83%**
Solar				
JA Solar	China	57,280	76,755	3.47%
LDK Solar ADR	China	14,520	60,839	2.75%
Power One	United States	17,140	67,017	3.03%
Renesola ADR	China	46,630	71,344	3.22%
SMA Solar Technology	Germany	1,360	76,207	3.44%
STR Holdings	United States	9,450	77,774	3.52%
Sunpower	China	13,327	83,027	3.75%
Suntech Power	China	32,490	71,803	3.24%
Trina Solar ADR	China	10,700	71,476	3.23%
Yingli Green Energy ADR	China	17,700	67,260	3.04%
			723,502	**32.69%**
Wind				
Acciona	Spain	850	73,631	3.32%
Boralex	Canada	10,590	74,153	3.35%
China Datang Renewable Power	China	388,000	69,941	3.16%
China Longyuan Power	China	100,000	78,413	3.52%
China Suntien Green Energy	China	391,000	68,468	3.09%
EDP Renovaveis	Spain	12,410	76,168	3.44%
Enel Green Power	Italy	34,830	72,976	3.29%
Gamesa	Spain	15,428	64,289	2.90%
Greentech Energy Systems	Denmark	21,890	68,820	3.11%
Huaneng Renewables	China	298,000	73,669	3.33%
Nordex	Germany	14,260	73,121	3.30%
Theolia	France	68,310	76,262	3.44%
Vestas Wind Systems	Denmark	6,760	73,204	3.31%
			943,115	**42.56%**
Total equities			**2,139,973**	**96.62%**
Total financial assets at fair value through profit or loss			**2,139,973**	**96.62%**
Cash at bank			112,080	5.06%
Other net liabilities			(25,663)	(1.16%)
Adjustment for valuation from bid/ask market prices to trading valuation prices			(11,449)	(0.52%)
Total Net Assets			**2,214,941**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness Global Energy Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (99.53% of total assets)				
Equities				
Construction & Engineering				
Kentz	Ireland	193,730	1,270,538	0.40%
			1,270,538	**0.40%**
Integrated Oil & Gas				
BP	Great Britain	1,509,730	10,804,567	3.44%
Chevron	United States	102,300	10,884,720	3.47%
ConocoPhillips	United States	150,390	10,958,919	3.49%
ENI	Italy	519,340	10,793,599	3.44%
Gazprom ADR	Russian Federation	494,000	5,266,040	1.68%
Hess	United States	191,490	10,876,632	3.45%
OMV	Austria	337,934	10,282,831	3.28%
PetroChina	China	9,082,000	11,331,159	3.61%
Royal Dutch Shell	Netherlands	292,408	10,685,401	3.40%
Statoil	Norway	416,750	10,719,112	3.41%
Suncor Energy	Canada	384,775	11,102,077	3.54%
Total	France	215,240	11,036,802	3.52%
			124,741,859	**39.73%**
Oil & Gas Drilling				
Patterson UTI Energy	United States	362,140	7,235,557	2.31%
Transocean	Switzerland	19,543	750,256	0.24%
Unit Corp	United States	225,294	10,453,642	3.33%
			18,439,455	**5.88%**
Oil & Gas Equipment & Services				
Halliburton	United States	312,870	10,797,144	3.44%
Helix Energy Solutions	United States	519,830	8,213,314	2.62%
Shandong Molong	China	407,200	244,322	0.08%
			19,254,780	**6.14%**
Oil & Gas Exploration & Production				
Afren	Great Britain	4,071,220	5,422,304	1.73%
Apache Corp	United States	114,800	10,398,584	3.31%
Bayfield Energy	Great Britain	1,562,500	1,335,553	0.43%
Canadian Natural Resources	Canada	295,300	11,063,781	3.52%
Carrizo Oil & Gas	United States	198,500	5,230,475	1.67%
Chesapeake Energy	United States	432,900	9,649,341	3.07%
Devon Energy	United States	173,150	10,735,300	3.42%
Dragon Oil	United Arab Emirates	680,950	4,844,200	1.54%
Forest Oil	United States	386,400	5,235,720	1.67%
Ithaca Energy	Canada	635,700	1,354,745	0.43%
JKX Oil & Gas	Great Britain	1,349,568	2,852,411	0.91%
Lone Pine Resources	Canada	192,014	1,346,018	0.43%
Marathon Oil	United States	380,720	11,143,674	3.55%
Newfield Exploration	United States	274,800	10,368,204	3.30%
Nexen	Canada	725,760	11,553,714	3.68%
Noble Energy	United States	115,135	10,867,593	3.46%
Pantheon Resources	Great Britain	476,000	79,523	0.03%
Penn Virginia	United States	558,599	2,954,989	0.94%
Petrominerales	Colombia	329,000	5,350,592	1.70%
Soco International	Great Britain	1,190,699	5,414,455	1.72%
Triangle Petroleum	United States	187,000	1,116,390	0.36%
WesternZagros Resources	Canada	871,780	573,624	0.18%
			128,891,190	**41.05%**
Oil & Gas Refining & Marketing				
Marathon Petroleum	United States	162,060	5,394,977	1.72%
Valero Energy	United States	509,395	10,722,765	3.42%
			16,117,742	**5.14%**
Solar				
JA Solar	China	1,333,900	1,787,426	0.57%
Trina Solar ADR	China	349,200	2,332,656	0.74%
			4,120,082	**1.31%**
Total financial assets at fair value through profit or loss			**312,835,646**	**99.65%**
Cash at bank			1,377,881	0.44%
Other net liabilities			(274,497)	(0.09%)
Total Net Assets			**313,939,030**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness Global Thematic Equity Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (93.61% of total assets)				
Equities				
Telecommunication Services				
Vodafone	Great Britain	4,120	11,455	4.84%
China Mobile	Hong Kong	1,130	11,043	4.67%
			22,498	**9.51%**
Materials				
Anhui Conch Cement	China	2,000	5,936	2.51%
			5,936	**2.51%**
Information Technology				
Delta Electronics	Thailand	9,300	6,397	2.70%
Applied Materials	United States	750	8,032	3.39%
			14,429	**6.09%**
Industrials				
China Liansu Group	China	13,000	5,641	2.38%
Dongfang Electric	China	2,800	8,328	3.52%
Weichai Power	China	2,000	9,837	4.16%
General Dynamics	United States	150	9,961	4.20%
L-3Communications	United States	150	10,002	4.23%
			43,769	**18.49%**
HealthCare				
Sanofi	France	160	11,787	4.98%
			11,787	**4.98%**
Financials				
AGF Management	Canada	540	8,390	3.54%
F&C Asset Management	Great Britain	8,310	8,453	3.57%
Janus Capital	United States	1,090	6,878	2.91%
Waddell & Reed Financial	United States	300	7,431	3.14%
			31,152	**13.16%**
Energy				
BP	Great Britain	1,450	10,377	4.38%
Yanzhou Coal Mining	China	4,000	8,539	3.61%
Indo Tambangraya Megah	Indonesia	2,000	8,525	3.60%
Devon Energy	United States	140	8,680	3.67%
Valero Energy	United States	380	7,999	3.38%
			44,120	**18.64%**
Consumer Staples				
Pepsico	United States	160	10,616	4.49%
Reynolds American	United States	330	13,668	5.78%
			24,284	**10.27%**
Consumer Discretionary				
Best Buy	United States	310	7,245	3.06%
			7,245	**3.06%**
Alternative Energy				
Itron	United States	190	6,796	2.87%
JA Solar	China	1,560	2,090	0.88%
STR Holdings	United States	520	4,279	1.81%
Trina Solar ADR	China	510	3,407	1.44%
			16,572	**7.00%**
Total financial assets at fair value through profit or loss			**221,792**	**93.71%**
Cash at bank			14,409	6.09%
Other net assets			468	0.20%
Total Net Assets			**236,669**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness Global Money Managers Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (92.25% of total assets)				
Equities				
Asset Management & Custody Banking				
Aberdeen Asset Management	Great Britain	6,140	20,229	4.24%
Affiliated Managers Group	United States	190	18,231	3.82%
AGF Management	Canada	980	15,226	3.19%
AllianceBernstein	United States	840	10,987	2.30%
ARA Asset Management	Singapore	8,800	8,314	1.74%
Artio Global Investors	United States	1,300	6,344	1.33%
Ashmore Group	Great Britain	3,670	19,050	3.99%
Azimut Holding	Italy	2,120	17,049	3.57%
Blackrock	United States	100	17,824	3.73%
Blackstone Group	United States	1,340	18,773	3.94%
Brewin Dolphin	Great Britain	7,960	16,948	3.55%
Centuria Capital	Australia	5,120	2,362	0.49%
Charlemagne Capital	Great Britain	13,880	2,427	0.51%
City of London Investment	Great Britain	550	2,768	0.58%
Coronation Fund Managers	South Africa	6,820	19,176	4.03%
F&C Asset Management	Great Britain	15,040	15,298	3.21%
Federated Investors	United States	730	11,060	2.32%
Fortress Investment Group	United States	3,320	11,222	2.35%
Franklin Resources	United States	180	17,291	3.62%
GAM Holding	Switzerland	1,150	12,544	2.63%
Henderson Group	Great Britain	9,140	14,545	3.05%
Impax Asset Management	Great Britain	3,840	2,641	0.55%
Invesco	United States	820	16,474	3.45%
Janus Capital	United States	1,490	9,402	1.97%
Jupiter Fund Management	Great Britain	4,110	13,867	2.91%
Och-Ziff Capital Management	United States	1,220	10,260	2.15%
Polar Capital	Great Britain	1,700	5,257	1.10%
Rathbone Brothers	Great Britain	1,160	19,109	4%
State Street	United States	410	16,527	3.46%
Treasury Group	Australia	760	2,828	0.59%
Value Partners	Hong Kong	19,000	9,712	2.03%
Waddell & Reed Financial	United States	540	13,376	2.80%
			397,121	**83.20%**
Investment Banking & Brokerage				
Raymond James Financial	United States	580	17,957	3.76%
Walker Crips	Great Britain	4,980	3,483	0.73%
			21,440	**4.49%**
Life & Health Insurance				
Mattioli Woods	Great Britain	800	2,598	0.54%
			2,598	**0.54%**
Specialized Finance				
NASDAQ OMX	United States	800	19,608	4.12%
			19,608	**4.12%**
Total financial assets at fair value through profit or loss			**440,767**	**92.35%**
Cash at bank			36,321	7.61%
Other net assets			208	0.04%
Total Net Assets			**477,296**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness Global Equity Income Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (95.15% of total assets)				
Equities				
Consumer Discretionary				
Mattel	United States	650	18,044	2.99%
VF Corp	United States	180	22,858	3.78%
			40,902	**6.77%**
Consumer Staples				
Coca-Cola	United States	240	16,793	2.78%
Danone	France	270	17,024	2.82%
Imperial Tobacco	Great Britain	490	18,543	3.07%
Kraft Foods	United States	480	17,933	2.96%
Metcash	Australia	3,630	15,035	2.49%
Pepsico	United States	260	17,251	2.86%
Procter & Gamble	United States	270	18,012	2.98%
Reckitt Benckiser	Great Britain	310	15,320	2.54%
Reynolds American	United States	500	20,710	3.43%
Unilever	Great Britain	510	17,144	2.84%
Wal-Mart Stores	United States	310	18,526	3.07%
			192,291	**31.84%**
Energy				
Royal Dutch Shell	Netherlands	500	18,271	3.03%
Total	France	310	15,896	2.63%
			34,167	**5.66%**
Financials				
Aberdeen Asset Management	Great Britain	5,420	17,857	2.96%
Aflac	United States	310	13,411	2.22%
Deutsche Boerse	Germany	250	13,147	2.18%
ICAP	Great Britain	2,100	11,321	1.88%
Willis Group Holdings	Great Britain	490	19,012	3.15%
			74,748	**12.39%**
Health Care				
Abbott Laboratories	United States	350	19,680	3.26%
AstraZeneca	Great Britain	370	17,107	2.83%
Johnson & Johnson	United States	270	17,707	2.93%
Pfizer	United States	920	19,909	3.30%
Sanofi	France	250	18,417	3.05%
			92,820	**15.37%**
Industrials				
General Dynamics	United States	250	16,602	2.75%
Illinois Tool Works	United States	320	14,947	2.48%
L-3 Communications	United States	230	15,336	2.54%
Meggitt	Great Britain	2,930	16,065	2.66%
			62,950	**10.43%**
Information Technology				
Halma	Great Britain	3,040	15,610	2.59%
Microsoft	United States	600	15,576	2.58%
			31,186	**5.17%**
Telecommunication Services				
China Mobile	Hong Kong	1,530	14,952	2.48%
Telefonica	Spain	750	13,032	2.16%
Vodafone	Great Britain	6,480	18,016	2.98%
			46,000	**7.62%**
Total equities			**575,064**	**95.25%**
Total financial assets at fair value through profit or loss			**575,064**	**95.25%**
Cash at bank			27,032	4.48%
Other net assets			1,625	0.27%
Total Net Assets			**603,721**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness China & Hong Kong Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (95.76% of total assets)				
Equities				
Alternative Energy				
JA Solar	China	2,160	2,894	0.64%
Renesola ADR	China	1,290	1,974	0.44%
Trina Solar ADR	China	670	4,475	1.00%
			9,343	**2.08%**
Consumer Discretionary				
Dongfeng Motor	China	10,000	17,253	3.84%
Guangzhou Automobile	China	12,000	10,012	2.23%
			27,265	**6.07%**
Energy				
China Shenhua Energy	China	3,000	13,036	2.90%
CNOOC	China	11,000	19,290	4.30%
Kunlun Energy	Hong Kong	12,000	17,058	3.80%
PetroChina	China	14,000	17,467	3.89%
Yanzhou Coal Mining	China	8,000	17,078	3.80%
			83,929	**18.69%**
ETFs				
DB X-Trackers CSI300 ETF	China	16,200	12,849	2.86%
			12,849	**2.86%**
Financials				
BOC Hong Kong	Hong Kong	6,000	14,215	3.16%
China Construction Bank	China	19,000	13,259	2.95%
Dah Sing Financial	Hong Kong	400	1,197	0.27%
HSBC Holdings	Hong Kong	1,600	12,155	2.71%
ICBC	China	22,000	13,087	2.91%
Midland Holdings	Hong Kong	18,000	9,363	2.08%
SOHO China	China	30,000	20,009	4.45%
Wing Hang Bank	Hong Kong	500	4,101	0.91%
Beijing Enterprise	Hong Kong	2,500	15,065	3.35%
Cathay Pacific Airways	Hong Kong	6,000	10,290	2.29%
Chen Hsong Holdings	Hong Kong	9,000	2,793	0.62%
China Liansu Group	China	17,000	7,376	1.64%
Dongfang Electric	China	5,600	16,656	3.71%
Shenzhen Expressway	China	12,000	5,068	1.13%
Weichai Power	China	6,000	29,511	6.57%
			174,145	**38.75%**
Information Technology				
Digital China Holdings	Hong Kong	7,000	10,852	2.42%
Kingboard Chemical	Hong Kong	3,000	8,865	1.97%
Lenovo	China	24,000	16,007	3.56%
Netease.com	China	260	11,661	2.60%
Sohu.com	China	180	9,000	2.00%
Tencent Holdings	China	700	14,060	3.13%
Vtech Holdings	Hong Kong	1,400	14,042	3.13%
			84,487	**18.81%**
Materials				
Anhui Conch Cement	China	3,000	8,904	1.98%
Jiangxi Copper	China	7,000	15,106	3.36%
			24,010	**5.34%**
Telecommunication Services				
China Mobile	Hong Kong	1,500	14,659	3.26%
			14,659	**3.26%**
Total financial assets at fair value through profit or loss			**430,687**	**95.86%**
Cash at bank			18,849	4.20%
Other net liabilities			(271)	(0.06%)
Total Net Assets			**449,265**	**100.00%**

Schedule of Investments

As at 31 December 2011

Guinness Asia Focus Fund	Country	Nominal holding	Fair Value In USD	% of NAV
Transferable securities admitted to an official stock exchange listing (96.81% of total assets)				
Equities				
Alternative Energy				
JA Solar	China	1,700	2,278	0.47%
Trina Solar ADR	China	550	3,674	0.76%
			5,952	**1.23%**
Consumer Discretionary				
Guangzhou Automobile	China	12,000	10,012	2.07%
Hyundai Mobis	South Korea	107	27,111	5.61%
			37,123	**7.68%**
Energy				
China Shenhua Energy	China	3,500	15,209	3.15%
CNOOC	China	7,000	12,276	2.54%
Indo Tambangraya Megah	Indonesia	2,500	10,656	2.20%
Kunlun Energy	Hong Kong	10,000	14,215	2.94%
PetroChina	China	16,000	19,962	4.13%
PTT Exploration & Production	Thailand	2,300	12,284	2.54%
PTT Public Company	Thailand	1,300	13,103	2.71%
Sakari Resources	Singapore	9,000	12,771	2.64%
Yanzhou Coal Mining	China	6,000	12,809	2.65%
			123,285	**25.50%**
ETFs				
DB X-Trackers CSI300 ETF	China	12,300	9,756	2.02%
			9,756	**2.02%**
Financials				
HSBC Holdings	Hong Kong	1,200	9,116	1.89%
SOHO China	China	16,500	11,005	2.28%
Chen Hsong Holdings	Hong Kong	6,000	1,862	0.39%
China Liansu Group	China	17,000	7,376	1.53%
Dongfang Electric	China	5,000	14,871	3.08%
Samsung Engineering	South Korea	82	14,337	2.97%
Shenzhen Expressway	China	18,000	7,602	1.57%
Weichai Power	China	4,000	19,674	4.07%
			85,843	**17.78%**
Information Technology				
HTC	Taiwan	1,050	17,235	3.57%
Kingboard Chemical	Hong Kong	3,000	8,865	1.83%
Lite-On Technology	Taiwan	10,050	11,318	2.34%
Novatek Microelectronics	Taiwan	4,000	10,027	2.07%
Samsung Electronics GDR	South Korea	52	23,956	4.95%
Sohu.com	China	170	8,500	1.76%
Taiwan Semiconductor ADS	Taiwan	1,595	20,591	4.25%
Wistron Corporation	Taiwan	8,399	10,638	2.20%
			111,130	**22.97%**
Materials				
Anhui Conch Cement	China	3,000	8,903	1.84%
International Nickel Indonesia	Indonesia	22,000	7,764	1.61%
Jiangxi Copper	China	7,000	15,106	3.13%
POSCO ADR	South Korea	130	10,673	2.21%
			42,446	**8.79%**
Telecommunication Services				
China Mobile	Hong Kong	1,000	9,773	2.02%
DiGi.COM	Malaysia	17,000	20,807	4.31%
			30,580	**6.33%**
Utilities				
Electricity Generating	Thailand	2,800	8,542	1.77%
Glow Energy	Thailand	7,600	13,731	2.84%
			22,273	**4.61%**
Total financial assets at fair value through profit or loss			**468,388**	**96.91%**
Cash at bank			15,284	3.16%
Other net liabilities			(363)	(0.07%)
Total Net Assets			**483,309**	**100.00%**

Statement of Significant Portfolio Movements

For the year ended 31 December 2011

Guinness Alternative Energy Fund

Purchases	Cost USD
Nordex	185,411
China Suntien Green Energy	152,468
Verbund	150,268
China Longyuan Power	148,685
Power One	148,353
Renesola ADR	120,944
Sunpower	114,448
JA Solar	107,447
Elster Group ADS	75,781
Huaneng Renewables	73,869
Enel Green Power	73,364
China Datang Renewable Power	71,596
LDK Solar ADR	69,420
Trina Solar ADR	66,472
Renewable Energy Corp ASA	60,776
Hansen Transmissions International NV	59,845
Suntech Power	57,983
Phoenix Solar	56,374
Vestas Wind Systems	52,622
STR Holdings	48,265

Sales	Proceeds USD
Hansen Transmissions International NV	242,849
Solarworld AG	191,280
LSB Industries Inc	188,372
Sunpower	162,548
First Solar Inc	150,025
Canadian Solar Inc	109,148
Cia Energetica de Minas Gerais	94,715
Acciona	83,520
EDP Renovaveis	82,903
Iberdrola SA	80,102
MEMC Electronic Materials Inc	57,287
PV Crystalox Solar PLC	51,060
Theolia	50,766
Gamesa	38,624
Renewable Energy Corp ASA	37,753
Renesola ADR	34,152
Ormat Technologies	33,617
China Longyuan Power	33,255
Iberdrola Renovables SA	29,305
Verbund	28,258

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness Global Energy Fund

Purchases	Cost USD
Newfield Exploration	14,836,398
Marathon Oil	13,328,247
Hess	12,859,662
Halliburton	12,839,258
OMV	12,596,569
Nexen	12,337,605
ENI	11,262,150
Bill Barrett Corp	11,051,502
Royal Dutch Shell	10,848,622
Statoil	10,697,014
Apache Corp	10,450,332
BP	10,252,969
Total	10,223,047
Noble Energy	10,204,172
Canadian Natural Resources	9,952,411
Devon Energy	9,787,379
Forest Oil	9,730,465
Petrominerales	9,694,702
Suncor Energy	9,674,163
Chesapeake Energy	9,359,283

Sales	Proceeds USD
Bill Barrett Corp	17,946,524
Repsol	15,742,118
Coastal Energy Company	12,406,845
Statoil	7,014,857
Noble Energy	6,875,303
Halliburton	6,757,461
Chevron	5,836,861
Marathon Oil	5,136,193
ENI	4,915,347
ConocoPhillips	4,867,097
OMV	4,619,116
Chesapeake Energy	4,540,528
BP	4,326,957
Total	3,973,899
Hess	3,958,462
Unit Corp	3,656,420
Newfield Exploration	3,421,700
Patterson UTI Energy	3,277,298
PetroChina	3,085,070
Valero Energy	2,947,208

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness Thematic Equity Fund

Purchases	Cost USD
Yanzhou Coal Mining	18,229
Trina Solar ADR	13,622
Janus Capital Group Inc	13,203
Indo Tambangraya Megah TBK PT	12,553
Weichai Power	12,350
JA Solar Holdings Co Ltd	10,806
Taiwan Semiconductor ADS	10,795
Reynolds American Inc	10,775
Suncor Energy Inc	10,754
Samsung Electronics Co Ltd	10,662
General Dynamics Corp	10,655
Valero Energy	10,646
Vodafone	10,637
Waddell & Reed Financial	10,598
L3 Communications Holdings Inc	10,584
Itron Inc	10,546
PepsiCo Inc/NC	10,463
STR Holdings Inc	10,410
VF Corp	10,352
Sanofi	10,074

Sales	Proceeds USD
Coastal Energy Co	16,015
VF Corp	12,350
Suncor Energy Inc	10,901
Delta Electronics Thai PCL	10,572
Taiwan Semiconductor ADS	10,032
Samsung Electronics Co Ltd	9,341
Yanzhou Coal Mining Co Ltd	6,425
Trina Solar Ltd	2,578
Valero Energy Corp	2,241

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness Global Money Managers Fund

Purchases	Cost USD
Azimut Holding	39,835
Franklin Resources	20,038
Rathbone Brothers	19,760
Invesco	19,749
NASDAQ OMX	19,718
Brewin Dolphin	19,686
F&C Asset Management	19,675
AllianceBernstein	19,617
Aberdeen Asset Management	19,402
Janus Capital	19,345
Jupiter Fund Management	19,228
Artio Global Investors	19,194
Henderson Group	19,191
AGF Management	19,175
Ashmore Group	19,153
Federated Investors	19,123
Value Partners	19,114
Blackrock	19,077
Waddell & Reed Financial	19,076
OchZiff Capital Management	19,027

Sales	Proceeds USD
TMX Group Inc	23,259
Azimut Holding	19,537
Life Partners Holdings Inc	1,762

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness Global Equity Income Fund

Purchases	Cost USD
General Dynamics	17,462
Procter & Gamble	17,383
Willis Group Holdings	17,078
ICAP	17,074
Aberdeen Asset Management	16,945
Pepsico	16,909
Abbott Laboratories	16,908
AstraZeneca	16,884
Halma	16,881
Meggitt	16,848
Aflac	16,841
Vodafone	16,814
Johnson & Johnson	16,770
WalMart Stores	16,768
Illinois Tool Works	16,766
Danone	16,753
Microsoft	16,711
Mattel	16,693
Kraft Foods	16,625
Reynolds American	16,576

Sales	Proceeds USD
Television Broadcasts Ltd	17,838
Mapfre SA	17,600
Waddell & Reed Financial Inc	15,542
Mitie Group PLC	14,620
Iress Market Technology Ltd	13,825
Alten Ltd	12,926
Compal Electronics Inc	12,888
AGF Management Ltd	12,078
BlackRock Inc	12,046

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness China and Hong Kong Fund

Purchases	Cost USD
Weichai Power	37,050
Dongfang Electric	27,850
CNOOC	26,162
Yanzhou Coal Mining	24,460
Jiangxi Copper	23,078
SOHO China	22,365
BOC Hong Kong	20,469
Kunlun Energy	18,630
PetroChina	18,346
Kingboard Chemical	18,012
DB XTrackers CSI300 ETF	17,866
iShares FTSE A50 China Index ETF	17,373
Dongfeng Motor	17,283
Cathay Pacific Airways	16,600
Guangzhou Automobile	16,600
Vtech Holdings	16,497
HSBC Holdings	16,465
Industrial & Commercial Bank of China	16,430
Trina Solar ADR	15,707
Beijing Enterprise	15,542

Sales	Proceeds USD
iShares FTSE A50 China Index ETF	17,776
China Construction Bank	17,081
Angang Steel Co Ltd	8,286
China Shipping Development Co Ltd	7,319
China Coal Energy Co Ltd	7,017
Xinjiang Goldwind Science & Technology Co Ltd	6,927
Esprit Holdings Ltd	5,211
Pacific Basin Shipping Ltd	4,758

Statement of Significant Portfolio Movements (continued)

For the year ended 31 December 2011

Guinness Asia Focus Fund

Purchases	Cost USD
HTC	67,531
iShares MSCI Taiwan Index Fund	56,288
Samsung Electronics GDR	46,455
Hyundai Mobis	36,942
Taiwan Semiconductor ADS	33,892
Dongfang Electric	24,866
Weichai Power	24,700
Jiangxi Copper	23,078
PetroChina	20,967
Yanzhou Coal Mining	18,345
Samsung Engineering	18,182
Kingboard Chemical	18,012
PTT Public Company	17,397
Sakari Resources	17,346
Borneo Lumbung Energi & Metal Tbk PT	17,336
CNOOC	16,649
Guangzhou Automobile	16,600
PTT Exploration & Production	15,957
Wistron Corporation	15,734
Indo Tambangraya Megah	15,691

Sales	Proceeds USD
iShares MSCI Taiwan Index Fund	57,158
HTC	33,780
Samsung Electronics GDR	21,459
Taiwan Semiconductor ADS	14,762
iShares FTSE A50 China Index ETF	13,751
Borneo Lumbung Energi & Metal Tbk PT	9,804
Angang Steel Co Ltd	8,286
Indofood Agri Resources Ltd	8,181
Esprit Holdings Ltd	7,106
Xinjiang Goldwind Science & Technology Co Ltd	6,927
China Shipping Development Co Ltd	5,855
Pacific Basin Shipping Ltd	5,234
Glow Energy	3,547
PTT Exploration & Production	3,218
PTT Public Company	3,208
MSM Malaysia Holdings Bhd	3,029

Appendix 1 - Fund performance and Total Expense Ratio

Class	Currency	Launch Date	Price 31.12.11	Performance 12 months to 31.12.11	Performance cumulative since launch	Total expense ratio (TER) annualised
Guinness Alternative Energy Fund						
A	USD	19.12.07	2.2085	-41.59%	-77.92%	1.50%
B	USD	19.12.07	2.1642	-41.88%	-78.36%	2.00%
C	GBP	02.09.08	3.2156	-41.45%	-67.84%	2.00%
D	EUR	02.09.08	3.1946	-39.63%	-68.05%	1.50%
E	USD	02.09.08	2.8721	-41.44%	-71.28%	1.25%
Guinness Asia Focus Fund						
A	USD	31.12.10	7.3997	-26.00%	-26.00%	1.49%
B	USD	31.12.10	7.3660	-26.34%	-26.34%	1.99%
C	GBP	31.12.10	7.4182	-25.82%	-25.82%	1.99%
D	EUR	31.12.10	7.6447	-23.55%	-23.55%	1.49%
E	USD	31.12.10	7.4182	-25.82%	-25.82%	1.24%
Guinness China & Hong Kong Fund						
A	USD	31.12.10	7.3030	-26.97%	-26.97%	1.49%
B	USD	31.12.10	7.2703	-27.30%	-27.30%	1.99%
C	GBP	31.12.10	7.3197	-26.80%	-26.80%	1.99%
D	EUR	31.12.10	7.5450	-24.55%	-24.55%	1.49%
E	USD	31.12.10	7.3212	-26.79%	-26.79%	1.24%
Guinness Global Energy Fund						
A	USD	28.03.08	8.6982	-13.92%	-11.96%	1.48%
B	USD	28.03.08	8.6383	-14.35%	-13.55%	1.98%
C	GBP	02.09.08	10.2319	-13.71%	2.32%	1.98%
D	EUR	02.09.08	10.1246	-11.04%	1.34%	1.48%
E	USD	02.09.08	9.1105	-13.70%	-8.74%	1.23%
Guinness Global Equity Income Fund						
A	USD	31.12.10	9.9688	1.70%	1.70%	1.49%
B	USD	31.12.10	9.9298	1.31%	1.31%	1.99%
C	GBP	31.12.10	9.9939	1.95%	1.95%	1.99%
D	EUR	31.12.10	10.2968	5.05%	5.05%	1.49%
E	USD	31.12.10	9.9944	1.96%	1.96%	1.24%
Guinness Global Money Managers Fund						
A	USD	31.12.10	8.1280	-18.72%	-18.72%	1.49%
B	USD	31.12.10	8.0633	-19.37%	-19.37%	1.99%
C	GBP	31.12.10	8.1325	-18.68%	-18.68%	1.99%
D	EUR	31.12.10	8.3829	-16.17%	-16.17%	1.49%
E	USD	31.12.10	8.1335	-18.67%	-18.67%	1.24%
Guinness Global Thematic Equity Fund						
A	USD	31.12.10	7.9049	-20.95%	-20.95%	1.49%
B	USD	31.12.10	7.8718	-21.28%	-21.28%	1.99%
C	GBP	31.12.10	7.9225	-20.78%	-20.78%	1.99%
D	EUR	31.12.10	8.1683	-18.32%	-18.32%	1.49%
E	USD	31.12.10	7.9247	-20.75%	-20.75%	1.24%

Appendix - Portfolio Turnover Ratio (PTR)

	PTR for 12 months to 31.12.11	PTR for 2010
Guinness Alternative Energy Fund	81%	-6%
Guinness Asia Focus Fund*	79%	n/a
Guinness China & Hong Kong Fund*	31%	n/a
Guinness Global Energy Fund	-6%	5%
Guinness Global Equity Income Fund*	13%	n/a
Guinness Global Money Managers Fund*	-3%	n/a
Guinness Global Thematic Equity Fund*	44%	n/a

*These funds launched on 31 December 2010