

**SUPPLEMENT**  
**Guinness Alternative Energy Fund**  
**Dated 13<sup>th</sup> February, 2018**

This Supplement contains information relating specifically to the Guinness Alternative Energy Fund (the “Fund”), a Fund of Guinness Asset Management Funds plc (the “Company”), an open-ended umbrella fund with segregated liability between Funds authorised by the Central Bank on 19<sup>th</sup> December, 2007 as a UCITS pursuant to the UCITS Regulations.

As at the date of this Supplement the Company has 17 Funds, the Guinness Alternative Energy Fund, the Guinness Global Energy Fund, the Guinness Best of China Fund, the Guinness Best of Britain Fund, the Guinness Global Equity Income Fund, the Guinness Global Money Managers Fund, the Guinness Asian Equity Income Fund, the Guinness European Equity Income Fund, the Guinness Global Innovators Fund, the Guinness European Equity Fund, the Guinness Alternative Energy Income Fund, the Guinness Global Energy Income Fund, the Guinness Renminbi Yuan & Bond Fund, the Guinness Emerging Markets Equity Income Fund, the Guinness Global Equity Fund, the Guinness US Equity Fund and the Guinness Best of Asia Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 12<sup>th</sup> January, 2018 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section of the Prospectus entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor: Investment in the Fund is suitable only for those persons and institutions for whom such an investment does not represent a complete investment program, who understand the degree of risk involved (as detailed under the section of the Prospectus and Supplement headed “Risk Factors”), can tolerate a medium level of volatility and believe that the investment is suitable based upon investment objectives and finance needs. Investment in the Fund should be viewed as medium to long-term.**

## 1. Interpretation

The expressions below shall have the following meanings:

“Business Day”	means any day (except Saturday or Sunday) on which banks in Dublin are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.
“Dealing Day”	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders provided that there shall be at least one Dealing Day every fortnight.
“Dealing Deadline”	means 3.00pm. Irish time on each Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
“Emerging Markets”	means a financial market of a developing country to include, but not limited to, Brazil, China, Chile, Greece, Hong Kong, India, Indonesia, Israel, Korea, Malaysia, Poland, Singapore, Taiwan, Thailand, Turkey, and Vietnam.
“Initial Price”	means US\$10.00/GBP£10.00/€10.00 per Share.
“Valuation Point”	means 11.00 p.m. (Irish time) on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Base Currency

The Base Currency shall be US\$.

## 3. Classes and Currency

The Company has established the following Classes denominated in the following currencies:

<b>Class</b>	<b>Currency</b>
Class A	US\$
Class B	US\$
Class C	GBP£
Class C EUR Accumulation	€
Class D	€
Class E	US\$
Class X	GBP£
Class Z GBP Accumulation	GBP£

Class Z EUR Accumulation	€
Class Z USD Accumulation	US\$

#### 4. Investment Objective

The investment objective of the Fund is to provide investors with long-term capital appreciation.

#### 5. Investment Policy

In seeking to achieve its investment objective the Fund intends to invest at least 80% of its net assets in equity securities of globally based companies involved in alternative energy or energy technology sectors. Alternative energy includes, but is not limited to energy derived from such sources as solar or wind power, hydro-electricity, tidal flow, wave movements, geothermal heat, biomass or biofuels. Energy technology includes technologies that enable these sources to be trapped and also various manners of storage and transportation of energy, including hydrogen and other types of fuel cells, batteries and flywheels, as well as technologies that conserve or enable more efficient use of energy.

These equity securities include common stocks, preferred stocks, securities convertible into common stocks, rights and warrants, which are generally listed or traded on a Recognised Exchange. No more than 5% of the Net Asset Value of the Fund will be invested in warrants.

Under normal market conditions the Fund intends to invest in at least 25 stocks. The Investment Manager may invest the Fund's assets in securities of companies with a wide range of market capitalizations and in companies domiciled throughout the world, including companies domiciled in or traded on Emerging Markets.

When current market, economic, political or other conditions are unstable and would impair the pursuit of the Fund's investment objective, the Fund may temporarily invest up to 100% of its assets in cash, cash investments or high quality short-term money market instruments. When the Fund takes a temporary defensive position, the Fund may not achieve its investment objective. The philosophy of the Fund is to remain invested.

The Fund may engage in transactions in financial derivative instruments for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Fund (subject to the conditions and within the limits laid down by the Central Bank). Such techniques and instruments include but are not limited to futures, options, forward foreign exchange contracts, stocklending and repurchase/reverse repurchase agreements subject to the conditions and limits set out in the Central Banks UCITS Regulations. The Fund will not be leveraged through the use of financial derivative instruments. The maximum exposure of the Fund in respect of stocklending and repurchase/reverse repurchase agreements shall be 30% of the Net Asset Value of the Fund. However, the Investment Manager does not anticipate that the Fund's exposure to stocklending and repurchase/reverse repurchase agreements will exceed 0%- 20% of the Net Asset Value of the Fund. The types of

assets that will be subject to stocklending and repurchase/reverse repurchase agreements will be equity and equity related securities.

## 6. Offer

Class Z Shares will be offered from 9.00am (Irish Time) on 14<sup>th</sup> February 2018 to 3.00pm (Irish Time) on 16<sup>th</sup> February 2018 (the “initial offer period”) at the Initial Price and subject to acceptance of applications for Shares by the Company will be issued for the first time on the first Dealing Day after expiry of the initial offer period. The initial offer period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis.

After closing of the initial offer period Class Z Shares in the Fund will be issued at the Net Asset Value per relevant Share.

All other Shares in the Fund are being issued at the Net Asset Value per relevant Share Class.

## 7. Minimum Subscription

The Minimum Subscription limits are as follows: *Minimum Subscription (\*Initial Subscription)*

<b>Class</b>	<b>Minimum Subscription</b>
Class A	US\$200,000
Class B	US\$20,000
Class C	GBP£5,000
Class C EUR Accumulation	€1,000
Class D	€100,000
Class E	US\$10,000,000
Class X	GBP£5,000,000
Class Z GBP Accumulation	<b>GBP100,000,000</b>
Class Z EUR Accumulation	<b>€100,000,000</b>
Class Z USD Accumulation	<b>US\$100,000,000</b>

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Subscription for certain investors.

## 8. Application for Shares

Applications for Shares may be made through the Administrator (whose details are set out in the Application Form). Applications accepted and received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. Applications received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances as determined and agreed by the Directors, and having regard to the equitable treatment of Shareholders.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Company so determines, be made by telefax subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. No redemptions will be processed until the original Application Form and such other papers as may be required by the Directors have been received and all anti-money laundering procedures have been completed. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or such other means as may be permitted by the Directors without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .01 of a Share.

Subscription monies, representing less than .01 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Company. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency of denomination of the relevant Share Class.

However, subscriptions may be made in any freely convertible currency accepted by the Administrator but will be converted into the currency of denomination of the relevant Share Class at the rate of exchange available to the Administrator. The cost of conversion shall be deducted from the monies subscribed by an investor and the amount remaining will then be invested in Shares. The attention of investors is drawn to the fact that the value of Shares subscribed for in a currency other than the currency of denomination of the relevant Share Class will be subject to exchange rate risk in relation to the relevant currency of denomination.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than 3 Business Days after the relevant Dealing Day provided that the Company reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Manager or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at the 7 day London Interbank Offer Rate as fixed by the British Banking Association (LIBOR) + 1.5% for the relevant subscribed currency, which will be paid to the Manager together with an administration fee of Stg£100, or its relevant subscribed currency equivalent. The Company may waive either of such charges in whole or in part. In addition, the Manager has the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

#### **Confirmation of Ownership**

Confirmation of each purchase of Shares will be sent to Shareholders within 48 hours of the purchase being made. Confirmation will normally be dispatched by email or facsimile where the relevant and proper contact details have been provided to the Administrator, or alternatively by post at the discretion of the Administrator. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

#### **9. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Application Form on behalf of the Company by way of a signed application form or facsimile or written communication or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Company in its absolute discretion determines otherwise. Redemption requests received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances as determined and agreed by the Directors, and having regard to the equitable treatment of Shareholders. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be

made from an investor holding until the original subscription application form, and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

The redemption price per Share shall be the Net Asset Value per Share. However, the Directors are empowered to charge a redemption fee, details of which are set out at section “**11. Fees and Expenses**” sub-heading “**Redemption Fee**”. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long term.

#### *Method of Payment*

Redemption payments following processing of instructions received by telefax will only be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing.

#### *Currency of Payment*

Shareholders will normally be repaid in the currency of denomination of the relevant Share Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of the Shareholder and the cost of conversion shall be deducted from the redemption proceeds payable to the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid within 5 Business Days of the Dealing Deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

## **10. Conversion of Shares**

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## 11. Fees and Expenses

The Manager will pay to the Investment Manager out of the assets of the Fund a fee as detailed below (plus VAT, if any, thereon):

- Up to 0.59% of the Net Asset Value of the Fund on the first \$500 million
- Up to 0.35% of the Net Asset Value of the Fund on amounts in excess of \$500 million

The administration fee is payable to the Investment Manager subject to the proviso that, when taken together with the investment management fee payable to the Investment Manager (as detailed below) the combined administration fee and investment management fee shall not exceed 2% of the Net Asset Value of the relevant Class.

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 Depositary, the Administrator, including transfer agency transaction fees, all fees for investment research (subject to a maximum charge of 0.10% of the Net Asset Value of the Fund), 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.

### *Investment Manager's Fee*

The Manager will pay to the Investment Manager out of the assets of the Fund the fees as detailed below subject to a maximum fee of 2%.

The investment management fee is payable to the Investment Manager subject to the proviso that, when taken together with the administration fee payable to the Investment Manager (as detailed above) the combined investment management and administration fee shall not exceed 2% of the Net Asset Value of the relevant Class.



- Class A - 1% of the Net Asset Value of the Class A Shares
- Class B - 1.5% of the Net Asset Value of the Class B Shares
- Class C – 1.5% of the Net Asset Value of the Class C Shares
- Class C EUR Accumulation – 1.5% of the Net Asset Value of the Class C EUR Accumulation Shares
- Class D – 1% of the Net Asset Value of the Class D Shares
- Class E - 0.75% of the Net Asset Value of the Class E Shares
- Class X – 0.75% of the Net Asset Value of the Class X Shares
- Class Z GBP Accumulation – 0.25% of the Net Asset Value of the Class Z GBP Accumulation Shares
- Class Z EUR Accumulation – 0.25% of the Net Asset Value of the Class Z EUR Accumulation Shares
- Class Z USD Accumulation – 0.25% of the Net Asset Value of the Class Z USD Accumulation Shares

#### *Global Distributor*

The Global Distributor shall be entitled to receive a distribution fee of up to 5% on subscription proceeds in respect of any Class B or Class C Shares. This fee may be waived in whole or in part at the discretion of the Global Distributor.

The fees of any sub-distributor appointed by the Global Distributor will be paid out of the portion of the fees payable to it for the distribution of Shares of the Fund.

#### *Redemption Fee*

A redemption fee not exceeding 2% of the Net Asset Value of Shares being redeemed within 30 days of subscription may be imposed on the redemption of Shares which shall be retained by the Company for its sole use and benefit or as it may determine. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

Shareholders who redeem after the 30 day period will not be charged a redemption fee.

## **12. Dividends and Distributions**

The Company may in 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. It is intended that the Fund will pursue a distribution policy so that the Funds will be able to obtain certification as a “Reporting Fund” under the United Kingdom Offshore Funds (Tax) Regulations 2009 for the purpose of United Kingdom taxation. A failure of the Fund to comply with this requirement will result in the Fund failing to obtain such certification.

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. Dividends will be paid by cheque or bank transfer at the expense of Shareholders. Shareholders may elect to re-invest dividends in additional Shares in the Fund by ticking the appropriate box on the Application Form.

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.

### ***Accumulation Shares***

Income attributable to Accumulation Share Classes will not be distributed but will be accumulated within the Fund.

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus (entitled “The Company”).

## **13. Risk Factors**

In addition, the following risk factors are specific to an investment in the Fund.

### Investment in Equity Securities

The Fund will invest in equity securities traded on Recognised Exchanges. Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity securities are subordinate in the right of payment to other corporate securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a result, the Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline or the Fund has not hedged against such a general decline.

### Emerging Markets Risk

The Fund may invest in equity securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict the Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally; (vi) potentially a greater risk regarding the ownership and custody of securities i.e. in certain countries, ownership is evidenced by entries in the books of a company or its registrar. In such instances, no certificates

representing ownership of companies will be held by the Depositary or any of its local correspondents or in an effective central depository system; and (vii) emerging markets may experience significant adverse economic developments, including substantial depreciation in currency exchange rates or unstable currency fluctuations, increased interest rates, or reduced economic growth rates than investments in securities of issuers based in developed countries.

#### Special Risks Associated with Energy Companies

The stocks of energy and energy related companies are especially affected by variations in the price of oil and natural gas, which, in turn, are impacted by many variables, including, but not limited to, the supply and demand for the commodities. Factors influencing supply include: the actions of Organization of The Petroleum Exporting Countries (“OPEC”); war and terrorism; weather; tax regimes; and the price of oil itself, which influences the marginal return of producing oil and natural gas. Factors influencing demand include: economic growth around the world, and the relative growth of less developed countries versus developed economies; weather; and the price of the commodity itself. Energy stocks tend to be influenced on a day-to-day basis by the futures prices for the commodities that are traded on various exchanges.

#### Regulatory and Environmental Risks

Energy operations are subject to various federal, state and local and foreign governmental regulations, which may be changed from time to time in response to economic or political conditions. Government regulation can include rate regulation as well as limiting available services and products, ownership, and geographic territories served. Such regulation can result in limited returns, increased costs, and decreased economic incentive to develop new products. Government regulation may be unpredictable and is subject to political, economic, social and market developments. There can be no assurance as to the level or effect on companies in the energy and oil and gas sector of government regulation in the future.

#### Re-Investment of Cash Collateral

Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

### **14. Investment Restrictions**

Notwithstanding Point 3.1 of Appendix I – Investment Restrictions, in the Prospectus, the Fund may not invest more than 10% of net assets in aggregate in other collective investment schemes.