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## Table of Contents

1. Introduction .....	1
2. Our approach .....	2
Annex: Target market assessment (product specific) .....	4

## 1. Introduction

Guinness Asset Management Limited (GAM) is an independent Investment Management firm, specialising in long-only equity funds, multi asset funds and a bond fund, as well as private equity investments. Our product range includes the WS Guinness Investment Funds sub funds, which are the subject of this Target Market Assessment.

The WS Guinness Investment Funds sub funds are UCITS funds within a UK based Investment Company with Variable Capital (ICVC). The funds are authorised and regulated by the Financial Conduct Authority in the UK.

As UCITS funds, they adhere to the stringent investment and borrowing restrictions set out in the UCITS Regulations, which have been designed to ensure adequate diversification of investment and high standards of risk management. The funds are therefore deemed suitable for investment by all eligible investors, be they retail clients, professional clients or eligible counterparties (“ECP”). The funds are predominantly sold via financial intermediary channels, which can be accessed by the aforementioned types of clients.

Under Principle 12 (Consumer Duty), we must act to deliver good outcomes for retail customers, including the product and services outcome. For GAM, a retail client is a client who is not a professional client or an eligible counterparty, as set out in the Conduct of Business Sourcebook (COBS) 3.4.1. A professional client is a client that is either a per se professional client or an elective professional client, as set out in COBS 3.5.1. An eligible counterparty is a client that is either a per se eligible counterparty or an elective eligible counterparty, as set out in COBS 3.6.1.

GAM has been identified as the co-manufacturer and distributor of these products.

The Consumer Duty (“the Duty”) applies to all firms that have a material influence over, or determine the outcome for retail customers. Therefore, as co-manufacturer, the Duty does apply to GAM.

As co-manufacturer, our product approval procedures must specify the target market for the product at a sufficiently granular level, taking into account the characteristics, risk profile, complexity and nature of the product according to the FCA Handbook PRIN 2A.3.4.

Therefore, we are required to conduct target market assessments, maintain proper documentation for the assessments and review them regularly.

## 2. Our approach

Our target market assessment will identify:

- **the positive market:** clients where their needs, characteristics and objectives fit with the product; and
- **the negative market:** clients where their needs, characteristics and objectives do not fit with the intended product.

The target market needs to be at a sufficiently granular level, which can be challenging if we are designing a product to meet a broad range of investors. If a client requests a tailor-made product, then the target market is that client, unless we foresee distributing the product to other clients.

The criteria we use includes both quantitative and qualitative data and covers five categories:

- the type of client to whom the product is targeted (retail or professional or ECP)
- the client’s knowledge and experience
- the client’s ability to bear losses
- the client’s risk tolerance compared with the risk/reward profile of the product
- the client’s objectives and needs

As product manufacturer and distributor, we only need to produce one target market assessment but for every product, or group of products we manufacture, or investment service we distribute, we should ensure that it falls within a current target market assessment or we complete a new one.

The Compliance team is responsible for producing the target market assessments and ensuring they are signed off by the Head of Compliance following review from the Product Governance Committee.

Our target market assessment template can be found in the [Annex](#) and will be kept under review and updated as and when required.

## Annex: Target market assessment (product specific)

Product/Group of products	WS Guinness Investment Funds	
	Positive Target Market	Negative Target Market
Type of client	Retail / Professional / ECP	Retail / Professional / ECP
Knowledge and experience	Given the nature of the Funds (non-complex UCITS funds), the Funds are compatible with those clients who have basic investment knowledge and experience, including knowledge of collective investment schemes and the asset classes in which the Funds may invest.	These products are deemed incompatible with investors who do not have basic investment knowledge and experience and who invest without taking professional advice.
Financial situation/loss capacity	As the value of the Funds can go down as well as up, the Funds are compatible with investors who can bear capital losses of up to the amount invested. However, the nature of the Funds means that there would be no loss beyond the amount of capital invested.	These products are deemed incompatible with investors who are seeking full or partial capital protection, who do not have sufficient resources to bear any losses resulting from the investment, e.g. due to low/erratic income, low savings, over-indebtedness.
Risk tolerance	Investment in the Funds is suitable only for investors who understand the degree of risk involved (as detailed under the Identified Target Market for each fund in the Fund Details section of the Prospectus) and can tolerate the relevant level of volatility associated with equity markets for that fund.	These products are deemed incompatible with investors who are fully risk averse and have no or low tolerance for risk or are unable to evaluate the risks and merits of the relevant product.
Client objectives and specific needs	<p>WS Guinness UK Equity Income Fund, WS Guinness Global Equity Income Fund, WS Guinness Asian Equity Income Fund and WS Guinness European Equity Income Fund: Those clients who seek both capital and income growth over the long-term.</p> <p>WS Guinness Global Innovators Fund, WS Guinness Sustainable Energy Fund, WS Guinness Sustainable Global Equity Fund and WS Guinness Global</p>	<p>These products are deemed incompatible with investors who are:</p> <ul style="list-style-type: none"> <li>(i) seeking full or partial capital protection.</li> <li>(ii) fully risk averse and have no or low tolerance for risk.</li> <li>(iii) for the Income product strategies, these products would not be compatible with requirements of investors looking for guaranteed income and for all products, these products would</li> </ul>

	<p>Energy Fund: Those clients who seek capital growth over the long-term.</p> <p>We have considered whether this product has features that could risk harm for any group of customers, including those with characteristics of vulnerability. We recognise that within the target market for this product, there may be groups of customers with characteristics of vulnerability.</p> <p>In order to avoid causing foreseeable harm to customers in the target market, including groups with characteristics of vulnerability, we encourage customers to share information about their needs or circumstances, where relevant, and we have systems and processes in place that enable customers to disclose their needs, if they choose. We also support our staff to identify signs of vulnerability through training and resources and we seek relevant information from our distribution partners as appropriate. We may also engage with customers and other parties and organisations to further enhance our understanding of the needs of customers with characteristics of vulnerability in the target market.</p>	<p>not be compatible with requirements of investors looking for a guaranteed return.</p> <p>(iv) looking to invest for a period of less than 5 years.</p> <p>(v) US Persons (investment in shares by or on behalf of US Persons is not permitted).</p>
Our distribution approach	The Funds are eligible for all distribution channels (e.g. execution only, non-advised sales, advised sales and portfolio management).	

For more information visit [guinnessgi.com/funds](https://guinnessgi.com/funds)

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