

# JUNE 2025 MARKET UPDATE & INVESTMENT REPORT

GUINNESS MULTI-ASSET FUNDS



**GUINNESS**  
GLOBAL INVESTORS

POWERED BY



**Brewin  
Dolphin**

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# THE MONTH IN A MINUTE

## MAY OVERVIEW

Last week the US Court of International Trade said that Trump had exceeded his authority in invoking the International Emergency Economic Powers Act (IEEPA) to justify some of the tariffs he has imposed. The court gave the Trump administration 10 days to halt these tariffs. These include the fentanyl and immigration tariffs imposed on China, Canada, and Mexico, which range from 10-30%. It also includes the 10% baseline tariff that was imposed on all countries. Finally, the order struck down the de minimus tariffs on Chinese goods valued at less than \$800. The tariffs that remain in place are the Section 232 tariffs that Trump imposed in the name of national security. These include tariffs on steel, aluminium, autos, and auto parts. It also left untouched section 301 tariffs, some of which were imposed in late 2024 by the Biden administration on China to counter unfair trade practices in sectors such as EV's and solar panels. These range from 25-100% and were kept by Trump.

The White House immediately appealed the order, and a higher court quickly paused the ruling that blocked these IEEPA tariffs. What the courts eventually decide is an open question. But even if imposing tariffs using these powers are ultimately determined to be illegal, it might not matter that much, as the Trump administration has other powers at its disposal to impose tariffs.

For instance, it could expand the Section 232 tariffs that are imposed in the name of national security to new sectors, such as semiconductors and pharmaceuticals. Alternatively, it could also impose additional Section 301 tariffs used to address perceived unfair trade practices. Another avenue Trump could pursue are Section 122 tariffs, which allows the president to impose temporary tariffs in response to a major balance of payments crisis. But these are only permitted to go up to 15% and can only last for a maximum of 150 days before seeking further authorisation from the US Congress. Section 338 tariffs (capped at 50%) is another option being discussed. Although never actually used, these powers exist for the US president to address perceived unfair discrimination against US businesses by a foreign country. On 30 May, Trump announced an increase in its Section 232 tariffs on the steel & aluminium from 25% to 50%. Taking this into account, and assuming the IEEPA tariffs remain in place, the Yale Budget Lab estimate that the resulting increase in the average effective tariff rate compared to before Trump took office amounts to 12.1%. This takes the new overall effective rate to 15.6%, which is the highest level since 1937. Importantly, US imports as a share of GDP are a lot higher now than they were back then, which highlights that the US economy is now more sensitive to changes in the trade landscape.

The Trump administration will continue to make deals with other countries. But when all is said and done, it's likely that we'll see a significantly higher average effective tariff rate than what was in place before he re-took office. In the meantime, trade related uncertainty for businesses, particularly in the US, will remain elevated, and act as a headwind on both investment and hiring. While on this topic, it's worth flagging another "Section" – this one contained in the "One Big Beautiful Bill" Act that the House of Representatives has passed and is set to be considered by the Senate, called Section 899. While this clause does not involve tariff powers, if it becomes law, it will authorize the Treasury Secretary to designate certain countries as "discriminatory" and allow the administration to impose retaliatory taxes on both companies and investors from these designated countries. Specifically, Section 899 targets countries that either 1) Impose digital service taxes; 2) Impose diverted profits taxes, which are levied on corporations that use tax havens to shelter profits; and/or 3) Observe the undertaxed profit rule, which is part of the recent OECD global tax deal that aims to ensure corporations are not able to avoid paying the global minimum tax of 15% by shifting profits to jurisdictions with lower tax rates.

It's an open question if this element of the Bill survives once it has been considered by the Senate. But if it does, it would provide Trump with another tool he could use to negotiate with and/or punish other countries. But even if it wasn't employed, unless there are provisions to allow non-American investors and companies to offset this against domestic tax bills, it seems clear that Section 899 would reduce the incentive for foreigners to invest in the US at a time when demand for US assets is already arguably weakening (and the supply of Treasuries is expanding). That would have negative implications for US economic growth, US stocks & bonds, and the dollar.



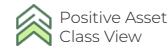
## THE MONTH IN NUMBERS

Guinness Multi-Asset Balanced Fund				Guinness Multi-Asset Growth Fund		
As at 31/05/2025	Strategic Asset Allocation	Tactical Asset Allocation	Difference vs SAA	Strategic Asset Allocation	Tactical Asset Allocation	Difference vs SAA
Cash	2.5%	3.0%	0.5%	2.5%	2.0%	-0.5%
Bonds	22.5%	22.5%	0.0%	12.0%	12.0%	0.0%
Government Bonds	8.5%	11.0%	2.5%	4.5%	7.0%	2.5%
Inflation Linked Bonds	3.0%	4.5%	1.5%	1.5%	3.0%	1.5%
Corporate Bonds	11.0%	7.0%	-4.0%	6.0%	2.0%	-4.0%
Equities	68.0%	69.0%	1.0%	83.5%	84.5%	1.0%
UK equities	2.4%	2.4%	0.0%	2.94%	3.00%	0.1%
International equities	65.6%	66.6%	1.0%	80.6%	81.5%	0.9%
US	44.4%	44.4%	0.0%	54.5%	54.5%	0.0%
Europe ex UK	8.2%	8.6%	0.4%	10.0%	10.5%	0.5%
Japan	4.0%	4.0%	0.0%	4.9%	4.9%	0.0%
Asia ex Japan	7.8%	8.3%	0.5%	9.5%	10.0%	0.5%
EM	1.3%	1.3%	0.0%	1.6%	1.6%	0.0%
Alternatives	7.0%	5.5%	-1.5%	2.0%	1.5%	-0.5%
Hedge funds/alternatives	4.0%	2.0%	-2.0%	1.0%	0.0%	-1.0%
Commercial property	1.5%	1.5%	0.0%	0.5%	0.5%	0.0%
Gold	1.5%	2.0%	0.5%	0.5%	1.0%	0.5%

As at 31/05/2025 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	4.9%	3.4%	4.3%	3.3%	5.2%	2.9%
3m	5.4%	0.8%	-1.0%	-0.7%	-7.1%	2.9%
6m	17.9%	7.8%	1.9%	2.3%	-7.2%	3.7%
1yr	11.8%	9.7%	8.4%	6.7%	6.8%	6.1%
3yr	46.1%	28.6%	9.7%	8.7%	38.1%	30.0%
5yr	83.5%	76.5%	27.9%	29.0%	87.8%	35.7%

Source: RBC Brewin Dolphin, Guinness Global Investors

# ASSET ALLOCATION OVERVIEW



Positive Asset  
Class View



Negative Asset  
Class View

## EQUITIES



We expect the global economy to continue to expand, albeit more slowly, which is consistent with corporate profits going up. We also believe there is the potential for AI themes to drive both strong economy wide productivity and continued solid profit gains among the pick and shovel plays. However, we believe only a small equity overweight is appropriate. For one, there is limited room for cyclical economic growth. Most economies are close to full employment and labour force participation is high. Meanwhile, US president Trump's immigration policies are likely to weigh on labour force growth. The upshot is that there's limited room for job growth, meaning there's limited room for aggregate demand to expand. Further, US equity valuation multiples, concentration risk, growth expectations among the AI plays, and trade uncertainty are all elevated.

## BONDS



Our base case view is that safe haven bond yields move in a trading range in the quarters ahead, and that explains in large part why we have a neutral position in the bonds asset class. Within bonds, we are overweight government bonds, and underweight corporates. The yield spread between corporate and government bonds remains tight, and would likely widen in the event that economic growth deteriorates. Recessions are often unpredictable, with 5 of the 8 recessions the US has had since 1970 caused by shocks. Government bonds would very likely outperform corporate bonds in the event a negative shock to growth materializes. With spreads tight and given our desire to stick with a small equity overweight, this bond positioning acts as a partial hedge against the recession risk.

## ALTERNATIVES



We retain a small overweight in gold. We expect central banks to continue to diversify their reserve holdings out of the dollar and other developed world currencies. And gold is likely to act as a good hedge against several risks. One, if a full blow global trade war occurs, real yields would likely drop and inflation would likely rise, a great backdrop for gold. Another risk is longer-term in nature. If inflation comes in persistently above expectations due to factors like de-globalization, a changing age structure of society (that means fewer workers relative to consumers, resulting in strong wage growth), and persistently high government deficits, gold would likely perform relatively well. Finally, while we attach a low probability to this risk, gold would likely soar in the event that China invades Taiwan.

## CASH



We hold a small overweight in cash, providing some ammunition we are able to deploy when the outlook for other typically higher yielding asset classes improves.



# EQUITY ALLOCATION BY REGION

## US EQUITIES



The US should maintain the productivity growth advantage it has enjoyed against the rest of the developed world. Meanwhile, the US equity market has outsized exposure to strong demand for AI goods and services. Nevertheless, we hold a tactical neutral position in the US, for several reasons. While the megacap digital names are trading on relatively high valuation multiples, that's less of an issue if they can continue to post outsized profit growth. But that will be challenging, given how big these companies already are. Notably, the S&P 500 excluding the magnificent 7 also trades on a large P/E premium to the world ex US market. While the dollar appears short-term oversold, our sense is that it has scope to decline over the medium/longer-term. A weak dollar would weigh on US equity relative performance in common currency terms. Finally, Trump trade policies could weigh on US profit margins. Some reshoring of manufacturing should result in higher labour costs, and tariffs will boost the cost of intermediate goods. In addition, the combination of retaliatory tariffs and consumers outside the US souring on US company products could reduce US corporate sales abroad. Given operating leverage, this should also weigh on margins.

## EUROPE EX UK EQUITIES



We retain a modest overweight in Europe ex UK. The region's valuation metrics are significantly less demanding than the US. And the euro is cheaply valued based on estimates of the purchasing power parity conversion rate, suggesting it has scope to strengthen over the longer-term. We expect only modest corporate profit growth given subdued European economic growth prospects. But a big boost to German defence and infrastructure spending should help close the growth gap with the US somewhat.

## UK EQUITIES



UK relative performance should continue to be closely linked to global value vs growth style performance. Some diversification into the value plays that the UK is so heavily weighted in makes sense at this stage, in our view. Although the domestic economic outlook is less important for UK equity relative performance given the high international exposure of the names that make up the index, it still matters. Indeed, there is a positive relationship between the performance of UK vs global GDP and UK vs global equity performance. We continue to believe the pessimism surrounding the UK economy is overdone. The UK equity market also trades on very



undemanding valuation multiples.

### JAPAN EQUITIES



Japan has implemented shareholder friendly reforms, which could help drive a further expansion in relatively depressed price-to-book multiples. Japan is now experiencing a healthy dose of inflation, with wage growth strengthening. Importantly, inflation expectations have also picked up. However, demographics amount to a major structural headwind for Japanese equity relative performance. Meanwhile, with the unemployment rate low and labour force participation high, Japan does not have much scope to put idle economic resources to work to drive cyclical growth.

### ASIA EX JAPAN EQUITIES



China continues to battle multiple structural headwinds. But productivity in China is a notable bright spot. Meanwhile, the policy focus is shifting from a stance to contain the private sector to one that supports it. Finally, some of the economic data has turned slightly less bad. Encouragingly, there are structural bright spots in the Asia ex Japan equity index, including India, with its very strong economic growth prospects, and Taiwan, given its high exposure to semiconductors.

### EMERGING MARKETS EX ASIA



Saudi Arabia, Brazil, South Africa, Mexico, and the UAE are the countries with the highest market cap weightings in the EM ex Asia equity index, making it very commodity exposed. While we don't expect much upside to commodity prices, EM ex Asia remains very cheaply valued.



## AT A GLANCE...

# THE MULTI-ASSET BALANCED FUND

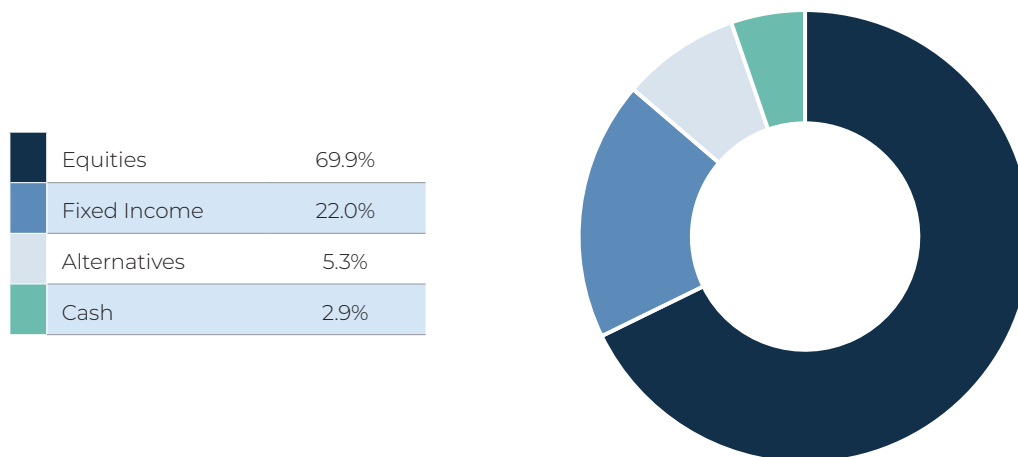
## MEDIUM RISK

You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of your portfolio to achieve your investment goals.

The Fund is actively managed without reference to a benchmark and invests in funds in a range of different asset classes. The investment objective is to provide capital appreciation over the long term. Returns will be generated through both capital growth and income, with a bias towards developed and liquid capital markets. The risk will be diversified by holding collective investments in a range of asset classes and geographies. The management of the portfolio aims to meet the objective conservatively by taking managed risk through fund selection and asset allocation. The portfolio is based on the Brewin Dolphin International MPS Passive Plus Balanced Strategy.

## ASSET ALLOCATION



## EQUITY ALLOCATION

USA	44.6%
Other International (DM)	21.5%
UK	2.5%
Other International (EM)	1.4%
Cash	2.9%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.05.2025



Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.9%
Invesco EQQQ Nasdaq-100 UCITS ETF	9.1%
Vanguard FTSE Developed Europe ex UK UCITS ETF	8.9%
SPDR S&P US Dividend Aristocrats UCITS ETF	8.7%
Vanguard S&P 500 UCITS ETF	7.9%
iShares Global Government Bond Index	7.3%
iShares Global Corp Bond UCITS ETF	6.9%
Vanguard Investment Series PLC - Pacific Ex-Japan Stock Index Fund	4.8%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	4.4%
Fidelity MSCI Japan Index Fund	4.1%
Xtrackers CSI300 Swap UCITS ETF	3.7%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	3.3%
iShares Core FTSE 100 UCITS ETF USD	2.4%
iShares Physical Gold ETC USD	1.9%
Amundi Index FTSE EPRA NAREIT Global	1.5%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.4%
Winton Trend Fund (UCITS) I USD Acc	0.6%
BNY Mellon Global Funds plc - Global Dynamic Bond Fund	0.6%
JPM Global Macro Opportunities USD	0.5%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.05.2025.

## RISKS

The Fund is a multi-asset fund investing primarily in other funds ("Underlying Funds") which may invest in equities, Government Bonds, fixed interest securities (which may include sub-investment grade securities), property and other investments. Investors should be willing and able to assume the risks of equity investing. The value of an investment can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available at [www.guinnessgi.com/literature](http://www.guinnessgi.com/literature)



## AT A GLANCE...

# THE MULTI-ASSET GROWTH FUND

## MEDIUM/HIGHER RISK

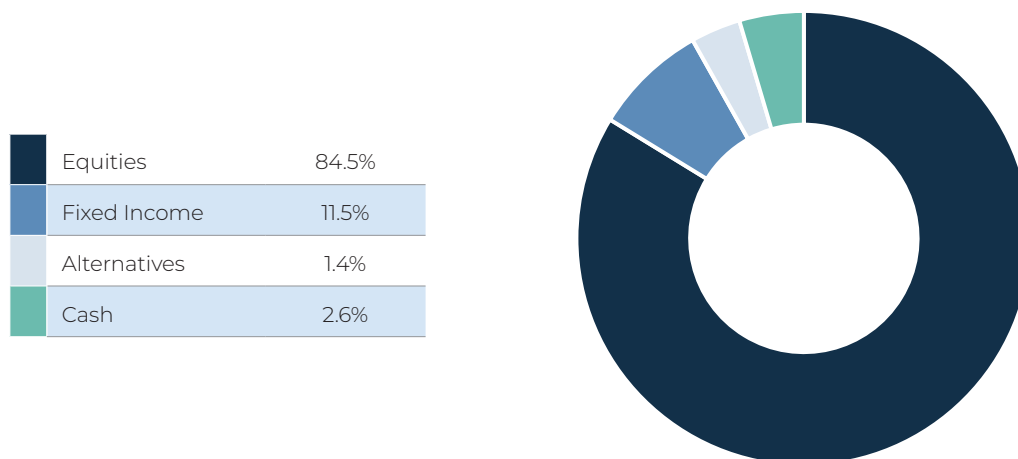
You are seeking to generate higher investment returns through a high exposure to equities to help achieve your long-term investment goals.

The portfolio will typically have a very high proportion of your investment held in equities and very low levels of fixed income, cash and alternative asset classes.

A larger proportion invested in equities is likely to lead to increased volatility in the overall value of the portfolio.

The Fund is actively managed without reference to a benchmark and invests in funds in a range of different asset classes. The investment objective is to provide capital appreciation over the long term. Returns will be generated through both capital growth and income, with a bias towards developed and liquid capital markets. The risk will be diversified by holding collective investments in a range of asset classes and geographies. The management of the portfolio aims to meet the objective conservatively by taking managed risk through fund selection and asset allocation. The portfolio is based on the Brewin Dolphin International MPS Passive Plus Growth Strategy

## ASSET ALLOCATION



## EQUITY ALLOCATION

USA	53.9%
Other International (DM)	25.9%
UK	3.0%
Other International (EM)	1.7%
Cash	2.6%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.05.2025.

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.6%
Vanguard S&P 500 UCITS ETF	13.3%
SPDR S&P US Dividend Aristocrats UCITS ETF	11.0%
Invesco EQQQ Nasdaq-100 UCITS ETF	11.0%
Vanguard FTSE Developed Europe ex UK UCITS ETF	10.8%
Vanguard Investment Series PLC - Pacific Ex-Japan Stock Index Fund	5.9%
Fidelity MSCI Japan Index Fund	5.0%
Xtrackers CSI300 Swap UCITS ETF	4.2%
iShares Global Government Bond Index	3.9%
iShares Core FTSE 100 UCITS ETF USD	3.0%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	2.9%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	2.8%
iShares Global Corp Bond UCITS ETF	1.9%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.7%
iShares Physical Gold ETC USD	0.9%
Amundi Index FTSE EPRA NAREIT Global	0.5%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.05.2025

## RISKS

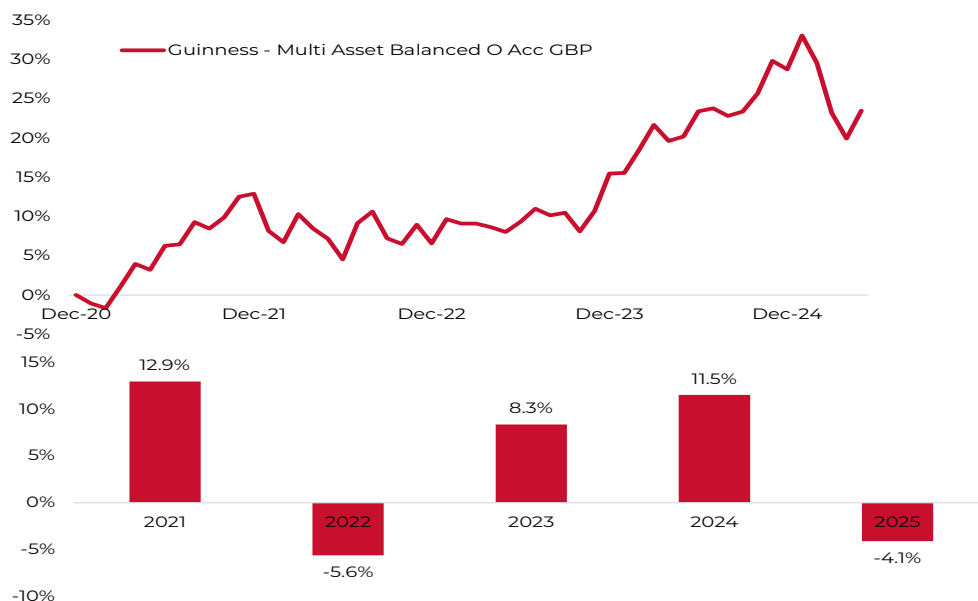
The Fund is a multi-asset fund investing primarily in other funds ("Underlying Funds") which may invest in equities, Government Bonds, fixed interest securities (which may include sub-investment grade securities), property and other investments. Investors should be willing and able to assume the risks of equity investing. The value of an investment can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. Further details on the risk factors are included in the Fund's documentation, available at [www.guinnessgi.com/literature](http://www.guinnessgi.com/literature)



## PERFORMANCE SINCE RELAUNCH OF STRATEGY (31.12.2020)

### MULTI-ASSET BALANCED FUND

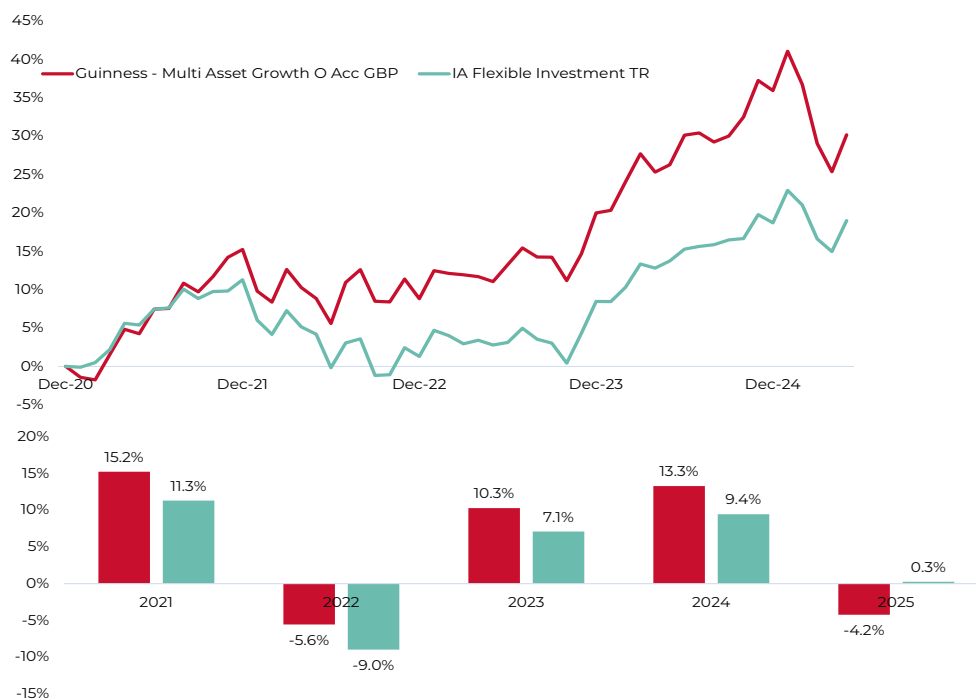
Past Performance does not predict future returns



FE fundinfo net of fees to 31.05.25. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The OCF is 0.99%, which was the OCF over the calendar year 2024. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.

### MULTI-ASSET GROWTH FUND

Past Performance does not predict future returns



The Fund is in the IA Flexible investment Sector. FE fundinfo net of fees to 31.05.25. Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The OCF is 0.98%, which was the OCF over the calendar year 2024. Returns for share classes with a different OCF will vary accordingly. Transaction costs also apply and are incurred when a fund buys or sells holdings. The performance returns do not reflect any initial charge; any such charge will also reduce the return.



## EXPERT THINKING

When you invest with Guinness Global Investors you have a team of experts working for you.

### STRENGTH AND DEPTH

They are part of our broader team who collaborate to interpret the wider market and economic environment and identify those funds that meet our standard for investment, adding up to the strength and depth of insight we need to deliver for you.

### MEET THE GUINNESS TEAM



**JONATHAN WAGHORN,  
CO-MANAGER**

Jonathan joined Guinness Global Investors in September 2013 and is co-manager on the Guinness Multi-Asset range.



**WILL RILEY,  
CO-MANAGER**

Will joined Guinness Global Investors in May 2007 and is co-manager on the Guinness Multi-Asset range.

### MEET THE RBC BREWIN DOLPHIN TEAM



**DAVID HOOD,  
HEAD OF INVESTMENT SOLUTIONS**

David joined RBC Brewin Dolphin in March 2009 as a quantitative analyst. He heads up the investment solutions team which specialises in model portfolio, fund construction and risk analysis.

*“The Guinness Multi-Asset fund range follows a tried and tested investment approach so our investors can be confident about what to expect from it.”*

- David Hood,  
Head of Investment Solutions



**GUY FOSTER,  
HEAD OF RESEARCH**

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Guy is our Chief Strategist and oversees our broader team, which uses its collective expertise to make both strategic and tactical recommendations for asset allocation by RBC Brewin Dolphin.



**JANET MUI,  
INVESTMENT DIRECTOR**

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Janet is investment director at RBC Brewin Dolphin. As part of the research team, Janet is responsible for the commentary and communication of RBC Brewin Dolphin's macro/investment views to clients and the media.



## IMPORTANT INFORMATION

Issued by Guinness Global Investors a trading name of Guinness Asset Management which is authorised and regulated by the Financial Conduct Authority. This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment nor does it constitute an offer for sale. OCFs for all share classes are available on [www.guinnessgi.com](http://www.guinnessgi.com). If you decide to invest, you will be buying units/shares in the Fund and not investing directly in the underlying assets of the Fund Telephone calls will be recorded.

### Documentation

The documentation needed to make an investment, including the Prospectus, supplement, the Key Information Document (KID), the Key Investor Information Document (KIID) and the Application Form, is available in English from the website [www.guinnessgi.com](http://www.guinnessgi.com), or free of charge from:-

The Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or, the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset

Management Ltd as Investment Manager to these funds, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

### Investor Rights

A summary of investor rights in English, including collective redress mechanisms, is available here: <https://www.waystone.com/waystone-policies/>

### Residency

In countries where the Funds are not registered for sale or in any other circumstances where their distribution is not authorised or is unlawful, the Funds should not be distributed to resident Retail Clients.

### NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.

The Funds are sub-funds of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in these Funds, please consult your investment or other professional adviser.



