

# AUGUST 2025 MARKET UPDATE & INVESTMENT REPORT

GUINNESS MULTI-ASSET FUNDS



**GUINNESS**  
GLOBAL INVESTORS

POWERED BY



**Brewin  
Dolphin**

This is a marketing communication. Please refer to the Prospectus, supplement and KID/KIIDs for the Funds before making any final investment decisions. This document is presented to you in your capacity as a Professional Client and is not for general distribution to Retail Clients. Should you receive this document as a Retail Client you should disregard its content and take no action based upon it.

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# THE MONTH IN A MINUTE

## JULY OVERVIEW

In July, investor sentiment improved as political uncertainty eased and US trade and fiscal policy gained clarity. Key developments included the Trump administration's announcement of multiple trade deals and the passage of the One Big Beautiful Bill Act (OBBBA), boosting market confidence despite higher tariff levels.

The US secured new trade agreements with Vietnam, Japan, and the EU, setting average tariffs at 15%, which, while elevated from pre-Trump levels, were seen as mitigating the risk of a trade war. Equity markets responded positively, with global developed markets rising 1.3% and emerging markets outperforming at 2.0%. The latter was helped by strength in Greater China, Korea, and Taiwan—fuelled by China's economy exceeding GDP and industrial production expectations, whilst enthusiasm around AI investments helped others. Meanwhile India and Brazil lagged due to US tariff risks.

Strong second-quarter corporate earnings supported equity markets, particularly in the US, where around 80% of S&P 500 firms beat estimates. Technology stocks outperformed, especially the "Magnificent Seven," driving growth stocks. UK equities benefited from upward revisions in energy and materials earnings.

Conversely, European equities underperformed, partly due to weak demand from China and concerns about US trade policy.

Bond markets faced headwinds from expectations of continued fiscal expansion, with the global bond index falling, but corporate bonds outperformed. Treasury yields rose amid improving growth sentiment and fiscal concerns, while eurozone and UK yields also edged higher.

The US economy grew 3% in Q2, rebounding from a Q1 contraction, while inflation rose to 2.7%. The US Federal Reserve held rates steady. Despite tariffs, consumer prices were less affected than expected due to supply chain adjustments. Eurozone growth slowed to 0.1% in Q2, though relief over trade and solid earnings helped equity performance.

In the UK, inflation rose with government borrowing exceeding expectations. Chancellor Rachel Reeves introduced modest financial reforms. Japan struck a favorable US trade deal, spurring market gains.

The US dollar strengthened against G10 currencies on solid economic data and favourable trade news. Political uncertainty weakened the yen. Overall, July was marked by cautious optimism, driven by policy clarity, strong earnings, and resilience in key markets.



## THE MONTH IN NUMBERS

As at 31/07/2025	Guinness Multi-Asset Balanced Fund			Guinness Multi-Asset Growth Fund		
	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%	10.5%	2.0%	4.5%	6.5%	2.0%
Inflation Linked Bonds	3.0%	5.0%	2.0%	1.5%	3.5%	2.0%
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	2.5%	2.5%	0.0%	3.1%	3.1%	0.0%
International equities	65.5%	66.5%	1.0%	80.4%	81.4%	1.0%
US	45.8%	45.8%	0.0%	56.2%	56.2%	0.0%
Europe ex UK	7.1%	7.6%	0.5%	8.7%	9.2%	0.5%
Japan	3.5%	3.5%	0.0%	4.3%	4.3%	0.0%
Asia ex Japan	9.1%	9.6%	0.5%	11.2%	11.7%	0.5%
EM	0.0%	0.0%	0.0%	0.0%	0.0%	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 31/07/2025 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	2.0%	4.4%	6.2%	5.6%	5.9%	2.5%
3m	8.2%	7.8%	15.6%	13.7%	15.2%	5.7%
6m	11.1%	7.3%	9.5%	8.4%	-1.0%	3.1%
1yr	19.2%	12.7%	16.4%	13.7%	12.5%	4.4%
3yr	57.2%	36.6%	24.5%	24.1%	45.7%	32.0%
5yr	81.6%	89.9%	28.0%	29.0%	102.6%	51.7%

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, 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 AI 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 clampdown is weighing 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, our bond positioning acts as a partial hedge against this 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 trade tensions escalate, real yields would likely drop and inflation would likely rise, a great backdrop for gold. Another risk is longer-term in nature. De-globalization, a changing age structure of society that results in fewer workers relative to consumers (pushing up wage growth), and persistently high government deficits could result in somewhat higher inflation than central banks are targeting. Gold, being a real asset with a limited supply, would do well in this environment. 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 that we can 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 surging 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 has recovered somewhat from an oversold position, our sense is that it has scope to decline further 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 businesses import costs. In addition, consumers outside the US souring on US company products and services 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 exchange rate remains cheaply valued relative to estimates of the purchasing power parity conversion rate, suggesting it has scope to strengthen further 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. The UK economic growth outlook appears lacklustre. However, the market 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. That said, various revelations this year in areas like AI and EVs have served as good reminders that China excels at innovation. Chinese productivity growth has been much stronger than any other major country over the years, and that is likely to remain the case going forward. In addition, there's been a thawing in the relationship between the Communist party and big business. Finally, the authorities have become increasingly focussed on boosting the economy, particularly housing, which stands in contrast to recent years when they were trying to cool it. In Asia ex Japan more broadly, we are drawn to the structural growth that India offers, as it's still at a very early stage of development, with lots of upside. Another attraction is Taiwan and all the exposure to semiconductors that comes with it.



## AT A GLANCE...

# THE MULTI-ASSET BALANCED FUND

## MEDIUM RISK

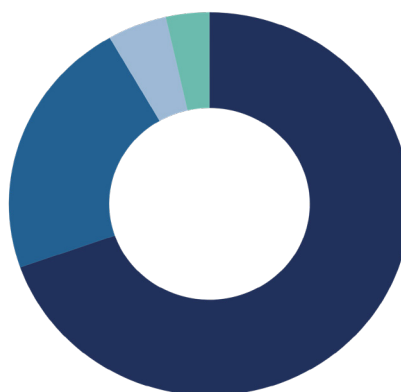
You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

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

Equities	69.7%
Fixed Income	22.1%
Alternatives	4.8%
Cash	3.5%



## EQUITY ALLOCATION

USA	45.0%
Other International (DM)	20.5%
UK	2.3%
Other International (EM)	1.3%
Cash	3.5%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.07.2025



Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.7%
Invesco EQQQ Nasdaq-100 UCITS ETF	8.9%
SPDR S&P US Dividend Aristocrats UCITS ETF	8.7%
Vanguard S&P 500 UCITS ETF	8.6%
Vanguard FTSE Developed Europe ex UK UCITS ETF	8.2%
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	4.6%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	4.4%
Xtrackers CSI300 Swap UCITS ETF	3.9%
Fidelity MSCI Japan Index Fund	3.8%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	3.4%
iShares Core FTSE 100 UCITS ETF USD	2.3%
iShares Physical Gold ETC USD	1.9%
Amundi Index FTSE EPRA NAREIT Global	1.5%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.3%
Winton Trend Fund (UCITS) I USD Acc	0.7%
BNY Mellon Global Funds plc - Global Dynamic Bond Fund	0.7%
JPM Global Macro Opportunities USD	0.6%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change. Data to 31.07.2025.

## 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.

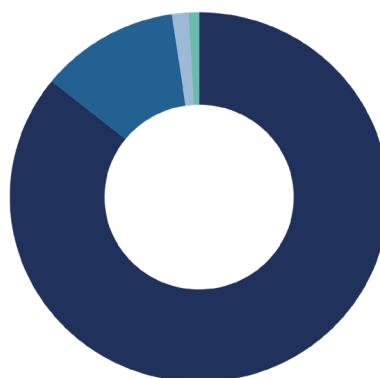
The portfolio will typically have a very high proportion of your investment held in equities and very low levels of fixed income, cash and alternative asset classes.

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

Equities	85.7%
Fixed Income	11.9%
Alternatives	1.4%
Cash	0.9%



## EQUITY ALLOCATION

USA	55.9%
Other International (DM)	25.2%
UK	2.9%
Other International (EM)	1.6%
Cash	0.9%

Source: RBC Brewin Dolphin, Guinness Global Investors. Asset allocation and holdings are subject to change.  
Data to 31.07.2025.

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	19.0%
Vanguard S&P 500 UCITS ETF	14.6%
SPDR S&P US Dividend Aristocrats UCITS ETF	11.3%
Invesco EQQQ Nasdaq-100 UCITS ETF	11.1%
Vanguard FTSE Developed Europe ex UK UCITS ETF	10.0%
Vanguard Investment Series PLC - Pacific Ex-Japan Stock Index Fund	5.7%
Xtrackers CSI300 Swap UCITS ETF	4.8%
Fidelity MSCI Japan Index Fund	4.7%
iShares Global Government Bond Index	3.9%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	3.0%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	3.0%
iShares Core FTSE 100 UCITS ETF USD	2.9%
iShares Global Corp Bond UCITS ETF	2.0%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.6%
iShares Physical Gold ETC USD	1.0%
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 31.07.2025

## RISKS

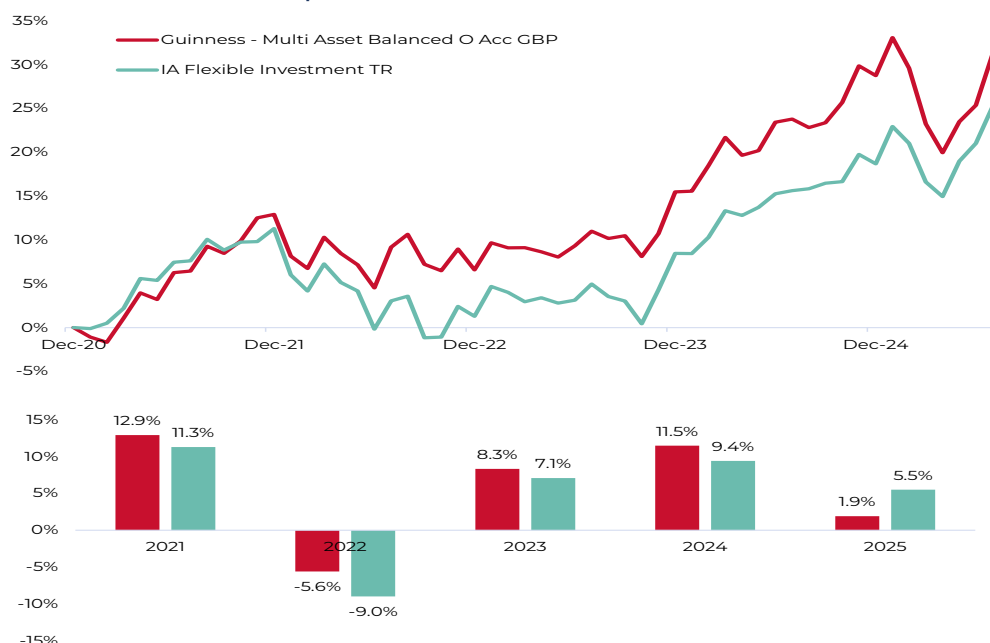
The Fund is a multi-asset fund investing primarily in other funds ("Underlying Funds") which may invest in equities, Government Bonds, fixed interest securities (which may include sub-investment grade securities), property and other investments. Investors should be willing and able to assume the risks 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

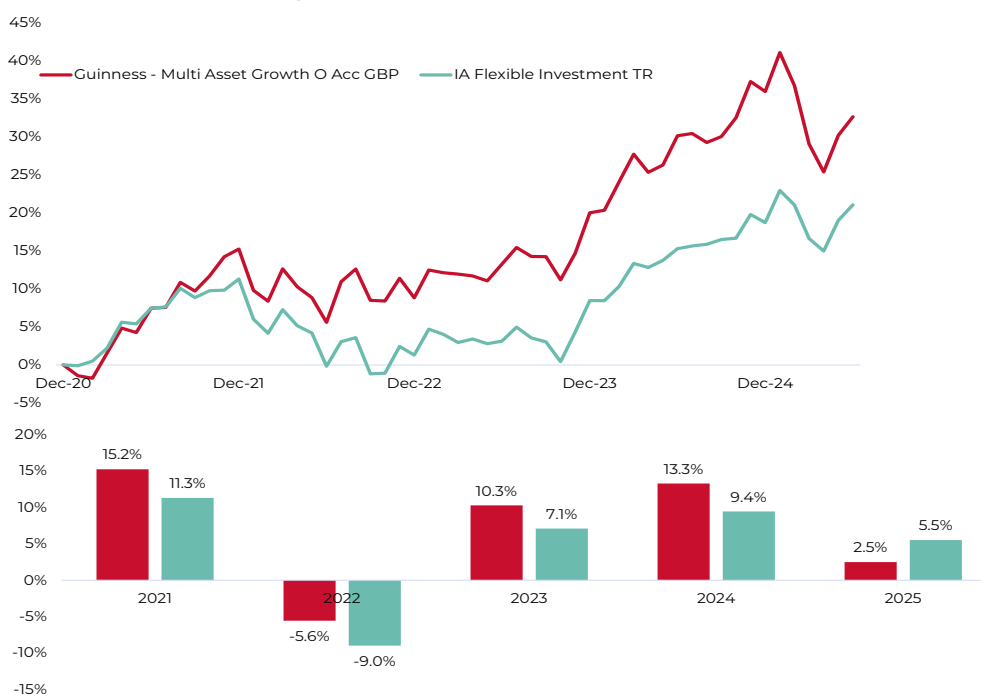
Past Performance does not predict future returns



The Fund is in the IA Flexible investment Sector. FE fundinfo net of fees to 31.07.25. 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.

### 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 31.07.25. 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 0.97%, 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

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### 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.

