GUINNESS GLOBAL INVESTORS

MULTI-ASSET FUNDS

January 2023 Market Update & Investment Report

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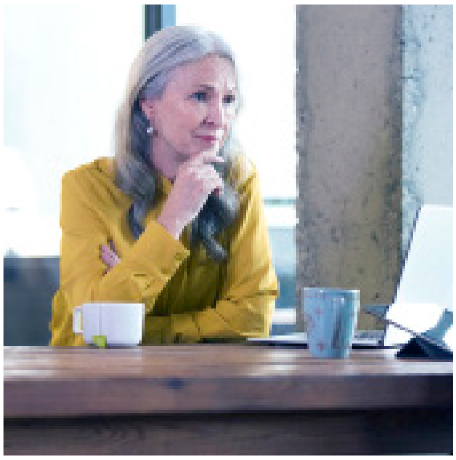
RBC Brewin Dolphin

Contents



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The Month in a Minute...

December Overview

2022 was a very difficult year for investors. The world was buffeted by economic and geopolitical shocks, which created very challenging conditions for investment. At the beginning of the year, concern was rife about the new more transmissible variant of Covid. As concern ebbed over the Omicron variant, fears rose over rising levels of inflation.

While most investors and policymakers went into 2022 expecting a return of inflation, few foresaw just how sharply and persistently prices would rise. The Fed, expected to raise rates by less than 1% by the end of the year, but ended up hiking by more than 4% in what was, arguably, the most aggressive interest rate hiking cycle on record.

Inflation was more persistent than expected, and therefore interest rates rose by more than expected. This meant bonds were worth less and the growth of company profits was generally outweighed by falling valuations in the equity market.

Consumers and the markets also had to contend with Russia's invasion of the Ukraine which, humanitarian impact aside, impacted global energy supply and the economic costs were material. Whilst in Asia, the zero tolerance Covid policy and disruption in the property market impacted China's economic growth.

Against this backdrop, it's unsurprising that equity markets fell with the MSCI World down 18% (during calendar year 2022) and global bond markets also falling circa 18% (in USD). Of the major equity markets the UK market was the standout performer driven by its energy and value style bias. Growth significantly underperformed value falling 29% against 7% for value (as measured by MSCI World Indices in USD).

Over the year the funds overweight positions in Cash and Absolute Return were tailwinds for performance. Digging deeper, the value style bias of the SPDR US Dividend Aristocrats was the clear positive contributor whilst the economic and political backdrop adversely favoured the Invesco Nasdaq 100 and China CSI 300 funds.

The Month in Numbers

As at 31/12/2022	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%	4.0%	1.5%	2.5%	4.0%	1.5%
Bonds	22.5%	20.5%	-2.0%	12.0%	10.0%	-2.0%
Government Bonds	8.5%	8.5%	0.0%	4.5%	4.5%	0.0%
Inflation Linked Bonds	3.0%	3.0%	0.0%	1.5%	1.5%	0.0%
Corporate Bonds	11.0%	9.0%	-2.0%	6.0%	4.0%	-2.0%
Equities	68.0%	67.5%	-0.5%	83.5%	83.0%	-0.5%
UK equities	2.9%	2.8%	-0.1%	3.5%	3.4%	-0.1%
International equities	65.1%	64.7%	-0.4%	80.0%	79.6%	-0.4%
US	41.6%	42.3%	0.7%	51.1%	51.8%	0.7%
Europe ex UK	8.7%	7.9%	-0.8%	10.7%	9.9%	-0.8%
Japan	4.4%	4.3%	-0.1%	5.4%	5.3%	-0.1%

As at 31/12/2022 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	-0.9%	4.4%	-1.2%	-2.4%	-6.7%	-0.1%
3m	14.0%	10.3%	3.3%	1.8%	-0.3%	5.1%
6m	11.1%	4.7%	-3.1%	-2.1%	3.0%	6.3%
1yr	-6.7%	5.5%	-9.6%	-10.0%	-8.3%	-4.5%
3yr	15.0%	14.9%	5.4%	1.5%	35.4%	6.0%
5yr	22.8%	21.0%	8.9%	4.8%	71.8%	10.5%
10yr	133.0%	79.6%	91.8%	55.8%	316.4%	135.1%

Asset Allocation Overview

Positive Asset Class View   Negative Asset Class View

Equities

Bond yields are approaching a peak, in our view, so how much further the equity market declines from here will come down to how severe the earnings recession is. There is still a pathway for the US economy to avoid recession, which would be supportive of corporate earnings. But the probability of this scenario unfolding does not seem to be particularly high. That said, for now the US economy is holding up relatively well, and a recession may not begin until the end of this year or early 2024. If the US economy evolves as such, global equity markets may end up trading in a broad range throughout the first half of 2023. While there is no way to know how much EPS will ultimately decline at this stage, it's reasonable to believe that a severe decline is unlikely. Importantly, while excesses and imbalances are currently present, the backdrop is not dire.

Bonds

We raised our exposure to UK government and global inflation linked bonds this month. This decision was underpinned by the UK's relatively high interest rate sensitivity and other factors that we thought would weigh on UK economic growth and limit the upside in UK bond yields.

In terms of our upgrade to global inflation linked instead of global conventional government bonds, there are two considerations that to highlight. First, inflation expectations have dropped sharply. Looking ahead, there probably isn't much more downside, with one important reason being that oil prices should remain reasonably well bid. If inflation expectations end up moving sideways, that leaves other factors, including, index composition, that will determine conventional versus index linked relative performance. On that front, Japan has a high weight in the global conventional index, but a small weight in the global inflation linked benchmark. Japan is set to be a global growth bright spot in H1 2023. This, combined with yen weakness of the past two years should help add to the inflation pressure that is beginning to emerge in Japan. Against this backdrop, the risk is that Japan continues to tweak its yield curve control policy. If it does, that would push bond prices lower around the world, but the odds seem high that Japanese government bonds would be most susceptible to downside in this scenario.

We remain underweight corporate bonds as there is scope for further spread widening if economic growth continues to deteriorate, as we expect.

Alternatives

It is too early to position for a sustained decline in real yields and drop in the dollar. As such, we retain our neutral position on gold. We remain underweight property. Inflation pressure is weakening, valuations are unattractive, and real bond yields should remain elevated. Finally, we are overweight absolute return. This is a relatively attractive asset class at a time when the risk/reward backdrop for equities and bonds is not great.

Cash

We remain overweight. Cash is a relatively attractive asset class at a time when global growth momentum is slowing, and bond yields are rising. Moreover, the BoE base rate continues to move higher.

Equity Allocation by Region

US Equities

We retain a modest bias to US equities for several reasons. The first is our outlook for the dollar. If markets slip back into a "risk-off" environment, which we expect, that should provide the backdrop for a final bout of dollar strength. A strengthening currency generally leads to regional equity outperformance in common currency terms. Second, a cyclical top in sovereign bond yields is probably not far off. Rising bond yields have been good for the relative performance of the global equity "value" style over the global "growth" style. If it is correct that bond yields aren't far from a peak, that is good news for the relative performance of growth stocks, which is supportive of the US given that it is heavily overweight the growth style. Third, although an eventual US recession still seems likely, for now the US remains a global economic growth bright spot.

Europe ex UK Equities

Europe ex UK equities continue to rebound vs the global equity benchmark (in common currency terms). Helping drive this turnaround has been the strength in the euro, which has received a boost thanks to the decline in natural gas prices, increased ECB hawkishness, and from the shift to a more risk-on environment. Looking ahead, to believe the pro-cyclical euro will build on this rally, both global growth momentum and risk assets will likely need to be closer to bottoming. We do not believe we are there yet. Without continued upside in European FX, it will be difficult for Europe ex UK to sustain its recent outperformance in common currency terms.

UK Equities

Rate hikes are having a detrimental impact on growth in the UK faster than the US, partly because mortgage terms in the former are much shorter. Higher mortgage rates are pushing UK house prices lower, and that historically has coincided with weaker consumer spending. Relatively weak UK economic growth tends to weigh on UK equity relative performance. Nevertheless, UK equities have outperformed of late (in common currency terms) on the back of both the strong rebound in the pound vs dollar and the outperformance of the value style-oriented stocks the UK market is heavily weighted in.

Japan Equities

Given Japan's plunging population and birth rate, Japanese equities are confronting major demographic headwinds. This acts as a strong disincentive for Japanese businesses to invest and is a structural roadblock to equity market outperformance. More immediately, Japanese equity relative performance (in common currency terms) has been hindered by the very weak yen. Looking ahead, we do not expect a catalyst to arrive that could spark a meaningful turnaround in Japanese equity relative performance. That said, Japanese equities are relatively defensive in the current environment of tightening monetary policy in the Western world. Meanwhile, the Japanese economy should benefit from its delayed pandemic re-opening in the next few quarters, which should come at a time when US/European economic growth is slowing. Against this backdrop, the relative performance outlook is balanced, in our view.

Asia ex Japan Equities

With the region heavily oversold, Asia ex Japan equities were primed for a rally. Announcements from the Chinese authorities such as its 16-point plan to support the property sector and 20-point plan to optimize COVID restrictions (before outright dropping them) helped catalyse the gains since late October. In addition, like all regions outside the US, Asia ex Japan has also seen a big relative performance boost from the decline in the dollar. In terms of the outlook, as always there are pros and cons. While the list appears balanced, it is probably right to think that there is a cyclical window of opportunity for the region to outperform. Longer-term, especially due to the lack of policy visibility, it is difficult to have a strong view.

Emerging Markets ex Asia

Brazil, Saudi Arabia, South Africa, Mexico, and the UAE are the countries with the highest market cap weightings in EM ex Asia, making it a very commodity exposed index. Looking ahead, there are crosscurrents confronting the region. On the one hand, EM ex Asia remains very cheaply valued, and there is scope for the economies in this index to bounce back from the COVID crisis. On the other hand, EM FX should depreciate vs the dollar as global economic growth slows. Against this mixed backdrop, we maintain exposure slightly below benchmark.

The Multi-Asset Balanced Fund

Medium Risk

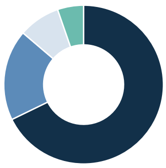
You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

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	64.9%
Fixed Income	18.9%
Alternatives	8.3%
Cash	8.0%



Equity Allocation

USA	40.8%
Other International (DM)	20.0%
UK	2.6%
Other International (EM)	1.5%
Cash	8.0%

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	17.6%
iShares Global Corp Bond UCITS ETF	9.7%
Vanguard S&P 500 UCITS ETF	9.1%
SPDR S&P US Dividend Aristocrats UCITS ETF	8.7%
Vanguard FTSE Developed Europe ex UK UCITS ETF	7.6%
iShares Global Government Bond Index	7.2%
Xtrackers CSI300 Swap UCITS ETF	4.5%
Fidelity MSCI Japan Index Fund	4.0%
Vanguard - Pacific Ex-Japan Stock Index Fund	3.9%
Invesco EQQQ Nasdaq-100 UCITS ETF	3.5%
iShares Core FTSE 100 UCITS ETF USD	2.6%
iShares Global Inflation-Linked Bond Index Fund	1.9%
Xtrackers Russell 2000 UCITS ETF	1.9%
JPM Global Macro Opportunities USD	1.7%
BNY Global Short-Dated High Yield Bond Fund	1.5%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.5%
iShares Physical Gold ETC USD	1.5%
BNY Global Funds plc - Global Dynamic Bond Fund	1.4%
BSF Emerging Companies Absolute Return	1.2%
Amundi Index FTSE EPRA NAREIT Global	0.9%
Cash	8.0%

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 and the income from it 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 on our website.

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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.

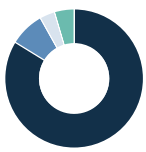
A larger proportion invested in equities is likely to lead to increased volatility in the overall value of the portfolio.

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

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.1%
Vanguard S&P 500 UCITS ETF	15.4%
SPDR S&P US Dividend Aristocrats UCITS ETF	10.8%
Vanguard FTSE Developed Europe ex UK UCITS ETF	9.7%
Xtrackers CSI300 Swap UCITS ETF	5.6%
Fidelity MSCI Japan Index Fund	5.1%
Vanguard - Pacific Ex-Japan Stock Index Fund	5.0%
iShares Global Corp Bond UCITS ETF	4.5%
iShares Global Government Bond Index	4.4%
Invesco EQQQ Nasdaq-100 UCITS ETF	4.4%
iShares Core FTSE 100 UCITS ETF USD	3.4%
Xtrackers Russell 2000 UCITS ETF	2.4%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.9%
JPM Global Macro Opportunities USD	0.9%
BNY Global Short-Dated High Yield Bond Fund	0.7%
BNY Global Funds plc - Global Dynamic Bond Fund	0.6%
BSF Emerging Companies Absolute Return Fund	0.6%
iShares Physical Gold ETC USD	0.5%
Cash	6.0%

Asset Allocation

Equities	81.7%
Fixed Income	8.9%
Alternatives	3.5%
Cash	6.0%



Equity Allocation

USA	51.1%
Other International (DM)	25.4%
UK	3.4%
Other International (EM)	1.9%
Cash	6.0%

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 and the income from it 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 on our website.

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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.

"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

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.

Guy Foster
Head of Research
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
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.

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Notes

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. Telephone calls will be recorded.

Documentation

The documentation needed to make an investment, including the Prospectus, 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 , or free of charge from:-

The Manager: Link Fund Manager Solutions (Ireland) Ltd, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland; or, the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

LFMSI, as UCITS Man Co, 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 is available here: https://www.linkgroup.eu/policy-statements/irish-management-company/

Residency

In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.

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The Fund is a sub-fund 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 this Fund, please consult your investment or other professional adviser.

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