GUINNESS GLOBAL INVESTORS

MULTI-ASSET FUNDS

March 2023 Market Update & Investment Report

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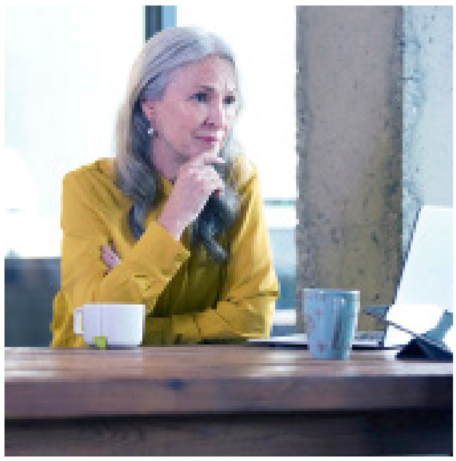
RBC Brewin Dolphin

Contents



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The Month in a Minute...

February Overview

After the euphoria of January, both equity and bond markets struggled in February reporting falls in USD terms. Despite the UK, Europe and Japan all showing positive returns in local currency, the strength of the dollar impacted US currency investors. Whilst inflation continued to show signs of decline, Central Banks continued increasing rates, albeit the Fed at a slower than previous pace. The rhetoric from the banks was that rate hikes would continue given inflation remains stubbornly high and well above target. This removed investor hopes of an earlier than expected rate cut that had buoyed the markets in January. On the positive side the anticipated recession was projected to be shallower than predicted a few months ago.

Economic data across developed markets showed strength with PMI (Purchasing Managers Index) manufacturing data moving back into expansionary territory supporting resilient service data, tight labour markets and low unemployment levels. Wage growth data also remained strong though below inflation levels.

European gas prices fell to €50 per megawatt hour, 84% below last years peak. The mild winter has also meant that energy reserves are notably higher than previous years. Lower energy cost will help support the European consumer and services sector.

In Asia, high frequency data from China supported the consumption driven recovery post the Covid re-opening. Excess personal savings will also help the domestic recovery, although increased geopolitical tensions between USA and China caused concern after the incursion of “weather” balloons into US territory.

Over the month, the overweight position to both Cash and Absolute Return helped limit portfolio falls. The US holdings were a positive tailwind whereas the expectation of higher rates impacted bond and in particular corporate bonds. That aside the models outperformed their long-term strategic asset allocation.

The Month in Numbers

As at 28/02/2023	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	2.8%	2.8%	0.0%	3.5%	3.5%	0.0%
International equities	65.2%	64.7%	-0.5%	80.0%	79.5%	-0.5%
US	41.7%	41.5%	-0.2%	51.2%	50.8%	-0.3%
Europe ex UK	9.0%	8.8%	-0.2%	11.0%	10.9%	-0.1%
Japan	4.3%	4.3%	0.0%	5.3%	5.3%	0.0%
Asia ex Japan	8.6%	8.5%	-0.1%	10.6%	10.5%	-0.1%
EM	1.7%	1.6%	-0.1%	2.0%	2.0%	0.0%
Alternatives	7.0%	8.0%	1.0%	2.0%	3.0%	1.0%
Hedge funds/alternatives	4.0%	5.5%	1.5%	1.0%	2.5%	1.5%
Commercial property	1.5%	1.0%	-0.5%	0.5%	0.0%	-0.5%
Gold	1.5%	1.5%	0.0%	0.5%	0.5%	0.0%

As at 28/02/2023 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	1.2%	1.9%	-5.3%	-4.9%	-0.8%	-2.0%
3m	9.0%	4.6%	-1.0%	-2.1%	-4.0%	1.3%
6m	19.5%	9.4%	-5.9%	-6.1%	-2.9%	0.4%
1yr	12.8%	10.7%	-5.1%	-6.1%	1.8%	1.3%
3yr	37.7%	34.2%	9.7%	8.6%	46.7%	17.2%
5yr	36.3%	32.2%	8.7%	3.6%	77.1%	11.1%
10yr	135.8%	78.8%	76.7%	45.8%	275.9%	109.4%

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Asset Allocation Overview

Positive Asset Class View

Negative Asset Class View

Equities

Global equities have rallied sharply since October. Chinese growth, global energy prices, US inflation and labour force participation have been moving in a clear "soft landing friendly" direction. Nevertheless, we suspect the US will ultimately suffer a recession, with it stemming largely from monetary tightening. A US recession would pull corporate profits lower, and the global equity market along with it. Against that backdrop, we retain a mild global equity underweight.

Bonds

We retain a neutral position on government bonds. Within this category, we favour Gilts, given the UK's interest sensitivity and more challenging economic outlook. With central banks nearing the end of their tightening cycles, our bias is to look for attractive entry points to go overweight. Corporate bonds have rallied since October last year on the back of both a decline in risk free bond yields and credit spread compression. With yield curves deeply inverted and central banks unlikely to start cutting rates anytime soon, we are not likely to see the risk-free component support corporate bond performance over the next couple months. With regards to the credit component, spreads have tightened significantly since October. Credit spreads typically move inversely with cyclical economic momentum. Although there may be a temporary pickup, it will likely be modest. As a US recession remains our base case, we do not believe the economic outlook is one that justifies credit spreads tightening much further. Against this backdrop, we retain an underweight position in corporate bonds.

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, as real bond yields should remain elevated (for now) and inflation pressure is weakening. 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 but bonds are not rallying. Moreover, with the UK yield curve inverted, cash now offers a more attractive return.

Equity Allocation by Region

US Equities

We are close to a cyclical top in sovereign bond yields, in our view. 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 removes a headwind for the relative performance of growth stocks, and is good for US equity relative performance given that this market is heavily overweight the growth style. Nevertheless, with the US equity market relatively expensive, the dollar outlook uncertain over the next year and with the interest rate backdrop likely to be "higher for longer", we suspect US equities do not offer much in the way of relative performance upside.

Europe ex UK Equities

Europe ex UK equities have rebounded vs the global equity benchmark (in common currency terms). Helping drive this turnaround has been the strength in continental European FX, 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 continue to appreciate, risk assets will likely need to continue to rally. We are sceptical. 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 should have a detrimental impact on growth in the UK faster than the US, partly because mortgage terms in the former country 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. The UK market heavily weighted in value style-oriented stocks, which have mostly outperformed since late 2021. Looking ahead, the outlook for value vs growth stock relative performance is more balanced.

Japan Equities

To get the Japanese equity relative performance outlook right, probably the best approach is to gauge relative economic growth prospects (in common currency terms). Looking ahead, Japanese GDP is likely to outperform US GDP in common currency terms over the next several quarters, for a couple reasons. First, there appears to be scope for the yen to continue to appreciate vs the dollar. Second, Japan's economy should expand at a reasonable pace at a time when we expect US GDP to be sluggish. Against that backdrop, there's probably a window for Japanese equities to outperform. That said, in the long-term, with both the population and birth rate in freefall and given Japan's lack of enthusiasm to immigration, Japan's demographics should act as a roadblock to any sustained economic and equity outperformance.

Asia ex Japan Equities

With the region heavily oversold, Asia ex Japan equities have outperformed the global equity benchmark since last October. 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. In addition, like all regions outside the US, Asia ex Japan has also gotten a big relative performance boost (in common currency terms) from the decline in the dollar. Looking ahead, the list of "pros and cons" appear balanced. On the one hand, China should be the main global growth bright spot this year. On the other hand, the Chinese authorities have just announced a conservative GDP growth target of 5% for this year, which was below consensus expectations of 5.5%. Meanwhile, the urban unemployment rate target the authorities announced alongside the GDP target was 5.5%, where it already stands today. These targets do not send a strong signal that the authorities are set to be aggressive with regards to stimulus. Finally, geopolitics and the opaque political backdrop in China remain concerning.

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. There are crosscurrents confronting the region. On the one hand, EM ex Asia remains very cheaply valued. On the other hand, EM FX should depreciate vs the dollar as global economic growth slows. With the Chinese economy accelerating but most of the rest of the world slowing, the outlook for commodity prices appears to be neither hot nor cold. Against this mixed backdrop, we are neither bullish nor bearish with respect to relative performance prospects.

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.

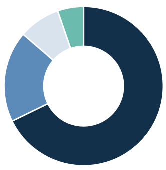
The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of your portfolio to achieve your investment goals.

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.

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.5%
Vanguard S&P 500 UCITS ETF	9.6%
SPDR S&P US Dividend Aristocrats UCITS ETF	9.1%
iShares Global Corp Bond UCITS ETF	9.1%
iShares Global Government Bond Index	8.5%
Vanguard FTSE Developed Europe ex UK UCITS ETF	8.1%
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	3.8%
iShares Global Inflation-Linked Bond Index Fund	3.0%
iShares Core FTSE 100 UCITS ETF USD	2.8%
Xtrackers Russell 2000 UCITS ETF	2.0%
BNY Global Short-Dated High Yield Bond Fund	1.6%
iShares Physical Gold ETC USD	1.5%
BNY Global Funds plc - Global Dynamic Bond Fund	1.5%
JPM Global Macro Opportunities USD	1.5%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.4%
Amundi Index FTSE EPRA NAREIT Global	1.0%
BSF Emerging Companies Absolute Return Fund	1.0%
Cash	3.5%

Asset Allocation

Equities	67.8%
Fixed Income	20.6%
Alternatives	8.1%
Cash	3.5%



Equity Allocation

USA	43.1%
Other International (DM)	20.6%
UK	2.8%
Other International (EM)	1.4%
Cash	3.5%

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.

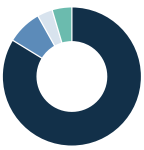
A larger proportion invested in equities is likely to lead to increased volatility in the overall value of the portfolio.

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	18.4%
Vanguard S&P 500 UCITS ETF	15.8%
SPDR S&P US Dividend Aristocrats UCITS ETF	11.1%
Vanguard FTSE Developed Europe ex UK UCITS ETF	10.0%
Xtrackers CSI300 Swap UCITS ETF	5.5%
Fidelity MSCI Japan Index Fund	4.9%
Vanguard - Pacific Ex-Japan Stock Index Fund	4.9%
Invesco EQQQ Nasdaq-100 UCITS ETF	4.7%
iShares Global Government Bond Index	4.5%
iShares Global Corp Bond UCITS ETF	4.0%
iShares Core FTSE 100 UCITS ETF USD	3.4%
Xtrackers Russell 2000 UCITS ETF	2.4%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.8%
iShares Global Inflation-Linked Bond Index Fund	1.5%
BNY Global Short-Dated High Yield Bond Fund	0.8%
BNY Global Funds plc - Global Dynamic Bond Fund	0.7%
JPM Global Macro Opportunities USD	0.6%
iShares Physical Gold ETC USD	0.5%
BSF Emerging Companies Absolute Return Fund	0.5%
Cash	4.0%

Asset Allocation

Equities	82.9%
Fixed Income	10.0%
Alternatives	3.1%
Cash	4.0%



Equity Allocation

USA	52.4%
Other International (DM)	25.3%
UK	3.4%
Other International (EM)	1.8%
Cash	4.0%

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

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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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