GUINNESS GLOBAL INVESTORS

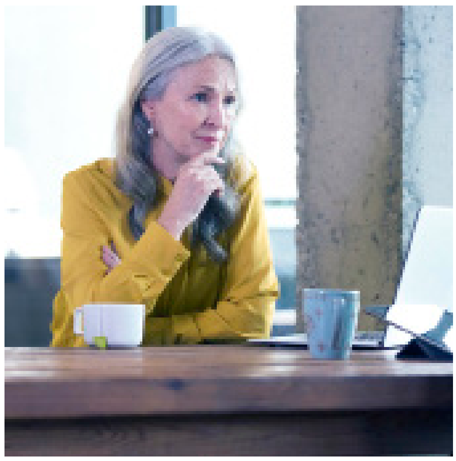
MULTI-ASSET FUNDS

May 2023
Market Update & Investment Report

POWERED BY

RBC Brewin Dolphin

Contents



The Month in a Minute...

April Overview

In US dollar terms equities had a good month with developed markets reporting gains over April. Both the UK and Europe reported strong gains benefiting from their more value biased approach and the weakening of the dollar. By comparison the more growth / tech style of the S&P 500 returned 1.5%, whilst Asia and Emerging Markets struggled despite China's reopening and reporting Q1 GDP higher than expected. Geopolitical tensions and reports of stricter US investment regulations left Chinese equities down 5% over the month.

Bonds were mixed with both Sovereign Debt and Corporate Bonds rising by circa 1%. Inflation linked Bonds reported a small negative return with the continued fall of inflation.

Economic data was positive with GDP growth remaining resilient and the upward revision of PMI Services sector which is well into the expansionary phase. Headline inflation continued its decline as energy prices fell and the base effects helped reduce the impact of Oil & Gas. That said, Core inflation stayed persistent despite a cooling labour market and wage demand softening. Within both Europe and the UK, Manufacturing PMIs are still in the contraction phase. However, across developed markets interest rates are expected to continue to rise as central banks struggle to get ahead of Core Inflation. The US is ahead in their tightening cycle and markets expect the Fed to pause post May's 25bps rise. For the UK and Europe rates are like to continue to increase in the short term.

In US dollar terms the fund produced a positive return in April with the S&P 500 exposure and the SPDR Aristocrats contributing most to the return. As stated above the exposure to Emerging Markets and growth via the Nasdaq exposure struggled to keep pace. With a US recession still expected later this year the slight underweight to equities remains valid given the uncertainty as to the depth of any recession.

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The Month in Numbers

As at 30/04/2023	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%	21.0%	-1.5%	12.0%	10.5%	-1.5%
Government Bonds	8.5%	9.0%	0.5%	4.5%	5.0%	0.5%
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%	2.9%	0.1%	3.5%	3.5%	0.0%
International equities	65.2%	64.6%	-0.5%	80.0%	79.5%	-0.5%
US	41.7%	41.4%	-0.3%	51.2%	50.9%	-0.3%
Europe ex UK	9.1%	8.9%	-0.2%	11.1%	11.0%	-0.1%
Japan	4.4%	4.4%	0.0%	5.4%	5.4%	0.0%
Asia ex Japan	8.4%	8.3%	-0.1%	10.3%	10.2%	-0.1%
EM	1.6%	1.6%	0.0%	2.0%	2.0%	0.0%
Alternatives	7.0%	7.5%	0.5%	2.0%	2.5%	0.5%
Hedge funds/alternatives	4.0%	5.0%	1.0%	1.0%	2.0%	1.0%
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 30/04/2023 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	1.5%	3.6%	-3.7%	-2.7%	-0.1%	-1.3%
3m	3.6%	2.8%	-7.5%	-6.7%	0.5%	-1.6%
6m	21.5%	12.9%	11.0%	6.6%	-0.8%	7.9%
1yr	17.1%	8.3%	-6.0%	-6.6%	2.0%	5.4%
3yr	57.4%	51.3%	10.3%	14.0%	48.6%	17.7%
5yr	36.7%	27.5%	6.9%	4.0%	83.5%	13.0%
10yr	137.7%	77.2%	77.3%	48.1%	269.7%	89.1%

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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 (albeit a mild one), 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 now have a small overweight to government bonds. Within this category, we favour Gilts , given the UK's interes t s ens itivity and more challenging economic outlook. With central banks nearing the end of their tightening cycles, our bias is to continue to look for attractive entry points to go overweight government bonds. 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 of months. With regards to the credit component, spreads have tightened significantly since October. Credit spreads typically move inversely with economic momentum. As a mild US recession that begins at the end of this year remains our base case, we believe spreads have scope to widen. Against this backdrop, we retain an underweight position in corporate bonds.

Alternatives

The gold price has historically been inversely correlated with real (inflation adjusted) bond yields. The rally in gold over the past six months has been significantly stronger than one would have expected based on the much more modest recent drop in real yields. Dollar weakness has explained part of the divergence, as has the reportedly strong buying from foreign official sector purchasers (China, Russia) looking to diversify their reserve holdings. Against this backdrop, we retain a neutral position to gold. We remain underweight property. Real bond yields should remain elevated (for now), inflation pressure is weakening and tightening credit conditions are tightening. Finally, we are overweight absolute return. This is a relatively attractive asset class at a time when the outlook for risky assets is subpar.

Cash

We remain overweight. Cash now offers a relatively attractive return, and is an attractive asset class at a time when global growth momentum is slowing.

Equity Allocation by Region

US Equities

Like the UK, competing crosscurrents have impacted US equity common currency relative performance this year. On the one hand, the strong performance of the growth vs value style this year has been supportive of US equity relative performance given the US is heavily weighted in the former. However, the continued slide in the US dollar has been a drag. With the US relatively expensive and the dollar downturn intact, we suspect US equities do not offer much in the way of relative performance upside.

Europe ex UK Equities

Europe ex UK equities have strongly rebounded vs the global equity benchmark (in common currency terms) since last autumn. Helping drive the 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, the ECB should continue to hike rates. Policy rates spreads between the US and Eurozone should continue to narrow and lend support to the euro. However, if markets go back into risk-off mode (as we expect), that would be a headwind for the euro as it generally trades as a risk-on currency. Also, sentiment toward the euro is bullish, and speculators in the futures and options markets are net long. This suggests that a chunk of the good news with respect to euro vs dollar fundamentals is already in the price.

UK Equities

After strongly outperforming in 2022 (in common currency terms), UK equity relative performance has been in a range vs the global equity benchmark so far this year. On the one hand, continued strength in the pound vs the dollar has been supportive. On the other hand, value style stocks have fallen out of favour relative to their growth style counterparts, a development that tends to weigh on UK equity relative performance given its high exposure to the former. Looking ahead, the boost to UK equity relative performance that would come from further gains in the pound appear to be offset by a relatively challenging domestic growth backdrop.

Japan Equities

To get the Japanese equity relative performance outlook right, the best approach in our view is to gauge relative economic growth prospects. Looking ahead, Japanese GDP is likely to outperform US GDP in common currency terms over the near-term. For one, 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 for 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 outperformed the global equity benchmark from the end of last October through mid-January this year. 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 received a relative performance boost (in common currency terms) from the decline in the dollar. Since then, relative performance has flagged. Looking ahead, the outlook appears balanced. On the one hand, China should be the main global growth bright spot this year. On the other hand, China's growth advantage will likely be relatively modest, a view that is partly linked to the apparent lack of willingness among the Chinese authorities to stimulate the economy. 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 the EM ex Asia equity index, making it very commodity exposed. There are crosscurrents confronting the region. On the one hand, EM ex Asia remains very cheaply valued. That said, relative performance prospects appear limited by the what should be a lack of commodity price upside in an environment where global growth is slowing and China refrains from large scale stimulus.

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.

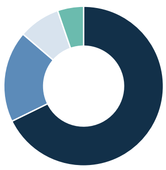
The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of your portfolio to achieve your investment goals.

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	18.6%
SPDR S&P US Dividend Aristocrats UCITS ETF	9.2%
iShares Global Corp Bond UCITS ETF	9.1%
Vanguard FTSE Developed Europe ex UK UCITS ETF	9.0%
iShares Global Government Bond Index	8.5%
Vanguard S&P 500 UCITS ETF	8.4%
Xtrackers CSI300 Swap UCITS ETF	4.4%
Fidelity MSCI Japan Index Fund	4.2%
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	1.9%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.6%
BNY Mellon Global Short-Dated High Yield Bond	1.5%
iShares Physical Gold ETC USD	1.5%
JPM Global Macro Opportunities USD	1.5%
BNY Global Funds plc - Global Dynamic Bond Fund	1.5%
Amundi Index FTSE EPRA NAREIT Global	1.0%
BSF Emerging Companies Absolute Return Fund	1.0%
Cash	3.5%

Asset Allocation

Equities	67.9%
Fixed Income	20.6%
Alternatives	8.0%
Cash	3.5%



Equity Allocation

USA	42.0%
Other International (DM)	21.5%
UK	2.8%
Other International (EM)	1.6%
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 at www.guinnessgi.com/literature

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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
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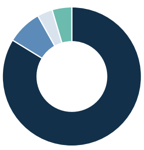
Vanguard FTSE Developed Europe ex UK UCITS ETF	11.1%
Fidelity MSCI Japan Index Fund	5.2%
Xtrackers CSI300 Swap UCITS ETF	4.9%
Vanguard - Pacific Ex-Japan Stock Index Fund	4.9%
Invesco EQQQ Nasdaq-100 UCITS ETF	4.7%
iShares Global Government Bond Index	4.5%
iShares Global Corp Bond UCITS ETF	4.0%
iShares Core FTSE 100 UCITS ETF USD	3.6%
Xtrackers Russell 2000 UCITS ETF	2.4%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	2.0%
iShares Global Inflation-Linked Bond Index Fund	1.5%
BNY Global Short-Dated High Yield Bond Fund	0.8%
JPM Global Macro Opportunities USD	0.6%
BNY Global Short-Dated High Yield Bond Fund	0.6%
BSF Emerging Companies Absolute Return Fund	0.5%
iShares Physical Gold ETC USD	0.5%
Cash	4.0%

Asset Allocation

Equities	82.9%
Fixed Income	10.0%
Alternatives	3.0%
Cash	4.0%



Equity Allocation

USA	51.3%
Other International (DM)	26.1%
UK	3.6%
Other International (EM)	2.0%
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 at www.guinnessgi.com/literature

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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

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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.