GUINNESS GLOBAL INVESTORS

MULTI-ASSET FUNDS

August 2023 Market Update & Investment Report

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RBC Brewin Dolphin

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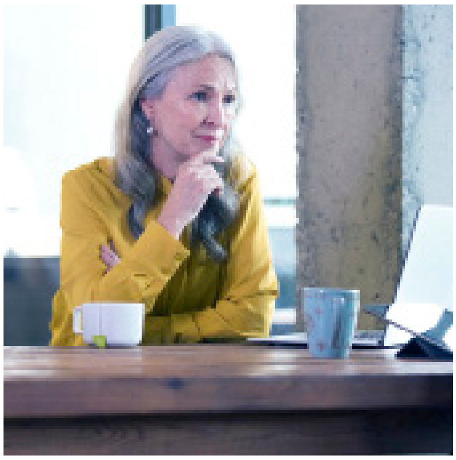

The Month in a Minute...

July Overview

Both bond and equity markets had a good July as all major indices produced positive returns. Both Asia and Emerging Markets produced a return in excess of 6% in dollar terms. Western developed markets produced returns between 3-4% and as the market participation broadened, Value outperformed Growth with Small Caps returning nearly 5%. Corporate Bonds returned 1% outperforming their Sovereign Debt counterparties as investors hope of an economic soft landing supported the broad rally. Inflation continues to fall in Western markets and a larger than expected fall in UK CPI helped Gilts rally.

Both the Federal Reserve and European Central Bank raised rates by 0.25% and indicated that future rises would be data dependant. The UK followed suit with a similar rise at the start of August. Whilst the second quarter remained resilient, PMI data continued to soften. Manufacturing PMIs remained in contraction, however, the growth within the Services sector continued to weaken. China was helped by some policy easing and hopes for further stimulus packages coupled with expectations that Western interest rates are close to peaking.

Commodity prices also rose over the month with energy leading the way and agricultural commodities benefitting from Russia's decision to withdraw from a UN deal allowing the export of Ukrainian grain via the Black Sea.

The underlying fund had a strong month with Asia (in particular China), the US and Sovereign Debt (buoyed by the holding of UK gilts) contributing to performance. Although July produced some positive signs it is too early to conclude that the global economies will avoid a recession as the PMIs have indicated. With this backdrop, the short-term tactical asset allocation remains similar to the long-term strategic asset allocation albeit with an underweight to Global Corporates and a slight underweight to equities and real estate.

The Month in Numbers

As at 31/07/2023	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%	22.0%	-0.5%	12.0%	11.5%	-0.5%
Government Bonds	8.5%	9.5%	1.0%	4.5%	5.5%	1.0%
Inflation Linked Bonds	3.0%	3.5%	0.5%	1.5%	2.0%	0.5%
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	2.6%	2.6%	0.0%	3.2%	3.2%	0.0%
International equities	65.4%	64.9%	-0.5%	80.3%	79.8%	-0.5%
US	42.8%	42.5%	-0.3%	52.6%	52.3%	-0.3%
Europe ex UK	8.5%	8.4%	-0.1%	10.4%	10.3%	-0.1%
Japan	4.3%	4.3%	0.0%	5.3%	5.3%	0.0%
Asia ex Japan	8.2%	8.1%	-0.1%	10.0%	9.9%	-0.1%
EM	1.6%	1.6%	0.0%	2.0%	2.0%	0.0%
Alternatives	7.0%	6.5%	-0.5%	2.0%	1.5%	-0.5%
Hedge funds/alternatives	4.0%	4.0%	0.0%	1.0%	1.0%	0.0%
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 31/07/2023 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	1.9%	2.2%	4.9%	5.0%	2.0%	2.0%
3m	1.2%	-2.0%	4.5%	5.9%	7.8%	5.9%
6m	4.8%	0.8%	-3.3%	-1.2%	8.3%	4.2%
1yr	21.1%	6.8%	0.4%	2.5%	6.3%	9.0%
3yr	40.0%	48.4%	3.3%	6.6%	47.9%	25.3%
5yr	34.0%	20.2%	12.4%	11.0%	76.6%	17.9%
10yr	122.6%	67.3%	90.5%	65.7%	266.5%	102.4%

Asset Allocation Overview

Positive Asset Class View

Negative Asset Class View

Equities

While recession risks remain elevated, there are pathways to a soft-landing. Given substantial uncertainties, it makes sense to perform a scenario analysis and attach weights to different outcomes. On this basis, the equity outlook does not look appealing relative to cash. Adjusted for the fact that equities are higher risk, and the relative attraction of cash over equities goes up more. Stretched valuations and bullish sentiment are sources of concern.

Bonds

We have a moderate overweight to government bonds. Government bond performance has a tight inverse correlation with investors central bank rate expectations. While we don't foresee rate expectations dropping anytime soon, it would be surprising to them move substantially higher. Among our three government bond categories, we favour Gilts, in large part due to the UK's interest sensitivity. Meanwhile, we remain underweight corporate bonds. In our view, credit spreads are not sufficiently large to compensate for global economic growth risks. Meanwhile, with yield curves deeply inverted and central banks unlikely to start cutting rates anytime soon, the riskfree component is unlikely to support corporate bond performance over the next couple of months.

Alternatives

The gold price has historically been inversely correlated with real (inflation adjusted) bond yields. With this in mind, gold has held up surprisingly well given the surge in real yields over the past 18 months. The reportedly strong buying from foreign official sector purchasers (China, Russia) looking to diversify their reserve holdings probably explains some of the divergence. In our view, real yields are unlikely to go up or down by much over the next couple quarters. As such, we retain a neutral position to gold. We remain underweight property, as real bond yields should remain elevated (for now), inflation pressure is weakening, and credit conditions are tightening.

Cash

We remain overweight. Cash offers an increasingly attractive return and is a desirable asset class at a time when the risk/reward backdrop for equities is not great.

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Equity Allocation by Region

US Equities

There are a host of factors leaning against the US. It's unlikely to continue posting economic surprises at a similar pace compared to the rest of the world; Tech stocks appear to have disconnected somewhat from both their industry and macro fundamentals; US stocks are trading on significantly higher than normal premiums compared to their global ex US counterparts. Importantly, these headwinds are offset by several tailwinds. The US, with both its defensive currency and sector composition, is generally a good market to be in when global economic growth slows; Even if digital stocks are expensive, the structural demand backdrop for the goods and services they sell appears strong; Despite the strong performance, there doesn't appear to be excessive froth around tech nor the US market more broadly. Against this mixed backdrop, it doesn't appear to be a good time to make big bets on the US equity relative performance outlook in either direction.

Europe ex UK Equities

Despite strength in continental European FX vs the dollar this year, Europe ex UK stocks have not outperformed in common currency terms. That's because the region has low exposure to the names benefitting from the buzz around AI. Globally, when tech stocks outperform, that tends to coincide with Europe ex UK underperformance. Looking ahead, it doesn1 appear to be a good time to add exposure to AI plays due to concerns about valuation and their disconnect from bond yields. Equally, given the potential for what currently looks like a mini-bubble to turn into a bigger bubble, one would not want to be underweight these names relative to the global equity benchmark. \/Vith this in mind, and given the mixed backdrop for European FX. in our view it makes sense to continue to hold positions in Europe ex UK that are consistent with it performing broadly in-line with the global equity benchmark.

UK Equities

After strongly outperforming in 2022 (in common currency terms), UK equity relative performance has underperformed vs the global equity benchmark in common currency terms this year. Although strength in the pound vs the dollar has been supportive, 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 outlook for value vs growth equities is balanced, in our view. Meanwhile, the boost to UK equity relative performance that could come from any further gains in the pound appear to be offset by a relatively challenging domestic growth backdrop.

Japan Equities

The BoJ surprised markets last Friday by tweaking their yield curve control policy. But they did it in what was considered a stealth way. While they maintained guidance of allowing the 10-year yield to move+/- 0.5% around the 0% target, this would now be considered a "reference" rather than rigid range. The BoJ promised to buy 10-year JGBs in fixed-rate operations at the 1 % level, instead of the previous rate of 0.5%. This effectively signals that it will now tolerate a rise in the 10-year yield to as much as 1 %. Looking ahead, if the yen strengthens, as we expect, Japanese GDP is likely to outperform US GDP in common currency terms. 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

Contrary to consensus expectations, it does not appear that China is set to slip into a major deflation phase. Down the line, while pockets of deflation within the country and in certain sectors is likely, it seems unlikely that the authorities would tolerate sustained, broad-based deflation. Even with the recent growth stumble, it's still not a bad bet that GDP in China and the region more widely outpaces that of the rest of the world over the balance of this year and next. Meanwhile, more and more investors are throwing in the towel on China. Despite this attractive combination of decent growth prospects and poor investor sentiment, we are not optimistic with regards to Asia ex Japan relative performance. It would be surprising to see much additional downside vs the global market, but equally risk/reward doesn1 appear to be attractive.

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. We don't expect much upside to commodity prices in an environment where global growth is slowing and China refrains from large scale stimulus. That said, EM ex Asia remains very cheaply valued.

At a glance...

The Multi-Asset Balanced Fund

Medium Risk

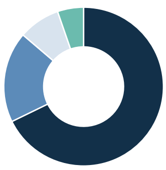
You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

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

Equities	68.4%
Fixed Income	21.6%
Alternatives	6.4%
Cash	3.7%



Equity Allocation

USA	43.0%
Other International (DM)	21.1%
UK	2.7%
Other International (EM)	1.6%
Cash	3.7%

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.6%
Vanguard S&P 500 UCITS ETF	9.4%
Invesco EQQQ Nasdaq-100 UCITS ETF	9.1%
iShares Global Corp Bond UCITS ETF	8.8%
Vanguard FTSE Developed Europe ex UK UCITS ETF	8.6%
iShares Global Government Bond Index	6.8%
Fidelity MSCI Japan Index Fund	4.3%
Xtrackers CSI300 Swap UCITS ETF	4.2%
Vanguard - Pacific Ex-Japan Stock Index Fund	4.0%
SPDR S&P US Dividend Aristocrats UCITS ETF	3.9%
iShares Global Inflation-Linked Bond Index Fund	3.4%
iShares Core FTSE 100 UCITS ETF USD	2.7%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	2.5%
Xtrackers Russell 2000 UCITS ETF	2.0%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.6%
iShares Physical Gold ETC USD	1.5%
JPM Global Macro Opportunities USD	1.4%
BNY Global Short-Dated High Yield Bond Fund	1.3%
BNY Global Funds plc - Global Dynamic Bond Fund	1.2%
Amundi Index FTSE EPRA NAREIT Global	1.0%
Cash	3.7%

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

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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.

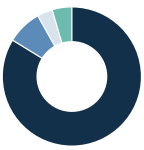
A larger proportion invested in equities is likely to lead to increased volatility in the overall value of the portfolio.

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	18.7%
Vanguard S&P 500 UCITS ETF	15.9%
Invesco EQQQ Nasdaq-100 UCITS ETF	11.2%
Vanguard FTSE Developed Europe ex UK UCITS ETF	10.6%
Fidelity MSCI Japan Index Fund	5.3%
Vanguard - Pacific Ex-Japan Stock Index Fund	5.0%
SPDR S&P US Dividend Aristocrats UCITS ETF	4.7%
Xtrackers CSI300 Swap UCITS ETF	4.6%
iShares Global Corp Bond UCITS ETF	3.9%
iShares Global Government Bond Index	3.4%
iShares Core FTSE 100 UCITS ETF USD	3.3%
Xtrackers Russell 2000 UCITS ETF	2.5%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	2.0%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	2.0%
iShares Global Inflation-Linked Bond Index Fund	2.0%
BNY Global Short-Dated High Yield Bond Fund	0.5%
BNY Global Funds plc - Global Dynamic Bond Fund	0.5%
iShares Physical Gold ETC USD	0.5%
BNY Mellon - Global Dynamic Bond Fund	0.4%
Cash	3.4%

Asset Allocation

Equities	83.8%
Fixed Income	11.4%
Alternatives	1.0%
Cash	3.4%



Equity Allocation

USA	53.0%
Other International (DM)	25.5%
UK	3.3%
Other International (EM)	2.0%
Cash	3.4%

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

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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 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.

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The Funds are 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 these Funds, please consult your investment or other professional adviser.

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