AUGUST 2024
MARKET UPDATE & INVESTMENT REPORT

GUINNESS MULTI-ASSET FUNDS

GUINNESS GLOBAL INVESTORS

POWERED BY RBC 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.

CONTENTS

THE MONTH IN A MINUTE

JULY OVERVIEW

With Developed Economies poised for rates cuts, interest rate sensitive asset classes enjoyed a positive month. Bonds, Global REITs and Small Caps all posted good gains with the later returning nearly 7%. Weaker than expected US CPI, labour market data and the July Fed meeting all pointed to their first cut occurring at the September meeting with the market now pricing three rate cuts this year. The ECB have already started their rate cutting cycle with a data dependant watch on further cuts with ECB Governor, Christine Lagarde, hinting a September cut was "Wide open". Anticipation continued to grow in the UK for their first cut with CPI holding steady at the 2% target.

Politics also featured heavily in July with President Biden withdrawing from the November election race in favour of VP Kamala Harris. A revitalisation of the Democrat nomination process saw them move slight ahead of Trump in the polls. The UK election, unsurprisingly, saw a convincing victory for Labour winning 411 of the 650 seats, whilst France failed to produce a single party winner meaning a coalition kept the far right out of power.

Markets also saw a positive month with US Q2 earnings seasons, by month end, showing more than two-thirds of companies beating analyst expectations. That said, investors were underwhelmed by the level of outperformance within the tech sector which led to a rotation from growth to value with the latter outperforming growth by circa 5%. This rotation also benefitted UK equity markets where the composition is more geared to value stocks. Asia was the one market that fell over the month as concerns over further chip restrictions, weaker tech sector and ongoing challenges in the Chinese real estate sector all weighed on the region.

THE MONTH IN NUMBERS

As at 31/07/2024	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%	1.0%	-1.5%	2.5%	2.0%	-0.5%
Bonds	12.0%	12.0%	0.0%	22.5%	22.5%	0.0%
Government Bonds	4.5%	6.0%	1.5%	8.5%	10.0%	1.5%
Inflation Linked Bonds	1.5%	2.0%	0.5%	3.0%	3.5%	0.5%
Corporate Bonds	6.0%	4.0%	-2.0%	11.0%	9.0%	-2.0%
Equities	83.5%	85.5%	2.0%	68.0%	70.0%	2.0%
UK equities	3.1%	3.6%	0.5%	2.5%	3.0%	0.5%
International equities	80.4%	81.9%	1.5%	65.5%	67.0%	1.5%
US	54.5%	56.0%	1.6%	44.3%	45.8%	1.5%
Europe ex UK	9.8%	9.8%	0.0%	8%	8.0%	0.0%
Japan	4.9%	4.9%	0.0%	4.0%	4.0%	0.0%
Asia ex Japan	9.6%	9.6%	0.0%	7.8%	7.8%	0.0%
EM	1.7%	1.6%	-0.1%	1.4%	1.4%	0.0%
Alternatives	2.0%	1.5%	-0.5%	7.0%	5.5%	-1.5%
Hedge funds/alternatives	1.0%	0.0%	-1.0%	4.0%	2.0%	-2.0%
Commercial property	0.5%	0.5%	0.0%	1.5%	1.5%	0.0%
Gold	0.5%	1.0%	0.5%	1.5%	2.0%	0.5%

As at 31/07/2024 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	0.0%	2.6%	-1.7%	-1.3%	-0.4%	4.7%
3m	-0.4%	3.4%	3.1%	2.2%	7.2%	4.0%
6m	5.9%	11.9%	14.9%	12.1%	13.5%	6.6%
1yr	8.9%	13.5%	6.4%	6.5%	21.8%	16.0%
3yr	19.7%	36.6%	-2.2%	-0.4%	40.5%	23.5%
5yr	43.4%	33.6%	15.1%	12.7%	87.1%	36.0%
10yr	130.4%	80.3%	90.4%	70.3%	327.8%	135.8%

Source: RBC Brewin Dolphin, Guinness Global Investors

ASSET ALLOCATION OVERVIEW

Positive Asset Class View
Negative Asset Class View

EQUITIES

Our moderate overweight has been underpinned by three key main supports: 1) Expectations of a soft landing; 2) The potential for AI themes to keep pushing the market higher; and 3) The technical backdrop. Recent developments call into question all three. Specifically, the July US jobs report was weak, the AI plays have sold off sharply, and the market uptrend appears to be at risk. That said, the recent selloff has improved valuations and reduced bullish sentiment, with the spike in the VIX index implying that a healthy dose of fear is balancing out some of the greed which had been dominating trading in recent months. In addition, in the 2024 US election betting markets, Harris has closed the gap massively with Trump in the last couple weeks. A Harris win would arguably be a better outcome for the equity market, as she is not threatening to wage a global trade war and she would be easier on immigration. Encouragingly, bond yields and oil prices have moved lower of late, which should help limit the extent of the economic weakness. Although recession risks have picked up, a soft landing is still a reasonable base case. We continue to believe a modest overweight is appropriate.

BONDS

Traders have priced in significant monetary policy easing in the months ahead. If there's a soft landing, central banks probably cut rates by slightly less than what is priced in. In a recession, they would very likely cut by more. Economic growth risks have intensified, but a soft landing remains a reasonable based case. Taking a probability-weighted sum of the various possible outcomes and considering government bond yields move with central bank rate expectations, we believe it is appropriate to hold onto a small government bond overweight position. We remain underweight corporate bonds. Credit spreads are not sufficiently large to compensate for global economic growth risks, in our view.

ALTERNATIVES

Sentiment and positioning toward gold are bullish, which is unsupportive as it points to good news being priced in. The US presidential election could go either way. But a Trump win in November could cause US growth to weaken and inflation to strengthen – a supportive backdrop for gold. Gold could also benefit from continued inflows from countries not geopolitically aligned with the West. Gold could also do well on the back of just a simple moderation in real rates as the economy slows. Turning to property, while fundamentals are challenging in the office space, the market cap weighting of this sector is small. The backdrop is notably brighter in other REIT subsectors. Nevertheless, safe haven bond yields may not drop that much in the event of a soft landing. Only a small decline in yields might not be enough to drive strong relative performance in this interest-sensitive sector. Against this mixed backdrop, we maintain a neutral position.

CASH

Although cash continues to offer a decent yield, we retain a small underweight. We see continued scope for equity market gains, and scope for government bonds to rally moderately as central banks adopt less tight policy stances.

EQUITY ALLOCATION BY REGION

US EQUITIES

The main concern with regards to US equity exposure relates to valuation. Both equity valuation multiples and the valuation of the dollar appear stretched. Nevertheless, we are more optimistic on US equities than other regions, for two main reasons. The first is the secular outlook, which appears relatively bright for tech stocks. The main upside risk for the global equity market over the next few years is if an “AI boom” scenario unfolds. With the Fed on hold and likely to begin cutting rates this year, a weaker version of the second half of the 1990s is a possibility this cycle. Back then, excitement linked to the growth of the internet drove gains. This cycle, AI could be the driver. The US has much greater exposure to the “pick and shovel” plays positioned to benefit from an AI investment spending boom than any other region. The second reason for favouring the US relates to the cyclical outlook. Even though the odds of a soft landing have gone up, economic growth risks appear higher than in any given year. The US is the most defensive of our six equity regions, which is an attractive characteristic at a time when growth risks are elevated.

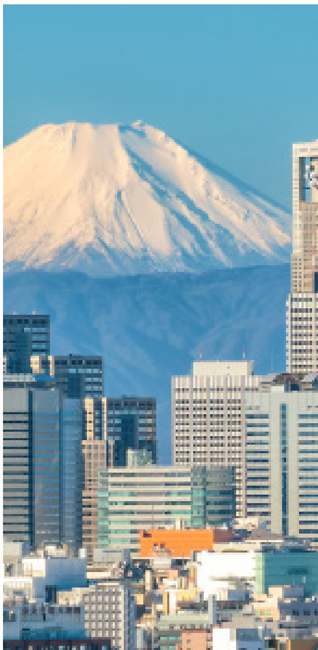
EUROPE EX UK EQUITIES

The relative performance of global tech and the direction of continental European FX are the key drivers of Europe ex UK equity relative performance. We are optimistic on the secular outlook of global tech, which bodes poorly for Europe ex UK as it has low weightings in this sector. With regards to continental European FX, over the longer term there appears to be room for appreciation, which would support regional equity relative performance in common currency terms. Importantly, the euro is cheaply valued (based on purchasing power parity conversion rates), and regional existential risks have declined. However, over the medium-term, sluggish economic growth in Europe vis-à-vis the US chould limit the upside in continental European FX.

UK EQUITIES

UK relative performance should continue to be closely linked to value vs growth performance, and there are reasons to believe the outlook for the growth style remains brighter. However, some diversification into the value plays that the UK is so heavily weighted in makes sense at this stage, in our view. While the domestic economic outlook is less important for UK equity relative performance, it still matters. Indeed, there is a reasonably close relationship between the performance of UK vs global GDP and UK vs global equity performance. We suspect Labour will have some success in boosting





economic growth with policies that require a limited fiscal outlay. However, the pathway to success is not guaranteed, and implementation will require careful navigation. The UK equity market trades on very undemanding valuation multiples and we hold a small overweight relative to benchmark.

JAPAN EQUITIES

Shareholder friendly reform momentum has picked up in Japan, which could help spark a further expansion in relatively depressed price-to-book multiples. However, demographics amount to a major structural headwind to Japanese equity relative performance. From a cyclical perspective, 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 growth. Despite low price-to-book multiples, Japan does not stand out as cheap, in our view. Indeed, it trades at a premium to the world ex US market on 12-month forward P/E.

ASIA EX JAPAN EQUITIES

China's economy is likely to continue to grow faster than most major economies for the foreseeable future. But there is little reason to believe the historical lack of link between economic and corporate profit relative performance will strengthen. The geopolitical outlook is challenging, and a Trump win in November would weigh on the Chinese economy and markets. Bigger picture, China is saddled with debt, and its demographics are a headwind to growth. Nevertheless, we are not bearish on Asia ex Japan relative performance prospects. There are structural growth bright spots. This includes India and the semiconductor heavy markets like Taiwan. Meanwhile, policy support should help slow the downturn in the hard hit Chinese residential property sector.

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. 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

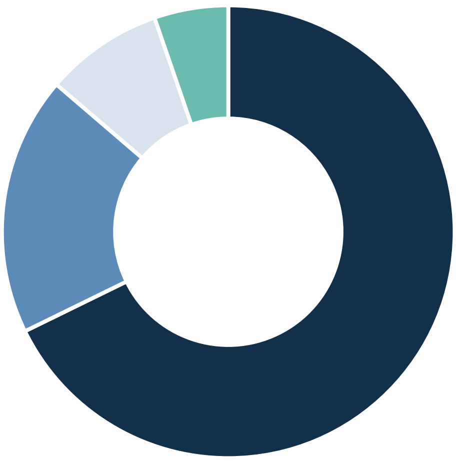
You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

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	69.8%
Fixed Income	22.6%
Alternatives	5.5%
Cash	2.1%



EQUITY ALLOCATION

USA	45.9%
Other International (DM)	19.6%
UK	2.9%
Other International (EM)	1.3%
Cash	2.1%

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

Holding	% Weight
iShares Core S&P 500 UCITS ETF	18.2%
iShares Global Corp Bond UCITS	9.0%
Vanguard FTSE Developed Europe	7.8%
SPDR S&P US Dividend Aristocra	7.4%
Vanguard S&P 500 UCITS ETF	7.1%
BlackRock Global Index Funds -	7.1%
Vanguard Investment Series PLC	4.8%
Invesco EQQQ Nasdaq-100 UCITS	4.1%
Fidelity MSCI Japan Index Fund	4.1%
iShares Global Inflation-Linke	3.5%
Xtrackers Russell 2000 UCITS E	3.3%
iShares S&P 500 Health Care Se	3.1%
iShares Core UK Gilts UCITS ET	3.0%
Xtrackers CSI300 Swap UCITS ET	3.0%
iShares plc - iShares Core FTS	2.9%
HSBC Nasdaq Global Semiconduct	2.7%
iShares Physical Gold ETC	2.0%
Amundi Index FTSE EPRA NAREIT	1.6%
Amundi MSCI Emerging Ex China	1.3%
BNY Mellon Global Funds plc -	0.7%
Winton UCITS Funds ICAV - Wint	0.7%
JPMorgan Investment Funds - Gl	0.6%

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

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

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.

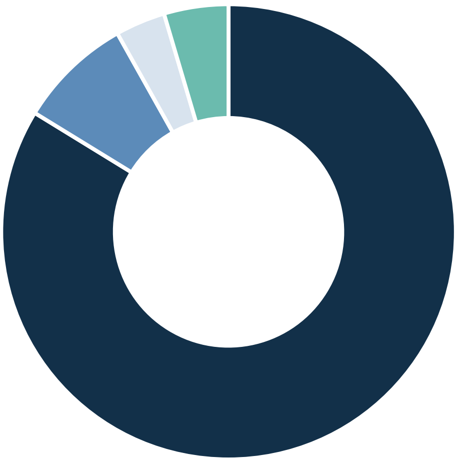
The portfolio will typically have a very high proportion of your investment held in equities and very low levels of fixed income, cash and alternative asset classes.

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	85.1%
Fixed Income	12.0%
Alternatives	1.5%
Cash	1.4%



EQUITY ALLOCATION

USA	56.0%
Other International (DM)	24.1%
UK	3.4%
Other International (EM)	1.6%
Cash	1.4%

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

Holding	% Weight
iShares Core S&P 500 UCITS ETF	18.20%
Vanguard S&P 500 UCITS ETF	12.00%
Vanguard FTSE Developed Europe	9.53%
SPDR S&P US Dividend Aristocra	9.10%
Vanguard Investment Series PLC	5.83%
Invesco EQQQ Nasdaq-100 UCITS	5.54%
Fidelity MSCI Japan Index Fund	4.96%
Xtrackers Russell 2000 UCITS E	4.04%
iShares Global Corp Bond UCITS	3.97%
iShares S&P 500 Health Care Se	3.82%
Xtrackers CSI300 Swap UCITS ET	3.75%
BlackRock Global Index Funds -	3.55%
iShares plc - iShares Core FTS	3.44%
HSBC Nasdaq Global Semiconduct	3.31%
iShares Core UK Gilts UCITS ET	2.49%
iShares Global Inflation-Linke	1.97%
Amundi MSCI Emerging Ex China	1.57%
iShares Physical Gold ETC	1.02%
Amundi Index FTSE EPRA NAREIT	0.52%

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

RISKS

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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.

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

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.

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. OCFs for all share classes are available on *www.guinness.gi.com*. Telephone calls will be recorded.

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* , or free of charge from:-

The Manager: Waystone Management Company (IE) Limited (Waystone IE) 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 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 this fund, 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 is available here: *https://www.waystone.com/wp-content/uploads/Policy/IE/Waystone-Management-Company-(IE)-Limited/Waystone-Management-Company-(IE)-Limited-Summary-of-Investor-Rights.pdf*

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.

GGI-MAF-Update-V2-03/01/24