NOVEMBER 2024
MARKET UPDATE & INVESTMENT REPORT

GUINNESS MULTI-ASSET FUNDS

GUINNESS GLOBAL INVESTORS

POWERED BY RBC Brewin Dolphin

CONTENTS

THE MONTH IN A MINUTE

OCTOBER OVERVIEW

Following a strong year for both bond and equity markets, October saw markets weaken as the impending US election drew ever closer. Overseas markets were impacted by the strong dollar which meant the S&P 500 was the leading major market, falling 1%. Developed market economies experienced a similar environment, whilst services PMI remain strong, manufacturing PMIs are still struggling. For different reason those economies also priced in a more gradual reduction in interest rates moving forward which led to the fall in bond process.

The U.K. saw the first budget by the new Labour government which revealed despite £40bn tax increases an additional £28bn in borrowing. Unemployment fell to 4% whilst wage growth remained strong at 4.9% and core inflation at 3.2%. This saw rate cut expectations cut from circa five 25bps reductions to just three.

Europe saw headline inflation pick up to 2% due to the impact of base effects within energy. With manufacturing struggling, particularly within Germany, the ECB announced the third 25bps rate cut but President Lagarde re-emphasised that rate cuts will remain data dependant.

The US witnessed the start of third quarter earnings results with some larger companies disappointing markets on their outlook. GDP for Q3 was grew provisionally at 2.8% year on year whilst CPI was at 2.4% slightly lower than expected. This saw November rate expectations cut from 50bps to 25bps. As the election draw ever closer, markets began to price in a Republican victory which led to a fall in bond markets as a Trump presidency is expected to increase the US debt burden.

Asia and EM declined party due to the strength of the dollar / uncertainty around the US election but also concerns for the Middle East crisis and disruption within energy and commodity markets. After strong performance China and Hong Kong declined as government stimulus failed to encourage investor sentiment. The BoC continue to battle with concerns around the property market and high youth unemployment. That said over 12 months equity markets across the regions have produce returns in excess of 20% and 38% for the S&P 500 so this weaker month should be viewed in context of an exceptional year.

THE MONTH IN NUMBERS

As at 31/10/2024	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%	1.5%	-1.0%	2.5%	0.5%	-2.0%
Bonds	22.5%	22.5%	0.0%	12.0%	12.0%	0.0%
Government Bonds	8.5%	11.0%	2.5%	4.5%	7.0%	2.5%
Inflation Linked Bonds	3.0%	4.5%	1.5%	1.5%	3.0%	1.5%
Corporate Bonds	11.0%	7.0%	-4.0%	6.0%	2.0%	-4.0%
Equities	68.0%	70.0%	2.0%	83.5%	85.5%	2.0%
UK equities	2.4%	2.4%	0.0%	2.98%	3.00%	0.0%
International equities	65.6%	67.6%	2.0%	80.5%	82.5%	2.0%
US	44.0%	45.5%	1.5%	54.1%	55.6%	1.6%
Europe ex UK	8%	7.8%	0.0%	9.6%	9.6%	0.0%
Japan	4.1%	4.1%	0.0%	5.0%	5.0%	0.0%
Asia ex Japan	8.3%	8.8%	0.5%	10.2%	10.6%	0.4%
EM	1.4%	1.4%	0.0%	1.7%	1.7%	0.0%
Alternatives	7.0%	6.0%	-1.0%	2.0%	2.0%	0.0%
Hedge funds/alternatives	4.0%	2.0%	-2.0%	1.0%	0.0%	-1.0%
Commercial property	1.5%	1.5%	0.0%	0.5%	0.5%	0.0%
Gold	1.5%	2.5%	1.0%	0.5%	1.5%	1.0%

As at 31/10/2024 in GBP	Euro STOXX	MSCI UK	MSCI AC Asia ex Japan	MSCI Emerging Markets	S&P 500	TSE TOPIX
1m	-1.7%	-1.4%	-0.5%	-0.3%	3.4%	-0.2%
3m	-0.4%	-2.2%	5.4%	3.5%	3.5%	-4.0%
6m	-0.9%	1.1%	8.6%	5.8%	10.9%	-0.1%
1yr	17.4%	14.8%	20.8%	18.3%	29.7%	14.5%
3yr	16.4%	28.2%	2.2%	2.1%	36.5%	14.6%
5yr	45.3%	35.2%	26.2%	22.0%	100.0%	27.9%

Source: RBC Brewin Dolphin, Guinness Global Investors

ASSET ALLOCATION OVERVIEW

Positive Asset Class View
Negative Asset Class View

EQUITIES

Subsiding inflation and central bank rate cuts should help bring about a soft landing. Meanwhile, there is the potential for AI-related themes to keep pushing the market higher. As such, we retain a modest equity overweight. But the risk/reward backdrop suggests it's probably not a good time to chase this rally further and add to that overweight at the current stage. A US soft landing is completely priced in, US valuations are elevated, and investors and analysts are already bullish. Meanwhile, economic growth risks are higher than in a typical year and it should become harder for the AI names to continue to positively surprise investors by such a large margin.

BONDS

The surge in US debt issuance that is set to come to finance Trump tax cuts has put some upside pressure on US bond yields. There is also the risk of renewed inflation pressure due to both tariffs, and potentially tighter labour markets stemming from less immigration and more deportations. But greater trade uncertainty (not to mention a global trade war) would weigh on global growth, putting downside pressure on real yields. And in a big reversal from only 1.5 months ago, the market is now only estimating that the Fed funds rate gets down to 3.8% by the end of next year. This is above what most economists believe to be a "neutral" level. We doubt there is much scope for rate expectations to climb much further, which, if correct, would limit the upside in bond yields. Finally, much of the world will be negatively impacted by Trump trade policy, which should weigh on bond yields outside of the US. We remain underweight corporate bonds. Credit spreads are not sufficiently large to compensate for global economic growth risks, in our view.

ALTERNATIVES

Traders are bullish on gold, which is unsupportive as it points to good news being priced in. That said, the gold price should be supported on the back of lower real yields as the economy slows, and continued inflows from countries not geopolitically aligned with the West. Turning to property, while fundamentals are challenging in the office space, the market cap weighting of this subsector is small. The backdrop is notably brighter in other REIT subsectors. We maintain a neutral position.

CASH

Although cash continues to offer a decent yield, we are underweight. We see continued scope for equity market gains, and gold to move higher..

EQUITY ALLOCATION BY REGION

US EQUITIES

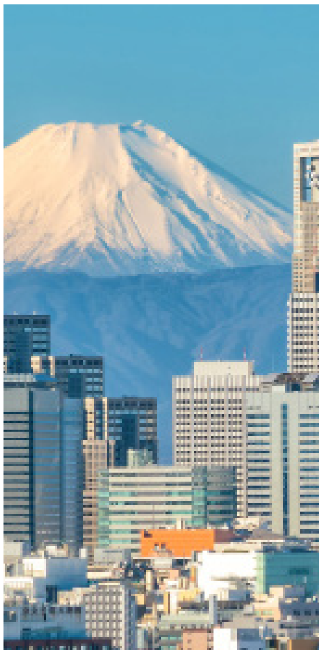
A key concern with regards to US equity exposure relates to valuation. Both equity valuation multiples and the valuation of the dollar appear stretched. Nevertheless, we are more optimistic on US equities than other regions. The secular outlook appears relatively bright for the tech stocks the US is so heavily weighted in. The main upside risk for the global equity market over the next few years is if an "AI boom" scenario unfolds. With the Fed now cutting rates, 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. Following this week's US elections, we have boosted our US equity exposure. In a trade war, the country with the trade deficit stands to win most (or lose the least), and the US runs trade deficits against many countries. Trump's trade policies give the US a better chance of maintaining its growth advantage vs the rest of the world. Relatively strong growth could boost the US dollar, providing support to US equity relative performance in common currency terms. And in the event of a global trade war, the US might also benefit from its relatively defensive sector composition.

EUROPE EX UK EQUITIES

This month we reduced our exposure to Europe ex UK to pay for our US upgrade. The EU will be in Trump's sights given its big trade surplus vs the US. It also has additional growth headwinds coming from its two biggest economies. In France, the new government is taking steps to reduce the deficit, which should weigh on growth. And Germany continues to struggle, with strains on its exporters a key headwind.

UK EQUITIES

UK relative performance should continue to be closely linked to value vs growth style performance, and there are reasons to believe the outlook for the latter 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. Although the domestic economic outlook is less important for UK equity relative performance given its international exposure, 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. The UK equity market trades on very undemanding valuation multiples.



JAPAN EQUITIES

There is momentum behind shareholder friendly reform in Japan, which could help drive a further expansion in relatively depressed price-to-book multiples. However, demographics amount to a major structural headwind for Japanese equity relative performance. Meanwhile, 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 cyclical 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

We suspect that the Chinese authorities are now taking the deflation risk seriously. To successfully boost inflation, the authorities will try to stoke demand growth. The combination of higher inflation, stronger growth and declining real interest rates is a supportive backdrop for equities. The Chinese housing market remains weak. But the authorities are incentivized to drive an improvement asap. Given that over 90% of Chinese own their own home, they'd be risking a breakdown in social instability (which they are very keen to avoid) if house prices decline much further. China and Hong Kong equities appear oversold on a medium-term time horizon. We acknowledge that the change in tack by the authorities does not alter the fact that the structural headwinds leaning against China have not gone away. However, there are structural bright spots in the Asia ex Japan equity index, including India and Taiwan.

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. That said, EM ex Asia remains very cheaply valued. +L18:L35



AT A GLANCE...

THE MULTI-ASSET BALANCED FUND

MEDIUM RISK

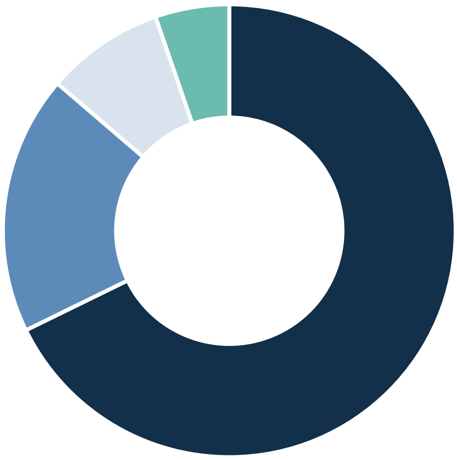
You are prepared to have more than half of your investment held in equities with the aim of achieving a higher investment return over the long term. The greater allocation to equities means your portfolio may experience heightened levels of volatility over the investment term.

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	68.5%
Fixed Income	22.1%
Alternatives	6.1%
Cash	3.4%



EQUITY ALLOCATION

USA	45.0%
Other International (DM)	19.8%
UK	2.3%
Other International (EM)	1.4%
Cash	3.4%

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

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	18.41%
Invesco EQQQ Nasdaq-100 UCITS ETF	8.68%
Vanguard FTSE Developed Europe ex UK UCITS ETF	7.52%
iShares Global Government Bond Index	7.35%
SPDR S&P US Dividend Aristocrats UCITS ETF	6.91%
iShares Global Corp Bond UCITS ETF	6.89%
Vanguard Investment Series PLC - Pacific Ex-Japan Stock Index Fund	4.69%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	4.44%
Fidelity MSCI Japan Index Fund	3.98%
Xtrackers CSI300 Swap UCITS ETF	3.59%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	3.45%
Xtrackers Russell 2000 UCITS ETF	3.02%
iShares S&P 500 Health Care Sector UCITS ETF	2.91%
HSBC NASDAW Global Semiconductor UCITS ETF USD	2.82%
iShares Physical Gold ETC USD	2.62%
iShares Core FTSE 100 UCITS ETF USD	2.33%
Vanguard S&P 500 UCITS ETF	2.24%
Amundi Index FTSE EPRA NAREIT Global	1.45%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.35%
BNY Mellon Global Funds plc - Global Dynamic Bond Fund	0.70%
Winton Trend Fund (UCITS) I USD Acc	0.68%
JPM Global Macro Opportunities USD	0.61%

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.

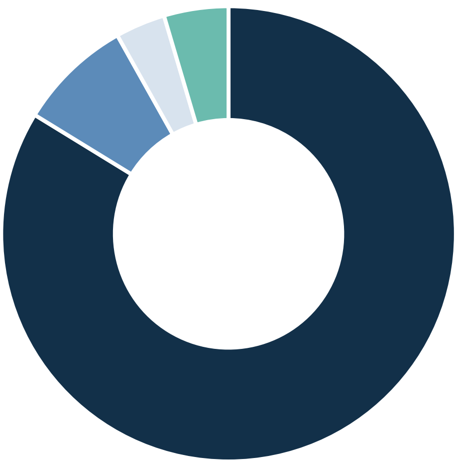
The portfolio will typically have a very high proportion of your investment held in equities and very low levels of fixed income, cash and alternative asset classes.

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	80.2%
Fixed Income	11.3%
Alternatives	2.0%
Cash	6.5%



EQUITY ALLOCATION

USA	52.8%
Other International (DM)	23.1%
UK	2.8%
Other International (EM)	1.6%
Cash	6.5%

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

Holding	% Weight
iShares Core S&P 500 UCITS ETF USD Dist	17.66%
Invesco EQQQ Nasdaq-100 UCITS ETF	10.19%
Vanguard FTSE Developed Europe ex UK UCITS ETF	8.88%
SPDR S&P US Dividend Aristocrats UCITS ETF	8.15%
Vanguard S&P 500 UCITS ETF	6.40%
Vanguard Investment Series PLC - Pacific Ex-Japan Stock Index Fund	5.47%
Fidelity MSCI Japan Index Fund	4.65%
Xtrackers CSI300 Swap UCITS ETF	4.10%
iShares Global Government Bond Index	3.76%
Xtrackers Russell 2000 UCITS ETF	3.59%
iShares S&P 500 Health Care Sector UCITS ETF	3.45%
HSBC NASDAW Global Semiconductor UCITS ETF USD	3.33%
iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	2.84%
iShares Core UK Gilts UCITS ETF USD Hedged (Dist)	2.83%
iShares Core FTSE 100 UCITS ETF USD	2.80%
iShares Global Corp Bond UCITS ETF	1.89%
Lyxor MSCI Emerging Markets Ex China UCITS ETF	1.57%
iShares Physical Gold ETC USD	1.51%
Amundi Index FTSE EPRA NAREIT Global	0.45%

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

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