

# Close Managed Funds

## Monthly fund manager update

**March 2024**

---



**Matthew Stanesby**  
Managing Director



**James Davies**  
Managing Director

### MONTH IN FOCUS

It was another good month for equities with positive returns broadening out into 'value' and small-cap areas of the market, with a couple of major indices sitting at double digit year-to-date numbers by the end of March.

Returns in January were as follows (with respective Investment Association sector peer groups in brackets): Managed Conservative +3.0% (vs +2.4%), Managed Income +3.0% (vs +2.4%), Managed Balanced +3.1% (vs +2.8%) and Managed Growth +3.3% (vs +2.8%).

### THOUGHTS FROM THE TEAM

If equity indices have had a good year so far, this hasn't necessarily been borne out across every market. Nonetheless, in March there were tentative signs that 'value' stocks might be positioned to do better, primarily on the back of generally stickier inflation data.

The UK was the best-performing equity market, and the Premier Miton Multi-Cap Income fund, held within Managed Income, produced the highest total return in March within the UK +5.3%. It was encouraging to see the fund had a better month after being caught in the trap of being exposed to both 'value' and mid-/small-cap companies. The UK market as a whole produced +4.6% in March, and a couple of our other active managers were ahead of the index, with JPM UK Equity Plus returning +5.2%.

Elsewhere there were market-beating returns from a number of our US fund managers, led by the CT US Disciplined Core fund, which delivered +4.6% versus +3.1% for the market.

Continuing the 'value' theme, the River & Mercantile Global Recovery fund advanced +4.3% from a well-diversified portfolio of global stocks, and outperformed the global index. Lastly in equities, the M&G Japan fund returned +4.2%, continuing its decent 2024, and is ahead of the market on a monthly and annual basis.

Bonds had a better month despite the outlook for rate cuts becoming more tempered as the month drew on. All of our bond funds were positive, with credit being the biggest contributor. The Artemis Corporate Bond fund, for example, returned +2.5%, which was ahead of the broad credit index return of +1.9%. The Janus Henderson Strategic Bond, which is held across our portfolios (in addition to Artemis Corporate Bond fund) delivered +2.2%.

There was a mixed set of returns in infrastructure with BBGI delivering +5.5% for the month, while some others were negative. Seasonal selling prior to UK tax year-end may explain some weakness and so too can the timing of half-yearly and yearly results. It was a very strong month from London Metric Property REIT, which we now hold following its acquisition of LXi REIT: it returned +12.6% in March. And finally it was a good month for gold as it hit all-time highs and delivered +8.5% in March.

### ACTIVITY

During the month we exited three holdings. The Neiderhoffer Smart Alpha became too small and the manager decided to no longer run the strategy in its present form. We have retained the proceeds mainly in cash pending

reinvestment into a different alternative strategy from another fund manager.

We also exited the Allianz Strategic Bond fund following a period of underperformance. With the outlook for rate cuts now lessening in magnitude and swiftness, the fund's long duration approach looks out of step with the market. We have allocated the proceeds to our other bond holdings. Finally we sold the JO Hambro UK Dynamic fund following the manager's departure, and replaced it with the Premier Miton UK Opportunities fund. We have followed the Premier Miton manager for some time and feel the fund represents a slightly different, but still 'value' approach within the UK.

#### **IMPORTANT INFORMATION**

This document is intended for use by UK investment professionals only and should not be distributed to or relied upon by retail clients. The value of investments will go up and down and clients may get back less money than they invested. Past performance is not a reliable indicator of future returns. The information contained in this document is believed to be correct but cannot be guaranteed. Opinions constitute our judgment as at the date shown and are subject to change without notice. This document is not intended as an offer or solicitation to buy or sell securities, nor does it constitute a personal recommendation.

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of Close Brothers Group plc, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT. VAT registration number: 245 5013 86.

CBAM10045 12.04.2024