

# Close Tactical Select Passive Funds

## Monthly fund manager update

APRIL 2020



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Investment Manager

### MONTH IN REVIEW

Most equity markets returned more than +4.0% in April, while fixed income and alternative assets also posted positive returns. The only asset class to end the month in negative territory was the broader commodities complex. With such a swift bounce in equity markets in particular, the Close Tactical Select Passive (TSP) range was able to recoup some of the losses from previous months. The relative performance of the funds for the month was good, with TSP Conservative now ahead of its IA sector peer group on a year-to-date basis, while the Balanced and Growth funds have narrowed the respective gaps to their peers (see below).

At an index level, US equities posted the strongest performance in April, returning over +10% in sterling terms. UK large-cap equities fared the worst, returning just over +3%. The best performing equity ETFs for the month, namely the iShares Nasdaq 100 and Vanguard US Equity Index Fund, returned +11.3%. The lowest returning equity investment within the fund range over the month was the X-Tracker Euro Stoxx 50 ETF, which returned +3.2%.

Longer duration bonds outperformed shorter duration, both in gilts and corporate bonds. As a result, our best performing fixed income investment was the Lyxor iBoxx Liquid GBP Corporate ETF, which posted an +8.6% return.

Alternative assets were mostly positive as well, with the iShares UK Property ETF our strongest holding at +4.9%.

The iShares Global Infrastructure ETF was also up over +4%, while gold outperformed the broader commodities index - which was down by over -3.3%. Absolute return funds struggled in markets rebounding from lows in March with no clear trend: the JPM Managed Futures ETF was down -2.2%.

### GENERAL POSITIONING

At the end of April, we sold the SPDR S&P US Financials ETF and bought the First Trust Cloud Computing ETF. The intention of the trade was to refocus our US equity exposure toward a more progressive investment theme which should be a long-term beneficiary of the 'new normal', with increased levels of remote working and demand for video conferencing.

We continue to maintain our equity underweight and slightly higher cash allocation, as we believe the recent sell-off and continued volatility will present further good buying opportunities when markets stabilise. We are overweight alternatives and our fixed income allocation has increased slightly towards neutral.

Within fixed income, we are still overweight corporate bonds relative to government bonds and continue to prefer short duration to long duration. Within alternatives we remain overweight commodities (primarily gold) while being underweight property/REIT investments.

**CLOSE TACTICAL SELECT PASSIVE FUNDS DISCRETE PERFORMANCE  
 AS AT 30 APRIL 2020**

	<b>YTD</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Close TSP Conservative Fund</b>	<b>-7.1%</b>	<b>12.1%</b>	<b>-4.2%</b>	<b>6.5%</b>	<b>14.3%</b>	<b>1.9%</b>
IA £ 20-60% Equity	-7.9%	11.8%	-5.1%	7.2%	10.3%	1.2%
<b>Close TSP Balanced Fund</b>	<b>-10.2%</b>	<b>15.3%</b>	<b>-5.3%</b>	<b>9.1%</b>	<b>17.6%</b>	<b>2.5%</b>
IA £ 40-85% Equity	-9.2%	15.8%	-6.1%	10.0%	12.9%	2.7%
<b>Close TSP Growth Fund</b>	<b>-11.8%</b>	<b>17.7%</b>	<b>-5.5%</b>	<b>11.8%</b>	<b>16.4%</b>	<b>1.8%</b>
IA £ Flexible Investment	-9.4%	15.7%	-6.7%	11.2%	13.8%	2.0%

**SOURCE :**

FE Analytics as at 04.05.2020; YTD figures as at 30.04.2020; all are X Acc share classes; performance is total returns, net of fees with dividends reinvested.

**IMPORTANT INFORMATION**

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