

Close Tactical Select Passive Funds

Monthly fund manager update

MARCH 2021



WEIXU YAN
Investment Manager

MONTH IN REVIEW

March was positive for developed market equities with most returning more than +4.0% in GBP terms. Interestingly, GBP depreciated against the USD, but strengthened against Euro and Yen. This meant that despite broad European equity markets going up by ca. +6.6% and Japan close to +4.8%, in Sterling terms this translated to a more muted +4.8% and +2.1% respectively. Elsewhere, Asia and EM equities were down for the month irrespective of currency moves.

Over the month, all Close Tactical Select Passive (TSP) Funds were positive: TSP Conservative added +1.13%, Balanced +1.74% and Growth +2.19%. (Year-to-date figures are below).

This month's best equity investment - a laggard in previous months - was the SPDR S&P 500 Low Volatility ETF which advanced +7.6%. The worst performing equity investment was the VanEck eSports and Video Gaming ETF which slipped -4.1% as tech names in general sold off after strong runs.

Sterling fixed income was very muted with corporates slightly down -0.4% and gilts basically flat. Additionally, there was no significant performance difference between short duration

bonds and longer duration indices. However, the stand-out performer was the Lyxor FTSE Actuaries UK Inflation Linked Gilts ETF which added +1.7%.

Within alternatives, the iShares FTSE Global Infrastructure ETF was the best performing investment ending the month up +7.9% (reversing its recent downward trend). The Physical Gold ETCs were flat this month and the UBS CMCI Composite ETF was down -1.1% along with broader commodities.

GENERAL POSITIONING

With vaccinations reaching more and more people, expectations are mounting of a return to 'normality' in the near future. This would be broadly positive for all equities and as such we are slightly more overweight in equities versus fixed income than in previous months. Within equities, we prefer emerging markets and Asia to other developed markets.

Our fixed income allocation remains marginally underweight. At a sub-sector level, we still prefer corporate bonds to government bonds, and continue to favour short duration to long duration. Within alternatives, we now only invest in infrastructure and commodities, split evenly between gold and broader commodities.

**CLOSE TACTICAL SELECT PASSIVE FUNDS DISCRETE PERFORMANCE
 AS AT 31 MARCH 2021**

	YTD	2020	2019	2018	2017	2016
Close TSP Conservative Fund	-0.8%	2.5%	12.1%	-4.2%	6.5%	14.3%
IA £ 20-60% Equity	0.9%	3.5%	11.8%	-5.1%	7.2%	10.3%
Close TSP Balanced Fund	0.8%	2.5%	15.3%	-5.3%	9.1%	17.6%
IA £ 40-85% Equity	1.6%	5.3%	15.8%	-6.1%	10.0%	12.9%
Close TSP Growth Fund	1.8%	3.6%	17.7%	-5.5%	11.8%	16.4%
IA £ Flexible Investment	2.2%	6.7%	15.7%	-6.7%	11.2%	13.8%

Source: FE Analytics as at 06.04.2021; YTD figures as at 31.03.2021; all are X Acc share classes; performance is total returns, net of fees with dividends reinvested.

IMPORTANT INFORMATION

This document is only intended for use by UK investment professionals 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. CBAM5426