

## Close Managed Funds

### Monthly fund manager update

APRIL 2021



#### MANAGED FUNDS TEAM

#### MONTH IN FOCUS

The Close Managed Funds had a strong month in both relative and absolute terms, with all funds ahead of their respective IA Sectors. Technology and growth stocks bounced back from their first quarter troubles as inflation fears moderated and against this backdrop the best performing fund in the range (Managed Growth) returned +4.4%.

#### THOUGHTS FROM THE TEAM

It was a month where growth stocks outperformed value and defensive stocks. Consequently, the best performing funds were those exposed to technology themes. Scottish Mortgage Trust and Baillie Gifford American (managed by the same team) were the strongest contributors within Balanced and Growth with returns of +10.7% and +10.4% respectively. Overall, it was a month where the US market recovered relative to others as its vaccination programme gathered pace and rising bond yields moderated on easing inflation concerns. Elsewhere, it was also a better month for China and Asia, again particularly the tech focused areas of the market. The Allianz China A-Shares fund delivered +6.5% and within Managed Income the Matthews Asia Dividend ex-Japan (newly added in March) posted a very healthy +4.3%.

Within fixed income, it was a positive month as bonds rallied across the yield curve and higher yielding credit generally did a little better than investment grade. The best performing fund

in our strategies was the Royal London Sterling Extra Yield, which returned +1.2%, whilst the Artemis Corporate Bond fund delivered +1.1%.

As far as alternatives were concerned, it was another good month for the broad commodity indices, and our ETF holding in this area returned +7.8% and is up over +17% for the year. Infrastructure was also a solid contributor across the range with BBGI managing a return of +4.1%. Finally, the best overall performance for the month came within Managed Income where the AEW REIT, which invests in tertiary UK commercial property, delivered +13.5%.

#### ACTIVITY

Over the course of the month, we made some changes to our European equity holdings by selling the long-standing position within the Crux European Special Situations fund, replacing it with the BlackRock European Dynamic. The reason for the change is a higher level of conviction in the fund manager's ability to deliver index beating returns. We also added the Carmignac European fund to Managed Balanced and Managed Growth to increase and diversify our European exposure.

Within the US, we sold out of the Legg Mason Royce US Smaller Companies fund, which has had a very strong run since we bought it in December. The decision to sell was based on the news that the manager and his team would be leaving and we decided to take profits on the position.

**CLOSE MANAGED FUNDS DISCRETE PERFORMANCE AS AT 30<sup>TH</sup> APRIL 2021**

	<b>YTD</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Close Managed Income Fund</b>	<b>3.6%</b>	<b>0.3%</b>	<b>10.3%</b>	<b>-3.7%</b>	<b>6.4%</b>	<b>9.1%</b>
IA £ 20-60% Equity	3.0%	3.5%	11.8%	-5.1%	7.2%	10.3%
<b>Close Managed Conservative Fund</b>	<b>2.4%</b>	<b>3.5%</b>	<b>11.2%</b>	<b>-4.3%</b>	<b>7.0%</b>	<b>8.6%</b>
IA £ 20-60% Equity	3.0%	3.5%	11.8%	-5.1%	7.2%	10.3%
<b>Close Managed Balanced Fund</b>	<b>3.8%</b>	<b>9.0%</b>	<b>15.3%</b>	<b>-5.1%</b>	<b>10.8%</b>	<b>10.4%</b>
IA £ 40-85% Equity	4.7%	5.3%	15.8%	-6.1%	10.0%	12.9%
<b>Close Managed Growth Fund</b>	<b>5.2%</b>	<b>13.5%</b>	<b>17.5%</b>	<b>-6.0%</b>	<b>14.3%</b>	<b>10.3%</b>
IA £ Flexible Investment	5.6%	6.7%	15.7%	-6.7%	11.2%	13.8%

**SOURCE:**

FE Analytics as 04.05.2021, data as at 30.04.2021. Performance is total return, net income reinvested after fees, X Acc share class

**IMPORTANT INFORMATION**

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