

Close Sustainable Balanced Portfolio Fund

Monthly fund manager update

DECEMBER 2021



GILES PARKINSON
Managing Director

MONTHLY AND 2021 PERFORMANCE

The Close Sustainable Balanced Fund returned +2.5% in December, exceeding the IA 40-85% Shares Sectors return of +1.5%. For the year overall, the Fund returned +12.2% which compares favourably to the +10.9% returned by the IA.

MONTH IN REVIEW

Equity markets were defiant in December amid the spike in Omicron Covid-19 cases, with early data indicating high transmissibility of the new strain but relatively low severity. Market participants were therefore not discounting in full-scale lockdowns and as 2021 drew to a close equity markets ultimately advanced to test all-time highs.

The Fund's holding in health-IT provider Cerner was the strongest performer over the month, returning +31.8% following a takeover announcement by technology company Oracle. Bristol Myers Squibb (+16.3%) and Accenture (+16.0%) were the next-best performers in December, with the latter reporting earnings results well in excess of consensus estimates. The lowest-returning equity positions were Adobe, Freshpet and Nvidia, with high-growth stocks being negatively impacted by the spike in bond yields in December.

LOOKING AHEAD

Central banks are tilting more hawkish against inflation just at the point when global growth is moderating. We intend to maintain our small overweight to equities in the Fund, but will likely to add further to fixed income duration if yields become more attractive.

Giles Parkinson succeeded Riitta Hujanen as the manager of the CPF range on 5 November 2021.

IMPORTANT INFORMATION

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