

# Close Managed Funds

## Monthly fund manager update

MARCH 2022



### MANAGED FUNDS TEAM

#### MONTH IN FOCUS

March was a positive month for the Close Managed funds, with the entire range outperforming both their respective Investment Association Sectors. The outperformance was especially pleasing considering the uncertainty and volatility of markets as a result of the ongoing conflict in Ukraine.

#### THOUGHTS FROM THE TEAM

The best performing equity markets over the month were the US and Europe, although managers in most other regions were able to outperform passive index returns (the exceptions being Asia and Emerging Markets). In the US, growth and tech rallied towards the end of the month, allowing the NASDAQ to deliver +7.6%. This aided the Baillie Gifford American fund, which returned +7.3% over the month. The best return, however, came from the Schroder US Income Maximiser, which is held within the Managed Income fund, as this delivered a return of +8.2% in March.

Within Europe, the BlackRock European Dynamic fund navigated market conditions well, returning an impressive +6.7% versus only +1.6% for the European index. Elsewhere, it was also another good month for the Coupland Cardiff Japan Income & Growth Trust, which delivered +5.9% for the month, against just +1.4% for the broad Japanese market. The trust is currently only held in the Managed Income fund due to its income focus and has performed particularly well over the first quarter of the year.

It was another mixed month in terms of fixed income, but short duration credit performed well enough to stay in positive territory. The best fixed income fund within the range was the 1167 Chinese Government Bond fund, which delivered +1.2% for the month.

There were some very strong performance numbers from our alternative holdings, which were ultimately largely responsible for the relative outperformance the range achieved during March. Leading the way was the Hipgnosis Songs fund (a music royalties fund), which returned +12.6% on the back of positive broker updates and private equity relationships. The Clearbridge Global Listed Infrastructure fund (another Managed Income only holding) posted returns of +10.7% on the back of a renewed market interest in utilities with pricing power, due to the current inflationary environment. Our broad commodity tracker also performed positively, delivering a return of +11.5% for the month - demonstrating its beneficial link to energy and metals prices - and all of our absolute return funds were able to post strong positive numbers. Best of the bunch was the KLS Neiderhoffer Smart Alpha fund, which utilises very short term trades to deliver performance, and returned +5.1% over the period.

#### ACTIVITY

Within the Managed Income fund we sold our Emerging Markets tracker on the grounds that the sector looks less favourable following the Russian invasion of Ukraine. We also sold the Carmignac European Leaders fund within the Managed Growth fund, and reallocated instead to those more value orientated managers we currently hold.

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#### IMPORTANT INFORMATION

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