

Close Managed Funds

Monthly fund manager update

APRIL 2022



MANAGED FUNDS TEAM

MONTH IN FOCUS

It was a bad month for equity markets and all four of the Managed funds were in negative territory by the end of April, although, once again, Managed Income and Managed Conservative outperformed both their respective sector and asset allocation benchmarks.

THOUGHTS FROM THE TEAM

The UK was the only major equity market that generated a positive return in April, but even in this market it was difficult for active managers to beat the index, with its heavy exposure to oil, energy, and miners. The only exception was Premier Miton UK Multi-Cap Income, held within Managed Income, which produced +1.5% against the index which delivered +1%. Unlike most overseas exposure, we did, however, get positive absolute returns from our UK managers as a more defensive 'quality' allocation was rewarded. NinetyOne UK Alpha returned +0.5% and Threadneedle UK Equity Alpha Income managed +0.3% for the month.

Elsewhere, any positive equity returns (relative or absolute) were generally found within Managed Income, where JP Morgan US Equity Income (also held within Managed Conservative) returned +0.7% against the wider US market that fell -5% during April. The fund is positioned towards companies on low price-to-earnings multiples and away from tech-heavy sectors and has produced decent returns relative to the market this year. The Fidelity Global Dividend fund also

delivered positive returns adding +0.7% over the month from a portfolio of global dividend payers.

Within fixed income it was another month of rising bond yields and negative total returns. Only our allocation to Chinese government bonds and mortgage backed securities produced positive performance for the month, demonstrating that diversification within asset classes is also important.

All of which brings us to our alternative assets allocation, which was once again able to deliver strong returns from a variety of areas. Top-performing was the AEW REIT (held within Managed Income) which returned +8%, driven by a continued recovery in demand for tertiary commercial property in the UK (notably in warehouses and industrial sites). It was another strong month for the Roundhill Music Royalty fund which also delivered +8% from its portfolio of classic and established hits. Finally, there were good numbers from GCP Infrastructure (infrastructure lending) with +7.1%, and our broad commodity tracker that returned +6.1%.

ACTIVITY

During the month we sold Lindsell Train Global Equity after a sustained period of underperformance. While we still like the manager and fund long term, we see more immediate opportunities elsewhere, and reallocated to Clearbridge Global Infrastructure Income, which invests in quality and income paying infrastructure equities with a sustainable and growing dividend.

IMPORTANT INFORMATION

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