

Close Tactical Select Passive Funds

Monthly fund manager update

June 2024



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MONTH IN REVIEW

June was a good month for relative performance with all of our funds posting positive returns, extending our outperformance year to date against their respective Investment Association (IA) peer groups.

Year-to-date (YTD), our Funds' returns are as follows (with the respective IA sector in brackets): Close TSP Conservative

+4.90% (+3.66%); Close TSP Balanced

+6.50% (+5.92%); and Close TSP Growth

+8.17% (+6.28%).

As technology stocks extended their rally through June, our best performing investment for the month was Invesco S&P US technology sector UCITS ETF up +13.11%. In addition the Amundi Nasdaq-100 UCITS ETF also performed very well, up +9.38%. The weakest performer equity holding over the month was Vanguard FTSE 250 UCITS ETF which declined -2.55%.

Fixed income was largely positive with long duration bonds performing better than the short duration. Sterling corporate slightly underperformed UK gilts. The long duration gilts position was the strongest performers within the fixed income allocation, with the SPDR BBGI UK gilt 15+ UCITS ETF returning +2.02%.

Diversifiers (or alternatives) were a mixed bag. Commodities generally sold off. The UBS CMCI Composite UCITS ETF was down -0.40%, while gold was up circa +0.60%. Our absolute return fund, the Trium Alternative Growth fund, was moderately up by +0.66%, but the iShares

FTSE Global infrastructure UCITS ETF was down -1.09%.

GENERAL POSITIONING

From the broad asset class perspective, we are slightly overweight risk and have further reduced our cash allocation which is now close to 1%. This slight overweight risk position is achieved through ETFs/index funds that track the broader market indices rather than exposures to specific sectors or themes.

We have a slight underweight in fixed income overall, but maintain a higher duration in case we get a sooner than expected interest rate cut. Our allocation to alternatives has edged slightly higher, allocating to investments that are less sensitive to interest rate moves.

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