

Close Tactical Select Passive Funds

Monthly fund manager update
September 2024



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MONTH IN REVIEW

September proved to be a very strong month for Emerging Market equities, which were led higher by the announcement of an additional round of monetary stimulus measures designed to boost the Chinese economy. Developed Markets on the other hand were much more mundane, especially for sterling based investors with GBP strengthening against the US dollar.

Year-to-date (YTD) the Close Tactical Select Passive Fund range's returns are as follows (with the respective Investment Association (IA) sector peer groups in brackets); Close TSP Conservative:

+6.40% (+6.01%); Close TSP Balanced

+7.90% (+7.65%); Close TSP Growth

+9.27% (+7.38%).

Within our equity holdings, the Amundi MSCI Emerging Market UCITS ETF lead the way in September and posted the best performance of all holdings across the funds, returning +4.31% over the month. At the other end of the scale was our SPDR S&P 500 Healthcare UCITS ETF, which was down -3.49%.

Fixed income returns proved to be largely flat again over the month. Longer duration positions were slightly down during the period, with the SPDR UK Gilt 15yr+ UCITS ETF down -0.47%, and the Amundi UK Government Index-linked Bond UCITS ETF down -0.28%.

Our alternatives, or diversifiers, provided satisfactory returns with the broad commodities tracker we hold, the UBS CMCI Composite

UCITS ETF, up +1.27%, while the gold price continued to advance, adding +3.0%. Elsewhere, our absolute return position, the Trium Alternative Growth Fund, was moderately up as expected at +0.62%, while the iShares FTSE Global infrastructure UCITS ETF also advanced slightly, returning +0.83%.

GENERAL POSITIONING

We have steadily built up our cash positions from inflows into the fund range in anticipation of more volatile markets with the looming US presidential election ahead. This allows us to promptly enter the market when there is greater certainty of the outcome.

We have kept our slight underweight to fixed income overall, but maintained the higher duration (interest rate sensitivity) exposure in case rates are cut sooner or quicker than anticipated. Our allocation to alternatives has also edged higher as we try to build in some portfolio exposure to assets which are less sensitive to rate moves.

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