

Close Managed Funds

Monthly fund manager update

October 2024



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MONTH IN FOCUS

Global equity markets were generally positive for the first half of the month but reversed that trend and began to sell off towards the middle of October as uncertainty about the outcome of the US elections began and the UK the content of the Budget began to weigh.

Returns in October for the Close Managed Funds range were as follows (with respective Investment Association sector peer groups in brackets): Managed Conservative -0.2% (vs -0.5%), Managed Income -0.2% (vs -0.5%), Managed Balanced +0.3% (vs -0.1%) and Managed Growth +0.4% (vs +0.2%).

THOUGHTS FROM THE TEAM

Generally, growth-focused equity funds outperformed those with a more value-orientated bias through October. The best-performing equity fund was the Baillie Gifford American fund, which returned +5.9%. It can usually be relied upon to deliver strong returns when markets favour growth-orientated companies. There was also good outperformance from the Premier Miton US Opportunities fund, which returned +4.9%, against +3.4% for the broader US market; and the CT US Disciplined Core fund, which delivered 4.5% for the month. The US was the only major market that produced a positive return in October. Another Baillie Gifford fund - UK Alpha - also returned a positive +0.2% for October, compared to -1.4% for the broader UK market.

Returns from fixed income were also largely negative in October, particularly in the UK as

government borrowing and spending was in the spotlight in the run up to the Budget. We were able to get some positive returns, however, from some of our high yield and short duration holdings. The Schroder Strategic Credit fund returned +0.3% and the TwentyFour Monument Bond fund delivered a healthy +0.6% in October.

The picture within alternatives was again mixed, with infrastructure largely negative, with the exception of Pantheon Infrastructure on the back of positive results - its share price up +4.5% for the month, and in double digit territory for the calendar year-to-date. Gold also had another good month, up around +8.5% in sterling terms.

ACTIVITY

At the beginning of the month we bought a new fund for the strategies in the shape of the BNY Responsible Horizons UK Corporate Bond fund, to diversify our UK credit exposure. We also topped up Pantheon Infrastructure during the month on the back of a positive update. Finally, we trimmed gold in Managed Income and Managed Growth at the end of the month following its strong rally.

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