

Close Managed Funds

Monthly fund manager update

November 2024



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MONTH IN FOCUS

November proved to be a strong month for US equities, particularly for mid and small cap stocks, following the election of Donald Trump in the US Presidential vote, while the Republican Party also took control of both chambers of Congress. However, performance in the US was at the expense of a fall in European and Asian markets.

Returns in November were as follows (with respective Investment Association (IA) sector peer groups in brackets: Managed Conservative +1.3% (vs +1.6%), Managed Income +1.4% (vs +1.6%), Managed Balanced +2.5% (vs +2.4%) and Managed Growth +3.4% (vs +2.7%).

THOUGHTS FROM THE TEAM

Leading the way within our US equity allocation, and indeed across the Managed Funds more broadly this month, was the Baillie Gifford American Fund, with a return of +14.9%. Long term investors in the Managed Balanced and Managed Growth funds may know the Baillie Gifford fund well as a stalwart of investors into the digital economy, and that is certainly still the case. The fund generally performs well when technology companies and stocks with a growth bias outperform. The Premier Miton US Opportunities fund, which has exposure to mid and small cap stocks, also performed well, with a return of +9.6% for the month. For context, the main US index delivered +7.4% for November. It was also a decent month for the UK equity market, where we were able to get good relative returns from our active managers. The UK index

returned +2.6% over November, while the Baillie Gifford UK Alpha, Schroder Income, and Liontrust Special Situations funds delivered +3.7%, +3.5%, and +3.0% respectively.

Other major asset classes were in positive territory too, and it was a positive month across fixed income markets generally, with longer dated gilts and credit outperforming shorter dated securities. The better returns from bonds represents a bit of a reversal from recent months, where short duration credit was the only area of the market that was producing positive returns.

Overall picture for our alternative holdings was slightly negative. Gold and infrastructure sold off as risk sentiment turned positive and markets allocated more to equities and credit. Within Managed Growth we did benefit very positively in the form of Chrysalis Investment Trust and Seraphim Space Trust, which returned +12.9% and +28.6% respectively. Both of these vehicles invest underlying funds in the unlisted area of the market and tend to do well when risk appetite returns to markets.

ACTIVITY

The only change we made during the month was to replace the Montanaro European Income Fund within Managed Income, switching into the Downing Europe Unconstrained Fund. We made this change because of a change of focus within

the Montanaro management team, moving away from an income mandate.

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CBAM10045 12/12/2024

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