Please find below some snippets taken from some of the fund houses that form part of our model portfolios, as well as our own comment. We have been in regular contact with many of the fund houses, either through email exchanges or webcasts whilst we work from home, and have a number of webcasts lined up in the diary over the coming weeks.

King & Shaxson Fund of Fund Performance (post management fees & OCFs)

	1 month	3 month	6 month	1 year	3 year	5 year	10 year
Cautious	-9.83%	-12.45%	-10.16%	-3.84%	5.11%	15.06%	63.74%
Income	-10.82%	-14.14%	-11.65%	-5.88%	1.22%	11.23%	70.35%
Balanced	-9.91%	-12.42%	-10.20%	-3.95%	5.85%	17.76%	72.28%
Growth	-11.54%	-15.42%	-12.12%	-5.07%	5.24%	19.87%	76.30%
Adventurous	-11.95%	-16.50%	-13.08%	-5.56%	5.00%	21.99%	78.98%

King & Shaxson Comments:

HG Wells concludes his 1897 book “The War of the Worlds” with the surprising comment that the Martians were “Slain, after all Mans devices failed, by the humblest things” referring to simple and minute bacteria. How else can we describe the events of the last 5 weeks?

On a more positive note portfolios have fallen less than the markets. Some of the biggest falls were seen in the oil and gas sector, tourism, entertainment, travel, mining and commodities, commercial property, banking, finance and automobiles. These are areas we either not invested in at all or with less exposure than the market. ESG indices have outperformed conventional over the period. In fact more ethical stocks held up well at the start of the crisis and only suffered as sentiment across the whole market fell and sellers looking for cash began selling the good investments as well.

This pandemic is a natural process and nature must take its course. Like everyone we have bombarded with opinions and projections, but the truth is no one knows as we have not been here before. We cannot compare to the financial crisis as the route cause is medical and natural. We have seen a great deal of bad news already priced in and we are seeking to invest in the higher impact areas that will benefit from some of the changes that we feel will remain.

The government measures to protect household income and other economic stimulus has been unprecedented, even if it involves large amount of debt. We expect the news to get worse over the next few weeks as the virus runs its course. At the same time economic statistics and company updates will provide actual information about the impact this is really having, replacing the speculation that has dominated the market. This is where we are in new territory as traditionally this is when governments and central banks act, whereas this time they have already acted. How this pans out will determine the short term movements of the market, our instinct is a great deal of bad news is already priced in, longer term we expect a more pronounced recovery as the stimulus takes hold. It will vary across sectors, whilst we see the need to remain nimble for the next few months longer term we favour the new economy and more impact orientated investments.

Janus Henderson Global Sustainability: Comments as the market sell off begun earlier in March and how the portfolio was positioned. "We have been focusing these last two years to reposition the portfolio to be resilient to the effects of the US China trade war. This has also been beneficial in respect of defending against the impacts from the coronavirus.
Specifically we have increased the allocation to companies with resilient business models that have high degrees of recurring revenue and strong secular growth dynamics. Software, renewables, insurance, health insurance, medical properties, telemedicine etc.
Maintaining our focus on sustainability (with a low carbon approach) has meant the fund has very little exposure to businesses that are naturally more exposed to the negative impacts of a global pandemic – namely travel related businesses, heavy industry and commodities."

M&G Positive Impact Webcast: We have been happy with performance over the period and tuned in to a webcast with the fund manager, John William Olsen. The fund is an equity impact fund, but it has a high weighting to healthcare stocks, so has had some defensive properties in this current crisis.

Kames Global Sustainability: Highlights of comments from the fund house: "We have consistently stated that we are long term investors who seek to look through market noise and take a level-headed approach to periods of volatility. Given this philosophy and the shape of the portfolio coming into the crisis, we have not sought to make wholesale changes. We have though, made selective moves to take advantage of opportunities when we think there is significant dislocation between long-term fundamentals and the current prices." And looking ahead…It is still impossible to predict when the market will bottom and what the direct and indirect implications of the current situation are. Unexpected shocks with regard to some of our holdings are likely in the coming months. That is just realistic. But we will try to be patient through this flux and react proportionately to new news when we deem it to "signal" value. We will focus on companies which continue to have long-term structural trends in their favour and enough flexibility within their balance sheet and business model to manage through what could be a significant economic decline."

Liontrust UK Ethical Fund: Comments from the fund house in the last week of March:
The UK funds have experienced a difficult period of short term performance over the last month. However, we encourage a long term view and to look through this market volatility where some companies are falling up to 80% only to rise 50% in the following days. The intrinsic value of companies typically doesn't change this dramatically in such a short period. The main detractor has been the consumer discretionary sector, with a number of our holdings selling-off with zero revenues for an undefined period. Our focus has been firstly on

the long term thesis, have the prospects of the company changed five and ten years from now? Secondly, how is the company positioned for the next six to twelve months in terms of cash position, ability to flex down their cost base and access debt facilities. In the majority of cases we remain confident in the long term prospects and we have been in contact with nearly all of the management teams to understand how they are dealing with these challenging times.

Foresight UK Infrastructure: Comments for the last week of March: Solid week of performance for the fund, being up 11.12% versus the FTSE All share up 11.49%. We are seeing fewer big swings in some of names and trading levels looking more sensible.
Positive market commentary being seen around core infrastructure (INPP, HICL, BBGI) and healthcare real estate (AGR, PHP) which is supporting some recovery on those names.
Strong week of fundraising, £1.7m net inflows with a number of firms seeing the buying opportunity. As a reminder the core theme fop the fund is: strength and coverage of dividends; long term contracted cash flows can deliver income through a crisis in a way that many big, traditional dividend players in the equity markets will struggle to match.

Rathbones Ethical Bond fund: Comment from Bryn Jones from the 30th March:
The huge pressures in commercial mortgage-backed securities in the US are a worry. A lot of commercial property is at risk and the structures financing them are also at risk. But generally, we made it to the end of the week with an improving credit story."
"The trick now is to work out who will survive the next few months and who won't. We can't really get a handle on that. Governments are under a lot of pressure, but it isn't clear exactly which businesses will be eligible for these grants and loans, how much they'll receive and when. There are still big concerns out there about who will get support and who won't.
We raised a lot of cash just before everything kicked off and have plenty of liquidity."
"Ultimately, it's down to greed and fear. Buy when everyone is fearful, sell when everyone is greedy. Experienced managers look for opportunities and that's what we've done. We're starting to move money tentatively into riskier areas.

Montanaro European Income: Comments from the Fund house regarding dividends: Beyond the obvious direct issue of covid19, on the negative side there is a risk to some dividends this year. So far most of what we have seen has been postponements, but this risk is emerging not just from a financial perspective ("batten down the hatches") but also a political one – we are hearing companies who are in good shape holding back from dividend payments for now simply because it looks bad to pay them when the governments are for example helping workforces with their wages and so on. I suspect this will become a growing theme worldwide – we'll see – in the meantime we will have to play a waiting game and see how things pan out before we get clarity on the income front. My biggest concern at the moment is making sure we own companies whose capacity to pay doesn't get structurally impaired.

Disclaimer

should be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment or to engage in any other transaction. The information contained in this document is for general information purposes only and should not be considered a personal recommendation or specific investment advice.