

Close Tactical Select Passive Funds

Monthly fund manager update
March 2025



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MONTH IN REVIEW

Markets' 'March Madness' dragged the performance of all Tactical Select Passive (TSP) Funds' into the negative territory for the year-to-date (YTD). Returns for the TSP range over the first quarter of 2025 were as follows, with the respective Investment Association (IA) sector peer groups in brackets:

- Close TSP Conservative -0.26% (+0.20%),
- Close TSP Balanced -0.51% (-1.22%)
- Close TSP Growth -1.55% (-1.73%)

Our best performing equity holding over the month of March was the Amundi MSCI Emerging Markets UCITS ETF, but this was still down -1.5%. The worst performing investment for the month was the Invesco S&P US Technology Sector UCITS ETF, down -11.1%, followed closely by LGIM Cyber Security UCITS ETF down -11.0%. The US technology sector has been particularly hard hit by the US trade tariff uncertainty.

Our short duration fixed income holdings held up better, while longer duration holdings were all down circa -1.0%. The longer duration sovereign bond investments - the SPDR UK Gilt 15+

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UCITS ETF and the Amundi UK Index-linked Government bond UCITS ETF - were each down more than -2.0%.

The performance of our diversifiers proved to be a little mixed through March, with most of them modestly pulling-back, like the UBS CMCi UCITS ETF, the iShares FTSE Global Infrastructure UCITS ETF and the MS Liquid Alpha Fund - all down less than -1.0%. However, our Gold position and the Trium Alternative Growth Fund were both strongly positive for the month, with Gold up almost +7.0% - hitting new all-time highs once again.

GENERAL POSITIONING

We made a significant move in our UK equity allocation – lowering our exposure to UK mid-cap to a level below 20% of the overall UK equity allocation (from over 40% beforehand). We sold out of the FTSE 250 trackers and reinvested the proceeds into the JPM UK Equity Core Active UCITS ETF, which has a tighter tracking error to the FTSE All-Share and aims to outperform it over time.

From an asset allocation perspective, we remain underweight in fixed income. We are currently happy to let new inflows sit as cash for the time being, particularly as this can help weather the

market volatility amidst the prevailing levels of uncertainty.