



MARKET UPDATE

MARCH 2023

The Funds had a solid performance in February with the MMA70/Managed fund outperforming its benchmark by around 50bps. The Semiconductor sector and in particular our holding in NVIDIA was the largest contributor to returns with the stock up 18% as management laid out an acceleration of the opportunity set in front of them. Our overweight in Global banks also added to the outperformance as the sector benefitted from global growth and rate expectations both being revised higher on recent data. Other holdings such as US Industrials exposed to accelerating Non-Residential capex in the US driven by various government policies also added to the outperformance. Meta continued to add to the outperformance for us as previous much maligned investments by the firm start to pay dividends for advertisers at a time when management continue to reduce the cost base.

The funds continue to be near fully invested although there was some changes beneath the surface. We materially reduced our holdings in Emerging market assets, in particular Chinese listed equities. This was an extremely successful trade we put on in early November but feel now there is better risk reward opportunities out there. We added to our global Bank holdings as the long term profitability of the sector continues to be underestimated by the market. On the defensive side of the portfolios, we used the sell-off in longer dated bonds to add some duration (and yield). We also invested some cash in short dated European t-bills, where yields are now becoming attractive as ECB rate expectations rise. Our Cash fund for example now yields 3.25%. We also opened a direct holding of Copper in the Multi Asset funds in light of the deteriorating supply outlook due to disruptions in Peru.

Overall returns for the 3 funds are below.

	3 months	30 June 22 – 28 Feb 23	1 Year	3 Years Ann	5 Years Ann
Multi-Asset 30	4.4%	3.6%	-8.0%	2.1%	2.7%
Sector Average	1.3%	0.2%	-4.7%	0.9%	1.5%
Rank	1	1	7	2	1
Multi-Asset 50	6.4%	7.5%	-6.3%	5.1%	4.7%
Sector Average	2.4%	2.0%	-4.0%	3.7%	3.6%
Rank	1	1	7	2	2
Multi-Asset 70	8.1%	10.4%	-6.8%	8.0%	6.5%
Sector Average	3.4%	3.5%	-3.2%	6.2%	5.4%
Rank	1	1	8	2	2

Source: Longboat Analytics to 28 February 2023. Returns quoted gross of annual management charges. 1. Funds in sector taken from equivalent Funds available in Irish market from LGIM; Aviva; ILIM; New Ireland and Zurich.