Close Managed Funds

Monthly fund manager update

February 2025

Matthew Stanesby
Managing Director

James Davies
Managing Director

MONTH IN FOCUS

With the Trump 2.0 administration finally getting its feet under the table, there was a lot of market volatility around the extent and impact of trade tariffs. The result from a market perspective was a sell-off in highly-valued growth stocks, in favour of value and quality defensives.

Returns in February were as follows (with respective Investment Association sector peer groups in brackets):

- Managed Conservative +0.2% (vs -0.3%)
- Managed Income +0.3% (vs -0.3%)
- Managed Balanced -1.0% (vs -1.2%)
- Managed Growth -1.7% (vs -1.6%)

THOUGHTS FROM THE TEAM

US markets endured a pronounced sell-off during February. It was particularly strong within the growth areas of the market and the Nasdaq itself was down -4.0% (in sterling terms). The picture was a bit better in Europe and the UK, however, and we were able to get some positive total returns from our managers. In Europe the Divas Eurozone fund - a concentrated portfolio of value opportunities - produced a very strong return of +5.9%, making a total return of over +15% for the year so far. Elsewhere in equities, although a good number of funds produced positive returns, it was generally a month where it was difficult to beat the market on the upside. It's worth mentioning the Pacific North of South Emerging Market All Cap Equity fund, which returned +0.2%, favourable relative to the -0.6% of the emerging market index.

There was a positive return from our fixed income positions for the month and the long-dated gilt holding (held across the four Managed funds) returned +1.1% for February. The Janus Henderson Strategic Bond, which has tended towards longer duration holdings also returned +1.0% in November. Overall, though, all of our bond and credit positions were able to contribute positively to returns.

In alternatives, it was a good month for some of our infrastructure holdings where a bid for BBGI meant the fund returned +17.5% and encouraged a better return in some other infrastructure funds. GCP Infrastructure was up +4.5% for the month and Pantheon Infrastructure delivered +3.1%. The fact that both bonds and alternatives were able to add positively to returns in a month that was difficult for equities speaks to the value of active multi-asset investing.

ACTIVITY

The only changes we made to the funds during February were some small trims to global equity within Managed Growth, and the UK within Managed Income and Managed Conservative. In both instances it was partly to bring our equity allocation down, after a good run, and in the case of Managed Income and Managed Growth, to top up cash a little as well.

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