



March Review

The fund returned 4.04% in March vs the S&P 500 tracker's return of 2.9%. Performance was boosted by a rebound in EA and Activision, as well as a really nice move in Planet Fitness, +16.9% in the month, which we have just recently bought. Other movers included Ulta Beauty up 11.6% and CyberArk, another new purchase, which was up 8.4% in the month. Q1 was a great quarter for asset prices across the board with Equities, Bonds and Gold all performing well. This is quite unusual and is, in my view, largely due to the fact that stimulus is back on the table. China and the EU have both started to stimulate their slowing economies again and the FED has pivoted dovish three times since its last hike in December. This is pretty unprecedented for the FED to reverse course so quickly and asset prices have taken the glass half full view, although implicit in FED dovishness is the signalling that growth is slowing. Our defensive positioning therefore has not meant that the market has roared away from us in Q1, we returned 9.56% vs 10.38% for the tracker, due to the fact that many of our defensive plays have performed quite well, not least our Bond ETF which was up 5.3% in March, as bond yields cratered. We have missed some of the rally in tech it must be said, as we are still underweight the sector, and we will be looking to add back to it as we get further clarity during the Q1 earnings season.

Market Outlook

Q1 earnings season will be very interesting to watch and will give us a steer as to what's priced in and what isn't. Our slowing call is now much more prevalent amongst market commentators than it was back in Q3 of last year, which gives us an intriguing set up as earnings go up against the toughest comps of the cycle. We have reduced our exposure to Staples and Healthcare and increased a little our Energy weighting as we see continued upside in the oil price as inflation re-emerges as an issue in the coming quarters.

Felix Wintle 4 April 2019

Q1 Earnings will set the tone for markets