



April Review

The fund returned 2.46% in April vs the S&P 500 tracker's return of 4.99%. The US market has continued to be strong despite quite a mixed earnings season so far. There have been some notable bell weather stocks that have missed numbers and sold off double digits; Alphabet, Intel and 3M to name but three. However, this has not caused investors to flee the market and there have been plenty of companies reporting really good numbers and which have subsequently performed well. It is very much a stock picker's market at the moment.

As the market moves into a quad 3 environment, where growth slows but inflation picks up, we re-entered the Energy sector in April, buying Chevron, Exxon, Conoco-Phillips and Anadarko Petroleum. Fortunately for us, soon after we bought Anadarko it was bid for by first Chevron and then secondarily by Occidental Petroleum, who offered a higher price. The bid situation is still on-going, although we have now sold our position in the belief that the highest bid is most likely in. This investment returned us 55% after only about a week of ownership. We'd love to find another one of those. We've added some other new stocks to the portfolio, most notably Walt Disney Corporation. This stock has been given a new lease of life since its Investor Day when it announced its plans for a new streaming service to rival Netflix. We believe Disney is in the box seat as it owns all its own content, and after the 21st Century Fox deal, now owns more content than ever, including the Marvel Franchise which was responsible last week for the highest grossing film of all time, with 'Avengers: Endgame'. Netflix is looking increasingly like a house of cards to us, and we believe Disney is set to take market share in the US and globally.

Market Outlook

We have added back some exposure to Technology as some of our fears surrounding earnings season have not come to pass. We have sold the Bond ETF, and reduced Utilities and Healthcare to reinvest in growth in both Tech and Consumer Discretionary. The FED continues to play an important role as it relates to the risk appetite of investors, and with the FED keeping rates on hold for the rest of 2019, provides a positive backdrop for equities.

Felix Wintle 3 May 2019

Dispersion of returns increases at this time in the cycle