DART CAPITAL

Investment Brief

April 2022

House View

Alexander George, CFA
Associate Director
of Research

With rising energy prices having already started to weigh on expectations for strong economic growth this year, the onset of the war in Ukraine has further clouded the near-term economic outlook. However, with households sitting on high levels of savings which have been built up over the last two years, and governments set to support those households least able to deal with higher prices, there remains significant support for global growth.

Having maintained a tilt across our equity allocation towards more lowly valued stocks which would benefit from a return of inflation, we have used the significant weakness in less cyclical "growth" stocks to add to this area at lower valuations. Whilst we believe these moves will help drive long-term returns, over the near term we continue to protect portfolios with significant holdings in safe haven currencies, as well as more modest exposure to gold and commodity producing companies, which can provide resilience to portfolios in this environment of heightened volatility.

As was the case last year, we remain alert to opportunities to add to out-of-favour defensive assets which have the potential to bolster portfolio resiliency over coming years, and we may add further capital to this area should we see an attractive opportunity to do so.

Commodities

In late 2020 and early 2021, we added to a number of equity funds with significant exposure to more economically sensitive sectors, led by energy, mining and financials, which would benefit from an eventual rebound in global growth and inflation. Across higher risk strategies that are best able to tolerate the volatile nature of a direct investment in the sector, we added a further holding in a global mining fund. At the time we saw the sector as benefitting from both the severe under-investment in the supply of metals over the last decade, and growing long-term demand for copper, nickel and other metals owing to their importance in the production of electric cars, wind turbines and alike.

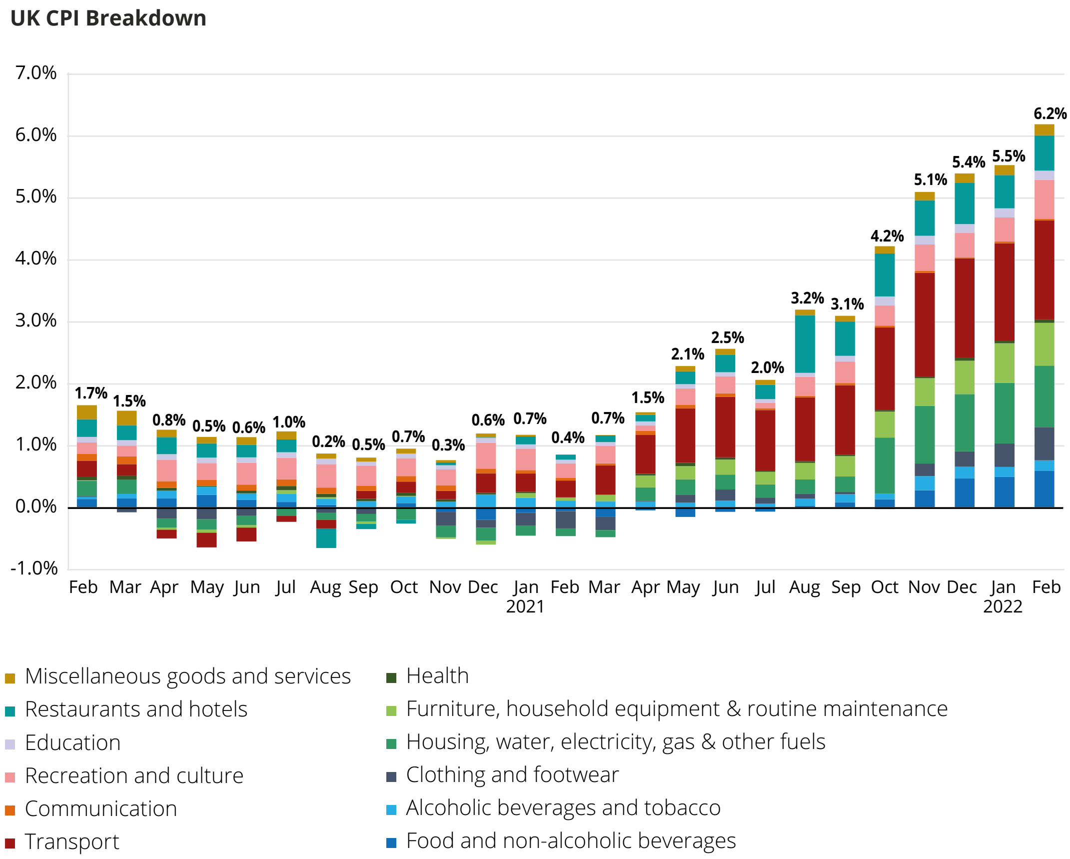
Having endured a very weak decade from 2011-2020, commodity prices have moved higher over the last 18 months, as a combination of rebounding global demand, constrained supply and, more recently, geopolitical events. Commodity prices differ from most financial assets in that their spot price is determined largely by short-term supply and demand factors, with even a small imbalance between the two leading to a significant move in prices. The oil market demonstrates this phenomenon well, with the oil price having fallen to exceptionally low levels in April 2020, due to a lack of demand during the first stage of COVID lockdowns, and less than two years later hitting $100 per barrel, off the back of the supply disruption caused by the outbreak of war in Ukraine, and resurgent demand from households for both oil and gas as economies have reopened.

Aside from a sizeable intervention from OPEC, the oil price is expected to remain at elevated levels over coming months, although the longer-term outlook is less clear given the incentive for oil producing countries to increase production at these elevated oil prices before the much anticipated pivot away from fossil fuel picks up pace over the next decade. Notably, the likes of Shell, which is a large underlying holding for us, are benefitting from the increasingly positive view regulators are taking on natural gas, which accounts for over half of the company's revenue, given its far lower emissions than oil per unit of energy created.

Inflation

The significant increase in commodity prices has had a material impact on inflation projections for the remainder of this year, with UK inflation now expected to average 7.7% for the year as a whole with similar levels also expected in the US. The current UK inflation breakdown is shown below:

Rising energy and fuel costs have been key in driving inflation levels higher



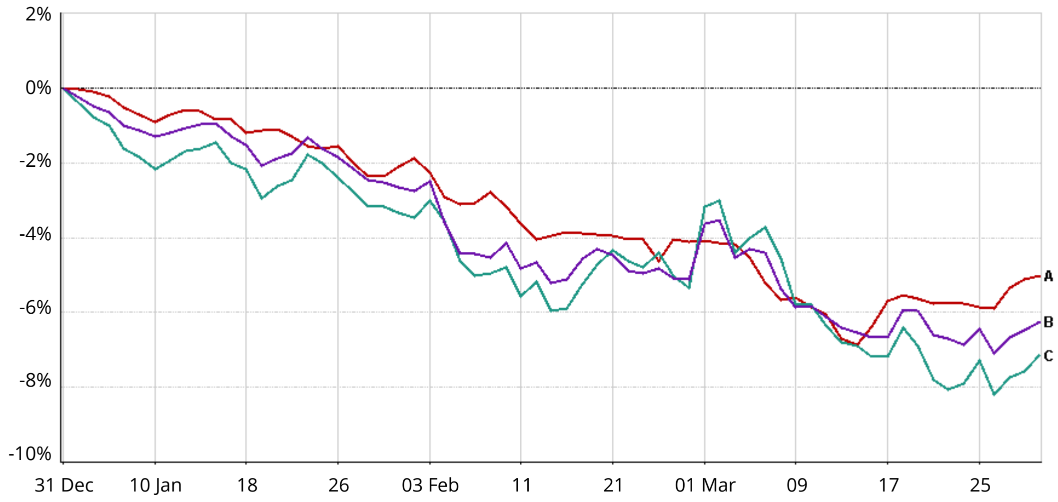
Source: Office of National Statistics (2022)

Higher inflation will lower real GDP growth this year, most notably through its negative impact on the post-COVID recovery in discretionary consumption by households as they have to divert more of their income to pay for necessities such as energy, petrol and food. Higher costs will also squeeze corporate profit margins, and this further emphasises our preference for companies with low levels of debt that can tolerate a weaker period of profitability. Although there is a risk that this could drag the UK and global economy into a sustained recession, in our view, unless there is a further escalation in the conflict, this is unlikely given the weight of household savings accumulated since the start of the pandemic that should be sufficient to lessen the blow from the aforementioned squeeze on real incomes.

Fixed Income

With the US Federal Reserve re-affirming their intent to raise their base rate (known as the Fed Funds rate) to 2% by the end of the year with further increases projected for next year, it is unsurprising that government bond yields globally moved higher to start the year as markets priced in a rate hiking cycle that will be more aggressive than previously anticipated.

Returns were poor across the bond market as markets priced in a faster pace of US interest rate hikes



Data from FE fundinfo 2022
31/12/2021-31/03/2022

Returns in capital return terms

We do note however, that the forecasted path of rate rises will likely lead to a significant slowing of the US economy, and that highly debt dependent sectors, such as residential property and Private Equity, will struggle to deal with a significant increase in borrowing costs. Along with the size of the government debt burden, which is now around 100% of GDP, we believe the above factors will likely keep the Fed funds rate below pre-financial crisis levels even at the peak of this rate hiking cycle.

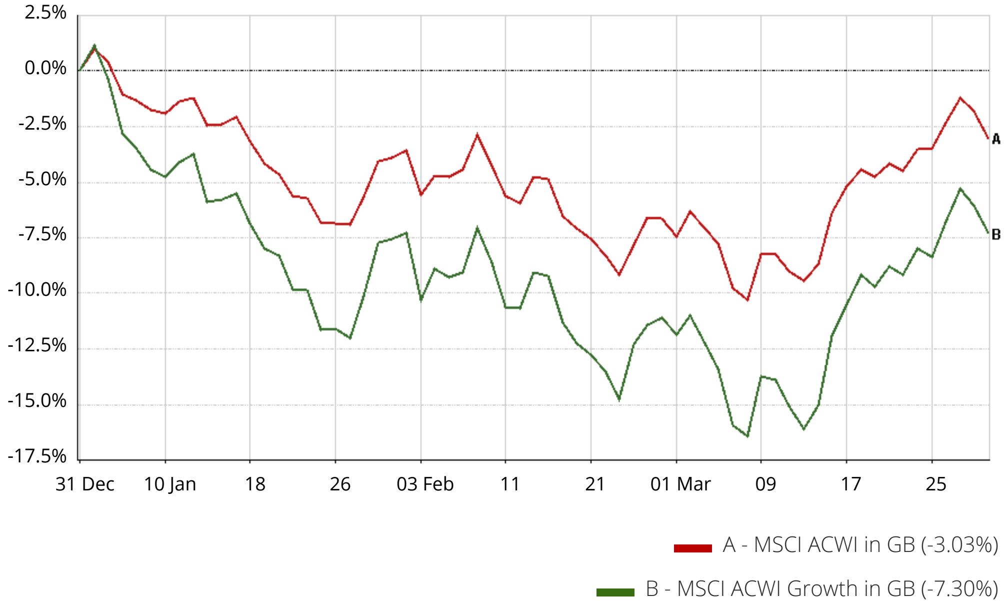
Notably, our external economists at Pantheon believe that the UK base rate will peak at a lower level than the US, with the Bank of England (BoE) eventually prioritising protecting consumer spending over bringing inflation down to their 2% target by any means necessary. This view has been reinforced following the minutes of the BoE's Monetary Policy Committee (MPC)'s March meeting indicating that the Committee are now far less emphatic about rapidly raising the base rate than they were in their meeting only six weeks prior. Against this backdrop, we have shifted our UK Gilt (government bond) exposure into a medium-dated Gilt with 9 years to maturity, which currently yields just over 1.5%. The role of this holding is to make a capital gain should there be a deflationary shock to the global economic system that causes losses across global equity markets, whilst limiting losses should inflation remain stickier than the market is pricing in currently and Gilt and Treasury yields continue to rise.

Turning to corporate bond exposure, a faster pace of monetary tightening by Central Banks will certainly impart some stress on credit markets, particularly for the lowest quality issuers which are most dependent on being able to refinance their high debt loads at low rates. We remain predominately exposed to higher quality Investment Grade issuers which are best positioned to deal with rising borrowing costs, with our favoured Strategic Bond funds selectively allocating to sub-Investment Grade issuers when they deem the credit quality to be sufficiently high. The yields on these Strategic Bond strategies are now in the 5-6% range, which is an attractive starting point for compensating for the interest rate and credit risk these funds are taking on.

Equities

We went into the year with an emphasis on profitable companies trading on reasonable valuations, whilst retaining minimal exposure to highly valued, more speculative areas of the market, which we felt were most at risk from rising global interest rates. Notably, this caution paid off over the quarter, with significant losses experienced in the speculative growth end of the market, with several of the largest funds within this style ending the quarter down over 20%.

The growth style of investing underperformed over the quarter



Data from FE fundinfo 2022
31/12/2021-31/03/2022

Returns in capital return terms

Whilst some of the largest retail funds struggled amidst the rotation out of the most expensive areas of the equity market

Fund	Fund Size (bn)	Q1 22 Performance
Baillie Gifford American	£6.4	-22.9%
Morgan Stanley US Advantage	£9.6	-22.9%
Scottish Mortgage Investment Trust	£20.7	-23.3%

Source: FE Analytics

Fund size data as at 31/12/2021

Notably, these market moves did create some attractive opportunities in the type of profitable companies we favour, and we used the market dislocation to increase exposure to higher quality companies with good growth prospects.

US Equities

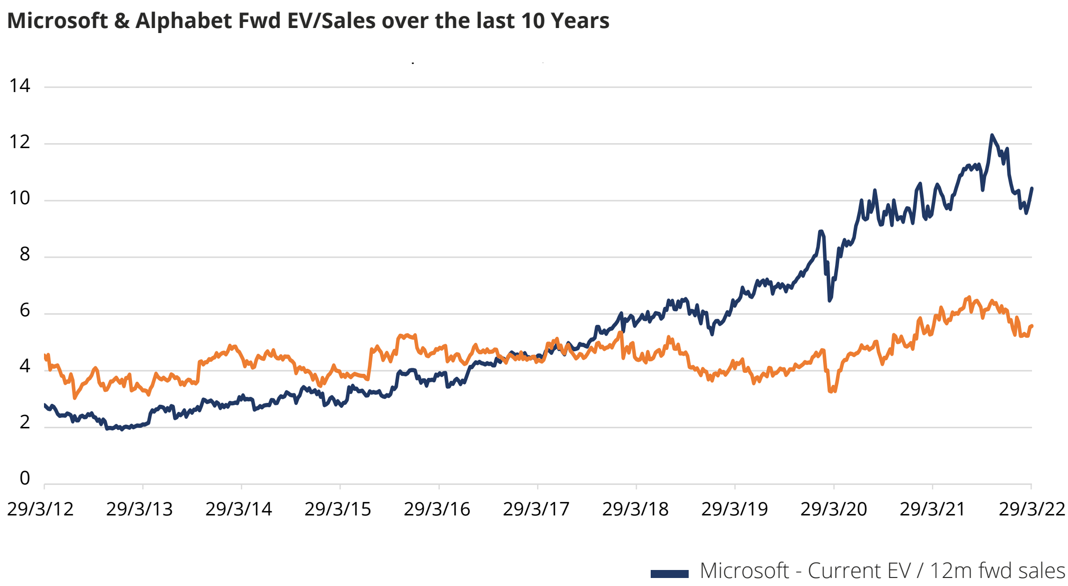
Our first major move of the year was to bulk up exposure to US large-cap growth stocks across higher risk strategies where we held the largest underweight exposure to the American market, through the addition of a growth focused fund when technology stocks as a group moved out of favour towards the end of January. The fund we chose to implement this move is focused on the industry leading businesses within the US large-cap space, such as Alphabet (Google's parent company) and Microsoft, which saw their share prices dragged down by both their elevated starting valuation heading into the year, and their association with the barely profitable, more speculative businesses within their sector. Whilst these stocks are certainly not cheap on an absolute basis, they are highly profitable businesses - Alphabet and Microsoft generated $20.6bn and $18.7bn in profit respectively over the fourth quarter alone - and, perhaps most importantly in this current inflationary environment, they have high levels of pricing power which allows them to pass on rising costs to customers.

The likes of Microsoft and Alphabet are highly profitable and are well positioned for rising cost pressures

Microsoft			
	Q4 2020	Q4 2021	Year-on-year growth
Total Revenues	$43.1	$51.7	20.1%
Net Profit	$15.5	$18.7	21.4%

Alphabet			
	Q4 2020	Q4 2021	Year-on-year growth
Total Revenues	$56.9	$75.3	32.4%
Net Profit	$15.2	$20.6	35.6%

However, they remain expensive relative to their own history



*EV/Sales is a commonly used valuation metric for technology stocks
Source: Thomson Reuters Eikon

Having made these moves early in the quarter, US equities returned to favour following the invasion of Ukraine as investors moved capital out of Europe, and back into American markets. These flows have again pushed up the valuation on some of the largest stocks in the US index, such as Tesla, back into expensive territory, which is hard to justify given the prospect of higher US interest rates.

UK & European Equities

Later in the quarter, we added to UK mid-cap companies through another manager with an emphasis on businesses with high levels of profit growth, following this area of the market coming under renewed pressure in the market rotation. UK mid-cap stocks have delivered strong long-term returns, driven by solid profit growth and reasonable starting valuations, and we believe that the high level of strategic and Private Equity buyers operating across the UK market as a whole should help provide a further boost to returns.

In contrast we did become slightly more cautious on continental European equities owing to the closer proximity to the escalating tensions in Ukraine, and we pared back our exposure across our higher risk strategies which had most exposure to the region in late January, with the proceeds used to fund the increase in US exposure. Since then the fall European indices have experienced has brought valuations back down to more reasonable levels, with particularly attractive opportunities within beneficiaries of the transition towards a less carbon intensive economy, and our favoured R&M European fund remains positioned to benefit from this long-term theme.

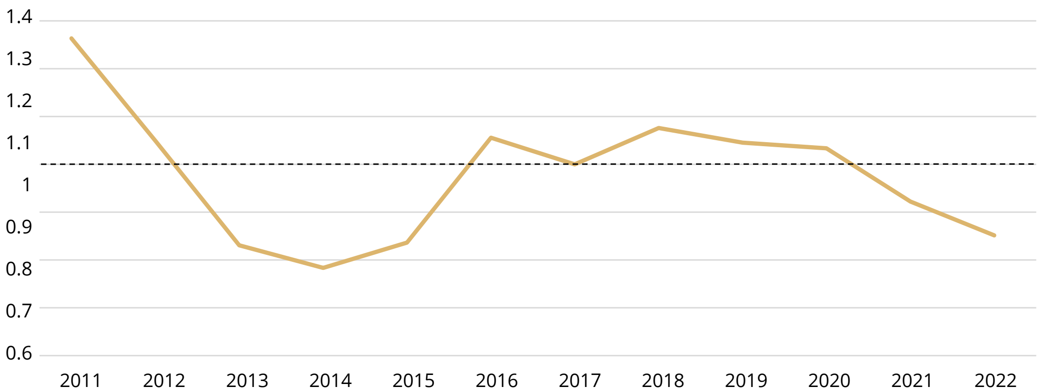
Asia & Emerging Markets

We continue to see a compelling long-term opportunity within Japanese stocks, with the improvement in corporate governance by small and mid-cap companies particularly notable, given that the valuation of many of these companies remain extremely low in both absolute terms and when compared to other developed markets. Two such examples from our favoured Polar Capital Japan fund are the Bank of Kyoto and Secom, both of which announced shareholder policies over the quarter. The former almost doubled its dividend per share from the forecast the company made three months prior in addition to announcing a share buyback, whilst security business, Secom, delivered record profits for the corresponding quarter and announced its first share buyback in over a decade, which will retire c.2% of its market cap.

From a top down perspective, the Japanese Yen is particularly cheap against the Pound currently, as currency traders push higher the values of currencies where Central Banks are raising interest rates, most notably the US Dollar and the Pound, whilst disregarding the high inflation and weak Current Account position of these economies. We firmly expect these fundamental factors to re-assert themselves in the next significant market sell-off, which will drive a strengthening of the Yen and thus help protect the (sterling) value of our investments in the country.

The recent weakening of the Japanese Yen has made it very cheap on a fundamental basis

GBP/YEN Fair Value



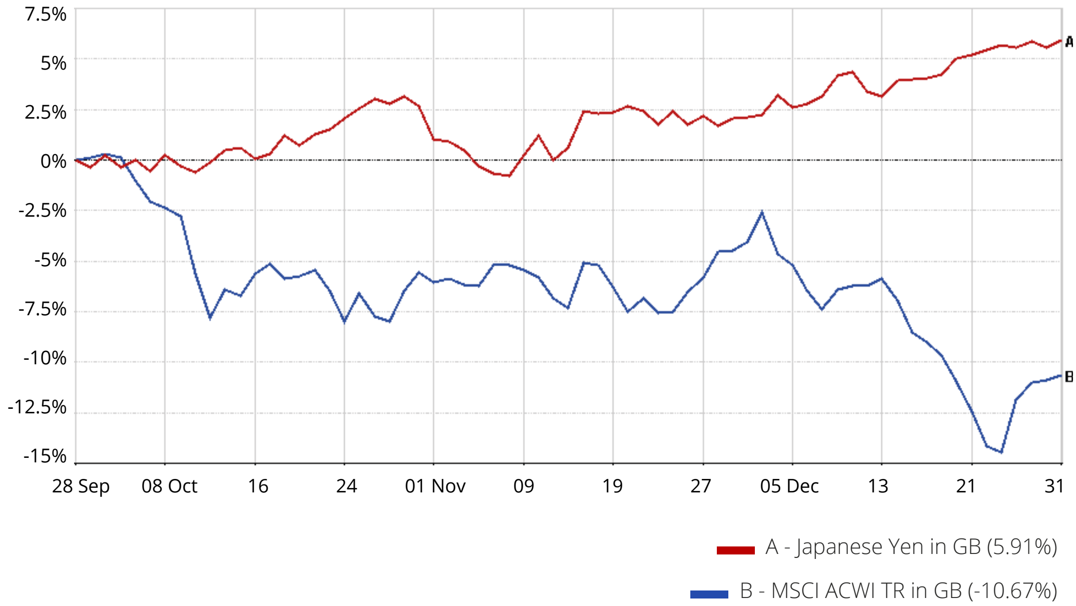
PPP stands for Purchasing Power Parity and is a measure of fundamental currency valuation

A level below 1 indicates the Japanese Yen is cheap against the Pound, whereas a level above 1 indicates the opposite

2022 figure is based on the GBP/Japanese Yen exchange rate at the end of March 2022, and this year's projected increase in the CPI for the two economies

Source: OECD.org

Whilst it tends to outperform during risk off market environments, such as the fourth quarter of 2018



Data from FE fundinfo 2022
28/09/2018-31/12/2018

Across Emerging Markets, currency and stock valuations remain attractive, whilst governments are generally reticent to implement anti-business measures following a relatively weak decade for many of these economies. The notable exception to this however is China, where government leadership is becoming increasingly interventionist and less-supportive of shareholder rights, whilst their foreign policy is causing increased tensions with the US leadership, with these structural changes in policy direction making us less comfortable on prospective fundamentals within the region. As a result, we made the decision to dial back direct exposure to the Chinese market and re-direct the proceeds to the attractive opportunity in UK mid-cap stocks, whilst retaining our pan-Emerging Markets fund which is well positioned to benefit from the admittedly low valuations available across Asian and other Emerging Markets at this time.

Property

Whilst remaining volatile on a day-to-day basis, our favoured real estate investment trusts (REITs) saw their share prices move higher over the quarter, aided by NAV upgrades and a strong rebound in activity at retail properties, with footfall back above pre-COVID levels for many of these assets. Given both BMO Commercial Property and SLI Property Trust continue to trade at attractive discounts to NAV and offer healthy dividend yields, we remain comfortable holders at this time.

Closing thoughts

Perhaps counterintuitively, an uncertain outlook often bodes well for future returns owing to the downward weight it applies to asset prices, and the more attractive entry point it provides for long-term investors. As the economic cycle matures, we have added more balance to our equity exposure by increasing exposure to companies with high levels of pricing power and good growth prospects, which have moved out of favour in recent months.

Market Commentary – Q1 2022

Alexander George, CFA
Associate Director of Research

US

The Federal Reserve continued their move towards tighter monetary policy, with the Monetary Policy Committee (FOMC) announcing their first increase in the base rate since 2018 in their most recent March meeting, with a 25 basis points increase in the Fed Funds rate, from 0.25% to 0.5%, whilst signalling a potential 50 bps hike at their next meeting in May. The persistence of higher inflation has been the primary driver of this shift in policy, with the year-on-year increase in the Consumer Price Index increasing from 6.8% in November (the last reading released in 2021), to the most recent reading of 7.9% in February. The other economic data released over the quarter was broadly mixed, with weak consumer confidence data contrasting with strong survey data which indicated solid business sentiment.

The Chairman of the Federal Reserve, Jerome Powell, has been positive on the outlook for the economy in his most recent comments, indicating that there is nothing stopping the Committee raising rates at a faster pace if required. Powell's comments indicated that the Federal Reserve are particularly concerned about an extended period of high inflation pushing longer-term inflation expectations higher than they are comfortable with. Along with raising the economy's base rate which is now projected to reach 2% by the end of this year, the Federal Reserve are set to announce a reduction in the size of their balance sheet in its May meeting, as they start to reduce it from its current level of $8.9trn.

US Treasury yields rose on the back of the prospect of higher inflation and interest rates, with the 10 year Treasury yield rising 83bps to end the quarter at 2.34%. The US large-cap index, the S&P 500, ended the period down 4.9% in US Dollar terms.

UK

The most recent minutes from the Bank of England's Monetary Policy Committee (MPC) indicate they don't share the confidence in the domestic economy, as they pared back the market expectations for future rate rises in their March meeting. The most notable comment from the Committee was that "some further modest tightening might be appropriate in the coming months, but there were risks on both sides of that judgement depending on how medium-term prospects evolved". This change in tone hurt the Pound somewhat, declining c.3% over the quarter against the US Dollar to end at $1.313. As was the case globally, the year-on-year increase in the Consumer Price Index moved upwards over the quarter, reaching 6.2% in February, with the Bank of England expecting this to reach 8% in April as the rise in energy bills helps push the figures up further. Gilt yields moved higher over the quarter, although to a lesser extent than in the US, with the yield on the 10 year Gilt rising 63bps to end the period at 1.61%.

Unusually for a challenging period for equity markets, the UK market outperformed, aided by its larger exposure to traditional sectors such as energy and mining which benefitted from buoyant commodity prices, with MSCI UK All-Cap ending the quarter up 0.4% in sterling capital return terms. Smaller companies' indices, which have less exposure to commodity producers, were far weaker, with the Numis Smaller Companies plus AIM (excluding investment companies) index ending the quarter down 10.7% on the same basis.

Eurozone

Prior to the invasion of Ukraine, survey data from the manufacturing sector indicated that supply chain bottlenecks started to ease at the start of the year, with output increasing, whilst the unemployment rate for the currency bloc continued its decline, dropping to 6.9% in January, now below its pre pandemic level. However, the war in Eastern Europe has certainly challenged the near term outlook, particularly given Western Europe's reliance on imported gas from Russia, with the subsequent increase in both oil and gas prices driving an increase in costs for businesses and households alike. The rise in commodity prices has already been reflected in the inflation figures, with Spain's annual inflation increasing to above 10% in March and the upcoming figures for the Eurozone as a whole are expected to be around 7%.

Having previously pushed back against pressures to raise interest rates, the European Central Bank (ECB) are currently uncertain on whether to bring the base rate into positive territory, from its current level of -0.5%. Even if they do so, it is still expected that the ECB will remain far more cautious in tightening monetary policy than their counterparts on the other side of the Atlantic given the larger squeeze European consumers may feel from a rising cost of living. European equities, as represented by MSCI Europe ex-UK, ended the quarter down 8.6% in local currency terms.

Asia

Chinese stocks struggled over the quarter, as investors baulked at the announcement of renewed lockdowns amidst the surge of omicron COVID cases across China and Hong Kong. The government's strict "zero COVID" policy continues to be ineffective at containing the infectious variant and reluctance to condemn the Russian invasion of Ukraine has also cast doubts over the future relationship between the west and China. On a more positive note, the government do appear to be implementing more stimulus measures in an attempt to boost growth, through a combination of monetary and fiscal easing. MSCI China A ended the quarter down 15% in local currency terms.

Japan's economic data over the quarter was generally muted, with household and consumer spending rather sluggish amidst ongoing COVID restrictions. Having previously defended the 0.25% yield level on the 10 year government bond in an attempt to cap government borrowing costs, the Bank of Japan are expected to tweak their approach over coming months, which may drive a strengthening of the Yen from very weak current levels. MSCI Japan ended the month down 2.5% in Yen terms.

Commodities

Having spiked on the news of the invasion on the 24th February, the oil price normalised somewhat to end the period at $108 per barrel (based on Brent Crude). The gold price gained 6% in US Dollar terms, as the precious metal benefitted from safe haven demand and heightened concerns around inflation. Industrial metal prices were also strong, with the iron ore price increasing 34% in US Dollar terms.

Fund Spotlight - Threadneedle UK Mid-250

Joe Healey
Investment Analyst

Launch Date:	01/10/2012
Strategy Assets:	£648m
Asset Class:	UK Equity
Managers:	James Thorne and Craig Adey

James Thorne

Craig Adey

The Threadneedle UK Mid 250 strategy was added to low and mid-risk strategies, as well as topped up in higher risk strategies towards the end of the quarter. Heading into the year, a hawkish shift from developed market central banks combined with significant supply-side disruption has served to sour investor sentiment towards so-called "growth stocks" over recent months.

In our view, this volatility has now opened up attractive opportunities to access strongly growing companies at much more attractive valuations that at the beginning of the year, as general negative sentiment drags equity markets lower. As history suggests this is usually a pragmatic time to increase exposure to such companies which have historically delivered solid long term returns. Having underperformed since the beginning of the year, the strategy presented a suitable way to take advantage of this opportunity.

The Threadneedle UK Mid 250 fund offers exposure to growing companies that generate revenues not just domestically but internationally, with overseas sales accounting for over half of the fund's total revenues. This geographical diversification is often overlooked from investors in UK mid-cap strategies. The strategy is headed up by James Thorne and Craig Adey who cumulatively have c. 34 years' experience within the industry. James has been managing the strategy since December 2013, with Craig joining in the latter part of 2020.

The strategy aims to identify businesses with strong business models, market positioning, financial strength and management teams, which in their view encapsulates the key drivers for companies to earn a return on capital higher than their cost of capital, which ultimately leads to long-term shareholder value creation. Furthermore, given the amount of money run by the wider UK Threadneedle team, James and Craig are able to gain great access to company management which allows them to gain a deeper understanding of the underlying business models within the portfolio.

A - Threadneedle - UK Mid 250 ZNA GBP in GB (178.36%)

B - MSCI United Kingdom Mid Cap TR in GB (108.40%)

Data from FE fundinfo 2022
05/06/2007-31/03/2022

Data run to the beginning of the MSCI UK Mid Cap Index

Although past performance is by no means a guide to future returns, it is worth remembering how strong UK mid-cap has been over the last 20 years delivering an annualised return of c. 9.7% which exceeds the equivalent return to that of even the US's S&P 500 of c. 8.7% over the same period. UK mid-cap has historically been a breeding ground for exciting companies that are able to compete on a global scale, growing earnings and rewarding shareholders. In more recent months, we have also started to see increasing interest from strategic and Private Equity buyers, which could provide further upside potential given strong expected earnings growth and lower valuations. The strategy now trades on a forward looking P/E multiple of 17x earnings which in our view represents attractive value in well-positioned companies showcasing solid profitability.

A Day in the Life of an Investment Analyst

Joe Healey
Investment Analyst

Daniel Patterson
Investment Analyst

In this piece, we will aim to take you through a typical working day from our perspective as Investment Analysts within the Research Team here at Dart. Whilst contrary to what many people may perceive the role of an analyst to be like, we thankfully don't hide away in a dark room at the back of the office, crunching numbers all day and rarely speaking to anyone. However, this isn't to say we don't get excited over a new Excel model or fund analysis spreadsheet. Nevertheless, our role is rather one that requires constant communication to many areas of the business as well as being a friendly point of contact should investment queries arise. The role is often very personable, regularly attending external conferences and developing professional relationships across global fund houses, helping gain better access to fund managers and information should the need arise. Given the dynamic nature of financial markets, it is rare that two days are ever the same, however we hope to give you a better idea of how the Research Team operates and how our roles fit within the wider business.

6:45am – Morning Routine

Wake up and turn the coffee machine on before having a quick look at how Asian markets have performed overnight. Following the morning routine, we are both lucky to have a 20–30 minute cycle into work which is a great way to get some morning exercise as well as helping clear the mind for the day ahead; Joe taking the more leisurely approach on a Boris Bike whilst Dan makes quick time on his own road bike.

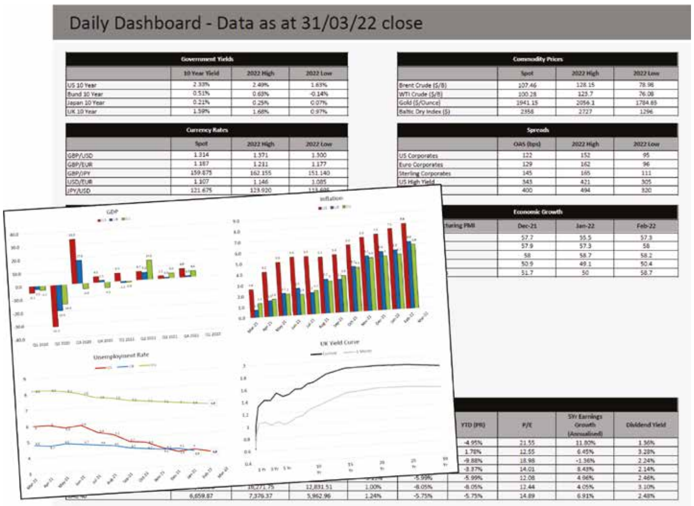
7:45am – Arrive at the Office

We tend to arrive in the office anytime from 7:45-8am ready for the UK open and to respond to any emails that may have come in late the previous day or overnight. Following this, we will monitor news flow to see if there has been any major shifts in US or Asian trading that we need to be aware off, as well as the main news headlines in UK and Europe for the day.

8:00am – UK and European Markets Open

As the clock strikes 8, UK and European markets open and we keep a keen eye on our monitors for any significant price movements for those stocks which are held within our funds. This morning the Research Team are particularly chipper as one of the holdings in our favoured UK Smaller Companies fund has received a takeover bid at a c. 60% premium to its previous share price and will contribute around 1% of performance to the fund for the day. Good news such as this usually prompts us to get in touch with the fund manager for any additional commentary which we can report back to the wider team.

After regaining composure, the Research Team send out what's know as the Daily Dashboard to all members of staff. This compiles data from a number of our financial programmes to update a dashboard displaying a number of key indicators such as commodity prices, currency rates and bond yields as of close of play the previous day. More recently we have also been accompanying the Daily Dashboard with a number of charts that help visualise and track the macroeconomic backdrop within the US, UK and Europe. An example of the Daily Dash is noted below.



8:30am – Research Team Discussion

At any point in time, there are usually one or two areas of focus we're carrying out ongoing analysis on, or closely monitoring. The morning is a good time to discuss with Alex, head of research, any new thoughts or developments in this research as well as any new funds that we may have identified through our screening processes, or from external conferences and webinars that we think could capture the opportunity set. The benefit of both a Research Team of three and our open plan office set-up allows us to communicate easily throughout the day simply across the desk which will often lead to interesting debates and new ideas or pieces of analysis to get to on with.

9:00am – Fund Meeting Prep

On this particular day, we have a fund manager meeting scheduled for 10am with Richard Colwell, the manager on the Threadneedle UK Equity Income fund, a long term holding within our UK Equity Allocation. We keep up to date with our buy list managers throughout the year through fund manager commentaries, webinars, and during conferences, however we also like to meet our fund managers every 6 months directly in-person or via Zoom to gain a comprehensive update on the strategy.

Meeting with our managers is particularly important as they will often provide valuable insights on the conditions within specific industries or sectors, which we can use to feed into our own research. Each fund manager will have their own unique view, and as you would imagine, it is usually one that's rather positive on their own asset class, therefore it is crucial to consider these views from an unbiased perspective and to be able to challenge these the fund managers view point. In order to get the most out of these meetings, we read previous meeting notes and prepare any topical questions we may have ahead of the meeting.

10:00am – Fund Manager Meeting

We head through into the boardroom where we greet Richard Colwell. After a brief catch up on any recent holidays or more likely the disappointing UK weather, we discuss the macro backdrop within the UK and where Richard is currently seeing areas of opportunity. He touches on recent portfolio position changes along with the team's rationale behind said moves. We then discuss in-depth some of the portfolios' top 10 single line holdings, including their operational performance, updates from company management and share price performance. This information not only helps to demonstrate the manager's conviction but provides us with examples of companies where there is strong upside potential which we can relay to our Investment Managers and subsequently to clients.

11:00am – Meeting Notes

Following the meeting, whilst still fresh in our memory, we take it in turns to write up a meeting note, summarising the key takeaways and any relevant updates within the portfolio. Once this is completed, we run it past one another to ensure all relevant points have been included, before uploading it to our internal Intranet where the wider Dart team can access the note to gain a summarised update.

11:30am – Portfolio Management Debrief

Following our monthly Investment Committee meetings, Joe and Dan host a meeting with the Portfolios Managers who are otherwise absent in these, to relay the meetings most important points across. Committee meetings will often involve an extensive slide deck, however for the debrief we use a condensed deck which is presented more informally, also giving anybody the opportunity to ask questions they may have on recent news or portfolios.

1:30pm – Ongoing Research

After lunch, we have some time to get on with the ongoing research discussed that morning. On this particular day, we were running a quantitative screen on funds in the US and Global sector. This quantitative screen helps condense large sectors into a smaller subset of strategies using various metrics such as valuation, profitability, and balance sheet strength. After some excel magic and some fancy formulas, we are able to further analyse the results. Those funds that screen well will be subject to further due diligence which may result in a meeting being organised to meet the fund manager or a product specialist. Whilst this quantitative analysis is extremely useful, a key aspect of our investment process utilises qualitative research to select experienced managers with reliable investment processes. This is crucial given that we need to establish a level of trust and conviction within the managers' process before we commit our client's capital.

2.30pm - US Market Open

Whilst we don't have the cliché clocks with different time zones on the wall, the Research Team are ready for the opening bell on Wall Street at 2.30! On this day, prior to the US open, strong economic data was released and the US market opened in positive territory with several underlying holdings in the green. Around this time Joe will usually make the most of his Pret A Manger subscription and head down the road for an afternoon coffee, inspired by the positive US movements.

3:00pm – Ad hoc Requests

During the day, there are typically a number of ad hoc requests that will pop up from different teams within the business. This can include supporting the financial planning team with performance analysis of external pension providers or assisting one of our Investment managers in the creation of a deck emphasising our portfolios' key differentiators ahead of a particular client meeting. In any event, a key aspect of our role is to ensure we can present the relevant data or information in an accurate, concise and clear manner so that it is easily digestible for clients in meetings.

4.30pm – Emails and Calendar

As we approach the end of the day after finishing our ongoing research, additional requests, or meetings, we will usually spend some time assessing the US market's progress and responding to any unanswered emails or calls. We will also schedule any future fund manager meetings or upcoming conferences that are of interest. This is also a good time to look at the calendar for the following day and make a note of any new deadlines and to ensure we're on top of existing ones.

6:00pm – Game Time

Before heading home for the night, we'll usually head into the kitchen for a quick game of pool in a classic winner takes all grudge match between the analysts. After what was a particularly successful evening on the pool table for the Research Team dismissing several challengers from the Portfolio Management team, we will make the cycle back home with our heads held high.

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