of interest

summer 2022



# Ukraine... what do the experts think?

## Welcome

Just over 2 years after the COVID 19 pandemic caused a deep global recession, the world economy has been hit with a further set of challenges following Russia's invasion of Ukraine.

Governments around the world have been forced into a strategy of aggressive interest rate hikes in an attempt to curb some alarming price increases in raw materials and energy.

The concern now is that if interest rates go too high, economies could contract back into recession, a situation which would almost certainly dampen the future economic growth previously predicted.

High inflation coupled with a significant slow-down in economic growth is known as stagflation. The key to avoiding stagflation will be the resumption of normal supply-chain activities and production of goods around the world.

For investors, there hasn't been much in the way of positive news over the last few years, but if your glass is half full, then you will appreciate that with each downturn, an opportunity presents itself to invest at lower prices. Markets tend to recover pretty rapidly after shocks such as the invasion of Ukraine and in the long run, fundamentals will usually prevail.

We hope the contents of our latest newsletter are 'Of Interest'.

www.elsonassociates.com info@elsonassociates.com FREEPHONE 0800 0961111

# News

## M&G Sustainable Global Corporate Bond Launch

Launched on 18th May 2022, the M&G Sustainable Global Corporate Bond Fund is a core sustainable bond proposition for investors who want to take advantage of the global investment grade opportunity set.

The fund utilises M&G's well-established dynamic and value-driven investment approach, targeting assets where the management team is best compensated for the underlying credit fundamentals.

Active duration management and up to 20% portfolio flexibility outside of core investment grade universe (asset-backed securities, high yield, government bonds, inflation-linked bonds) allows for optimisation of risk/reward throughout the economic cycle.

The fund is supported by a strong infrastructure incorporating global credit research & analysis, Stewardship & Sustainability specialists, and a dedicated fixed income dealing desk for best execution.

The fund puts sustainability factors at the core of the investment proposition, measured by Sustainability Indicators.

This is M&G's first fund to commit to a fixed allocation to ESG-themed bonds, proactively driving positive environmental and social outcomes.

## Fidelity Moneybuilder Income Fund Name Change

As of 26th May 2022, the Fidelity Moneybuilder Income Fund changed its name to Fidelity Sustainable Moneybuilder Income Fund.

Fidelity have stated the following:

*"The fund's consistent focus on delivering an attractive level of income, downside protection and diversification from equities has stood the test of time since its launch in 1995. As sustainability considerations become an increasingly important driver of risk and return in corporate bond markets, formalising and enhancing how we incorporate sustainability into the investment process will enable us to continue to deliver the outcomes our investors have come to expect, particularly when it comes to providing strong downside protection."*

## Legal & General Distribution Trust Merger

On 10th June 2022 as a result of a fund merger, the Legal & General Distribution Trust fund changed to

Legal & General Mixed Investment Income 0-35% fund. The following is a snapshot of the Legal & General Mixed Investment Income 0-35% fund:

**What does it invest in?**
Invests primarily in funds, with between 0% and 35% underlying exposure to company shares and the remainder in bonds and other investments including property.

**How does it invest?**
Actively managed, to give a combination of investments that allow payment of a regular income while preserving capital, with no more than 35% exposure to company shares and at least 45% invested in money market instruments and bonds with an investment grade (lower risk) credit rating.

## JPM Global Macro Fund Name Change

J.P.Morgan Asset Management

As of 29th April 2022, JPMorgan have changed the name of the JPM Global Macro Fund to JPM Global Macro Sustainable Fund.

JPMorgan have stated the following:

*"Our clients are increasingly looking for investment solutions that reflect not only their financial goals but also their values and beliefs. The Global Macro Sustainable Fund employs our tried and tested macro process sustainably to help investors align their goals with their values."*

## Rise in UK inflation and interest rates

**Inflation**
UK inflation has risen to 9.1%, the highest rate in 40 years mainly due to record prices for petrol, energy and the soaring cost of basic foods such as bread, cereals, meat and non-alcoholic drinks.

The figures from the Office for National Statistics showed an increase in May from 9% in April and are the biggest annual increases on record dating all the way back to 1989.

Source: Office for National Statistics - Consumer price inflation

**Interest rates**
The Bank of England has decided to raise interest rates by one quarter of a percent to 1.25%. As above, the bank took the decision to try to stem the rising inflation rate.

This is the first time the interest rate has been above 1% and is the fifth consecutive rate hike in a row which puts the rate at it's highest point in thirteen years.

Source: Bank of England

# JP Morgan Natural Resources Q1 Review

**Performance of the natural resources sector was positive over the first quarter of the year and outperformed the MSCI World Index. There was a sharp escalation in geopolitical tension with Russian President, Vladimir Putin ordering the military invasion of the Ukraine. The sudden uptick in volatility sent broader equity markets downward and supported commodity prices in anticipation of a further tightening of supply. Russia is a key player in global energy markets supplying 35% of gas to North West Europe, 17% of global gas and 13% of global oil production. Governments around the world responded with especially severe sanctions on Russia which saw a sharp selloff in Russian equities and their removal from global indices.**

Against this backdrop, fears mounted that Russian commodities could be banned from global markets sending both oil and natural gas prices to record highs. The Organisation of Petroleum Exporting Countries (OPEC) are already increasingly supply constrained with little ability to increase production capacity so the outage of Russian barrels from the global market place (around 9-10 million barrels per day) only adds to further supply side pressure. This too is against a backdrop of recovering economic growth and industrial demand as the world slowly moves on from the Covid-19 pandemic.

Prior to the invasion, the International Energy Association (IEA) was pushing for OPEC to increase their capacity by around 400,000 barrels per day which is the same amount the oil producing countries have been adding to capacity since July. Coming to the end of the quarter news emerged that the US would be releasing barrels from their strategic reserves and there is mounting speculation of increased production from a range of OPEC countries.

Industrial metals were also impacted by the Russian invasion with iron ore reaching in excess of USD 150 per tonne after a period of price declines. Chinese demand continues to be strong and expectation of supply outages from Russia point to a tightening of the market there. Base metals too rallied with copper, aluminium and nickel all reaching recent highs once again on concerns of supply outages. For the metals more exposed to battery technology, the increased rhetoric from European officials suggesting an even greater drive towards electrification (to reduce dependence on Russian gas) also boosted prices.

Gold saw a wave of safe haven demand as investors flocked to it during a period of escalated volatility. Gold traditionally correlates much more with movements in real interest rates and of late with mounting speculation of interest rate increases from Central Banks had fallen out of favour. This dynamic reversed this month as investors sought it out as a store of value and hedge against escalating volatility.

## Portfolio Review

The fund performed outperformed its benchmark, the EMIX Global Mining & Energy over the quarter. In terms of sector performance, stock selection in base metals sector contributed the most to returns whilst stock selection in the diversified mining sector and an underweight there detracted the most. Russian listed companies feature most heavily in terms of stock contribution and detraction. Not holding the Russian oil and gas company, Gazprom and an overweight position in nickel mining company, Norilsk Nickel both contributed to overall returns.

Whilst any Russian holdings in the portfolio such as LUKOIL and Polymetal, were amongst the leading detractors. Any Russian holdings in the portfolio were reviewed in light of the situation. Away from Russian listed names, Royal Dutch Shell, the global integrated oil company contributed to overall portfolio returns. The company engaged in a series of substantial share buybacks year to date which sent the stock higher. Free cash flow at the company remains strong and the company announced an investment of GBP 24 billion into renewables operations for the UK. Not holding Occidental Petroleum, a US based oil exploration and production company detracted from returns. The company's stock doubled and was seen as a key beneficiary of the news that European countries were planning to match US sanctions against Russian oil which would drive up demand for crude production from North American companies.

# Sustainable Investing

**Since sustainable investing first appeared in the UK during the 1980s with the launch of several ethical funds, the last couple of years has seen a huge increase in the number of sustainable funds being offered by investment houses. It seems that it is almost obligatory to offer one, such is the need for many investors to match their money with their morals. We believe this is a great thing given some of the exciting future projects for alternative energy solutions and technological advances.**

The legislative and regulatory backdrop has facilitated this move with, for example, the introduction of legislation to tackle climate change. As wider society has become much more conscious of environmental and social issues, retail investors have come on board too. There has never been a better time or wider choice of funds available.

Below is a short list of sustainable investment funds we believe are worth looking at. For performance details, KIID documents and factsheets, please visit the detailed performance browser on our website www.elsonassociates.com. Alternatively, if you do not have access to the internet, please call us and we will be happy to send you details of these or any other funds you may be interested in.

- Fidelity Sustainable Global Equity
- Liontrust Sustainable Future UK Growth
- Royal London Sustainable Leaders Trust
- CT Responsible Global Equity
- Invesco Sustainable UK Companies
- JPM Global Sustainable Equity
- Baillie Gifford Responsible Global Equity Income

# War in Ukraine - a view from the experts

As mentioned in our welcome section, it is so important during these turbulent times to gain knowledge from the views of our partners. So many of you will hold funds run by these companies and it's so important that you know what they are doing and feel should be done with your hard earned savings. Here are just some of the thoughts from a selection of those companies:-

Invesco

## History has shown that major pandemics have almost always been deflationary and wars, inflationary.

It is intuitive, as wartime governments mobilise entire societies and economies. That's because people and production are drafted into the war effort, and physical capital and productive capacity are destroyed. Plus, currencies are often debased as money is printed to finance the war effort. War bonds are issued, which savers and financial institutions are encouraged or required to buy at below market interest rates. Wars are inflationary from both a monetary perspective and in terms of the pressure on real resources. Pandemics are deflationary. Societies have locked down in response to severe outbreaks of new diseases since the Plague of Justinian. Lockdowns demobilise the economy – almost the exact opposite of a war. Demand is destroyed, or at least suspended, but not supply. Past pandemics often killed large swathes of peoples, comparable to major wars, reducing consumer demand (and the workforce). But, usually, physical productive capacity was untouched with the net effect tending to be demand deflationary.

Typically, growth and inflation move in the same direction. Private demand and public policy – both central bank monetary policies and budgetary policies – are aligned. Historically, pandemics or wars have had a similar impact to conventional upturns and downturns on markets. But their effects have been even more pronounced, like an economic cycle on steroids.

The effect of wars and pandemics on interest rates – and hence on bonds – is opposite. High inflation, and the pressure on real economic resources, have typically driven up interest rates in and after wars. But real rates usually fall The impact of wars and pandemics on labour markets and wage rates is more mixed. Wages tend to rise after pandemics largely because workers have more bargaining power. Waging major wars often led to a shortage of labour, but returning soldiers also needed work.

In modern times, wars and revolutions have sometimes been accompanied by major supply shocks. This has been particularly noticeable for crucial commodities needed for energy, such as oil, and contributes to rising inflation.

Stagflation refers to high and rising inflation despite falling or negative growth. When wars have been concentrated in commodity-producing countries, like today's Russia/Ukraine conflict, with limited direct impact on commodity-importing countries, the result has often been "stagflation" In supply shocks, unlike conventional cycles or historic wars and pandemics, growth and inflation have pointed in opposite directions.

**Fixed income remains a crucial part of a portfolio during these periods of volatility**
We would argue against shifting significantly away from fixed income under almost any circumstances. That's because risk and uncertainty are facts of life.

Escalation in the Russia/Ukraine conflict points to risk aversion and higher commodity price as well as potentially lower growth. If there is stagflation, some bonds would benefit from slowdown while others would suffer from higher inflation.

In fact, some corporate debt might benefit from higher commodity prices while risk premiums rise for others affected by corporate revenue losses. Likewise, some countries will benefit from stronger exports and currencies than others.

We believe it would only make sense to largely shift away from bonds if a number of factors presented themselves:

- If today's ultra-low bond yields were accompanied by a rosy picture of rising growth.
- If we saw more moderate inflation.
- If there was general economic and political normalization.

In today's world, there is uncertainty but hope for eventual improvement in conditions. As such, we believe a better balance is called for than concentration in cash or risk assets

**Ukraine-Russia Perspectives**
With Russia's plan for a quick victory in Ukraine dashed, a prolonged war seems like the most likely scenario.

On a recent Russia-Ukraine webinar, Invesco experts assessed this scenario with others and discussed the economics of war. Here are some highlights from the discussion.

**Three possible war outcomes**

| | Scenario 1: Business as usual | Scenario 2: War of attrition | Scenario 3: Prolonged war and energy crisis |
|---|---|---|---|
| **Description** | Russia withdraws or overruns Ukraine by mid-2022 | Ukrainian resistance prolongs the war into a multi-year affair | War is prolonged and Russia cuts energy supplies to Europe |
| **Commodity prices** | Down | Stable at elevated levels | Big increase |
| **Global GDP impact (2022)** | Slight negative | Moderately negative | Significantly negative |
| **Recession risk** | Low | Moderate | High |
| **Inflation impact (2022/3)** | Slight boost | Moderate boost | Strong boost and then decline |
| **Stagflation risk** | Low (high in Russia, Ukraine, Belarus) | Moderate (higher in countries close to the conflict) | Very high in Europe, moderate in US, low in China |

## The timeline of the Ukraine war will influence economic outcomes

The war in Ukraine has already caused significant economic damage, and it will continue to shape the near-term outlook for global economies, particularly Europe. Outcomes over the coming quarter will be heavily influenced by the timeline to a resolution and the easing of trade disruptions.

In the meantime, any hopes for a moderation in energy prices and supply-chain disruptions have been dashed. Together, these dynamics will continue to dampen growth and put upward pressure on already high inflation.

This paints an extremely complex picture, both for policymakers and the markets. We believe the market has yet to reflect the full range of possible outcomes, which span extreme left and right tail risks. We advocate nimbleness and the use of hedges, where appropriate.

## Asset class views and investment implications

### Solutions & Multi Asset

Given the near-term uncertainty around global growth, we now have underweight positions in both credit and equities. We are particularly cautious on European equities and the euro, given the likelihood of recession in Europe.

We have a more positive outlook for emerging market equities, including China, and Asia Pacific stocks excluding Japan, as well as select emerging markets FX, given the diversification potential and possible support for commodity exporters. Finally, we are long USD - we expect interest rate differentials to support the dollar as the Fed remains focused on inflation, and for its defensive characteristics to provide protection should conditions deteriorate.

### Equities

We believe focussing on high quality companies, rather than sector selection, is the best approach given the rising geopolitical and stagflationary risks. Companies with pricing power and the ability to protect margins should perform relatively strongly in this environment. Equities should still provide a robust source of income, now that balance sheets have been repaired following the worst of the pandemic.

We are cautious on Europe given the risk of recession there, but see the potential to diversify in some emerging markets, particularly areas that are benefitting from the commodity price surge. Parts of China look cheap, though volatility is very high and tail risks have grown fatter.

### Fixed income

Stagflation presents a challenge, but there are some areas within fixed income that we think will be better protected from rising rates and slowing growth. Breakevens should continue to perform relatively well, on the premise that inflation expectations will rise, and we are also cautious on European investment grade given its more defensive characteristics and improved valuations.

Fixed income investors should not fear duration. The upside for nominal yields will likely be capped by debt refinancing constraints, central bank actions and demand for safe havens. We think ECB rate hikes are unlikely in 2022 (despite the ECB sticking to its hawkish tone in March), and so see value in core European duration. We are more cautious on China. The property market remains a concern and we expect further volatility ahead.

### Conclusion

All in all, stagflation risks have intensified, with the war in Ukraine disrupting the global growth trajectory, particularly for Europe, and spillover effects tied to the path and timeline of a resolution. The conflict has also exacerbated inflation pressures, creating even more challenges for policymakers. We have been reducing risk since the start of 2022 and focusing on regions, sectors and asset classes that provide protection and income in a highly uncertain environment of slowing growth and rising inflation.

Marlborough
Fund Managers

## Market sell-off has created attractive opportunities in Europe

By David Walton, Manager of the IFSL Marlborough European Special Situations Fund

The conflict in Ukraine means European companies are contending with a steep rise in inflation, higher energy prices and a weakening of both consumer and business confidence. The inflation rate in the Eurozone reached 8.1% in May, which is the highest level since 1983.

In addition, there is uncertainty about what will happen next in the war and to what extent Russian gas exports to Europe will be reduced. So, the economic backdrop for European companies contains a number of challenges.

However, inflation and energy prices are unlikely to stay at these elevated levels indefinitely. If rising costs and reduced confidence result in a slowdown in economic growth, that is likely to put downward pressure on inflation and energy prices.

A slowdown is also likely to persuade policymakers to take a more cautious approach to increasing interest rates and withdrawing quantitative easing. In very broad terms, this should benefit businesses.

In the meantime, the companies we talk to are telling us they are still trading strongly. Industrial businesses are among those most exposed to the rising cost of raw materials such as steel, wood and copper. They tell us though that general awareness about the scale of the global inflation shock has made it easier to pass on rising costs to their customers. Meanwhile, demand for goods and services remains strong because of pent-up demand still lingering from the pandemic.

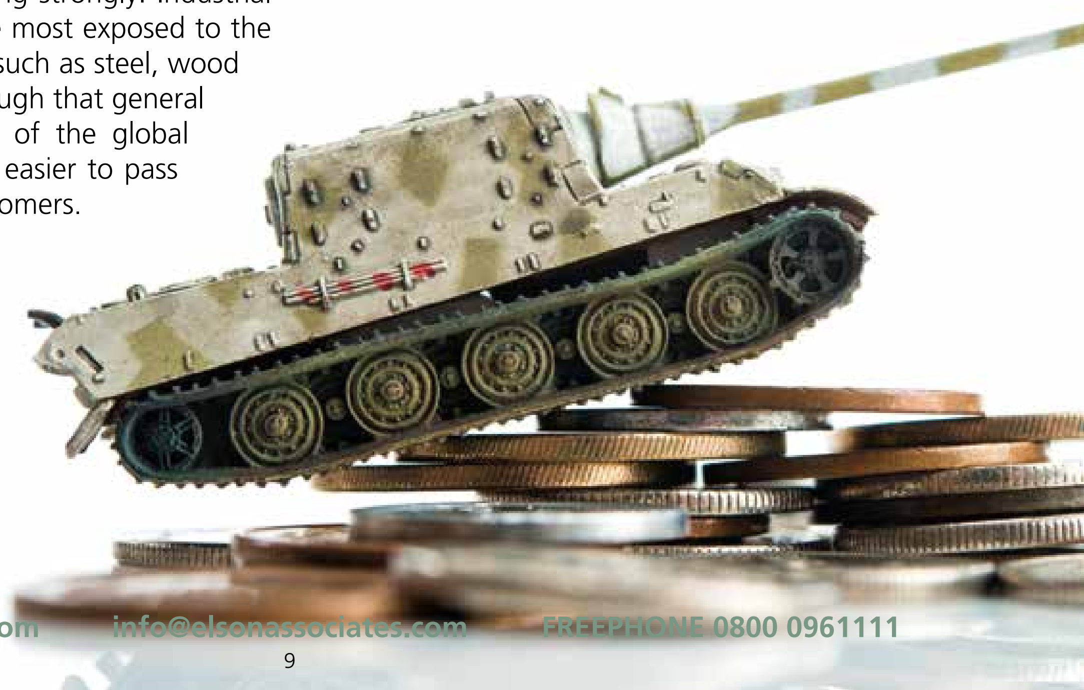
When we invest, we seek out companies that have first-class management and a proven business model and where the share price does not, in our view, reflect the growth potential of the business. As part of this, we look for long-term growth drivers supporting the company's expansion. It is important to remember that, despite rising inflation and the war in Ukraine, these growth drivers remain firmly in place.

For example, we invest in a French company called Delta Plus, which is a manufacturer of personal protective equipment for industry, including helmets, masks and safety harnesses. The long-term growth driver is rising demand for the company's products because of increasing health and safety standards in both the developed world and developing economies. This driver remains as strong as ever.

Another French company we hold, Mersen, makes sophisticated components used in electric motors and in the manufacture of solar panels. Here the growth driver is the rapid expansion of renewable energy production and electric vehicles and, again, this driver remains very robust.

Looking ahead, there is clearly uncertainty. However, this is also creating opportunities. This year's stock market sell-off means high-quality companies are now on significantly lower share prices than they were 12 months ago. It is interesting to note that takeover activity in Europe, which had been subdued, has begun to increase in recent months. Companies are clearly seeing value with share prices at this level – and we too are taking the opportunity to top up our investments in high-quality companies at significantly lower valuations.

David Walton, 30/06/22



# Funds
## under the spotlight

**We are of course experiencing uncertain times at present. With the current and emerging political/economic/health challenges, it is no surprise that markets have been turbulent in recent times.**

Many investors have seen their investments impacted to varying degrees and we are all experiencing an increased cost of living. This said, history shows that in any market cycle there are always opportunities.

Whilst the funds highlighted on the following pages are not immune to significant events or market downturns, they have achieved good overall performances in their respective sectors. The funds featured on the following pages are from the following sectors:

Commodity/Natural Resources, Europe Excluding UK, Sterling Corporate Bond, Sterling Strategic Bond, UK Equity Income,

All of the funds are available on the Fidelity FundsNetwork and Aegon platforms. You will not incur an initial charge when investing. We hope that the funds highlighted will be of interest to you. If you would like to invest in any of the funds highlighted on the following pages, please contact us on 0800 0961111 and we will send the appropriate application form along with an illustration and Key Investor Information Document (KIID).

FundsNetwork™

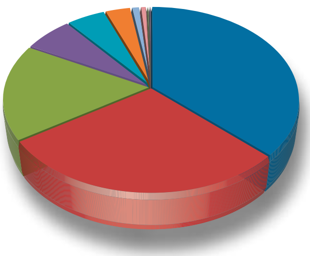
The fund invests primarily in sterling denominated investment grade corporate bonds. The fund seeks to generate attractive income with lower volatility compared to other asset classes such as equities and property. Emphasis is put on bottom up issuer selection and ensuring adequate diversity due to the asymmetric nature of corporate bond returns. The manager has flexibility to invest in out-of-index strategies as a means of adding performance but adherence to the investment objective remains imperative. The fund is managed according to Fidelity's active philosophy and approach to fixed income investing. This is team-based, but led by the Portfolio Manager to generate attractive risk-adjusted returns through combining multiple, diversified investment positions advised by in-house fundamental credit research, quantitative modelling and specialist traders.

| | |
|---|---|
| Fund Managers | Sajiv Vaid, Kristian Atkinson |
| IA Sector | Sterling Corporate Bond |
| Fund size | £2558.35m at 30.04.22 |
| Launch date | 26.06.2013 |
| Fund manager charge | 0.67% |

## Top 10 holdings 30.04.2022

| | | |
|---|---|---|
| 1. | HM Treasury United Kingdom DMO 0.375% Treasury Gilt 22/10/26 | 4.89% |
| 2. | Electricite De France | 2.46% |
| 3. | Heathrow Funding Ltd 2.75% BDS 13/10/31 GBP | 2.05% |
| 4. | Lloyds Banking Group Plc | 1.75% |
| 5. | (Telesec) Telereal Securitisation | 1.59% |
| 6. | HSBC Bank Funding Ster 5.84% VRN | 1.51% |
| 7. | (Clef) Channel Link | 1.50% |
| 8. | Natwest Group Plc 2.105% to Fxd RT RST NTS 28/11/31 | 1.47% |
| 9. | (RACLN) RAC Bond Co Plc | 1.39% |
| 10. | (MGNLN) M&G Plc | 1.38% |
| | Total | 19.99% |

## Sector Breakdown (top 10) as at 30.04.2022



| | |
|---|---|
| Investment Grade Bonds | 37.00% |
| Investment Grade Bonds | 29.01% |
| Asset/Mortgage-Backed Securities | 16.89% |
| High Yield Bond | 6.44% |
| Government Bonds | 5.15% |
| Others | 3.26% |
| Investment Grade Bonds | 1.13% |
| Investment Grade Government Bonds | 0.75% |
| Money Market | 0.35% |
| Index Linked | 0.11% |

## Discrete performance as at 30.06.2022

| | 0-12m | 12-24m | 24-36m | 36-48m | 48-60m |
|---|---|---|---|---|---|
| **Fund** | -13.69% | 4.09% | 5.04% | 5.63% | 0.47% |
| **Sector** | -13.39% | 3.22% | 5.96% | 5.57% | 0.57% |
| **Benchmark** | -13.37% | 1.84% | 6.44% | 5.97% | 0.78% |
| **Relative to Sector** | -0.30% | 0.87% | -0.92% | 0.07% | -0.10% |
| **Rank within Sector** | 54/102 | 29/99 | 61/95 | 52/90 | 59/89 |
| **Quartile Rank** | 3 | 2 | 3 | 3 | 3 |

Please note that the Fund manager charge is taken by the fund manager as payment for their management of the fund. We've used the latest figure provided by the Fund Manager that includes all their costs and charges. This charge may be higher than the Ongoing Charges Figure (OCF) shown in the fund KIID. Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.2022. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

FE fundinfo Crown Fund Rating

# Sustainable MoneyBuilder Income

## Fidelity

# Monthly Income Plus

## Invesco

FE fundinfo Crown Fund Rating

Invesco

### Fund investment objective and policy

The objective of the Fund is to achieve income and capital growth over the medium to longterm (3 to 5 years plus). The Fund invests at least 80% of its assets in corporate and government debt securities (which may be investment grade, non-investment grade or have no credit rating) and shares of companies globally. The Fund may use derivatives (complex instruments) for investment purposes and to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income.

| | |
|---|---|
| Fund Managers | Ciaran Mallon, Rhys Davies |
| IA Sector | Sterling Strategic Bond |
| Fund size | £2161.58m at 31.05.2022 |
| Launch date | 31.03.14 |
| Fund manager charge | 0.74% |

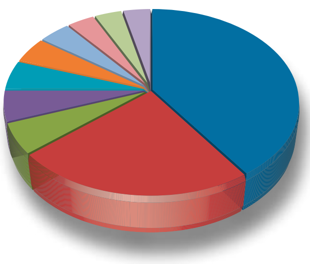
### Fund strategy

The fund invests in a portfolio of high yield, investment grade and subordinated bonds. Financials, including subordinated debt, are currently the largest allocation by sector. The fund also has an allocation to equities. Within the equity allocation we favour companies with visibility of revenues, profits and cash flows, which are managed for the primary purpose of delivering shareholder value and can pay a sustainable and growing dividend.

### Top 10 Holdings as at 29.04.2022

| | |
|---|---|
| 1. United States of Amer Treas Notes 0.125% TNT 30/04/23 | 3.25% |
| 2. United States of Amer Treas Bills 1.625% TB 31/12/24 | 2.87% |
| 3. Lloyds Banking Group Plc 2.707% DTD Sub RST 03/12/35 | 2.75% |
| 4. United States of Amer Treas Bills 0.25% TB 15/07/29 | 2.54% |
| 5. Mexico(United Mexican States) 7.5% BDS 03/06/27 | 2.21% |
| 6. Unicredit, Societa' Per Azioni 8% | 2.15% |
| 7. Nationwide Building Society | 2.02% |
| 8. United States of Amer Treas Bills 2.875% TB 30/09/23 | 1.85% |
| 9. Intesa Sanpaolo SPA Global Receipts | 1.44% |
| 10. South Africa(Republic of) 8.75% BDS 28/02/48 | 1.28% |
| Total | 22.37% |

### Sector breakdown (top 10) 30.05.2022



| | |
|---|---|
| Banks | 29.20% |
| Government Bonds | 16.94% |
| Telecommunications | 4.03% |
| Insurance | 3.91% |
| Foods | 3.87% |
| Media | 3.45% |
| Retail | 2.84% |
| Leisure | 2.73% |
| Industrials | 2.56% |
| Utilities | 2.49% |

### Discrete performance as at 30.06.2022

| | 0-12m | 12-24m | 24-36m | 36-48m | 48-60m |
|---|---|---|---|---|---|
| **Fund** | -8.35% | 13.22% | 2.96% | 4.01% | 0.59% |
| **Sector** | -11.06% | 5.45% | 4.50% | 5.11% | 0.31% |
| **Benchmark** | -10.20% | 6.13% | 3.79% | 5.33% | 0.33% |
| **Relative to Sector** | 1.84% | 7.09% | -0.83% | -1.31% | 0.27% |
| **Rank within Sector** | 21/83 | 7/77 | 43/73 | 52/70 | 31/64 |
| **Quartile Rank** | 1 | 1 | 3 | 3 | 2 |

Please note that the Fund manager charge is taken by the fund manager as payment for their management of the fund. We've used the latest figure provided by the Fund Manager that includes all their costs and charges. This charge may be higher than the Ongoing Charges Figure (OCF) shown in the fund KIID. Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.2022. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

J.P.Morgan
Asset Management

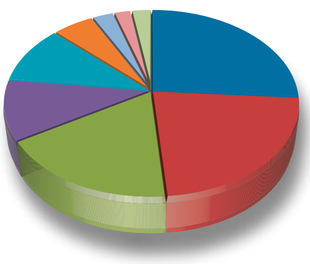
| | |
|---|---|
| Fund Managers | Veronika Lysogorskaya, Christopher Korpan |
| IA Sector | Commodity/ Natural Resources |
| Fund size | £957.82m at 30.06.2022 |
| Launch date | 22.10.12 |
| Fund manager charge | 1.40% |

## Investment objective

The Fund aims to provide capital growth over the long-term (5-10 years) by investing at least 80% of the Fund's assets in the shares of companies throughout the world engaged in the production and marketing of commodities. Investment approach Uses a fundamental, bottom-up stock selection process. Investment process built on stock level analysis by a global research team.

- An escalation in geopolitical tensions and rising concerns around inflation set the backdrop for the ongoing recovery in commodity prices.
- Both the mining and energy sectors have been out of favour with broader investors for an extended period. The development of new projects has been postponed or cancelled in favour of generous cash returns to shareholders in the form of buybacks and attractive dividends. This dynamic has led to an increasingly tight supply environment which will take time to unwind as spare capacity remains at low levels.
- Longer term, as populations continue to grow, demand for commodities will increase. A lack of investment due to years of lower pricing should lead to market deficits for the commodities we are invested in, leading to price appreciation.
- The companies in the portfolio have been proactively managing their financial risk through cost reductions and balance sheet strengthening. The investment team continues to look for high-quality companies with attractive total return profiles that demonstrate consideration of ESG factors.

## Sector breakdown (top 10) 31.05.2022



| Sector | % |
|---|---|
| Oil & Gas - Integrated | 26.20% |
| Oil & Gas Exploration & Production | 22.50% |
| Mineral Extraction | 17.80% |
| Precious Metals & Stones | 10.60% |
| Other Metals | 10.20% |
| Oil & Gas Equipment & Services | 5.20% |
| Oil & Gas Equipment & Services | 2.80% |
| Money Market | 2.40% |
| Precious Metals & Stones | 2.30% |

## Top 10 holdings 31.05.2022

| | Holding | % |
|---|---|---|
| 1. | Shell Plc | 6.00% |
| 2. | Chevron Corp | 5.10% |
| 3. | Rio Tinto | 4.90% |
| 4. | Freeport-McMoran Inc | 4.90% |
| 5. | Totalenergies SE | 4.60% |
| 6. | Exxon Mobil Corp | 4.10% |
| 7. | BHP Group Limited | 4.00% |
| 8. | Newmont Corp | 3.80% |
| 9. | Cenovus Energy Inc | 3.50% |
| 10. | Hess Corp | 3.40% |
| | Total | 44.30% |

## Discrete performance as at 30.06.2022

| | 0-12m | 12-24m | 24-36m | 36-48m | 48-60m |
|---|---|---|---|---|---|
| **Fund** | 26.58% | 29.60% | -14.32% | -0.31% | 24.50% |
| **Sector** | 13.00% | 28.66% | -9.28% | -0.15% | 15.62% |
| **Benchmark** | 20.89% | 32.28% | -11.76% | 5.90% | 22.17% |
| **Relative to Sector** | 13.58% | 0.95% | -5.03% | -0.16% | 8.88% |
| **Rank within Sector** | 3/8 | 5/7 | 5/7 | 3/7 | 2/7 |
| **Quartile Rank** | 2 | 3 | 3 | 2 | 1 |

Please note that the Fund manager charge is taken by the fund manager as payment for their management of the fund. We've used the latest figure provided by the Fund Manager that includes all their costs and charges. This charge may be higher than the Ongoing Charges Figure (OCF) shown in the fund KIID. Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.2022. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

FE fundinfo Crown Fund Rating

# Natural Resources

## J. P. Morgan

# Monthly Income Bond

## Jupiter

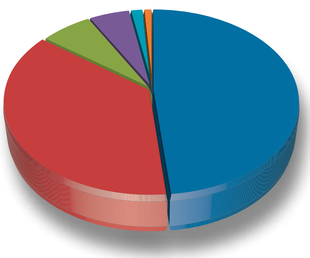
FE fundinfo Crown Fund Rating

JUPITER

| Fund Managers | Adam Darling, Harry Richards, Hilary Blandy |
|---|---|
| IA Sector | Sterling Strategic Bond |
| Fund size | £130.37m at 30.06.22 |
| Launch date | 10.01.13 |
| Fund manager charge | 1.04% |

**Objective:**
to seek to achieve income and capital growth by delivering a return, net of fees, greater than that of the Target Benchmark over rolling 3 year periods. The Target Benchmark consists 50% of the ICE BofAML 1-5Y BBB Sterling Corporate Index and 50% of the ICE BofAML Sterling High Yield Index. The Fund invests in bonds and similar debt investments issued by companies, banks, governments and other public entities anywhere in the world. The Fund will typically invest 50% in sub-investment grade bonds and similar debt investments (e.g. those with a rating of below BBB- as rated by Standard and Poor's or below Baa3 by Moody's). For those investments not denominated in British Pounds, the Fund may use techniques to try to reduce the effects of changes in the exchange rate between British Pounds and other currencies (i.e. hedging). This aims to protect the Fund against losses caused by currency movements between the Fund's base currency, British Pounds, and the currency of the underlying assets of the Fund. The Fund will not invest more than 20% in contingent convertible bonds ("CoCos"). A CoCo is a type of bond which, upon a pre-specified trigger event, may convert into company shares, or may be subject to a partial or full write-off. The Fund uses derivatives (i.e. financial contracts whose value is linked to the expected price movements of an underlying investment), with the aim of generating returns (i.e. for investment purposes) and/or reducing the overall costs and risks of the Fund. The Fund is actively managed. Portfolio construction is driven by an on-going assessment of the drivers of returns such as interest rates, bond prices, the economic outlook, inflationary expectations and global political issues. This will also include an assessment of any issuer's default risk and value relative to similar bonds in the market. The Target Benchmark is a broad representation of the Fund's investment universe and as such is a point of reference against which the performance of the Fund may be measured. Although a large proportion of the Fund's investments may be components of the Index, the Fund has the ability to deviate significantly from the Index.

### Sector breakdown (top 10) 31.05.2022



| | |
|---|---|
| High Yield Bond | 48.53% |
| Investment Grade Corporate Bonds | 36.93% |
| Money Market | 6.50% |
| Others | 5.33% |
| Government Bonds | 1.68% |
| Corporate Bonds | 1.03% |

### Discrete performance as at 30.06.2022

| | 0-12m | 12-24m | 24-36m | 36-48m | 48-60m |
|---|---|---|---|---|---|
| **Fund** | -7.79% | 10.92% | 8.85% | 7.49% | -1.66% |
| **Sector** | -11.06% | 5.45% | 4.50% | 5.11% | 0.31% |
| **Benchmark** | - | - | - | - | - |
| **Relative to Sector** | 3.27% | 5.47% | 4.35% | 2.38% | -1.97% |
| **Rank within Sector** | 18/83 | 12/77 | 7/73 | 4/70 | 60/64 |
| **Quartile Rank** | 1 | 1 | 1 | 1 | 4 |

### Top 10 holdings 31.05.2022

| | | |
|---|---|---|
| 1. | United States of Amer Treas Notes 3.25% BDS 15/05/42 | 1.80% |
| 2. | Sunshine Mid BV 6.5% BDS 15/05/26 | 1.60% |
| 3. | Ashtead Capital Inc 4.0% 01/05/28 | 1.40% |
| 4. | Parts Europe SA 6.5% BDS 16/07/25 | 1.40% |
| 5. | Pinewood Finco Plc 3.625% 15/11/27 | 1.40% |
| 6. | Builders Firstsource Inc 6.75% 01/06/27 | 1.30% |
| 7. | Netflix Inc 5.875% BDS 15/02/25 | 1.30% |
| 8. | Prestigebidco GMBH 6.25% BDS 15/12/23 | 1.30% |
| 9. | Freeport-McMoran Inc 5.0% 01/09/27 | 1.20% |
| 10. | RAC Bond Co Plc 4.87% 06/05/26 | 1.20% |
| | Total | 13.90% |

Please note that this fund invests in companies quoted on the Alternative Investment Market (AIM) and Aquis Exchange which are typically considered to be higher risk. The Fund manager charge is taken by the fund manager as payment for their management of the fund. We've used the latest figure provided by the Fund Manager that includes all their costs and charges. This charge may be higher than the Ongoing Charges Figure (OCF) shown in the fund KIID. Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.2022. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

Marlborough

Fund Managers

## Marlborough European Special Situations

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years. At least 80% of the Fund will be invested in the shares of companies listed on European stock markets (excluding the UK). Of this, up to 90% will be in smaller companies. The Investment Manager defines smaller companies as companies in the bottom 20% of the market cap, meaning the 20% smallest listed companies by size. The remainder will be in Mid and Large cap companies. The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when.

| | |
|---|---|
| Fund Managers | David Walton, Tom Livesey |
| IA Sector | Europe Excluding UK |
| Fund size | £427.67m at 31.05.22 |
| Launch date | 02.01.13 |
| Fund manager charge | 0.82% |

The Fund may also invest in other types of security which are linked to the performance of a company, such as; investment grade bonds, which are loans typically issued by companies and governments, where the issuer has a higher capacity to repay the debt; bonds which may be converted into shares (known as convertible bonds); and preference shares. A small amount may be held in UK companies to allow for changes which may be made to existing investments, for example following a restructure. In addition, the Fund may invest in other funds (including investment trusts) which offer exposure to European companies and from time to time, may hold a small amount in investment grade bonds.

Top 10 holdings 01.06.2022

| | |
|---|---|
| 1. Sesa PA | 3.16% |
| 2. Harvia Plc | 2.66% |
| 3. ASR Nederland NV | 2.63% |
| 4. NN Group NV | 2.41% |
| 5. LNA Sante | 2.36% |
| 6. U-Blox Holding AG | 2.30% |
| 7. Roche HLDG AG | 2.25% |
| 8. Mersen | 2.14% |
| 9. SAP SE | 2.08% |
| 10. Ipsos | 2.07% |
| Total | 24.05% |

Discrete performance as at 30.06.2022

| | 0-12m | 12-24m | 24-36m | 36-48m | 48-60m |
|---|---|---|---|---|---|
| **Fund** | -12.51% | 65.13% | 2.82% | -1.13% | 2.94% |
| **Sector** | -13.18% | 23.77% | 1.28% | 3.33% | 2.98% |
| **Benchmark** | -12.07% | 23.70% | 0.89% | 3.28% | 3.11% |
| **Relative to Sector** | -0.44% | 41.43% | 1.93% | -4.41% | -0.17% |
| **Rank within Sector** | 61/98 | 1/93 | 37/90 | 74/86 | 38/81 |
| **Quartile Rank** | 3 | 1 | 2 | 4 | 2 |

Please note that the Fund manager charge is taken by the fund manager as payment for their management of the fund. We've used the latest figure provided by the Fund Manager that includes all their costs and charges. This charge may be higher than the Ongoing Charges Figure (OCF) shown in the fund KIID. Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.2022. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

FE fundinfo Crown Fund Rating

# European Special Situations

Marlborough

# Leaders, Laggards & Losers

## Our very own unique fund performance rating system

**Leaders, Laggards and Losers is Elson Associates' very own unique fund performance rating system.**

This helpful online tool, designed by ourselves, provides a rating for over 2,000 funds highlighting both the out-performers and underachievers over a three year period. You'll now be able to see at the click of a button just how well (or badly) your funds are doing compared to their peers. Highlighting both the out-performers and underperformers, relative to their sector averages over the past three years. To be a Leader, a Laggard or a Loser, your fund must fulfil certain criteria. Its category rating will be arrived at by looking not only at its relative performance over a full three year period but also how consistently it has either out performed or under-performed its sector average in each of the last three discrete one year periods.

Many funds won't meet the criteria to be classified as a Leader, Laggard or Loser. These funds will appear in the 'Others' category. This simply means a fund's performance is not good enough to achieve the status of a Leader, but neither is it so poor as to appear in the Laggards or Losers list.

There are literally thousands of funds on the market and to be honest, there is no way of predicting how any of these funds will perform in the future, despite how well or poorly they've performed in the past. There are so many factors that could affect performance going forward and there are no guarantees as to what lies ahead.

If you would like more information and a more comprehensive and detailed overview of this tool, please visit our website www.elsonassociates.com. If you do not have internet access, we will be happy to send you a paper copy of whichever sector(s) you are interested in.

**To give you some idea of how Leaders, Laggards and Losers works, we have included 'Leaders' from the sectors that the 'Funds under the spotlight' appear in. This provides an idea as to what the online functionality looks like. Page 17 shows the ratings for funds included in 'Funds under the spotlight'. Pages 18 - 22 also show the funds alongside peers in their respective sectors.**

# Funds under the spotlight

LEADERS LAGGARDS LOSERS

## Fidelity Sustainable MoneyBuilder Income fund — Leader

| Rolling 12 month performance | Year to 01/07/2022 | Year to 01/07/2021 | Year to 01/07/2020 | Year to 01/07/2019 | Year to 01/07/2018 |
|---|---|---|---|---|---|
| | -13.63% | 4.06% | 5.06% | 5.66% | 0.43% |

30 Day Measure 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## Invesco Monthly Income Plus fund — Leader

| Rolling 12 month performance | Year to 01/07/2022 | Year to 01/07/2021 | Year to 01/07/2020 | Year to 01/07/2019 | Year to 01/07/2018 |
|---|---|---|---|---|---|
| | -8.4% | 13.16% | 2.91% | 3.96% | 0.54% |

30 Day Measure 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## JPM Natural Resources fund — Leader

| Rolling 12 month performance | Year to 01/07/2022 | Year to 01/07/2021 | Year to 01/07/2020 | Year to 01/07/2019 | Year to 01/07/2018 |
|---|---|---|---|---|---|
| | 26.58% | 29.6% | -14.32% | -0.31% | 24.5% |

30 Day Measure 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## Jupiter Monthly Income Bond fund — Leader

| Rolling 12 month performance | Year to 01/07/2022 | Year to 01/07/2021 | Year to 01/07/2020 | Year to 01/07/2019 | Year to 01/07/2018 |
|---|---|---|---|---|---|
| | -7.79% | 10.92% | 8.85% | 7.49% | -1.66% |

30 Day Measure 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## Marlborough European Special Situations fund — Leader

| Rolling 12 month performance | Year to 01/07/2022 | Year to 01/07/2021 | Year to 01/07/2020 | Year to 01/07/2019 | Year to 01/07/2018 |
|---|---|---|---|---|---|
| | -12.51% | 65.13% | 2.82% | -1.13% | 2.94% |

30 Day Measure 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

# Criteria explained

**Leaders** Funds in this category have the best record of consistently out-performing their sector peers over the past three years. To be a Leader, it must have produced a positive return relative to the sector average over each of the last three discrete years and show accumulative performance over those three years of at least 10% better than the sector average.

**Laggards** These funds are regularly under-performing. Their performance in each of the last three discrete years is worse than the sector average and the accumulative performance over three years is between -20% and -50% relative to the sector average.

**Losers** These funds are consistently under-performing and by a significant margin over three years. Like the Laggards, their performance falls short of the sector average in each of the last three discrete years. The accumulative performance over three years, however, is even worse at over 50% below the sector average.

**Others** Funds in the 'Others' category haven't quite met the stringent criteria required to be a Leader, but at the same time their performance isn't poor enough to qualify as a 'Laggard' or a 'Loser'.

**30 Day Measure** The criteria for Leaders, Laggards and Losers is updated on a daily basis. The nature of fund performance, however, is such that a fund can quickly drop out of the Leaders category or improve its performance from one day to the next to escape being labelled a Loser. For this reason, we indicate each fund's categorisation going back over the past 30 days to provide evidence of the regularity or otherwise that a fund has appeared in any given category over a longer period than just a day. Please note: 'Day 1' represents the fund's categorisation based on performance data received on the previous business day.

# Commodity/Natural Resources

## Sector

| Company | Fund | Perf. 36m | Crown rating |
|---|---|---|---|
| BlackRock | Nat Res Gth & Inc D Acc | 47.91% | FE fundinfo Crown Fund Rating |
| Baring Fund Managers Limited | Gbl Agriculture I Acc GBP | 44.45% | FE fundinfo Crown Fund Rating |
| JP Morgan Asset Management UK | Natural Resources C Acc | 40.56% | FE fundinfo Crown Fund Rating |
| Quilter Investors Limited | Nat Rs Eq U2 A£ | 32.40% | FE fundinfo Crown Fund Rating |
| T. Rowe Price UK Limited | GblNtrlRsEty C A | 22.55% | FE fundinfo Crown Fund Rating |
| Guinness Asset Management Ltd | Guinness Global Energy I Acc | 19.18% | FE fundinfo Crown Fund Rating |
| Waystone Management (UK) Limit | Charteris Gd Prcsml I A | 11.83% | FE fundinfo Crown Fund Rating |

Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.22. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

LEADERS LAGGARDS LOSERS

# Europe Ex. UK
## Sector

| Company | Fund | Perf. 36m | Crown rating |
|---|---|---|---|
| SVM Asset Management Ltd | Continental Europe B | 48.79% | FE fundinfo Crown Fund Rating |
| IFSL Marlborough Fund Managers | MrlbrgEurpnSpclSit P Inc | 48.56% | FE fundinfo Crown Fund Rating |
| Liontrust | European Growth I I | 38.27% | FE fundinfo Crown Fund Rating |
| Maitland Institutional Service | MIChlErpSl B A | 31.54% | FE fundinfo Crown Fund Rating |
| Invesco Fund Managers Ltd | Eurpan Fcs UK Z Acc | 27.80% | FE fundinfo Crown Fund Rating |
| Janus Henderson Global Investors | ErpFs I A | 16.61% | FE fundinfo Crown Fund Rating |

Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.22. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

# Sterling Corporate Bond
## Sector

| Company | Fund | Perf. 36m | Crown rating |
|---|---|---|---|
| Schroder UT Managers | Sterling Corp Bd Z Acc | 2.90% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| M&G UK | Short Dated Corp Bd I GBP | 1.86% | FE fundinfo Crown Fund Rating ♛♛ |
| AXA IM UK | Stg Credit Sht Drtn Bd Z Gr Acc | -0.33% | FE fundinfo Crown Fund Rating ♛ |
| Fidelity International (FIL In | Short Dtd Corp Bd W Acc | -0.61% | FE fundinfo Crown Fund Rating ♛♛ |
| Aberdeen Standard Investments | AAStrlngShrtDtCorpBd M Acc | -0.68% | FE fundinfo Crown Fund Rating ♛♛ |
| Church House Investment Mgmt | InvGrdFdInt Acc | -0.88% | FE fundinfo Crown Fund Rating ♛ |
| Legal & General UT Mgr Ltd | AvShtDtdStgCorpBdIdx I Acc | -1.00% | FE fundinfo Crown Fund Rating ♛♛ |
| Royal London Unit Tst Mgrs Ltd | Inv Grd Sht Dtd Cr Z | -1.34% | FE fundinfo Crown Fund Rating ♛♛ |
| Royal London Unit Tst Mgrs Ltd | Corporate Bond M Acc | -1.61% | FE fundinfo Crown Fund Rating ♛♛♛♛ |
| EdenTree Investment Management | Res&SusSDBd B | -1.70% | FE fundinfo Crown Fund Rating ♛ |

Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.22. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

# Sterling Strategic Bond
## Sector

| Company | Fund | Perf. 36m | Crown rating |
|---|---|---|---|
| Jupiter Unit Trust Mgrs Ltd | MrGblStgBd I A£ | 13.72% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| Allianz Global Invtrs GmbH(UK) | Str Bd C | 11.30% | FE fundinfo Crown Fund Rating ♛♛♛ |
| Schroder UT Managers | Strategic Bond Z Acc | 8.12% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| Invesco Fund Managers Ltd | Mth Inc Pls UK Z A | 6.37% | FE fundinfo Crown Fund Rating ♛♛♛♛ |
| Aegon Asset Management. | Strategic Bond B Acc | 6.08% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| Legal & General UT Mgr Ltd | Dynamic Bond I Acc | 5.93% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| BNY Mellon Fund Managers Ltd | InflnLinkCrpBd I W Acc | 5.85% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| AXA IM UK | Framlington Mgd Inc Z Gr Acc | 5.56% | FE fundinfo Crown Fund Rating ♛♛♛ |
| Franklin Templeton Fund Mgt Lt | BrwiGllnOp X Inc | 5.00% | FE fundinfo Crown Fund Rating ♛♛♛♛♛ |
| M&G UK | UK Inftn Lkd Corp Bd I Acc | 4.81% | FE fundinfo Crown Fund Rating ♛♛ |

Past performance is not necessarily a guide to future returns. Income and capital values can fall as well as rise and are not guaranteed. Exchange rate fluctuations may also cause the value of investments and any income from them to fall as well as rise. You may not get back the amount invested. Investments in small and emerging markets can be more volatile than more developed markets. Specialist funds carry a high degree of risk. Performance figures as at 30.06.22. Performance data supplied by Financial Express. Past performance figures are based on bid to bid or mid to mid prices with net income reinvested.

# Ask the Fund Manager

For the period up to 31 August 2022, we are offering our clients the opportunity to put a question to the Fund Manager for the funds featured in this Newsletter. Questions such as the current economic climate, outlook, general strategies, companies or sectors of interest not mentioned in their key data, will be forwarded on by ourselves for a personal response. This is the first time we have offered this and believe it to be a great way to interact and find out how your money is being invested both now and possibly in the future.

You can put a question to the following Fund Managers:-

- Sajiv Vaid & Kristian Atkinson - Fidelity Sustainable MoneyBuilder Income
- Rhys Davies & Ciaran Mallon - Invesco Monthly Income Plus
- Christopher Korpan & Veronika Lysogorskaya - JP Morgan Natural Resources
- Adam Darling, Harry Richards & Hilary Blandy - Jupiter Monthly Income Bond
- David Walton & Tom Livesey - Marlborough European Special Situations

Please visit www.elsonassociates.com/askthefundmanager or email us at askthefundmanager@elsonassociates.com stating your questions for the relevant fund(s).

# Win £1,000

Elson

Do you enjoy the challenge of puzzle solving? If so, why not have a go at the Sudoku puzzle opposite. You don't even need to invest to be in with a chance of winning our £1,000 cash prize!

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3 | | | | | | | | |
| | 9 | | | | 5 | 8 | | 6 |
| | | 5 | 3 | | 7 | | | |
| | | | 5 | | 1 | 4 | 2 | |
| | 5 | 3 | | | | 6 | 8 | |
| | 7 | 4 | 8 | | 3 | | | |
| | | | 2 | | 6 | 9 | | |
| 6 | | 9 | 4 | | | | 5 | |
| | | | | | | | | 4 |

**Name:**

**Client No:**

### How to play

If you're not familiar with Sudoku, let me briefly explain. Put simply, Sudoku is a number-placement puzzle based on a square grid, typically 9 squares by 9, giving 81 squares in all. The puzzle is further divided (by bold gridlines) into 9 boxes or 'regions', each a square measuring 3 squares by 3. Figures from 1 to 9 (known as 'givens') are already inserted in some of the squares. To complete the puzzle, a player must insert the missing numbers so that each row, each column, and each region contains the numbers 1 to 9 once and once only, without any repeats.

Once you think you have correctly completed the puzzle, tear off this page ensuring your name and client number is correct and return it to us in the enclosed FREEPOST envelope. Please ensure your entry reaches us no later than 2 September 2022.

### Competition Rules

- Entries must reach Elson Associates plc no later than 2 September 2022. By submitting their entry, entrants will be deemed to have agreed to be bound by these rules.
- The winner will be notified personally as soon as practical after the date given above.
- The competition is open to all customers on our database except employees of Elson Associates plc, any other company affiliated with Elson Associates plc including the distribution of this newsletter, or any member of their households.
- There is a limit of one entry per client. Responsibility cannot be accepted for entries lost, damaged or delayed in transit.
- The winning entry will be drawn from those that have correctly completed the Sudoku puzzle.
- No purchase is necessary.
- The reward will be a cheque to the winning entrant for £1,000.
- No other prizes will be awarded.

## Contact us today

T: 0800 0961111
F: 01732 849291
E: info@elsonassociates.com
W: www.elsonassociates.com

Elson Associates plc, 5 Queen Street, Kings Hill, West Malling, Kent, ME19 4DA