



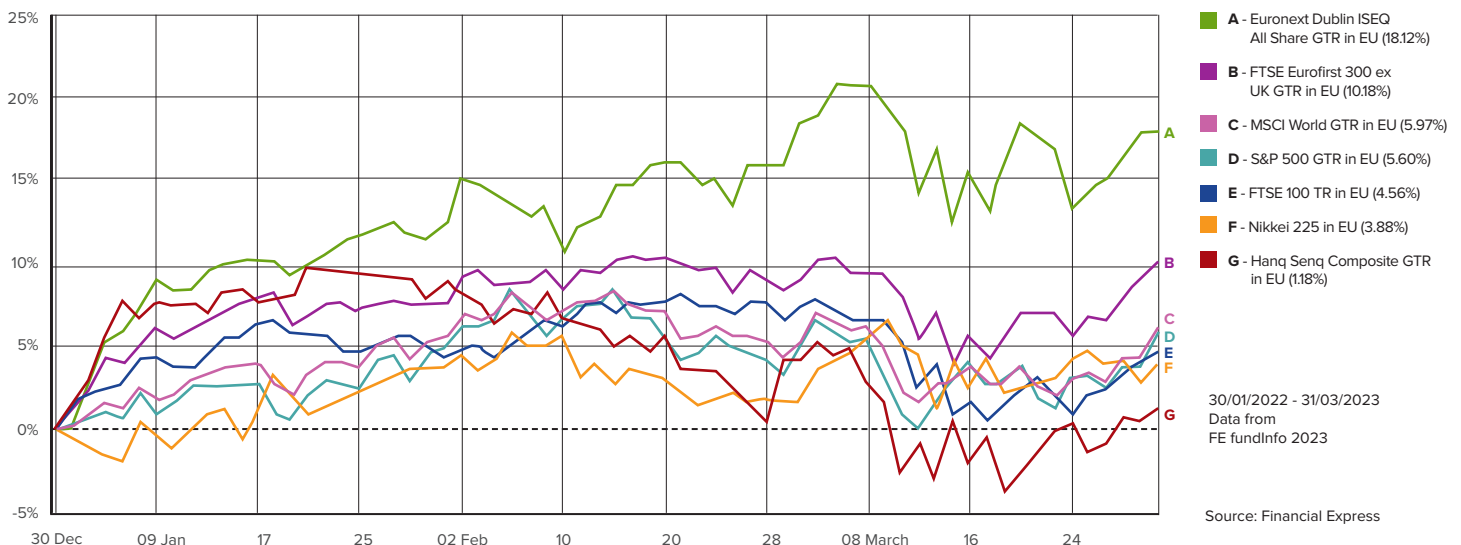
Current Topics in Markets

While markets over the past month continued to be obsessed with the inflation outlook and the likely trend in interest rates, a significant new variable entered the picture in March – bank liquidity. The rapid rise in interest rates in 2022 brought about significant balance sheet stress for a number of second tier US banks as their bond holdings fell sharply in value. This led to a shortlived run on certain banks, forcing the Federal Reserve to step in and provide an implicit guarantee to depositors. Meanwhile in Europe, the unrelated but long running problems of Credit Suisse came to a head forcing the bank to be sold in a rescue deal to UBS. These events inevitably led to a short term crisis of confidence in banking and gave central banks

significant pause for thought in terms of their plans for further rate rises. While further increases are virtually certain, these are likely to be more measured than previously thought with the result that the peak in rates may well be lower than might have been expected a few short weeks ago.

The March ‘banking blip’ inevitably brought some market volatility with it, affecting both bonds and equities., causing equities to weaken through the month and bonds to generally move in the other direction. As things stand, it is hard to see markets settling on a particular direction for some yet and we continue to expect the next few months to be volatile.

Equity Markets Year to Date (Euro Terms)



Equity Markets

Most of the major equity markets followed the same pattern over the course of March, weakening over the first half and then regaining their losses over the second half. China fared worst, despite its relative cheapness, but its situation has been complicated by some disappointing trends post its covid reopening and by political uncertainties. Outside of China, however, there

is a good investment case to be made for many of the emerging markets – low inflation, little threat of recession and buoyant economic outlooks. The outlook is certainly more mixed for many of the developed regions' equity markets and this is likely to remain the case until the inflation/interest rate picture becomes clearer.

Equity Market Performances (in euro terms)

Market	Performance March 2023*	Performance 1 year*	YTD*
Ireland	+2.13	+17.86	+18.12
UK	-1.83	+1.36	+4.56
Japan	+2.83	-5.86	+3.88
Europe	+1.75	+5.42	+10.18
US	+2.31	-5.50	+5.60
China	-2.78	-1.89	+1.18

Source: Financial Times, Financial Express

Bonds

Following an extraordinary year in 2022 when bond and equity markets fell in tandem, normal service has been resumed to a large extent this year, with volatility in equities being compensated by stability in bond markets. However, while bond markets have

recovered a little from their 2022 lows, there is still very good value to be had for investors generally from the wider bond markets. In addition, many bond funds are offering income comfortably ahead of deposits.

Property

Global property has very much fallen out of favour with investors over the past year for a number of reasons (i) the demand level from occupiers for both office and retail properties is at a low (ii) rising interest rates have created significant issues for geared funds with many breaching their LTV covenants and (iii) the illiquid nature of property has been thrown into sharp relief as investors have been prevented from withdrawing their funds

pending the disposal of assets necessary to provide liquidity. However, property is a very mixed asset class and it is evident that all property has been tarred with the same brush. As a result there is undeniable value in a number of specialist property trusts in areas such as logistics, healthcare, retail warehouses etc. where occupier demand levels remain strong.

Alternatives

Having increased our focus on alternative asset classes a couple of years ago, we are sticking to our view that asset groups such as infrastructure, renewable energy and selected hedge fund strategies deserve a long

term position in most portfolios. Our Fund in Focus this month is the BH Macro Investment Trust, a listed hedge fund which was the top performing fund on our Buy List in 2022.

Fund in Focus – BH Macro

BH Macro Limited is a limited liability closed-ended investment company which was incorporated on 17th January 2007 and trades on the Official List of the London Stock Exchange. The fund seeks to produce stable positive returns to its investors, independent of the market environment and has exhibited a clear diversification from risk assets over its lifetime. Exposures are mainly to global fixed income and FX markets with some exposure to other asset classes, such as equity, credit and commodities.

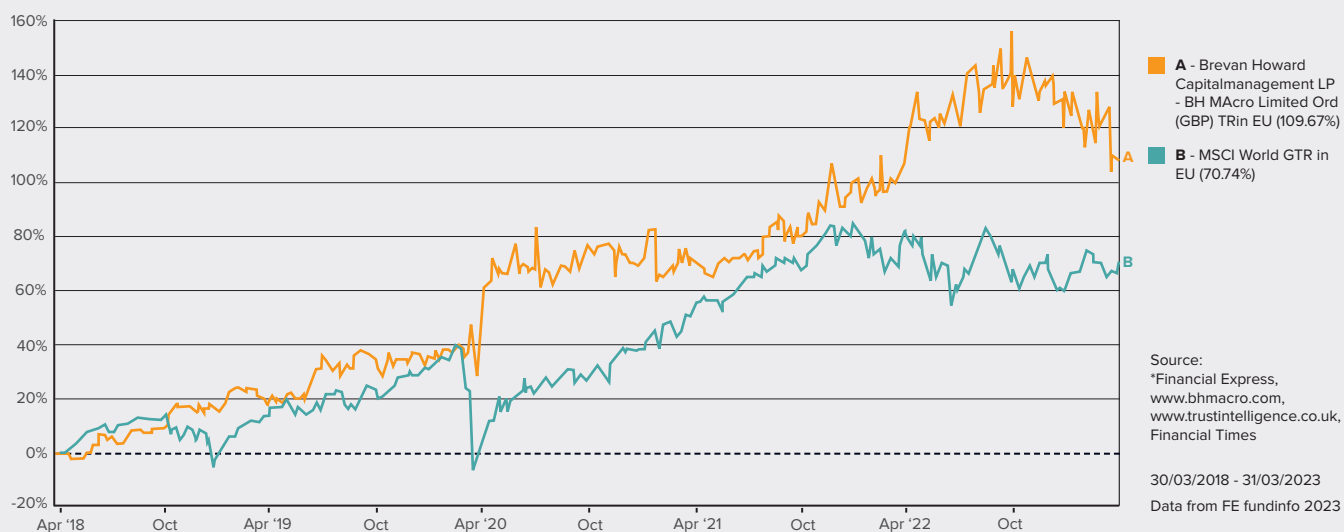
Points to Note:

- The Company is a feeder fund that invests all of its assets directly in Brevan Howard Master Fund Limited

- BH Master Fund is BH's longest running fund and one of the most successful hedge funds of all time in terms of the absolute amount of money returned to investors
- The fund achieved excellent returns in 2022 during an extremely turbulent period in the markets. The price of the Sterling Class shares rose by 20.1% whilst the NAV per share rose by 21.9%.
- Investment in the Company is suitable for long term investors who can evaluate the merits and risks of such an investment and who also understand the potential risk of capital loss

If you would like to discuss this fund or look at other investment opportunities, please contact your Private Client Adviser.

BH Macro Limited – 5 Year Performance vs. MSCI World



Personalised Investment Service

Whether you are new to investing or a sophisticated investor we have tailored investment services to suit you.

Dedicated Support

Working closely with your Client Advisor we can deliver bespoke investment solutions all built on a foundation of sound financial planning.

Holistic Investment Advice

Our Investment Advisory team are guided by leading-edge research, alongside our clear and consistent investment selection process. This insight ensures your portfolio remains in line with your objectives.



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Warning: The return may increase or decrease as a result of currency fluctuations.

Warning: The figures refer to the past. Past performance is not a reliable indicator of future results.

Warning: The value of your investment may go down as well as up.

You may get back less than you invest.

Warning: The income you get from this investment may go down as well as up.