

# SELECT PORTFOLIO THE MANAGED FUND

## CLASS "PB" UNITS

### INVESTMENT OBJECTIVE

The investment objective of the Select Managed Fund ('the Fund') is to seek to achieve capital appreciation.

### INVESTMENT STRATEGY

The objective of the Fund will be achieved by investing in a range of assets which will primarily be equities, bonds, property and cash. The Investment Adviser will vary the proportion of the Fund invested in each asset class in line with its views on the relative growth potential of each sector and consistent with its policy of maintaining a diversified portfolio.

**NOTE: All information below is provided as at 30.06.2021**

Davy Global Fund  
Management

June 2021

### ABOUT THE FUND

**Base Currency:**

Euro

**Fund Size (EUR):**

34.05m

**No. of Equity Holdings:**

58

**Investment Manager:**

Davy Global Fund Management

**Type of Unit:**

Accumulation

**Valuation Point:**

5.00 pm Daily

**Order Cut-Off Point:**

4.00 pm Daily (two Business Days prior to the relevant Dealing Day.)

**Lipper ID:**

65092463

As at the 4th August 2017 the change of name and change of Manager to Davy Asset Management Select Portfolio (previously Prescient Select Portfolio) was approved by the Central Bank of Ireland. For additional information please contact Davy Global Fund Management.

**Contact:**

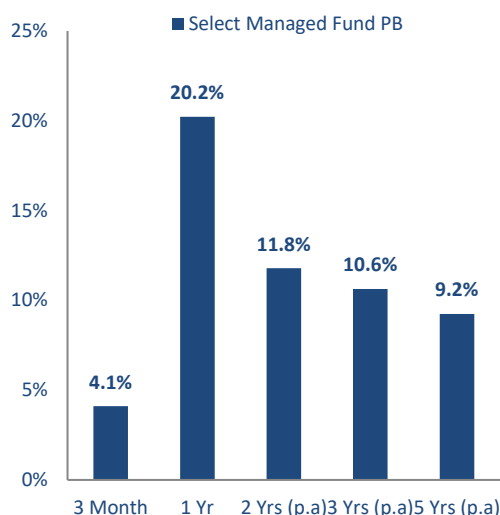
**Tel:** +353 1 614 8874

**Email:**

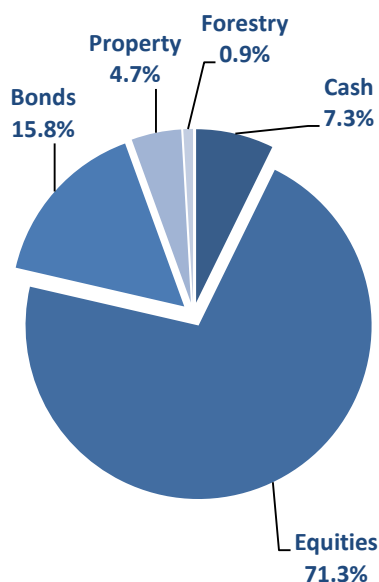
[assetmanagement@davygfm.com](mailto:assetmanagement@davygfm.com)

**Website:** [www.davygfm.com](http://www.davygfm.com)

### INVESTMENT PERFORMANCE

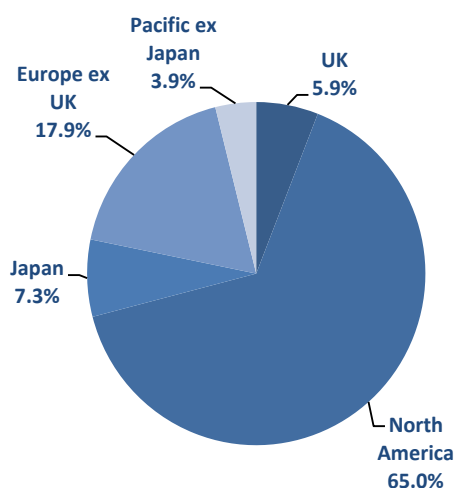


### ASSET ALLOCATION (% Fund)



### GEOGRAPHIC ALLOCATION (%)

Portfolio Geographic Allocation (% Equity)



### TOP 10 HOLDINGS (%)

10 Largest Equity Holdings (% Fund)

Stock	Country	Weight
Alphabet Inc.	US	5.0%
Microsoft Corp.	US	4.8%
Apple Inc.	US	3.0%
Visa Inc.	US	2.5%
American Express Co.	US	1.8%
Home Depot Inc.	US	1.8%
Nike Inc.	US	1.7%
TSMC	Taiwan	1.6%
Oracle Corp.	US	1.5%
Iberdrola S.A.	Spain	1.5%
<b>Total</b>		<b>25.4%</b>

# SELECT PORTFOLIO THE MANAGED FUND

## CLASS "PB" UNITS

### Q2 2021 MARKET REVIEW

The **Managed Fund PB** returned 4.10% during Q2 2021.

After trading water during April and May, global equity markets made further progress during June, taking the return for the second quarter as a whole to 6.78% in euro terms as measured by the MSCI World Index. In a mirror image of the first quarter, the market was led higher during the quarter by growth stocks, while value stocks lagged the market.

Economic growth continued to improve during the quarter as economies emerged from lockdowns. There were signs of resource constraints and tight supply chains in certain sectors, including technology and construction. This has put upward pressure on prices and has led to fears among some investors that rising inflation will prompt central banks to raise interest rates to tame inflation.

However, the ECB and Federal Reserve have been at pains to point out that they view the current rise in inflation as a temporary phenomenon, and that policy will remain very accommodative until the effects of the pandemic are behind us.

Meanwhile, companies are feeling the tailwind of the improved demand environment through higher earnings. The outturn of the first quarter earnings season was better than investors had expected and estimates for full-year profit growth have been rising steadily.

Most government bond yields moved lower (prices higher) during Q2. This led to a return of circa 0.8% for the JP Morgan Global Bond Index (euro hedged). We believe several factors contributed to the move lower in yields and positive return. Concerns over the new delta variant delayed the easing of restrictions in many economies. While US labour market growth has been strong, it disappointed relative to very high expectations. From a positioning perspective, many institutional investors were short/underweight bonds, which contributed to a short squeeze as yields fell (prices rose).

Eurozone government bonds were an exception. Their yields rose (prices fell) due to the accelerated pace in vaccination programmes after a very slow start in Q1. As a result, Eurozone government bond markets underperformed US Treasuries and UK Gilts.

European credit markets remain resilient due to high corporate liquidity and the prospect of widely distributed vaccines particularly in H2 2021. ECB President Lagarde reminded the market that the ECB remain committed to loose monetary policy and favourable financing conditions. In May ECB Chief Economist Lane stated that he saw any rise in inflation as transitory, with both inflation and financing conditions needing to improve sufficiently before any change to current stimulus measures. Lane stated that the ECB remain committed 'to keeping financing conditions favourable', adding that the ECB 'can increase or decrease bond purchases as is necessary' to do so.

## CALENDAR YEAR FUND PERFORMANCE (%)

	2020	2019	2018	2017	2016
<b>Managed Fund PB</b>	5.8%	21.5%	-2.5%	5.9%	5.8%
<b>MSCI World Index</b>	6.3%	30.0%	-4.1%	7.5%	10.7%
<b>JP Morgan Global Bond Index</b>	4.9%	4.6%	-0.3%	0.4%	2.3%
<b>Rubicon Managed Fund Average</b>	6.2%	20.6%	-5.2%	7.3%	5.8%

Source: Northern Trust

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## Davy Global Fund Management

June 2021

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