



Chartered

MARCH 2019: INVESTMENT FUND BULLETIN

- **Aberdeen UK Property:** Long standing manager Gerry Ferguson retired in 2018, replaced by former deputy, Tim Sankey.
- **AXA Framlington UK Select Opportunities:** Long standing manager Nigel Thomas to retire in March 2019, replaced by deputy, Chris St John, from January 2019.
- **Blackrock Gold & General:** Fall in value from 2012 until early 2016 owing to oil and commodity price instability. No longer a purchase recommendation from January 2015. **Only the longest term investors should not consider an alternative.**
- **Cash or Deposit funds** within pensions or insurance bonds should be aware that their holdings are unlikely to be growing once the annual management charge is deducted. **Investors should review their holdings in these funds.**
- **Cofunds:** Rebranded as **Aegon** from May 2018 together with substantial technology upgrade. Ongoing service issues have resulted. **Notification of change to terms & conditions issued December 2017 as a result, effective May 2018.**
- **Fidelity MoneyBuilder Income:** Long-standing manager, Ian Spreadbury retired at the end of 2018.
- **Invesco Perpetual:** Became **Invesco** from October 2018.
- **JP Morgan Natural Resources:** Fall in value from 2012 until early 2016 owing to oil and commodity price instability. No longer a purchase recommendation from January 2015. **Only the longest term investors should not consider an alternative.**
- **Janus Henderson UK Property:** Moving to a 'full spread' pricing basis from 25 March 2019, which means investors entering the fund bear all costs of property acquisition. This is expected to be around 4.5%. Existing investors are unaffected.
- **Kames Fixed Interest Team:** Departure of four managers at the end of November 2018, moving to Artemis.
- **Kames Property Income:** Moved to cancellation basis pricing from 21 December 2018 as more money leaving the fund than entering. This means the selling price reflects all expected costs of selling property.
- **Kames Strategic Bond:** Performance below average over one and five years. **Consider an alternative.**
- **Legal & General:** Sold part of its business to Swiss Re in January 2018, with transfer expected to be completed in 2019. This will affect Legal & General branded pensions and Investment Bonds, which will become administered by **Reassure UK.**
- **M&G Recovery:** Returns below average over one and five years. **Consider an alternative.**
- **Old Mutual Wealth** to be rebranded as Quilter after the de-merger from Old Mutual plc in June 2018.
- **Old Mutual Global Investors** sold by Old Mutual plc in late 2017 and rebranded as **Merian.**
- **Prudential PruFund Cautious: Unit Price Adjustment of -2.4% on 25 November 2018 for Pensions / ISAs.**

Prudential changed the smoothing process with effect from 25 November 2018. The smoothing works by comparing the actual value of the assets into which Prudential invests with the value paid out. When this is within plus or minus 5% at a quarter date, there is no change to the price. When there is a change in the price it is known as a Unit Price Adjustment. If the price ever goes outside of plus or minus 10% at any time there can be an immediate change. Prudential intends to change the quarter date range to plus or minus 4% and plus or minus 8% at all other times. Prudential is making this change because there has been less volatility than it expected when it formulated this fund. Further, to lessen the unit

price movements when boundaries are exceeded in whichever direction. **Affected investors notified.**

- **Prudential ISAs:** Administration transferred from Capita to Link in August 2017 and annual charge reduced by 0.15% from March 2018.
- **Schroder High Yield Opportunities:** Michael Scott, lead manager, left for Man GLG Quarter 4 2018.
- **Scottish Widows UTM High Income Bond:** Performance below average over one, three and five years. **Consider an alternative.**
- **Standard Life:** Sold part of its business to **Phoenix** in February 2018, which completed on 3 September 2018. This affected Standard Life branded pensions and Investment Bonds.
- **Threadneedle Strategic Bond fund:** Performance below average over five years. **Consider an alternative.**
- **Woodford:** Equity Income and Income Focus funds & Patient Capital Trust underperforming compared with funds of a similar nature. The portfolio's positioning is based on Woodford's economic outlook being very different from consensus in three areas:
 - The first is that he believes the Chinese growth will slow and so demand for commodities will fall and so will their prices, affecting share prices of companies acting in this field.
 - Secondly, he believes that the US political and economic position will deteriorate.
 - Thirdly, that the outlook for the UK economy after Brexit is better than most think it will be. As a result, the portfolio is tilted to domestically orientated companies.
 - In addition, there have been three main stock specific issues, which have impacted particularly on the portfolio performance. These are Provident Financial, the non-standard lender, Capita, which is undergoing a re-structuring and like Provident Financial has had a rights issue recently, and also Prothena, a pharmaceutical company, which has had a drug trial failure.

If you require specific advice about how the fund guidance offered in this document affects your personal circumstances, please contact us at your convenience.

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