

As at the end of January 2024.

# Canaccord Genuity Balanced Fund

## Key facts

**Lead managers:** Justin Oliver/Alison Brooks  
**Fund size:** \$189m  
**Ireland inception date:** 26/09/2008  
**ISA/PEP eligible:** Yes  
**SIPP eligible:** Yes  
**UK reporting status:** Yes  
**FCA recognised:** Yes  
**CBol Authorised:** Yes  
**MAS restricted foreign scheme:** Yes  
**International Peer Group:** Morningstar EAA Fund USD Moderate Allocation<sup>2</sup>

## Other information

### Minimum investment

#### Initial (or currency equivalent):

A class: \$5,000  
 T class: \$5,000  
 R class: \$50,000

#### Ongoing (or currency equivalent): \$1,000

**Domicile:** Ireland

**Custodian/Trustee:** Northern Trust

**Yield:** 0.0%<sup>3</sup>

**SRRI:** 4<sup>4</sup>

## Dealing

**Cut-off time:** 2pm

**Dealing frequency:** Daily

**Contact Northern Trust (fax):**

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## Contact us

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Investment involves risk. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested.

Investors should carefully read the Key Investor Information Document (KIID) and Fund Supplement before making a decision to invest.

Past performance is not indicative of future performance.

The returns are shown in USD. These returns may differ significantly when converted to other currencies at the prevailing exchange rates.

This is a marketing communication and not a contractually binding document. Please refer to the prospectus of the UCITS and to the KIID. Do not base any final investment decision on this communication alone.

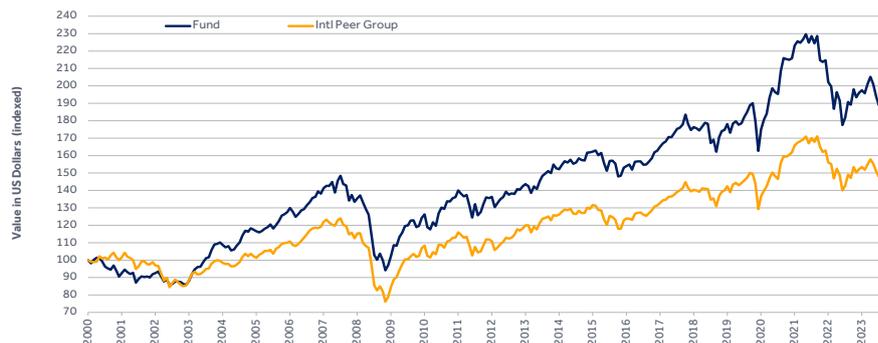
## Important information

Please read over page

## Investment objectives

The investment objective of the Fund is to generate capital growth by investing in an internationally diversified portfolio of shares and units in collective investment schemes and individual high quality fixed interest instruments.

## Return profile<sup>1</sup>



Source: Morningstar & CGWM

## Discrete performance (%)<sup>1</sup>

Total return to end of last calendar quarter (peer group data from Morningstar, these figures are unaudited)

	01/01/2023 31/12/2023	01/01/2022 31/12/2022	01/01/2021 31/12/2021	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Balanced Fund	+10.70	-17.27	+5.90	+14.37	+16.46
Intl. peer group	+10.30	-13.96	+7.17	+6.38	+14.62

## Cumulative performance (%)<sup>1</sup>

Total return from inception to 31/01/2024 (peer group data from Morningstar, these figures are unaudited)

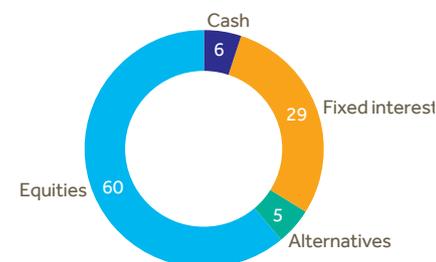
	1 month	3 months	YTD	1 year	3 years	5 years	Inception (Mar 2000)
Balanced Fund	-0.05	+10.83	-0.05	+5.72	-2.80	+22.85	+107.79
Intl. peer group	-0.01	+9.74	-0.01	+5.81	+1.82	+18.71	+66.14

## Top 10 holdings (%)

Vanguard S&P500 UCITS ETF	9.23
Threadneedle (Lux) US Disciplined Core Eq N USD	6.50
GQG Partners US Equity I USD Acc	6.00
SPARX Japan Fund GBP E Acc	4.84
Pacific North of South EM All Cap Equity R2 USD Ac	3.87
Ninety One Lux S.A. Global Environment	3.85
BlackRock Cont'l European Flexible D2 RF Eur	3.67
Xtrackers S&P 500 Equal Weight UCITS ETF	3.62
iShares USD Treasury 7 - 10y	3.38
Jupiter Global Dynamic Bond D USD Acc	3.26

Source: CGWM

## Sector analysis (%)



- The performance data shown represents the actual performance of the Canaccord Genuity Balanced Fund ('CG Fund'), which transferred into the Fund on 26/09/08. The CG Fund was a cell of The Canaccord Genuity PCC Ltd and was managed with comparable parameters and investment process by the same investment team as the Fund. The Fund commenced on 26/09/2008. Performance and expenses of the Fund will vary from this historical performance. Future asset allocation including geographical allocations will depend on prevailing market conditions and sentiment and may be significantly different to the asset allocation of the past. From 01/01/2019 the Fund performance shown has changed from the A class to the R class, for consistency with peers; performance and expenses of the Fund will vary from this point. Performance is shown against an international peer group for reference purposes only.
- The International Peer Group was changed from GIFS USD Aggressive Allocation to EAA Fund USD Moderate Allocation on 01/09/20 due to Morningstar ceasing to produce the GIFS. Past performance is not indicative of future performance.
- Source: Northern Trust
- The Synthetic Risk and Reward Indicator (SRRI) displays the historic volatility of the fund's performance and categorises it accordingly. The values will range from 1 to 7, where 1 will mean lower risk and 7 indicates that the level of risk is relatively high.

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## Canaccord Genuity Balanced Fund – Manager's commentary

The Canaccord Genuity Balanced Fund fell 0.05% during January, in-line with its benchmark peer group, the Morningstar EAA Fund USD Moderate Allocation sector, which fell 0.01%.

The year started on a relatively weak footing as the S&P 500 began by recording its first weekly decline since October. 2023's fourth quarter equity market rally was built on an expectation that the US Federal Reserve (Fed) would sanction significant interest rate cuts in 2024, beginning in March. But to do so, policymakers will need to see evidence that the economy is slowing sufficiently to warrant easing policy. However, data was released at the beginning of the year which revealed unexpectedly strong jobs growth, while unemployment was reported to have held steady at 3.7%. This therefore increases the likelihood that the Fed will keep rates on hold for longer than expected and consequently some of 2023's late exuberance was tempered.

By the end of the month, the US stockmarket was again firing on all cylinders, with the S&P 500 posting its fourth consecutive weekly rise on the back of strong earnings figures from leading technology companies, and in particular Meta whose shares surged on the back of plans for another \$50 billion stock buyback and its first ever quarterly dividend. This move added a record \$197 billion to the company's market capitalisation, the biggest single session market cap increase ever. Similarly, Amazon's shares were up 7.9% as it delivered its best online sales growth since early in the pandemic.

As widely expected, the Fed kept interest rates unchanged during the month, and Jerome Powell was about as blunt as a central banker can be when he said that he doesn't think the Fed will be ready to lower rates in March. The statement accompanying the rate decision stated that the Committee would be unlikely to have sufficient confidence in terms of inflation moving lower to cut rates by March. Despite that it took some exceptionally strong jobs numbers on Friday to truly convince markets that the Fed won't lower rates in the first quarter. The US economy added 353,000 jobs in January, almost twice as many as forecast. Expectations of a rate cut in March fell from 37% before the jobs numbers, to 20% afterwards.

A number of trades were instructed during January. We took the opportunity to consolidate the Fund's exposure to environmental themes, selling the holding of the Impax Environmental Markets Fund, and using part of the proceeds to increase the exposure to the Ninety One Global Environment Fund.

In the current investment environment, where value is generally out of favour and where market conditions are likely to remain supportive for growth stocks, we took the decision to sell the holding of the iShares MSCI World Value Factor ETF and invested the proceeds into the Fundsmith Equity Fund and the Evenlode Global Income Fund. Fundsmith, in particular, has underperformed global equity markets over the past three years, following a prolonged period of outperformance previously. Nonetheless, we believe the Fund's exposure to quality businesses which can sustain a high return on capital, will prove to be a tailwind to performance moving forward.

However, being conscious that the fortunes of the 'Magnificent Seven' remain the primary driving force for equity markets and that, in amalgamation, the Canaccord Genuity Balanced Fund is underweight these stocks, we elected to moderate the size of this relative underweight position. This was accomplished by reducing the holding of the Xtrackers S&P 500 Equal Weight ETF and adding to the Fund's existing holding in the Vanguard S&P 500 ETF, whose weighting to these mega-cap technology stocks is much larger.

For further information on the Fund and the available share classes, please visit [www.canaccordgenuity.com](http://www.canaccordgenuity.com)