

MANAGER COMMENTARY

The great optimism of January faded throughout February, and the month ended what can only be described as a mixed bag for equities and decidedly negative for fixed income, specifically in developed markets. In the US, the index of the largest 500 companies dropped by 3.62%* in February, whereas the largest 100 companies index in the UK rose by 1.48%*. The European and Chinese equity markets registered losses of 1.27%* and 0.16%*, respectively, as per the MSCI indices. The Japanese Nikkei 225 ended the month with a positive return of 0.36%*. In fixed income markets, most of the gains made in January were wiped out as the US 10-year Treasury yields increased from 3.398%* to 3.914%*. The 10-year UK Gilts faced similar losses, with the yield rising from 3.309%* to 3.824%*.

The Fund ended the month flat in February. However, it outperformed its benchmark (IA Property, Other) return of negative 2.65%*. The Fund also beat the IA UK Direct Property sector return of negative 0.01%*. The period in question continues to vindicate the managers' strategy of blending traditional bricks and mortar funds with REITs as the best way to obtain a respectable risk-adjusted return from this otherwise tricky asset class.

At holdings level, Civitas, a UK-listed company that provides social housing, was the best performer with a return of 13% for the month. However, Residential Secure Home REIT negated some of these gains with a loss of 8%. Your managers remain comfortable with the current split between REITs and bricks and mortar funds and expect the property asset class to be back in favour once interest rates have peaked.

* Source: FE Fundinfo, 01/02/2023 to 28/02/2023

HOLDINGS AS AT 28/02/2023

	TOTAL
BRICKS AND MORTAR FUNDS	43.3%
L&G Property	11.6%
ASI Global Real Estate	10.0%
TM Home Investor	8.4%
TIME Social Long Income	7.1%
TIME Commerical Long Income	6.3%
REIT FUNDS	30.5%
Schroder Global Cities	13.3%
First Sentier Global Property Fund	10.8%
Premier Miton Pan Europe Property Share	3.9%
Janus Henderson Global Property Equities	2.5%
LISTED SECURITIES	20.7%
Empiric Student Property	3.0%
Tritax Eurobox	3.0%
TR Property Trust	3.0%
LXI REIT	2.8%
Civitas Social Housing	2.7%
Schroder Real Estate Investment Trust	2.5%
Supermarket Income REIT Plc	2.1%
Residential Secure income	1.6%
CASH	5.5%

OBJECTIVE

The objective of the fund is to provide income and capital growth over the medium to long term, from investing in a diversified range of property assets including bricks and mortar property funds, REIT funds and listed property securities. The maximum exposure to collective investment schemes that invest directly in property will be 50%. Direct investment includes funds that invest more than 70% of their assets directly in immovable properties.

PERFORMANCE

	3m	6m	1yr	3yr	Since inception
Fund (B Acc)	1.03%	-8.03%	-8.66%		0.47%
Comparator benchmark	2.22%	-7.05%	-10.43%	-1.65%	3.54%
	2022	2021	2020	2019	2018
Fund (B Acc)	-13.02%				
Comparator benchmark	-19.01%				

Source: FE Analytics, all data to 28/02/2023.

All figures are in GBP terms.

KEY FACTS

Authorised Corporate Director (ACD): Margetts Fund Management Ltd

Investment Adviser: Beckett Asset Management Ltd

Managers: Samantha Owen, Tony Yousefian, Elliot Basford

Comparator benchmark: IA Property Other

Valuation point: 8.30am

Launch date: 11 January 2021

Yield B Acc: 2.09%

Distribution payment dates: 30 April, 31 July, 31 October, 31 January

Ongoing Charges Figure B Acc: 1.29%

Fund size as at 28/02/2023: £71.3m

RISK WARNINGS AND IMPORTANT INFORMATION

Investments in property carry specific risks due to the inherently illiquid nature of this sector. Although the fund provides daily dealing, there may be times when the fund experiences a high level of redemption requests, or the valuation of properties becomes uncertain. In these situations, it is the role of the ACD and depositary to treat investors fairly, which may delay investors being able to make redemptions requests or receiving proceeds from their redemptions. Past performance is no guarantee of future performance. The value of an investment and the income from it can fall as well as rise and investors may get back less than they invested. Risk factors should be taken into account and understood, including (but not limited to) currency movements, market risk, liquidity risk, concentration risk, lack of certainty risk, inflation risk, performance risk, local market risk and credit risk. The information on this factsheet is intended to provide information only and should not be interpreted as advice. Current fund prices and the latest copy of the prospectus and Key Investor Information Documents can be found at Margetts.com. Margetts Fund Management Ltd is the operator of the fund. This document is issued and approved by Beckett Asset Management Ltd. The opinions stated are those of Beckett Asset Management Ltd, which is authorised and regulated by the Financial Conduct Authority.