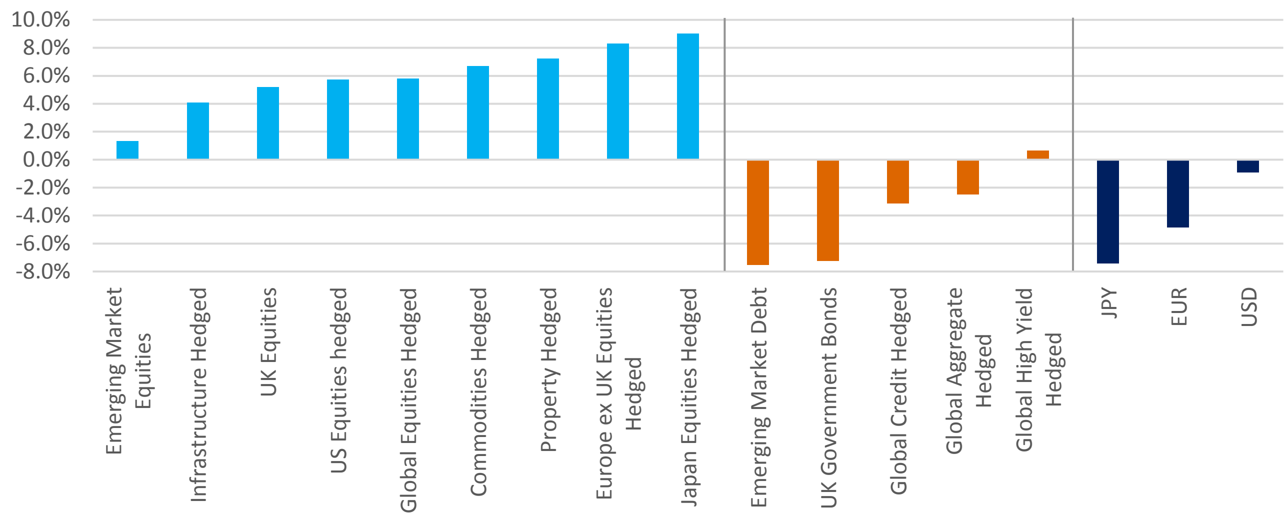
JGC - WPP Performance Summary Q1 2021

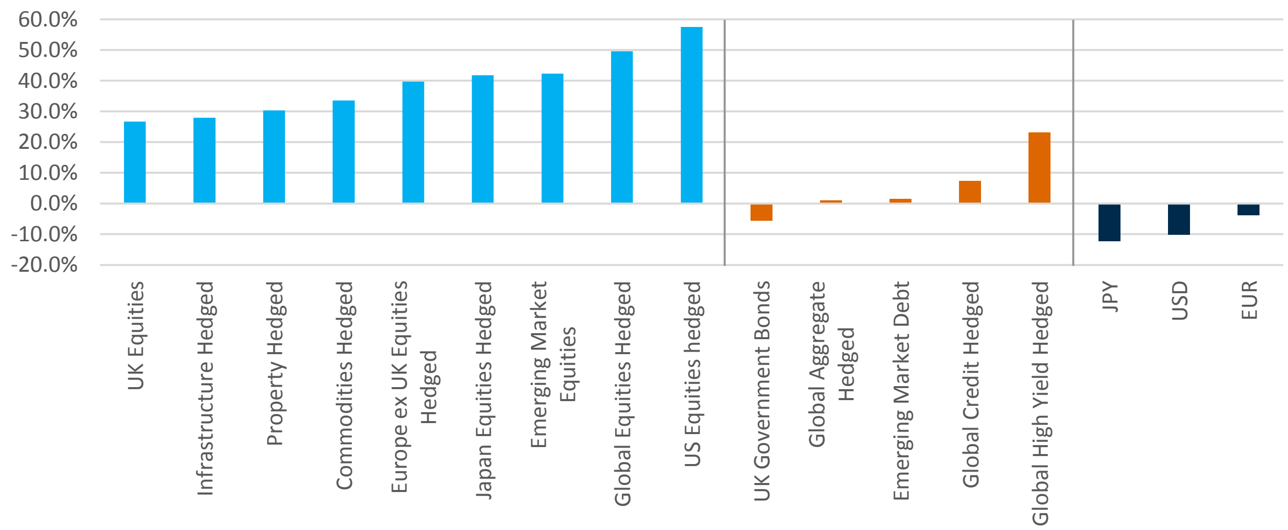
Global Market Commentary

In January, Joe Biden was inaugurated as the 46th US President, with his Democratic Party securing control of Congress. He also launched a $1.9 trillion fiscal stimulus plan. As the quarter progressed, the Covid-19 vaccine rollout continued in earnest in different parts of the world, lifting hopes of an end to the pandemic. This hope boosted global economic growth prospects and in turn, also increased inflation expectations. Higher inflation will open the door for higher interest rates which heightened some investor concerns. Nevertheless, with higher growth prospects and substantial monetary and fiscal support, equity markets rose over the period.

Asset class performance – Quarter to March 2021



Asset class performance – Year to March 2021



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	5.85	42.63	15.88
Net	5.78	42.21	15.50
MSCI AC World Index Net	3.61	38.94	13.59
Excess returns (gross)	2.25	3.69	2.29

Inception Date: COB 14th February 2019

Overall Fund Commentary
The Fund registered positive absolute returns and finished above the benchmark with small caps outperforming notably this quarter. Value measures performed strongly as investors pushed into cheaper Energy, Industrial and Financial stocks. High dividend stocks also enjoyed a stronger period. This boosted returns for Sanders (value) and the more multi-factored approach of Jacobs Levy. On the other side of the spectrum, growth and momentum underperformed, weighing on Morgan Stanley's (growth). Quality and defensive styles also fell behind. As such Numeric's low volatility strategy struggled to find traction in the prevailing market environment.

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	5.34	49.51	17.61
Net	5.24	48.95	17.14
MSCI AC World Index Net	3.61	38.94	14.18
Excess returns (gross)	1.74	10.57	3.42

Inception Date: 6th February 2019

Overall Fund Commentary
The Fund outperformed its benchmark in the quarter to March 2021. Value stocks continued to outperform their growth counterparts as more economically sensitive companies reaped the benefit from markets eying an end to lockdowns and improved vaccination programs. This allowed Pzena to strongly outperform in the quarter. Baillie Gifford and Veritas underperformed in the period as a knock-on effect of a market momentum shift and profit-taking. Despite the pandemic impacting economies across the globe with GDP growth negative in most countries and with many countries suffering their largest ever decline in GDP, asset markets have risen substantially over the year. This is a direct consequence of actions taken by policy makers to reduce interest rates across the curve and provide excessive amounts of liquidity: in the economic universe, interest rates power everything.

UK Market Commentary

The FTSE All Share recovered from a negative start to enjoy a positive quarter. Sustained government and central bank support, as well as the continued rollout of Covid-19 vaccines, boosted investor confidence. A “roadmap” out of the national lockdown boosted sentiment, with life expected to be broadly back to normal by the end of June. This was a contrast to other areas of the globe, including the eurozone. Improved global growth prospects engendered increased inflation expectations, which caused government bond curves to steepen and yields climbed sharply higher. This impacted higher valued areas of the equity market.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	6.25	41.57	4.67
Net	6.14	41.01	4.22
FTSE All Share	5.19	26.71	0.22
Excess returns (gross)	1.06	14.87	4.45

Inception Date: COB 11th October 2019

Overall Fund Commentary
The Fund outperformed the benchmark. Stocks most closely tied to the economy, namely value and small capitalisation equities, largely outperformed their growth and large cap peers, respectively. The Fund's pro-cyclical positioning and tilt towards smaller, domestically-oriented stocks suited this market environment. Ninety One’s value-oriented strategy and Liontrust’s market-oriented approach were positive. In contrast, Baillie Gifford’s growth-oriented strategy returned some of its inception-to-date outperformance in a period where internet-based stocks fell out of favour.

Fixed Income Market Commentary

The Federal Reserve (Fed) delivered a dovish monetary policy update by predicting record-low interest rates until at least 2024 and that the Fed would be "patient" in changing its monetary stance. The benchmark 10-year Treasury yield increased to 1.74%, ending the quarter at its highest level since January 2020. the Bank of England (BoE) kept its monetary policy unchanged. Whilst the bank said that the outlook for the UK economy "remains unusually uncertain" – it projected that UK GDP would recover towards pre-Covid-19 levels in 2021 and that inflation would rise towards the BoE's 2.0% target in the spring. The European Central Bank kept its interest rate unchanged but stepped up its weekly emergency bond-buying programme, to contain adverse effects of the recent eurozone debt market sell-off. Global investment-grade (IG) credit spreads tightened over the quarter, helped by G7 finance ministers' commitment to maintaining accommodative fiscal support. Improving economic growth prospects, more stable oil prices coupled with a hunt for yield, tilted investor demand towards the lowest-rated businesses, tightening corporate high yield spreads in the EU and the US. The US dollar strengthened over the quarter, weighing on a basket of currencies. The Taiwan dollar, Canadian dollar and British pound were the best performing currencies against the greenback.

Global Government Bond Fund:

	Three Months	Since Inception
Gross	-2.64	-0.79
Net	-2.69	-0.91
FTSE World Gvt Bond Index (GBP Hedged)	-3.10	-2.62
Excess returns (gross)	0.46	1.83

Inception Date: COB 19th August 2020

Overall Fund Commentary
The Fund outperformed the benchmark this period. The Fund's rates positioning was positive on a relative basis. Underweight exposure to US, UK and European sovereign bonds suited this market environment. Underweights to the Swiss franc, euro and US dollar were also rewarded. However, an overweight to the Japanese yen weighed on additional outperformance.

Global Credit Fund:

	Three Months	Since Inception
Gross	-2.70	0.01
Net	-2.73	-0.09
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-3.12	-1.21
Excess returns (gross)	0.43	1.22

Inception Date: COB 20th August 2020

Overall Fund Commentary
The Fund outperformed the benchmark this period. The Fund's corporate credit positioning was rewarded in this environment, particularly the overweight to US HY bonds. Within rates, an underweight to US and Canadian duration were key contributors. Underweight exposure to Emerging Market names, as well as US municipal bonds, detracted from additional outperformance.

Multi Asset Credit Fund:

	Three Months	Since Inception
Gross	0.66	6.18
Net	0.55	5.91
3 Month GBP Sonia + 4%	1.00	2.58

Performance Target is 3 Month GBP SONIA + 4%, we have not shown excess return as this is a target.

Inception Date: COB 11th August 2020

Overall Fund Commentary
The Fund was below the long term target over the quarter. Corporate credit positioning was rewarded in this environment, particularly the overweight to US HY bonds. US securitised exposure also added relative value. However, an overweight to US duration weighed on returns.

Absolute Return Bond Strategy Fund:

	Three Months	Since Inception
Gross	1.36	2.28
Net	1.25	2.04
3 Month GBP Sonia + 2%	0.51	1.02

Performance Target is 3 Month GBP SONIA + 2%, we have not shown excess return as this is a target.

Inception Date: COB 30th September 2020

Overall Fund Commentary
The Fund outperformed this quarter. Government bond curves steepened and yields climbed sharply higher. Nevertheless, global central banks continued to forecast record-low interest rates. Corporate credit spreads tightened within this environment. Emerging market debt was out of favour. Similar to the previous quarter the funds exposure to prepayment strategies was a key driver of its positive return. The funds positive exposure in the European securitised space and positioning on the yield curve were also positive contributors to the funds strong absolute performance.

UK Credit Fund:

	Three Months	Since Inception
Gross	-4.31	-0.56
Net	-4.34	-0.63
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	-3.96	-0.41
Excess returns (Gross)	-0.36	-0.15

Inception Date: COB 19th August 2020

Overall Fund Commentary

The portfolio posted negative returns and performed relative to the index over the quarter. Growing optimism regarding an economic recovery and rising COVID-19 vaccinations boosted the risk sentiment. Against this backdrop, the portfolio benefitted from overweight credit beta as well as favourable credit selection. Favourable selection in EDF was the top contributor from issuer standpoint. The overweight stance in industrial conglomerate GE was also a significant contributor to returns. Positive news around vaccine distribution programme proved supportive given its exposure to the aerospace and health care sectors.

The portfolio's interest rate risk exposure was the primary driver of negative absolute returns as core government bond yields rose over the period given the momentum in relation trade. Interest rate risk positioning also detracted from relative performance with overweight in sterling duration weighing on returns.