

Investment objective

The objective of the Fund is to provide returns through a combination of capital growth and income over a market cycle (5 years). The fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) and may also invest directly in eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.

Indicative risk rating



Fund managers



Richard Philbin

Richard is Chief Investment Officer of Wellian Investment Solutions. He is one of the UK's best known multi-manager investors and previously AA rated by OBSR, Citywire and S&P. Prior to Wellian, he was AXA Architas Multi Manager's Chief Investment Officer and before that he was head of Multi Manager at F&C Investments.



James Kempster

James has over 15 years experience building and managing multi-asset investment portfolios. Beginning his career at Canada Life, he has more recently worked with financial advice firms to create managed portfolio solutions for end clients.

Performance summary as at 31/03/2021

	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	MANAGER START DATE
Discovery Balanced Fund C Acc	0.55%	8.31%	24.86%	13.11%	33.62%	30.48%
IA Mixed Investment 40%-85% Shares	1.56%	9.68%	26.44%	21.34%	44.29%	47.79%

Source: Financial Express Analytics. All figures quoted are on a total return basis with income reinvested. The Manager Start Date was 1/12/2014. Past performance is not a reliable guide to future performance.

Fund managers' commentary

From a capital markets perspective, things were broadly good between January 1 and March 31 of this year. Soothing sounds from Central banks across the world suggesting interest rates were not going to rise any time soon (regardless of what happens to inflation) combined with an extra \$1.9trn stimulus package in the US and a budget in the UK that was not overly taxing suggests that "risk on" remains the mantra. The extra stimulus from the US – which has literally come in the form of a cheque, combined with assistance last year has accounted for between 10% and 15% of US GDP which should provide the much-needed kick start the economy needs to get over the shock of 2020 and Covid-19.

The "year-on-year" numbers in 2021 are likely to surprise many and will have both positive and negative impacts. Stock markets fell very rapidly in Q1 2020 (and rebounded strongly over the following 3 quarters – representing the much talked about "V-shaped recovery") so please be aware when looking at tables and charts – 2020 was very much the exception, not the rule, and Q1 2020 in particular saw many excesses.

Thankfully the first quarter of 2021 didn't surprise us in the same way as the prior year, but outgoing President, Donald Trump kept us on our toes when at a speech he urged his supporters to march on mass to the Capitol building and disrupt congress whilst they were ratifying the approval of Joe Biden to become the next President. Unfortunately many took it literally and the Capitol building was stormed and it took several hours before things returned to normal. Unfortunately, lives were lost and Washington entered curfew – something not seen in over 100 years.

Britain has now formally exited the European Union and has to fend for itself. In a completely unsurprising set of events immediately following the exit, lots of issues arose for importers and exporters of goods and services and as sure as night follows day, news reports of carnage at the ports and truckers (both British and European) being stuck on the surrounding motorways for days on end covered our TV screens and peppered our newspapers due to a lack of correct paperwork and a shortage of customs officials.

Towards the end of the March we witnessed a 1,300 feet long container ship (one of the largest in the world) get blown off course and as well as running aground managed to entirely block the Suez Canal which impacted - for the week it was stuck - something like 10% of global trade. As the traffic jam of roughly 400 other ships piled up, oil prices rose, as did market nerves. One article read whilst the problem was ongoing suggested it could well be inflationary and for each day the vessel remained in the state it was global trade was being affected to the tune of \$400m per day. Although the canal is now free again for the safe passage of ships, the Ever Given remains side-lined whilst the dispute of who pays what to whom gets sorted.

In the final quarter of last year, the Covid vaccine roll-out started and gathered significant pace in the UK and US during the first quarter of this year, although Europe has lagged somewhat due to concerns relating to a very small proportion of people (less than 20) suffering blood clots (from the more than 30m injections presently administered). Economies are still not open though, but things are meant to improve dramatically by the end of the first half of this year.

Key facts

Inception Date	21/03/2005
Manager Start Date	1/12/2014
Number of holdings	30
Ongoing charge figure (C)	0.80%
Yield (C Acc)	2.05%
Fund size	£73.8m

Current asset allocation

Alternatives	5.97%
Cash	0.74%
Fixed Interest	30.45%
UK Equities	21.26%
International Equities	36.75%
Property & Infrastructure	4.83%

Top 10 holdings as at 31/03/2021

Fidelity Index UK	9.19%
Fidelity Index US	6.71%
Vanguard Global Bond Index	5.37%
Legal & General UK Mid Cap	5.32%
JPM GBP Ultra-Short Income ETF	5.23%
Fidelity Emerging Markets	5.15%
Brown Advisory Global Leaders	4.51%
Franklin UK Equity Income	4.26%
Artemis Corporate Bond	4.21%
MS INVF Asia Opportunity	3.80%

About Wellian Investment Solutions

Wellian Investment Solutions is an award winning multi-manager investment management business. As a multi-manager business it specialises in identifying the very finest investment talent from around the world and then blending and combining these managers together to create robust, diversified portfolios. Wellian Investment Solutions have developed their own bespoke manager selection and asset allocation processes and also undertake extensive due diligence on all of the managers before including them in the Discovery Funds.

Disclaimers

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The views and opinions expressed are those of Wellian Investment Solutions (Wellian). Wellian is authorised and regulated by the Financial Conduct Authority. Part of the Harwood Wealth Management Group Ltd. The information provided in this document has been provided from sources by us believed to be reliable and accurate and Wellian Investment Solutions does not accept any liability for the accuracy of the contents. Please note that past performance is not a reliable guide to the future and investors may not get back the amount originally invested as the value of any investment and the income from it is not guaranteed. The information in this document is not intended to provide the basis for any investment advice or recommendations. For further information on the risks and risk profiles of our funds, please refer to the relevant Key Investor Information Document and Prospectus.

Please note that performance of the fund for periods prior to 1 December 2014 is not attributable to the current investment manager.

For further information call 01892 550 600 or email info@discoveryfunds.co.uk