

Equity markets across the world have continued to provide investors with an excellent start to the year. The MSCI World returned 3.5% during the month resulting in a year-to-date return of 13.8%. It is a different story however for UK Govt. bond indices, with the FTSE Actuaries UK Conventional Gilts All Stocks declining -1.5% over the month. Over the past 2 years, the UK Gilt index has generated a cumulative return of 2.4%, compared to MSCI World index, which has returned 19.6%, in Sterling terms.

UK equity markets performed well, although they continued to underperform their US counterparts with the FTSE 100 returning 2.3% relative to the S&P500 return of 4.0%. Moving down the capitalisation spectrum to 'mid-cap' companies, the FTSE 250 (excl. Investment Trusts) generated 4.4% for April and 14.9% since the start of the year. This good performance has been generated despite fund flow data and global fund manager positioning information which continue to show that international investors are being deterred from investing in UK related companies. Sterling fell slightly against the US Dollar, the GBP/USD exchange rate now trading at 1.30 (\$ to GBP), in the middle of its trading range since the Brexit referendum result was announced.

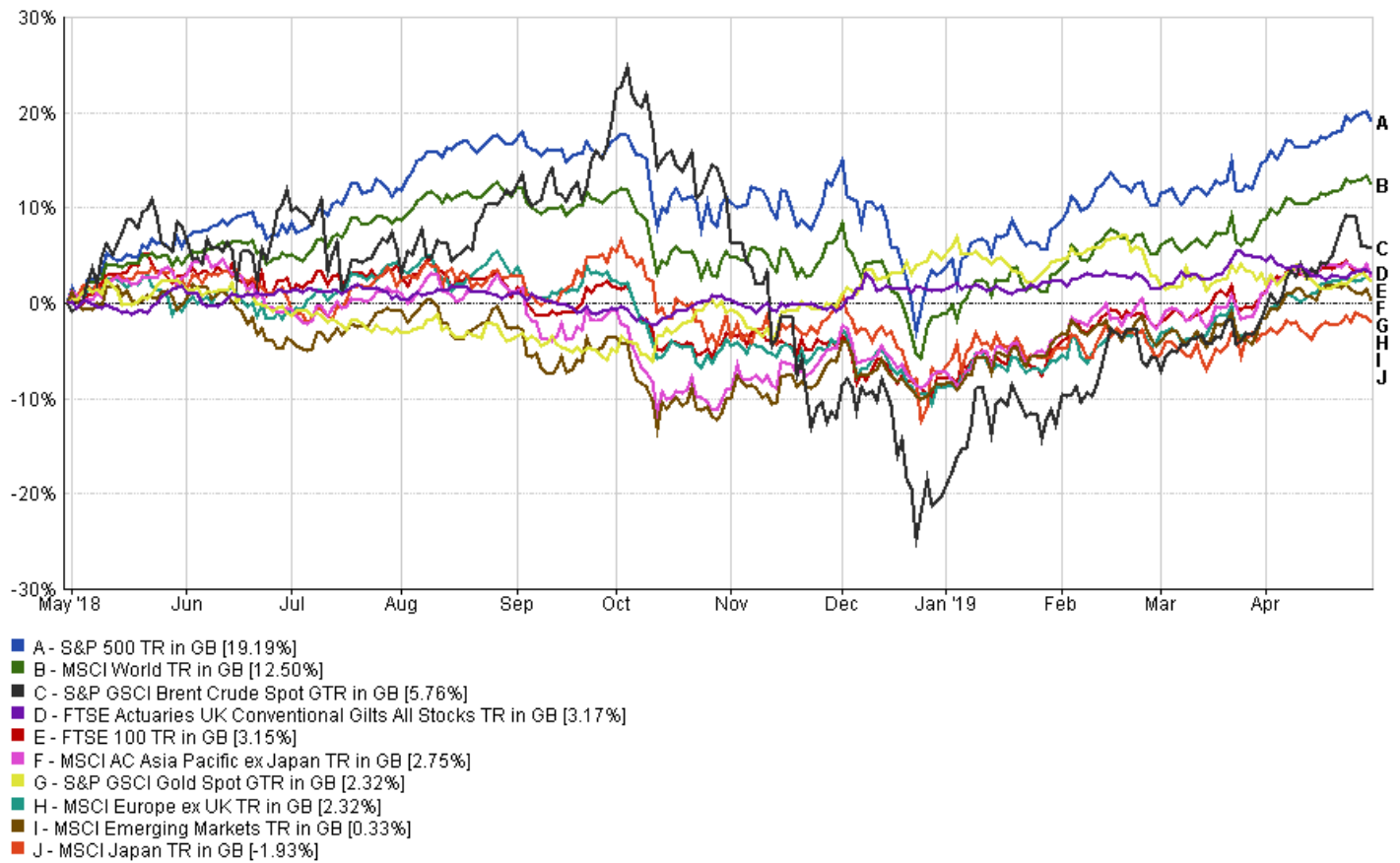
In the US equity market indices hit new all-time highs, after economic and corporate data proved better than analysts had forecast. With interest rate decisions on hold and US-China trade talks apparently moving along smoothly, there was little to halt the rise of US markets as investors continue to exude optimism. The US leads the global regions in terms of performance for the year to date, with the S&P500 generating a return of 15.3% for Sterling investors. The benchmark US Treasury 10Yr Bond yield rose slightly to 2.51% (after falling from 3.23% at the start of November to 2.46% at the end of March), as fixed income markets search for a clear indication as to the Federal Reserve's next actions.

The best performing equity market during the month was Continental Europe, with the MSCI Europe ex UK index increasing by 4.0%. European economic data continues to disappoint and there seems to be plenty to worry about politically, from the forthcoming European Parliament elections, Italy's fragile coalition and of course Brexit. Pessimism in Europe may have found a trough however, as the region outperformed its developed and emerging peers, with investors, perhaps, eyeing European indices valuation discount to global equities (excl. Japan), at near 30 year lows (Source: UBS). Conversely European government bonds appear fully priced with the 10Yr German Bund spending most of the month with a negative yield, ending it on a positive 0.01%.

Likewise in Japan, with short term interest rates unchanged at -0.1%, the Japanese 10Yr Bond has a targeted yield of 0.0%. The Bank of Japan committee intends to keep these extremely low levels of short term and long term interest rates at least through 'Spring 2020'. With inflation remaining stubbornly low at 0.5% y/y, the Japanese market gained 2.0% in Yen terms, 1.3% in Sterling. The wider Asia Pacific region fared slightly better, with the MSCI Asia Pacific ex Japan index generating 1.7% for April and the MSCI Emerging Markets index 2.1% for the month.

Brent Crude continued to rise over the month, with the spot price rising 7.5% and breaking through the US\$70 mark on the back of production worries in Venezuela and Libya, due to their domestic political issues and President Trump's stance on Iran, which has the potential of removing 1.3 million barrels per day of Iranian oil. The Gold spot price declined slightly by 0.8%, through the month in Sterling and US Dollar terms to \$1,284 per ounce.

1-Year Performance in Sterling Terms to 30 April 2019

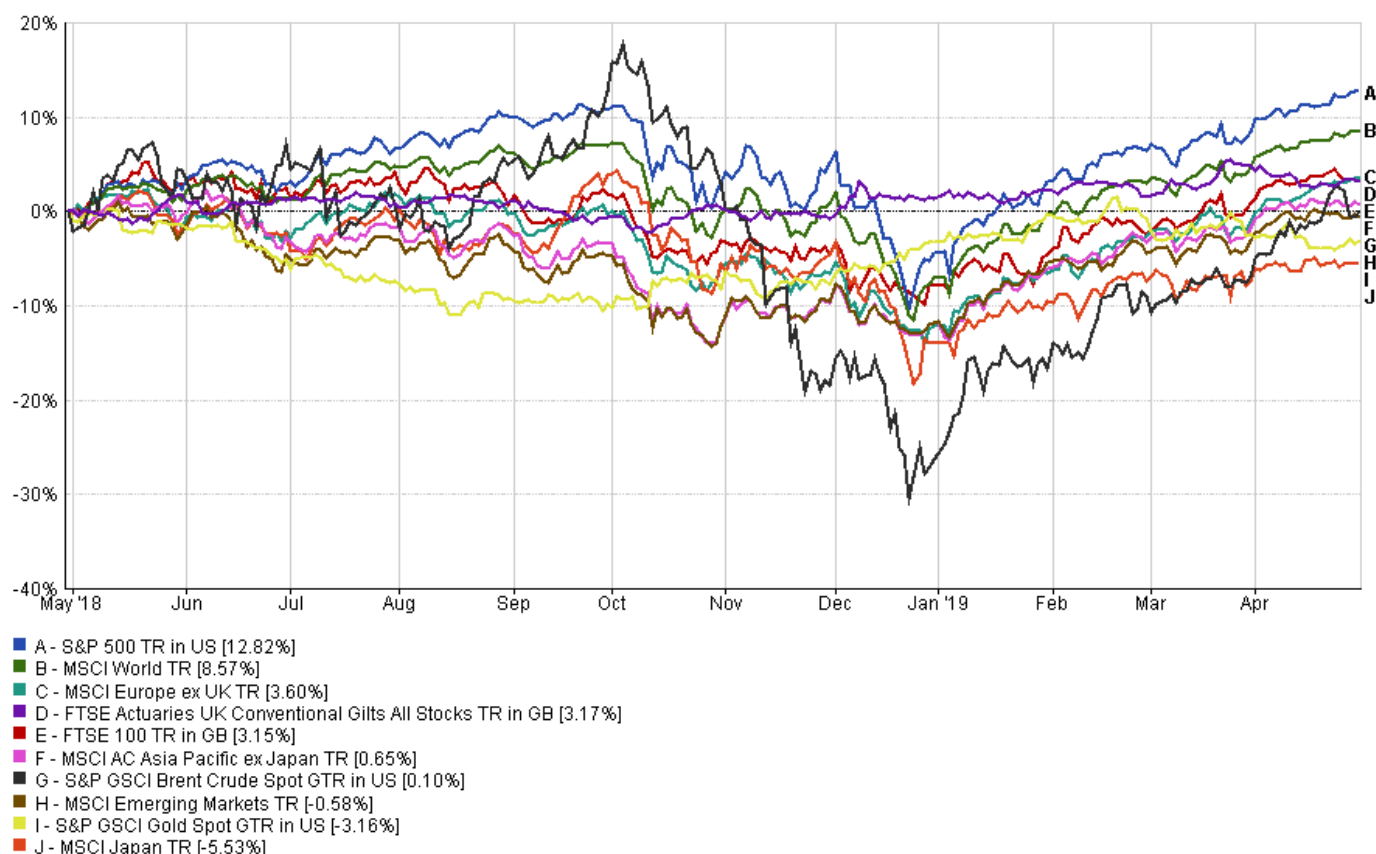


Cumulative Performance in Sterling Terms to 30 April 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-1.52%	0.74%	2.81%	3.17%	10.74%	27.78%
MSCI World	3.50%	9.04%	6.67%	12.50%	55.31%	84.27%
FTSE 100	2.33%	8.11%	6.40%	3.15%	34.30%	33.12%
S&P 500	3.97%	10.30%	7.25%	19.19%	67.25%	117.67%
MSCI Europe ex UK	4.02%	9.01%	6.41%	2.32%	39.10%	40.73%
MSCI Asia Pacific ex Japan	1.73%	6.69%	12.90%	2.75%	57.58%	68.91%
MSCI Emerging Markets	2.06%	4.13%	11.50%	0.33%	54.72%	57.91%
MSCI Japan	1.34%	2.85%	-0.69%	-1.93%	37.37%	77.14%
S&P GSCI Gold Spot	-0.82%	-2.01%	3.40%	2.32%	9.21%	24.52%
S&P GSCI Brent Crude Spot	7.48%	21.17%	-4.78%	5.76%	62.69%	-36.61%

Source: Financial Express

1-Year Performance in Local Currency Terms to 30 April 2019



Cumulative Performance in Local Currency Terms to 30 April 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-1.52%	0.74%	2.81%	3.17%	10.74%	27.78%
MSCI World	3.77%	8.96%	8.90%	8.57%	41.35%	53.96%
FTSE 100	2.33%	8.11%	6.40%	3.15%	34.30%	33.12%
S&P 500	4.01%	9.32%	9.42%	12.82%	48.84%	68.05%
MSCI Europe ex UK	4.83%	10.82%	10.01%	3.60%	28.65%	34.19%
MSCI Asia Pacific ex Japan	2.40%	7.06%	14.61%	0.65%	43.32%	45.39%
MSCI Emerging Markets	2.56%	5.11%	13.07%	-0.58%	41.31%	44.80%
MSCI Japan	2.02%	4.31%	-0.01%	-5.53%	27.25%	49.11%
S&P GSCI Gold Spot	-0.77%	-2.89%	5.50%	-3.16%	-2.81%	-3.87%
S&P GSCI Brent Crude Spot	7.53%	20.08%	-2.85%	0.10%	44.79%	-51.06%

Source: Financial Express

Calendar Performance in Sterling Terms to 30 April 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	1.81%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	13.78%	-3.04%	11.80%	28.24%	4.87%	11.46%
FTSE 100	12.04%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	15.31%	0.96%	10.62%	32.67%	6.58%	20.02%
MSCI Europe ex UK	12.29%	-9.87%	15.84%	18.62%	5.11%	-0.73%
MSCI Asia Pacific ex Japan	10.83%	-8.57%	25.13%	27.34%	-4.12%	9.21%
MSCI Emerging Markets	9.65%	-9.27%	25.40%	32.63%	-9.99%	3.90%
MSCI Japan	5.65%	-7.47%	13.25%	22.12%	15.91%	1.95%
S&P GSCI Gold Spot	-2.18%	3.23%	3.02%	28.52%	-5.72%	4.36%
S&P GSCI Brent Crude Spot	32.59%	-10.04%	5.49%	53.23%	-42.51%	-44.83%

Source: Financial Express

Calendar Performance in Local Currency Terms to 30 April 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	1.81%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	16.85%	-7.38%	18.48%	9.00%	2.08%	9.81%
FTSE 100	12.04%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	18.03%	-4.94%	21.10%	11.23%	0.75%	12.99%
MSCI Europe ex UK	17.83%	-11.31%	13.59%	2.31%	8.30%	6.79%
MSCI Asia Pacific ex Japan	14.08%	-10.60%	30.17%	7.41%	-4.10%	6.92%
MSCI Emerging Markets	12.65%	-10.08%	30.55%	9.69%	-5.76%	5.17%
MSCI Japan	9.78%	-15.15%	19.75%	-0.74%	9.93%	9.48%
S&P GSCI Gold Spot	0.13%	-2.81%	12.79%	7.75%	-10.88%	-1.75%
S&P GSCI Brent Crude Spot	35.71%	-15.30%	15.49%	28.46%	-45.66%	-48.07%

Source: Financial Express

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