



On the whole our trust experts' selections paid off in 2019. **FIONA HAMILTON** rounds up the winners and losers

It paid to be bold so far as our panelists' investment trust tips for 2019 were concerned, with most of the more offbeat selections producing scintillating returns.

John Newlands's **JPMorgan Russian Securities** pick was the star, with a 33% rise in net asset value total return, translating into a 44.7% share price gain as the discount contracted to 11%. **Baring Eastern European** also benefited from its substantial Russian exposure, with a 31% share price gain. It was tipped by Charles Murphy of Panmure Gordon.

In the specialist sector Newlands and Murphy again did particularly well – the first with the relatively small **Menhadin Capital**, which focuses on businesses benefiting from the efficient use of energy and resources. Its discount narrowed from 30% to 21%, helping it to notch up a share price total return of 38%. Murphy's specialist pick was the giant private equity company **3i Group**, which achieved share price total returns of 33.5% as its premium soared to over 27%.

**ASTUTE CALLS**

In the UK sector most of our panellists opted for medium to smaller company specialists, which proved an astute call. John Newlands backed **JPMorgan Smaller Companies**, which topped its sector with net asset value total returns of over 30%, leading to share price total returns of 34.5%. Tim Cockerill backed **BlackRock Smaller Companies**, which achieved a share price total return of 31.3% as it

moved to a premium rating. Both Cockerill and Newlands are sticking with their UK choices for 2020.

Sandy Cross of **Rossie House Investment Management** made **Temple Bar** his UK

choice. Manager Alastair Mundy's commitment to a value-oriented approach worked well for much of the year, and Temple Bar's one-year share price total return was almost the best in the UK

equity income sector at over 20%, handsomely beating the sector average, as the chart shows.

Unfortunately, Peter Hewitt's selection of **Woodford Patient Capital** as a UK wildcard came badly unstuck, with the closed-ended trust being negatively

impacted by the well-publicised problems of its manager's open-ended funds.

Cockerill's selection of **Bankers** topped the global picks with a share price total return of 17.1%, which compares very creditably with the 13.5% gain in the MSCI World index. He thinks Bankers still looks good value.

Among the more income-focused choices, Hewitt's pick of **3i Infrastructure** did well, with a share price total return of 16.8%. **Secure Income REIT**, which holds a portfolio of mainly English properties let on long leases, also did relatively well for Hewitt, with share price total returns of 14.2%. But it could not match **TR Property**, which invests primarily in quoted property firms and has a hefty exposure to France and Germany. Selected by Cross, TR Property achieved share price total returns of 24.4%.

**PRS REIT**, which constructs and rents out new-build homes, was the big disappointment in this sector. Picked by Murphy, its shares offer an attractive yield, but suffered a negative share price total return of -11%.

**WEALTH PRESERVERS**

The three closed-ended multi asset selections place a great emphasis on preserving investors wealth, so are liable to lag in strongly rising markets. Relative newcomer **JPMorgan Multi-Asset Income** was the most rewarding of the three in 2019 with share price total returns of 11.9%. North American equities currently account for around 30% of its portfolio, with around 26% in European, emerging market, UK, Asia Pacific and Japanese equities, while high-yield bonds, government bonds and infrastructure each account for around a tenth.

**AIC Capital Actives** was next, with its followers pushing the premium up to nearly 12%, which lifted share price total returns to nearly 10%. It was nominated by Cockerill. **Personal Assets** proved the dullest, with net asset value total returns of 6.7%, and no significant change in its discount/premium due to its zero discount policy.

**Tim Cockerill's selection of Bankers topped the global picks with a share price total return of 17%**

**TEMPLE BAR TROUNCES RIVALS**



Note: Figures derived from performance tables supplied by Numis Securities, for year to end November 2019.