

Investment Objective

The investment objective of the Sub-fund is to achieve long-term returns of the Bank of England Base Rate +4%, net of fees, over rolling five year annualised periods. The Sub-fund will be managed without reference to a benchmark, however, the Sub-fund targets a lower volatility than equity markets, meaning the MSCI World Hedged. A positive return is not guaranteed and capital is in fact at risk.

Portfolio Performance

Returns (Periods over 1 year are annualised)*

	March	3 Months	1 Year	3 Years	5 Years	Since Inception Return	Since Inception Volatility
Total Returns (%)	2.2	1.3	5.3	3.4	4.0	3.4	7.3

DLA returned +2.24% in March (GBP F shares, net of fees) and has returned +1.32% year-to-date. The annualised net of fees return since inception in May 2018 is 3.35%.

The US economic juggernaut continues largely unabated, with March rounding off a strong quarter for most risk assets. The month saw most global equity markets up by between 1% and 4%, with the US S&P Index up by 2.1%. Credit spreads, an additional reflection of risk appetite, were generally tighter. Although corporate defaults are picking up, they do so from low levels and remain at or below longer-term averages. Further, tight spreads are helping to offset the impact of higher interest rates as companies seek to refinance their debt in advance of impending maturities.

While inflation is significantly lower than at this time last year, the path of decline appears to have paused and the market has interpreted that this, coupled with stable growth, means interest rates need not be cut as quickly and by as much as it had fervently believed in January. This kept bond yields in check and was supportive for the US dollar. The benign environment meant that Gold and Oil both enjoyed a strong month, with the former reaching a fresh all-time high.

The breakdown of returns for the month is below (note the below contributions are gross of fees):

Listed Real Assets +1.4% contribution

It was a good month for many of DLA’s Real Asset investments, with each of the three strategies contributing roughly equally. Within Infrastructure, a recovery in clean energy stocks led to good gains from our associated external manager while the other Infrastructure managers retraced losses from earlier in the year. Each of the internal themes added to returns, as they did in REITs, where there was also something of a recovery across the board. Within Natural Resources, we reallocated DLA’s Gold investments following the above-mentioned sharp rally and also enjoyed gains from our external Commodities manager. Finally, the Energy Transition Theme performed particularly well given higher legacy energy prices.

Alternative Credit +0.5% contribution

In a relatively supportive environment, demand for higher yielding assets drove corporate and securitised spreads tighter while bond yields were relatively stable. Furthermore, DLA’s investments also enjoyed healthy income. Each strategy added to returns accordingly, although local currency Emerging Market Debt lagged as the strength of the US dollar dominated lower bond yields.

Diversifiers and Portfolio Hedges +0.4% contribution

There were healthy gains across Risk Premia, Relative Value and Long/Short Equity Strategies. Fulcrum’s Multi-Asset Trend Fund continued its strong start to the year, making gains from equity, commodity and currency positioning and our Dispersion Fund also prospered. Among the external managers, the Event-Driven and Emerging Market Long/Short investments led.

Outlook

Ongoing tensions in the Middle East and Ukraine seem not to be derailing global trade to a significant degree and there is confidence that economies are heading towards the fabled soft landing, with moderating growth and inflation rather than anything more severe. Markets are certainly pricing this in and leaving little room for error, be that economic or political. Indeed, the S&P closed at an all-time high no fewer than 22 times in the first quarter. The AI/Tech-related drivers of this have been well documented but many of the Real Assets that DLA owns began to participate more fully in March. Their attractive relative valuations should be supportive for returns in the months to come if macroeconomic developments continue along the current path, which remains our core scenario.

Key Facts

Legal Structure	UK OEIC (NURS)
Domicile	United Kingdom
Fund Launch	01/05/2018
Fund AUM	£103m
Strategy AUM	£297m
Company AUM	£6.1bn

Share Class

Share Class	F GBP
ISIN	GB00BFYN9D54
AMC	0.375%
Ongoing Charge	0.89%
Currency Classes	GBP, USD, EUR

Fund Facts

Authorised Corporate Director	TUTMAN LLP
Transfer Agent	FNZ TA Services Limited
Administrator	J.P. Morgan Europe Limited
Depository	NatWest Trustee and Depository Services Limited
Custodian	J.P. Morgan Chase Bank, N.A. (London Branch)
Auditor	Deloitte, LLP
Dealing Frequency	Daily, 12:00 GMT
Valuation Point	12:00 GMT
Report Date-Annual	31 March
Report Date-Interim	30 September

*Net total return with NAVs provided by third party administrator. Past performance is not a guide to future performance and future returns are not guaranteed.

Performance



Monthly Returns (%)

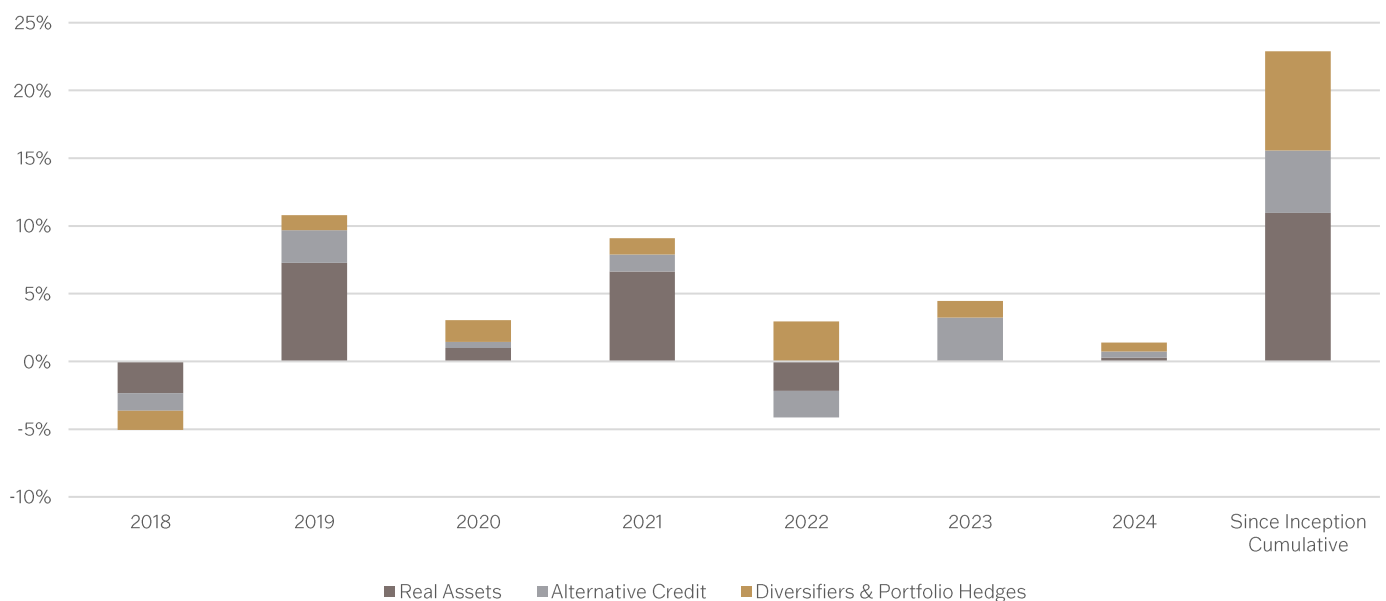
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	-1.0	0.1	2.2										1.3
2023	1.7	-0.6	-0.9	0.7	-1.4	0.7	1.4	-0.6	-1.6	-1.5	3.2	3.2	4.1
2022	-1.9	0.3	3.2	0.3	-0.5	-3.3	0.9	1.1	-3.6	0.7	1.5	0.0	-1.5
2021	0.4	0.8	1.0	2.2	0.2	0.4	0.5	1.0	-0.9	2.3	-1.0	1.5	8.8
2020	1.1	-1.7	-11.3	3.9	2.1	0.7	3.3	0.8	-0.8	0.0	3.7	1.7	2.7
2019	3.6	0.5	1.2	0.7	-1.0	2.0	1.5	-0.8	0.8	0.1	0.3	1.1	10.5
2018					-0.2	-1.0	0.9	0.3	-0.8	-1.5	-0.8	-2.3	-5.3

Rolling 12 Month Net Performance

	March 2024	March 2023	March 2022	March 2021	March 2020
Total Returns (%)	5.3	-2.9	8.2	19.0	-7.6

Contributions to Returns

The chart below highlights the annual contributions to return from the three main Strategy groups in DLA.



Source: Fulcrum Asset Management LLP; subject to change.

Past performance is not a guide to future performance and returns are not guaranteed. Performance Contribution for 2018 is from launch on 1 May.

Portfolio and Risk

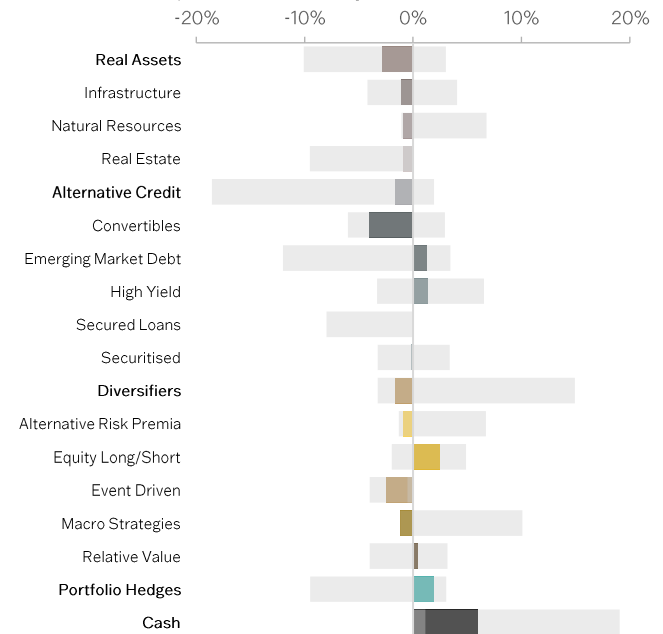
Asset Allocation



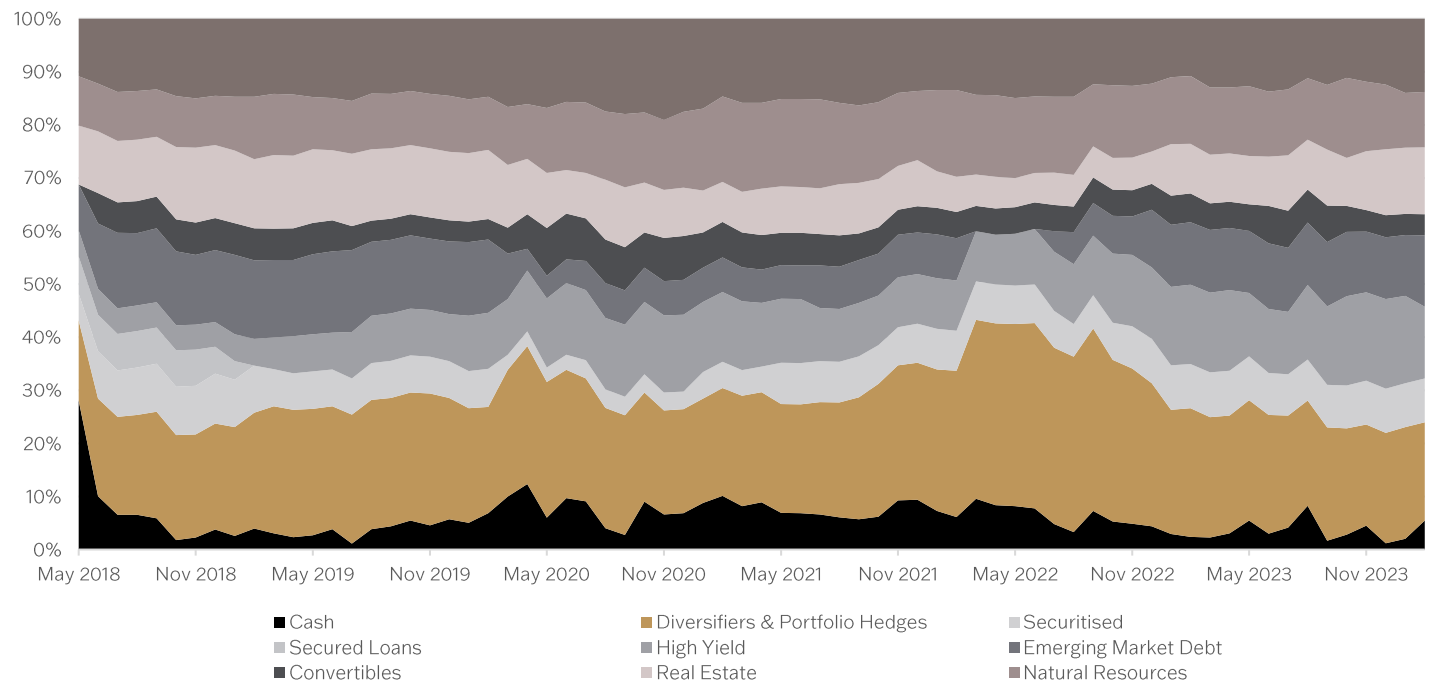
Real Assets	37.2%
Infrastructure	13.9%
Natural Resources	9.1%
Real Estate	14.1%
Alternative Credit	38.4%
Convertibles	3.9%
Emerging Market Debt	13.3%
High Yield	13.3%
Securitised	7.9%
Diversifiers & Portfolio Hedges	18.4%
Absolute Return Strategies	18.4%
Cash	6.0%
Cash	6.0%

Relative Portfolio Positioning

The chart below highlights the latest month-end positioning (in dark bars) of DLA relative to the Strategic Mix, the Fund's long term asset allocation. The range of allocations since inception is also shown (in lighter shaded bars).



Asset Allocation Over Time



Source: Fulcrum Asset Management LLP; subject to change. Past performance is not a guide to future performance and returns are not guaranteed. Performance Contribution for 2018 is from launch on 1 May.

Risk Summary

Leverage techniques may be used by the fund. A relatively small price movement in an underlying asset may amplify losses and the fund may be exposed to losses which are greater than the initial amount invested. Any derivatives usage can result in substantial losses to the fund where expectations as to how a derivative will perform prove to be incorrect or inefficient, or in adverse market conditions. Losses may occur if an organisation through which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations. For a full explanation of specific risks and the fund's overall risk profile, as well as all its share classes, please refer to the Prospectus, available on the firm's website.

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