



**Reeves
Short Term
Portfolio**

Short Term Portfolio Update

The fixed income market has faced challenges in 2022, but in contrast to equities, it has had a positive start to 2023 due to different reasons. Fixed income managers are finding more opportunities to add value as yields have risen. During the quarter, the Short-term portfolio recorded modest gains of 0.12%, but more importantly, it protected capital during market volatility.

It's crucial that the Short-term portfolio maintains diversification and aims to provide downside protection during market events that distort markets, as seen in March. The failures of Signature Bank, Silicon Valley Bank and Credit Suisse distorted both equity and fixed income markets. Yields fell by 1%, which is a significant move in this market and is positive for fixed income. The portfolio holds various fixed income managers with different durations, which is defined as sensitivity towards interest rates. For instance, Allianz Strategic Bond holds long duration bonds, enabling it to register gains of 8.99% during this period, providing protection against the falls in the main portfolios, which are mostly equities.

There has been a noticeable decoupling between equities and fixed income after being positively correlated. As growth slows, the short-term portfolio could be positioned to benefit.



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