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December 2020

Investment Review



Introduction

Here is our final review for 2020. A year that none of us will forget.

It's fair to say that at the start of the Covid news, none of us could say with any certainty, what would be happening to our investments, let alone what would be happening to our personal, work and social lives.

We maintained the mantra that unless capitalism came crashing to an end, an unlikely event, that maintaining an invested position is better than trying to second-guess markets.

The philosophy that we have adopted has rewarded us in so much as the investment portfolios have maintained remarkably well in the face of what we might have thought of as very significant adversity.



Outlook

Some economic pundits are suggesting that the corporate cleansing that is going on is simply accelerating what was already happening with IT developments, on line shopping etc, and a lot of companies will find themselves returning in 2021, to let's say a more normal world, in leaner condition.

There is concern about unemployment but, there is also an expectation that there will be significant employment rotation away from areas that are no longer requiring so much staffing, into areas that will possibly blossom and flourish.

We must remember that stock markets are not at all sentimental and always look forward they have no rear view mirror. With that in mind i.e. the challenges of 2021, markets are anticipating some return to normality and indeed some pundits are positioning themselves for an economic boom with all of the latent spending, currently sitting within worldwide economies, coming forth.



You will appreciate that all of this is speculation but it sounds relatively plausible.

For our own part we are recommending that we retain our invested positions.

Efforts to try and second-guess the market have not been successful as very often, investors miss the strong growth days. This can have an everlasting and damaging effect on a portfolio.



What Happened To Portfolios This Year?

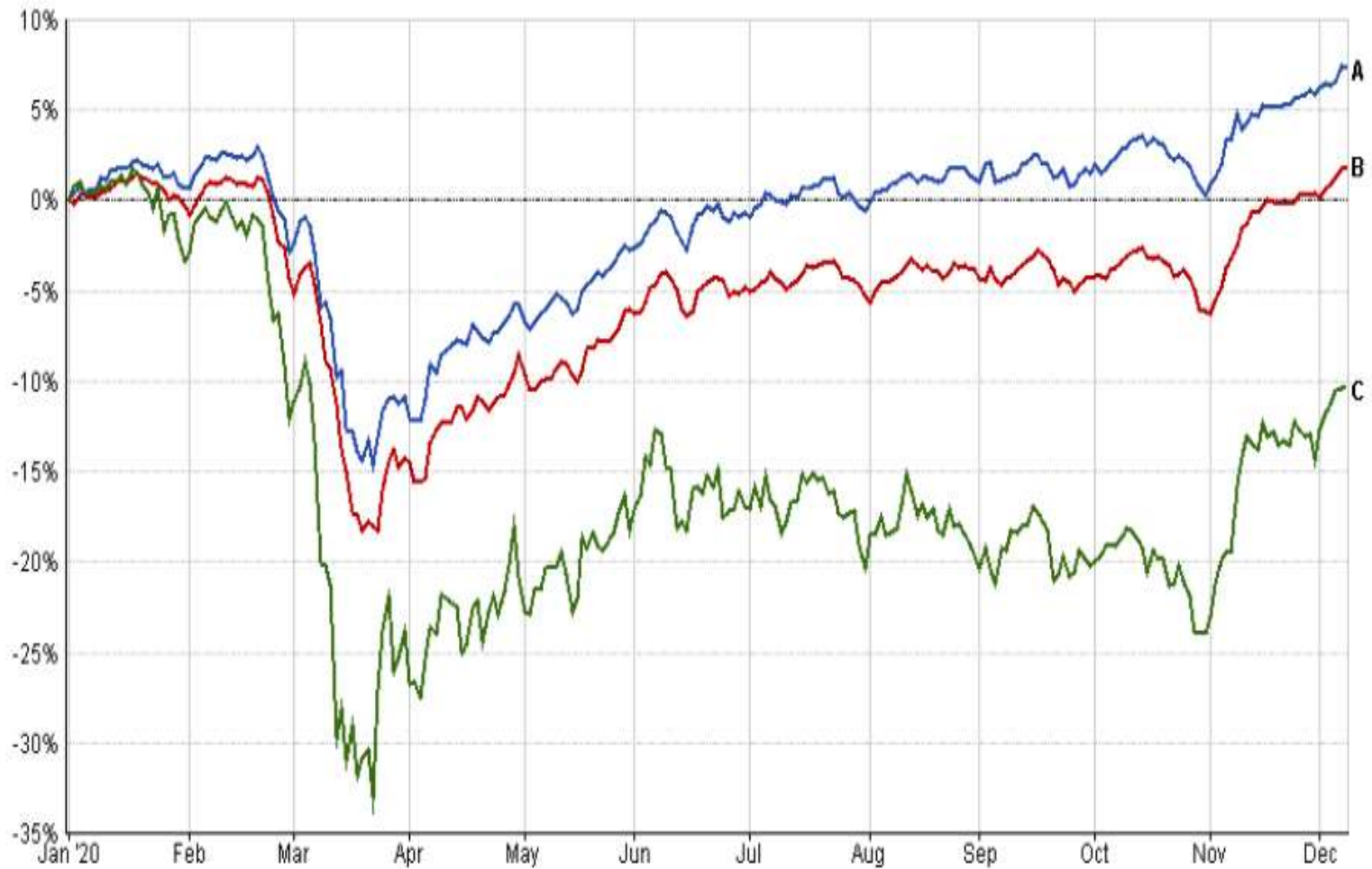


On the next page is a graph now showing the average portfolio performance over the year versus the industry average for an invested portfolio; you will see that this has been relatively pleasing.

Please note that where we use the FTSE 100 as a comparison, it is simply because it is a familiar index that is often in the news and to be honest there is little resemblance to any of our client portfolios which, as we continue to remind clients, need to be diverse in the assets that they hold and are thus protected from a thin market position which would increase risk.



Pricing Spread: Bid-Bid • Data Frequency: Daily



- A - Blended HFC 01/08/2019 GTR in GB [7.28%]
- B - ABI Mixed Investment 40-85% Shares GTR in GB [1.86%]
- C - FTSE 100 TR in GB [-10.34%]

31/12/2019 - 08/12/2020 Data from FE fundinfo2020

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Our average of average portfolio (we blend our portfolios to get an average outcome - your own individual portfolio can be measured on line using the valuation web site) has grown by around 7% versus;

- Under 2% for the industry average and
- A negative position of over 10% for the FTSE 1000.

Thus, we are pleased, given the challenges, that our positioning has been to the benefit of all invested.



Valuations Web Site



You will of course know that we have spent a lot of this year, building our new client valuation and messaging site.

This is available for you to log on at any time, please do contact your adviser about this as we can have the site represent your overall net worth and can also help you to navigate it for time periods etc so you can see what has been going on with your investments.



Investment Solution Changes

Some of you may recall that I have spoken during this year, of a project where we are seeking to rationalise the investment proposition for clients and look at driving some cost savings into portfolios.

This has so far been undertaken when and where windows of opportunity have arisen. And, what I mean here is that we can only undertake this action of rearranging investments, when markets have some stability within them.

It is not prudent for us to try to move money when markets are volatile in order to save let's say half of one percent per annum, and whilst out of the markets during the re-arrangement, miss days of growth.



Sometimes, a re-arrangement can take a week which is the amount of time normally necessary to reorganise the investments.

Sometimes the re-organisation or re-arrangement, is much more structural and can take up to 3 weeks and so, we have been waiting for stability to return to the market to ensure that we do not miss any positive days.



Roll-On 2021



In 2021, assuming that we are all able to return to work with some normality, we will contact each client where such a rearrangement is sensible. This I surmise will depend upon the success of the vaccine and the management of the numbers in hospital etc.

For the time being and with regard to a review as to the suitability of your investment products and their ongoing fit to your circumstances, please can I encourage you to make sure that you maintain regular contact with your advisor.

You'll be aware that our advisors are always alive as to markets and their behaviour, but we must maintain strong two way dialogue with regard to ensuring that your investment solution and your financial planning continue to meet your aspirations.



Christmas Cards



None of us will be sad to see the end of 2020. Some people have had an extremely difficult year. All of us are blessed regarding our personal circumstance and no doubt the same is true of a lot of our clients.

Hopefully then, you will understand that this year we have decided not to send Christmas cards but have instead donated to a local charity in Salisbury which is giving every single penny raised to purchase toys for children who otherwise would have nothing to open on Christmas day.

Here is the link, worth a browse.

<https://www.justgiving.com/crowdfunding/salisburytoyappeal>



Office Opening Hours



With regard to our formal office hours, although these have been somewhat altered around these strange times, we will be closing on December the 18th and will return to work on the 5th of January.

As usual, during our short period of closure over Christmas, all of our advisors will monitor the email and in the event that a phone call is un-answered, please be assured that our systems email your voicemail directly to the advisor if you have dialled their direct dial number or, if you have dialled the general office number that voicemail will land with Ian who will then either deal with the message or pass it on the relevant adviser.

The contact details for your advisors are laid out on the contact page.



My Personal Thanks



My thanks to each client for their forbearance during this incredibly difficult year and hopefully 2021 will see us able to emerge from our houses refreshed renewed and hopeful for a much more buoyant year.

Our best wishes are passed for the season to you and to all your families.



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