

## September 2020 quarter end review update

The table below sets out the opening and closing values of the FTSE All Share Index for the first three quarters of 2020, as well as the high and low points over each period.

Quarter	Open	Close	High	Low	Return year to date
January – March	4196	3107	4257	2727	-25.95%
April - June	3107	3410	3589	2958	-18.73%
July - September	3410	3282	3494	3240	-21.78%

The quarter ending September shows a loss of 3.75% which is predominantly down to the increased number of Covid 19 cases, not only in the UK, but globally. This has prompted renewed concerns about greater restrictions placed on consumers and businesses alike, which has economic consequences particularly so for the UK which is also negotiating a trade agreement with the EU.

Businesses and governments around the world continue to take on debt as a means of managing their way through the current environment as economic activity continues to improve. However, it is not going to be a straight line, because of the restrictions that businesses are having to operate within. In addition, the level of government support for both the employed and self-employed is changing and this will require businesses to reassess their head count in relation to their affordability.

Businesses are recognising that they need to change their business model, where necessary, in order to both survive and, over time, grow. As an example, the car industry was a few years ago embroiled in emissions scandals and other controversies whereas, now, they all have an electric car offering from BMW to Porsche. What the pandemic has done, is to fast track planned developments for businesses, which were to be rolled out during the next decade over a far shorter time frame.

The current investment environment remains susceptible to factors which aren't driven purely by economics, such as the US presidential election, trade negotiations with the EU as well as China and the governmental responses to the pandemic. As a direct result, our asset allocation remains unchanged.

Underweight	Neutral	Overweight
Index-linked Gilts: UK, US	Index-linked Gilts: Global High Yield Bonds (for income)	
Investment-Grade Bonds	Equities: China, Far East, Emerging Markets, Japan	Equities (large cap): Europe, Asia ex China
Equities (large cap): US	Equities (small cap): UK, US, Europe Equities (large cap): UK	Specialist Equities: e.g. Infrastructure, Agriculture
Property	Commodities	
Gold		

A number of the UK commercial property funds have recently re-opened and so we will be contacting you with our recommendations in the coming weeks.

The office continues to remain open, albeit with reduced staff numbers on site with others working remotely. To all our clients, keep well and keep safe.



1<sup>st</sup> October 2020