

Client Update #3 *Peaks and Troughs*

1st May, 2020

Since my last Client Update #2 on 1st April our lives have not changed much with our '*Stay at Home, Protect the NHS, Save Lives*' message being engrained in everyone's mind for the rest of our lives. Yesterday saw the 100th Birthday of Captain Tom Moore who has now raised over £31m for the NHS. A beacon of hope in the sunniest April ever recorded in climatological terms. Yet one of the most challenging in modern history in all our lives.

Investment Strategies - Holding on Through Thick and Thin

Last month I promised not to show or use any graphs as we have all seen enough of them over the last three months. I make the same promise again and will stick with that, but it is important to refer to some facts and figures to put the last two months in to some context.

On the 2nd February the FTSE100 Index (the one always referred to by newsreaders) was at 7,362 points. On the 1st March 6,454 points (-9.16% from 2nd Feb). On 22nd March it was at 4,994 points (-31.84% from 2nd Feb). On the 1st April it was 5,480 (-25.20% from 2nd Feb). At opening today 1st May it started at 5,901 (-19.45% from 2nd Feb).

All these figures are of course negative, and hence coloured Red.

However, from the bottom of the market on 22nd March (at 4,994 points) to close of business on 30th April (at 5,901 points) the **FTSE100 has increased by 18.17%**. That is a **positive** turn around from the lowest point of what may have the bottom of the trough of this 'Pandemic'.

That said, you will not find many (if any) economic experts suggesting, (from an economic and investment point of view), we are out of the woods at the moment. Far from it, I have to say I believe there will be more volatility ahead for sure.

Should you change your strategy at this time? No, not unless your circumstances have changed significantly from our last review or known to us. Long term investment is intended to be exactly that. To ride out the peaks and troughs. Never to blow a trumpet too loudly when things are going very well, nor be too depressed when things don't go quite so well.

It is true that new investors since 2020, have had a disappointing first experience, but time has always repaired all previous sharp/shock losses. However, as referred to in our last **Client Update #2**, we have also painfully learned what a real heart-breaking outcome is, and I hope none of you or your family have been affected by this virus.

Also, as previously communicated in our **Client Update #1**, almost none of our clients will have a portfolio 100% exposed to the FTSE100 Index or any other similar index. Hence, without exception for all clients I have spoken to over the past 8 weeks, and those we provided valuations for, or completed telephone reviews for, none have experienced anything like the negative 30% returns from peak to bottom of this trough, which the FTSE100 suffered at its lowest point.

On the Wealth side of life, the message remains, “Don’t panic, stay calm and carry on” in 99% of client cases. Please refer to our website for the latest Newsletters and other Guidance notes’

The Changed World – the good outcomes from the bad experience

Many people have stated that this experience will ‘Change the World’, or at least change enough of the World that it really will make a difference to the way we prioritise the different aspects of our lives. I hope this is true, and even before this nightmare started, there was a growing move towards ESG Funds. ESG stands for Environmental, Social and Governance. ESG is an all-encompassing abbreviation for what we all know as ‘**Ethical funds**’ or more ‘World/environment friendly’ investment focus.

ESG Investing

Over the last 4/5 months my co-director Paul Williamson has been actively researching the ESG fund market for our Practice and how we can blend this into our current Investment solutions. Until recently Ethical funds were seen as investments only used by a small minority. However, during more recent years, we have all become more aware and more conscious of the environment and the damage being caused some businesses and industries. Hence, these funds have now become more mainstream and many more fund managers are building ESG factors into their mandate. We can advise if this interests you.

Client Support – new communications in the new normal World after Coronavirus.

During this Pandemic, many new working methods have been learned by us and it has highlighted the good and bad companies to deal with. Video calls have become the norm with the majority of clients. Nobody knows how long this situation will last so we are working to position ourselves to be able to advise you as best we can with the technology and tools available to us.

This will include building stronger and closer links with the most efficient and reliable providers and systems available in the UK. This doesn't need long journeys to meetings, nor the volume of paper previously used. Going forward we will be making significant changes for the benefit of all of our clients.

Valuations and Reviews

If you would like to have a valuation sooner than your next scheduled review appointment (which will be via telephone or video-call), please contact our office by telephone on our usual number **01792 720200**, or message our office mobile on **07776 688671** which is looked after by our Practice Manager Gina Manton, or call your normal adviser on their mobiles:

Our staff remain working efficiently from home, and are as normal between 9am-5pm to answer your questions, provide valuations and hopefully reassure you. Advisers are always 'open for contact' using their mobile phones whenever possible.

Last but not least, for our elderly clients, especially those living alone, we are also here for you even if you just need a chat. We are paid by you to provide a service. Don't ever hesitate to contact us. **Stay at home. Stay safe. Help the NHS to save lives.**

Jon Francis

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