



INVESTMENT HORSE RACES



I do hope everybody is keeping well. Let's have a look and see how the various runners have performed in the last four weeks.

The figures for this month show Merian UK Mid Cap still out in front but the European runners, all in a huddle, are starting to edge ahead of the US. The really interesting runner is the Baillie Gifford Emerging Markets. Why is this fund doing so much better than the similarly named Stewart Investors Emerging Markets fund? What's in a name? Well, in this case a lot as the two funds are positioned very differently - the manager of the Baillie Gifford Fund has 40% invested in China where the market has been bounding ahead. The Stewart Investors fund, on the other hand, have only 6% in China and 27% in the Indian market which is not faring so well. It pays to know what is going on under the saddle!

The UK National – The runners

| The Funds | Sector | The starting value | Value at 23 July 2020 |
|------------------------------|---------|--------------------|-----------------------|
| Artemis Income | Income | £5,000 | £6,494.55 |
| LionTrust Special Situations | Growth | £5,000 | £6,463.54 |
| Merian UK Mid Cap | Mid cap | £5,000 | £7,558.46 |
| BMO Responsible UK Income | Ethical | £5,000 | £6,178.20 |
| HSBC FTSE All Share | Tracker | £5,000 | £6,339.81 |
| Total value | | £25,000 | £33,034.56 |

The US Derby – the runners

| The Funds | Sector | The starting value | Value at 23 July 2020 |
|---------------------------------------|---------|--------------------|-----------------------|
| J P Morgan US Equity Income | Income | £5,000 | £6,271.13 |
| Franklin US Opportunities | Growth | £5,000 | £7,221.73 |
| Schroder US Mid Cap | Mid cap | £5,000 | £6,778.98 |
| Fundsmith Sustainable Equity -62% USA | Ethical | £5,000 | £6,298.25 |
| HSBC American Index | Tracker | £5,000 | £6,693.95 |
| Total value | | £25,000 | £33,264.04 |

The European Stakes – the runners

| The Funds | Sector | The starting value | Value at 23 July 2020 |
|----------------------------------|---------|--------------------|-----------------------|
| ASI European income | Income | £5,000 | £6,646.55 |
| Fidelity European | Growth | £5,000 | £6,824.97 |
| Baring European Select | Mid cap | £5,000 | £6,869.36 |
| Liontrust Sustainable Europe | Ethical | £5,000 | £6,858.17 |
| HSBC FTSE Developed Europe Index | Tracker | £5,000 | £6,736.40 |
| Total value | | £25,000 | £33,935.45 |

The Rest of the World Championship – the runners

| The Funds | Sector | The starting value | Value at 23 July 2020 |
|---|---------------------------|--------------------|-----------------------|
| Legg Mason Japan | Japan - Growth | £5,000 | £6,700.77 |
| HSBC Japan Index | Japan Tracker | £5,000 | £5,792.79 |
| Fidelity Asia | Asia - Growth | £5,000 | £6,476.91 |
| L&G Pacific Index | Asia - Tracker | £5,000 | £6,712.69 |
| Fidelity India | India - Growth | £5,000 | £6,655.70 |
| First State Greater China Growth | China - Growth | £5,000 | £6,505.22 |
| Baillie Gifford Emerging Markets | Emerging markets - Growth | £5,000 | £7,054.81 |
| Stewart Investors Emerging Markets Sustainability | Ethical | £5,000 | £6,071.03 |
| L & G Emerging Markets Index | Emerging Markets Tracker | £5,000 | £6,455.97 |
| Total value | | £45,000 | £58,425.89 |



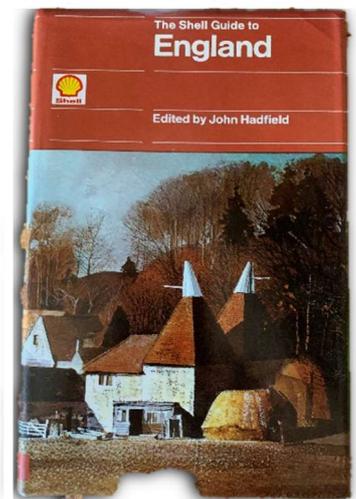
WHERE ARE WE GOING?

This month we are off to the South East, not very far to travel if you are a client living in or around London. It may be an area you have seen more of recently because of the pandemic.

The region encompasses the areas of Milton Keynes, Oxfordshire, Buckinghamshire, Surrey, Berkshire, Hampshire, the Isle of Wight, Sussex, Kent, and Thames Gateway.

WHAT DOES OUR GUIDE BOOK SAY ABOUT THE REGION ?

This is an area full of places to visit whether for the day or as part of a longer holiday. For a seaside break there is Bournemouth, Bexhill On Sea, Margate, Brighton and the many resorts on the Isle of Wight. The short ferry crossing from Southampton makes the trip to the Island, somehow very special, cheaper if you go as a foot passenger! Those with a love of gardens can visit RHS gardens at Wisley or the Botanical Gardens of Kew. The Castles and stately homes are legion; Windsor Castle, Blenheim Palace, Clivedon, Leeds and the devotees of Downton Abbey can bask in the splendour of Highcleare or visit a little known Oxfordshire village of Bampton where many of the 'outdoor' scenes of Downton were filmed. There are lots of activities for the children or grandchildren but most, children and adults alike, will not pass up the treat of a visit to Legoland.



Now that we know something about the place, we will see what the guide book says about the economy in the region today.

Economy

The South East is a large size region with a population of approximately 9.1m that accounts for 13.7% of the national total. The region is a fast growing and very prosperous area with the second largest regional economy in the UK, after London. The South East has a more varied economy than many other regions, The South East has a heavy concentration of internationally-significant engineering businesses, with a large number of aerospace and defence companies throughout the territory. The space industry is well developed and strong in the region, and there is a high propensity among businesses in the region to export.

The region is home to 17 universities The University of Oxford, in particular, is ranked first worldwide in the 2019-2020 Times Higher Education (THE) World University Rankings and it is world-famous for ground-breaking research and innovation excellence. Oxford has the country's largest volume of world-leading research and, according to the 2014 Research Excellence Framework, it ranked first in 12 subjects for their volume of world-leading research, covering all four of the University's academic divisions – medical sciences, mathematical, physical and life sciences, social sciences and the humanities. The Royal Holloway University, University of Southampton, and University of Surrey, all located in the region, are among the 14 universities recognised by the Government as Academic Centres of Excellence in cyber security research.



The region hosts a number of widely renowned science parks. The Kent Science Park is central to the UK life science sector especially, and it constitutes also a national centre of excellence and a developing cluster for R&D, environmental technology, food security, high-tech engineering, ICT and knowledge-based service industries. The Discovery Park, located in Kent, has track record for drug discovery and ground-breaking research and development from the search for new antibiotics to pioneering research across the life sciences.

The region is one of the fastest growing regions in the UK, both in terms of population and economy, it is the fourth biggest exporting region in the UK . The south of the region is densely populated and economically dynamic, as it is heavily influenced by proximity to London and has one of the lowest unemployment rates in the country. The region has a strong research heritage, with world-class research facilities and skills at the University of Cambridge and elsewhere that have led many multinational corporations and technology-based start-ups to locate in the area.

SPY GLASS ON TWO COMPANIES

CLINIGEN situated in Weybridge in Surrey



I chose this company for two specific reasons: first, it is a global pharmaceutical company with a mission statement to improve the quality of people's lives and to bring the right medicine to the right people and the right time. They operate in all three areas, clinical trials, unlicensed and licensed medicines. At the time of the coronavirus it seemed appropriate to highlight a company working to find solutions to many medical issues. The second reason for my choice, is

that this is an AIM company. Sometimes I discuss the use of AIM companies with my clients who are interested in putting together a portfolio of AIM shares in an attempt to reduce the ultimate IHT payable on their estates. The question I am always asked relates to the level of risk involved in such a company. Clinigen listed on the AIM exchange in 2012 and appears to have been one of the AIM companies which has been very successful. In the year that it listed there were 101 employees and the company won the Best Newcomer award at the London Stock Exchange Awards. Today the firm operates worldwide and employs over 1,200 people. The number of employees is not necessarily an indication of success but reading the companies resume to date the Directors seem to have known which stones to turn and a number of managers of small cap funds are currently investing in this business

The other company which caught my eye when reviewing the shares within some small and mid-cap funds, was The Vistry Partnership.

The Vistry Partnership which its head office in West Malling in Kent. The name the Vistry Partnership was formed recently in 2020 when Bovis Homes brought into the group Linden Homes and Galliford Try Partnership. As we all know there is a huge need for affordable housing in the UK at the present time. Vistry Partnership is the arm of the business involved in regeneration projects and working with local authorities and Housing associations to build affordable housing. Currently they have 100 live schemes under constructions across the UJK and it appears that they have not been too badly affected by lock-down with thirty one out of thirty five sites up and running and the company confirms that the order book stands at £827m. As with all industries, Building Companies may be hit hard by the fall out from Covid19 but companies, such as this which are providing affordable housing should continue to thrive.





Five quick finance questions

| |
|---|
| 1. In what circumstances may your Executors not be entitled to claim the Residential Nil Rate Band even if you are leaving your property to your daughter |
| 2. What is the ISA allowance for a 16 year old |
| 3. John took out a life assurance policy but on his death his Executors had to pay IHT because of this plan, why was this? |
| 4. Does a self employed person taking out a personal pension automatically receive 40% tax relief on the contribution |
| 5. Does a 21 year employee have to be automatically enrolled into their workplace pension |

NEXT TIME: next time we will catch up on the performance of our competing funds in the various horse races, visit another area of the UK, set you a new quiz and give you the answers to the last one. In the meantime, we hope you all stay safe and well.

Carole Nicholls

July 2020

| | |
|-------------------------------------|--|
| Answers to quiz – Bulletin 5 | 1 If you had a low income and was not using up your personal allowance and your husband or wife was a basic rate taxpayer. He or she would get a bigger tax-free allowance and you would be none the worse financially |
| | 2 The Great Depression lasted for approximately 11 years |
| | 3 Yes, there is an additional allowance for small gifts |
| | 4 Up to the limit of the personal allowance currently £12,500 |
| | 5 If you lose money in a Peer to Peer lending scheme, there is no safety net, the Financial Services compensation scheme does not apply |