



BULLETIN No. 7

INVESTMENT HORSE RACES



I do hope everybody is keeping well.

August is often a quiet month in markets, usually because everyone is on holiday. This year, even with Covid, the pattern seems much the same with three main markets showing very little change.

It is a similar pattern for our individual runners, Merian is still in the lead, with Legg Mason Japan making great strides since last month and Baillie Gifford maintaining the lead in emerging markets. As we go into the Autumn (and the last leg of our race) it will be interesting to see how it all pans out.

The UK National – The runners

The Funds	Sector	The starting value	Value at 25 August 2020
Artemis Income	Income	£5,000	£6,568.98
LionTrust Special Situations	Growth	£5,000	£6,629.91
Merian UK Mid Cap	Mid cap	£5,000	£7,939.10
BMO Responsible UK Income	Ethical	£5,000	£6,151.20
HSBC FTSE All Share	Tracker	£5,000	£6,282.47
Total value		£25,000	£33,571.66

The US Derby – the runners

The Funds	Sector	The starting value	Value at 25 August 2020
J P Morgan US Equity Income	Income	£5,000	£6,180.34
Franklin US Opportunities	Growth	£5,000	£7,275.44
Schroder US Mid Cap	Mid cap	£5,000	£6,761.01
Fundsmith Sustainable Equity -62% USA	Ethical	£5,000	£6,225.44
HSBC American Index	Tracker	£5,000	£6,734.40
Total value		£25,000	£33,176.63

The European Stakes – the runners

The Funds	Sector	The starting value	Value at 25 August 2020
ASI European income	Income	£5,000	£6,472.19
Fidelity European	Growth	£5,000	£6,686.23
Baring European Select	Mid cap	£5,000	£6,850.70
Liontrust Sustainable Europe	Ethical	£5,000	£6,716.24
HSBC FTSE Developed Europe Index	Tracker	£5,000	£6,591.02
Total value		£25,000	£33,316.38

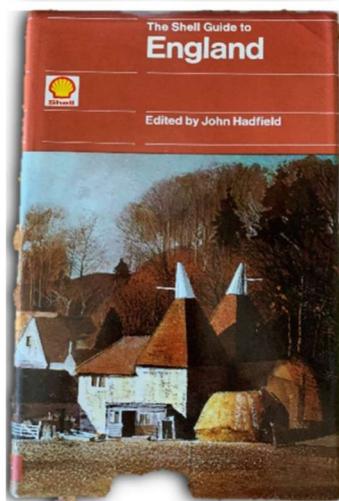
The Rest of the World Championship – the runners

The Funds	Sector	The starting value	Value at 25 August 2020
Legg Mason Japan	Japan - Growth	£5,000	£7,268.53
HSBC Japan Index	Japan Tracker	£5,000	£5,833.33
Fidelity Asia	Asia - Growth	£5,000	£6,524.68
L&G Pacific Index	Asia - Tracker	£5,000	£6,712.69.
Fidelity India	India - Growth	£5,000	£6,699.56
First State Greater China Growth	China - Growth	£5,000	£6,529.07
Baillie Gifford Emerging Markets	Emerging markets - Growth	£5,000	£7,125.72
Stewart Investors Emerging Markets Sustainability	Ethical	£5,000	£6,073.62
L & G Emerging Markets Index	Emerging Markets Tracker	£5,000	£6,346.75
Total value		£45,000	£59,113.95



WHERE ARE WE GOING?

Last month we were exploring the South East so it makes perfect sense to spend a long dreary time commuting slowly down the M25 into London itself. Like Dick Wittington we are going to London to have a look at the sights. Some would say that London should be at the start or finish of our trip, but to my mind it fits well at this point in our route because despite the view of many politicians, London is neither the beginning or the end of all things, certainly not in my 'round England Trip'.



WHAT DOES OUR GUIDE BOOK SAY ABOUT THE REGION?

For the overseas or local visitor, the three requisites for an enjoyable visit to London are: a good guide book, a good pair of walking shoes and knowledge of the whereabouts of excellent 'watering holes'. You can then set out to visit the amazing exhibits in the V & A, Natural History and Science Museums in Exhibition Road, view artistic masterpieces in the Royal Academy, The National Gallery, National Portrait Gallery and the artefacts and spoils in the British Museum, spend an evening at the theatre, opera or ballet and when culture becomes too much for you, there is retail therapy available in Knightsbridge, Oxford Street, Borough Market, Camden Market, the choice and diversity goes on and on.

The Economy

Tourism itself is vital to the London economy but as the wealthiest region in the UK there is much more to learn about the London region or 'Greater London' which includes the city of London, 32 borough councils and the south east and east of England region. Greater London is the most densely populated and ethnically diverse region in the UK with over 300 languages spoken. In 2018, it had a population of 8.8m, which represents 13.4% of the UK's total population London has the largest GDP per capita of all the regions in the UK.

It is one of the world's largest financial centres, a centre of international trade and is home to the head offices of most of the UK's top companies and more than 100 of Europe's 500 largest companies. A very substantial



part of London's economy provides services to its residents, such as healthcare, schools, or consumer services, as well as shopping and leisure activities. These services account for about half of the jobs in London and play a crucial role in the city's economy. London has the highest concentration of universities and higher education institutes in the UK and Europe, among them the University of London and its 20 constituent colleges. Imperial College and King's College London were ranked 10th and 15th internationally, and third and fourth in the UK, respectively, in the 2019-2020 Times Higher Education World university rankings. King's College London was ranked 36th internationally and 7th in the UK. These universities have particular strengths in science, technology, engineering and medicine.

SPY GLASS ON TWO COMPANIES

As I have mentioned above, in and around London you will find the head offices of most FTS100 and FTSE250 companies, so I have been faced with a dilemma upon which companies should I focus my gaze. In the end I decided that most of you would know something about the real 'biggies' and so they should be ignored in fav our of two smaller companies. I decided on two FTSE250 companies which feature in a number of smaller companies funds held by our clients.

SAVILLS

My first choice is Saville's the estate agents. I know that over the years many of my clients have dealt with them as advisers on the sale or purchase of land or property, so I thought it was time to have a look at them in more depth. It fascinated me to learn a little more about how a firm of estate agents had managed to survive since 1855 and now be rated as a FTSE 250 company. Over those years many estate agents have come and gone, mostly because it is a volatile business and few can survive the economic downturns. It appears that Saville's were different because they were quick to spot an opportunity to expand. In 1855 Alfred Saville set up a business, Saville and Son (there were three sons: Alfred, Edwin and Norman) at 27 Rood Lane, EC3.

It appears that Alfred Saville was successful because he specialised in advising on agricultural land and property and was soon appointed to act for some of the landed gentry in Sussex and Essex. Such was his success that by 1870 Alfred was able to move the business to rented accommodation at 3 St Helen's Place in the city. Although the first world war brought tragedy to many families it was a time of opportunity for the Saville family. They were appointed by the war office to assess the compensation for losses incurred to property by landlords in Essex and Sussex. Financial success meant that in the 1920s they were able to move to Lincoln Inn fields to operate close to the trustee lawyers who were bringing them business and 63 Lincoln Inn Fields remained their head office for many years.

In 1988 Savills became a limited company and were listed on the London Stock Exchange and by 2000 their value was such that they could move on to the FTSE250. Since 1855 this business has moved from strength to strength and now Savills have 600 offices in USA, Europe, Asia Pacific, Africa and the Middle East. Those of our clients owning units in Merian Small Cap fund will hold these shares in their portfolio.



Youngs & Co Brewery

Continuing my theme of food and drink, the other company I have selected to spy on is a true London original; the Youngs and Co Brewery. Established in 1831, the year that Charles Darwin set sail aboard HMS Beagle, Charles Young and his partner Anthony Fothergill Bainbridge, took over the Ram Brewery and five pubs and the business was on its way, today there are over 200 pubs and hotels. Some of those first pubs still form part of the company's fleet of pubs and hotels today. Sitting writing this in lockdown, I quite fancy a visit to the Boat House at Putney or a few nights away at the Bell Inn at Stow on the Wold, what a treat that would be.



The brewery has a long history and its success seems to rest on the ability of management to spot the needs of customer, for example they were one of the earliest brewers to set up their own bottling factory when they realised there was an increasing demand for bottled beers. We can only hope that they are currently sufficiently resilient to weather the effects of Covid. If you have a holding in Invesco income growth investment trust some of your investment will be in shares of Youngs and Co. Before leaving the company, I must direct you to their website and the picture of the drays delivering the beer. Apparently in 1870 they had a fleet of 27 drays pulled mostly by black shires – what a sight that must have been.



Five quick finance questions

1. Why is NS&I income bond such a good haven for a large cash balance to which you may need access?
2. Jane's assets, including her property are worth £285,000, what size gift can she make to her daughter without incurring IGT?
3. At what age will someone born in 1967 receive their state pension?
4. Can you still buy new NS&I index linked certificates?
5. Is attendance allowance tax free?

NEXT TIME: next time we will catch up on the performance of our competing funds in the various horse raises, 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

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Answers to quiz – Bulletin 6	1. If the value of the estate was in excess of £2m
	2. £29,000 - £20,000 into an ISA and £9,000 into a Junior ISA
	3. The reason was that he failed to write it in trust, so the value of the policy fell into the estate and pushed the total value of the assets above the limit for IHT purposes
	4. No, the Treasury will add 20% to the contribution and give back the additional 20% via the persons tax calculation
	5. No, the minimum age is 22, so membership will not commence automatically until age 22