

Whitechurch Securities

Award Winning Wealth Managers

Whitechurch
Securities Ltd
WEALTH MANAGERS

Beat It!



Welcome to the latest Whitechurch Weekly Update

It has been an eventful first six months of 2017, so it is timely to take stock and see how things have panned out, year to date, and see how our Prestige portfolios have performed so far this year.

The first half of the year continued where 2016 left off, with markets riding a wave of reflationary euphoria after President Trump's inauguration and pro-growth policies. However, this waned over the months as the President (and investors) realised how difficult it is to get radical policies past a more conservative Congress.

In Europe, political events continued to be at the forefront of investors' minds with the French Presidential race of greatest concern, but the surprise victory of Centrist Emmanuel Macron soothed investors' fears. Of course, in the UK the ubiquitous rumblings surrounding Brexit culminated in Theresa May calling a snap election to strengthen her hand but led to a misunderstanding of the zeitgeist, resulting in a hung parliament and casting further uncertainty over the domestic economy.

Finally, it was the Central Bankers who caused a 'mini taper-tantrum' in June. The US raised interest rates again, although this was widely anticipated. However, Mark Carney completed a volte-face and suggested that UK interest rates might rise this year. Mario Draghi comments about Eurozone's move to an inflationary outlook was taken by markets as a signal that monetary stimulus was coming to an end. The soundbites ensured that the six months ended on a downward note.

So, what has this all meant for markets?

Generally, markets seem to be telling us conflicting stories. On one hand, stocks have continued to climb on seemingly unabated investor optimism. On the other, bond yields have remained depressed, indicating investor pessimism over future growth and inflation. Which story is right?

Overall though it has been a good six months for investors, with most areas making positive returns and investors prepared to take on risk have been rewarded.

How have we fared?

We are pleased to say that the first half of this year has seen strong performance across the Whitechurch [Prestige Investment Management Service](#) portfolios, against their respective ARC benchmarks.

Some of our key asset allocation decisions are working well. For example, our long-held call to not invest directly into UK gilts has been a positive, as has our proclivity for corporate debt, whether investment grade or higher yielding bonds.

One area that has worked particularly well is where we hold bond funds that are favouring financial debt.

IA UK Gilts vs. IA £ Strategic Bond



30/12/2016 - 30/06/2017 Data from FE 2017

Within equity markets our bias towards European equities over US equities has worked well, aided by sterling strength vs the dollar and its weakness against the euro. However, the Eurozone economy is gradually showing signs of the recovery; corporate profits from Europe are looking very positive, whilst the political overhang is diminishing.

IA Europe EX UK vs. IA North America



30/12/2016 - 30/06/2017 Data from FE 2017

Our barbell approach to investing in equity markets has also been beneficial. This has provided much combined exposure to the bifurcated areas of equity markets, enabling us to participate when defensive, quality stocks are performing well but also during periods when value focused, cyclical stocks are in favour and driving markets upwards.

The overweight allocation towards the Asian Pacific and Emerging Market equities within our higher risk Prestige portfolios has also worked well. These markets have provided double-digit returns so far, outperforming their Developed Market counterparts and adding to our out-performance year-to-date.

Prestige Performance and Asset Allocation update

Our focus remains on generating attractive risk adjusted returns on a rolling three year period. In the majority of cases we are ahead of the Arc Private Client Indices respectively, with all of the Prestige portfolios delivering strong, positive risk adjusted returns over the medium to longer term.

You can view the latest performance figures and asset allocation positions for the Prestige portfolio range; and see where we have made any fundamental changes quarter on quarter.

Click on this link for our updated performance and asset allocation tables.

If you would like further information about our services, please contact our **Business Development Team** at dfm@whitechurch.co.uk or call 0117 916 6175.



Contact Us



Website



In The Press

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