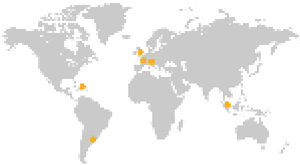

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Touchbutton

No: 77, June 2020

Onwards

It is very clear that in order to move forwards, we probably have little choice but to be prepared to open up certain aspects of our previous lives, for the benefit of both the country's mental health as well as the wellbeing of the economy.

We will know soon enough whether these first steps back to the new normal creates a second wave in infections, which would in all probability be a game changer. If one should be grateful for small mercies, we can be thankful that this pandemic started at the end of the winter, and not the beginning.

In world stock markets, an observer on a (very) remote desert island who only looked at prices once in a while and had no access to news, could be forgiven for assuming that 2020 had got off to the start that was largely predicted: that is to say, the US bull market led by the so called FAANG stocks continuing the charge, and the UK bringing up the rear – suffering no doubt from worries about Brexit and a lacklustre domestic economy, and no sign of the post-election Boris boom following through with any momentum.

Instead, investors have witnessed a quite extraordinary turnaround in markets following a short and sharp bear market in March, rescued by stimulus from central banks that makes 2008's efforts look like small change. For the time being at least, it has been wrong to attempt either to buck the trend or fight the upward momentum of markets.

"...investors have witnessed a quite extraordinary turnaround in markets following a short and sharp bear market in March..."

Only time will tell whether the tug of war between a deep, but possibly short, economic downturn and such easy money wins out in determining where markets go next.

To cope with this dilemma, we continue to position portfolios for both eventualities, as much as is possible. We remain neutrally committed to equity markets in order not to miss out, and remain happy supporting in particular both the US equity market and the dollar itself. The lower risk element of portfolios is represented by a variety of fixed interest assets, including inflation linked and credit, where managers believe there is exceptional value to be found.

We also hold liquid alternatives that can make modest headway even in falling markets; these various investments, plus some cash, will act as the stabilisers if we see a return to more unsettled conditions. It has been a comfort to have no exposure whatsoever to commercial property and other, more esoteric investments, many of which have suffered badly, and probably with little hope of an imminent recovery.

On the home front, our business has succeeded in functioning at full capacity throughout the lockdown period, and many of us are as busy as we would be at 23 King Street. We did not furlough any staff, because we did not need to, and we remain a profitable and growing company.

"...staff have kept up their good spirits and usual efficiency and speed of response in these challenging times."

Step by step, we are now making plans to return to whatever the new normal may look like. Some team members are starting to work back at our offices, but this remains voluntary and only really appropriate for those who live within walking, jogging or cycling distance (more of us than you might think!). We are proud to say that our staff have kept up their good spirits and usual efficiency and speed of response in these challenging times.

We will continue to keep you abreast of our thinking by way of written material, podcasts and soon, our first webinar. In the meantime, let us hope for better times, and the day when we can welcome you back in person to 23 King Street.

We remain here to help in any way that we can, and trust that you remain safe and well.

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