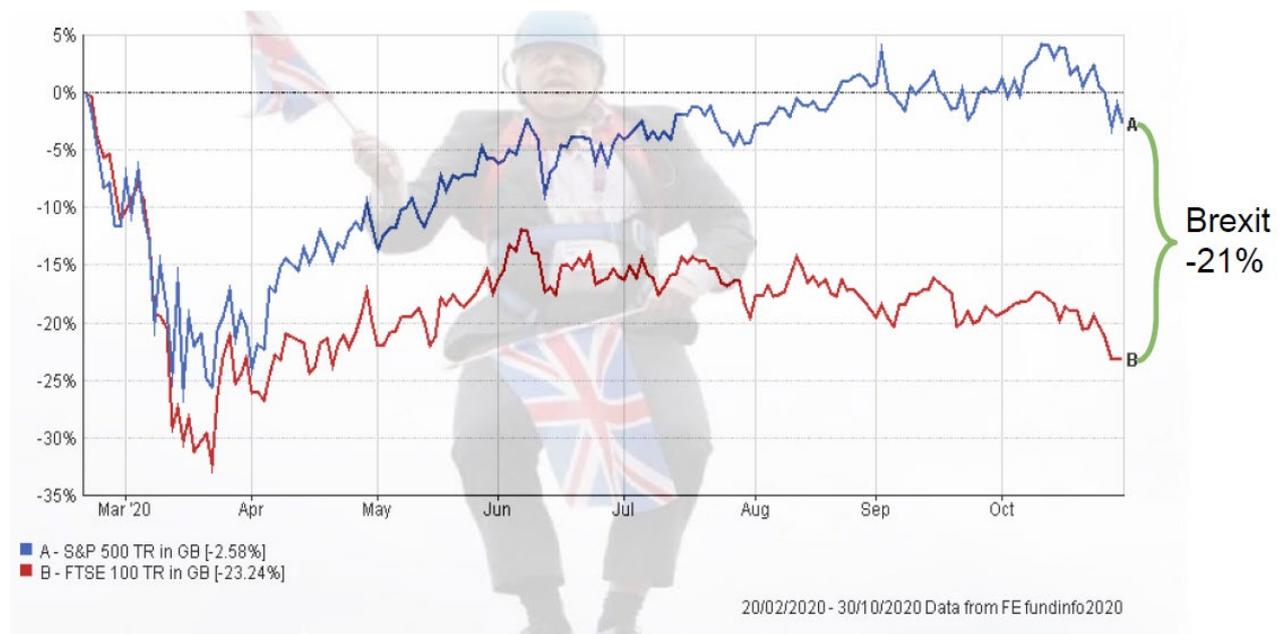


Markets

We recommend discretionary management over passive. The FTSE is a clear area where it has been best to be underweight since Brexit and we still have a 21% gap in UK vs US market performance to October 2020.



November has seen 11% growth in US markets at election and Covid vaccine sentiment has worked through. The FTSE, gained 12% in November narrowing the gap slightly, but the UK/EU trade deal still weighs on the markets.

Investment managers indicate markets will remain bullish. November market rises were largely due to a re-entry into value stocks (companies with cyclical businesses, more dependent on a strong economy, which remain cheap relative to the rest of the market) as growth stocks (companies with good cash flow and earnings that were largely insulated from the effects of Covid-19) remained steady.



Source: Bloomberg, Sanlam Investments UK

Inheritance financial planning and vulnerability

Discussing, planning and implementing Financial Advice at any age can be daunting for clients. We use plain English and encourage clients to have a friend or relative present at meetings, if they feel more comfortable or require a second set of ears.

The UK regulator set a framework for financial services to accurately assess that vulnerable clients are fairly treated, highlighting four key themes:

- recognising vulnerability and understanding clients' needs;
- valuing sympathy;
- having empowered and knowledgeable staff; and
- meeting vulnerable consumers' communication needs.

Ensuring family and/or beneficiaries know who we are and when they should contact us should be a key part of your succession planning. We will not only help them through very difficult times but also plan for their future to ensure they have the right information to make the best possible choices.

We recommend clients keep a contingency file containing data needed to allow a grieving spouse, partner or child to easily locate important documents, contacts and access codes, enabling a smooth transition. Consider how best to ensure details are easily accessible.

Think about legal issues surrounding accessing bank accounts, even online, using passwords belonging to another person.

Environmental (ESG) and Responsible (RIS) investing

ESG stands for Environmental, Social and Governance and is having a huge impact on investing and the wider corporate world. These three little letters represent a momentous shift in attitudes and business practices.

ENVIRONMENTAL AND SOCIAL MEGATRENDS PRESSURING THE GLOBAL ECONOMY



Sustainable funds have become more available and attracted record inflows in the first quarter of 2020 amid the market turmoil and some of these funds are outperforming the broader market for the year.

There is no one definition defining sustainable investing. Meanwhile, many 'normal' funds now incorporate ESG factors within their investment process. Integrating ESG considerations into the investment process helps protect and enhance long-term investment outcomes. In general terms, these issues are important for all portfolios managed by our preferred investment managers.

Investment managers are looking for



On the other side, what considerations could lead to particular companies being excluded from ESG portfolios?

AVOIDING ENVIRONMENTAL AND SOCIAL HARM

Companies on the wrong side of environmental and social trends are often subject to both disruption and operational risk. We believe avoiding these companies protects our clients from contributing to environmental and social harm while helping better preserve long-term capital.



WRONG SIDE OF DISRUPTION: FAST FASHION

- The fashion industry is one of the **largest contributors to environmental damage**, accounting for up to **10% of global greenhouse gas emissions**.
- A number of major companies are challenging the “take-make-dispose” model by reusing and reselling unwanted apparel. In fact, the athletic **shoe resale market** has been on the rise, with the market **estimated to be valued at \$2 billion in 2019 and \$6 billion by 2025**.
- Adidas and Nike have invested in **developing circular business models** to make their products **more sustainable**, with the first fully recyclable running shoe to be launched in 2021.



Whilst our ability to access these types of investments is more limited than for our regular portfolios, there are options available so please do let us know if you have an interest.

A look forward...

Please do contact AIMS if there is any subject you would like more information about.

We are planning further topics:

Trustees, jurisdictions and their relationships

Pension transfers

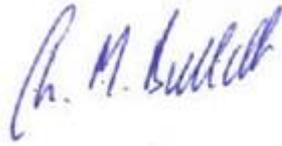
If you have any issues with pictures included, please let us know and we can send them to you separately.



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Pensions and
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