

Hello,

We are in exceptional times and we wanted to keep in touch on several things. Firstly, we hope you, your families and colleagues are well and staying safe during this challenging time.

### **AIMS**

In line with current guidance we have been working from home for some time. Whilst this means no face to face meetings, this doesn't change much for us and we continue to be available by phone, online or phone app to suit our clients needs.

AIMS is a financially sound company, built on a fee-based service model. As we do not rely on new sales to generate commissions, we can continue supporting our clients throughout these challenging times. Like most professional firms, AIMS have a disaster recovery program which is regularly reviewed. This has enabled us to continue operating more or less as normal.

Thailand has low reported virus numbers compared to a lot of countries and has a robust medical system. We are in lockdown with overnight curfew and reports suggest this is being reviewed with 1<sup>st</sup> May being the first viable date for some relaxation.

### **Markets**

If you are invested with us, you will already be well informed on portfolio performance.

SANLAM is a large UK investment manager and have produced a good summary of how regulated investment managers are looking at the current crisis in terms of portfolio selection. The World has a real balancing act between health and economy and individual countries are very differently affected by demographics, speed and form of reaction. Countries who were affected earlier are now showing signs of starting normalisation, again with many different methods.

## Why Corporate Survival Risk is Critical



Economies are shutting down on purpose to save lives



The duration of the shutdown is unknown



As revenue and cash dries up, debts still need to be paid



Governments promise to help businesses not shareholders



A vaccine may be 2 years away



But containment, and effective treatments are closer

## The Plan – Now is the Time for Patience



For long term investors this is a good entry point.

- Investing after significant falls reduces future investment risk
- Establish a base level of market exposure
- Stick to the plan



But it is still a risky backdrop for individual companies

- Diversify to avoid permanent capital loss
- Focus on resilient businesses
- Manage Survival risk (avoid financial leverage and operational leverage)
- Invest in businesses you are happy to hold long term



Be patient - investing is about long term compounding

- Markets are not guaranteed to go lower but prepare to add if they do
- Expect the recovery to manifest but to take time
- Certainty on the duration of economic shutdown allows more risk to be taken
- Look for signs that economies may be able to restart

**SPAM**

We have seen a couple of clients with an email headed FMG LETTER - INVESTMENT VALUATION. This is being generally circulated and not specifically to AIMS clients. This is spam and can be deleted. If you ever receive anything financially related that is not from us and are unsure about it, please feel free to check with us. Better safe than sorry.