EQUILIBRIUM IS CELEBRATING 21 YEARS OF FINANCIAL CONFIDENCE

equinox

half yearly investment magazine

Brexit: the effect on investors

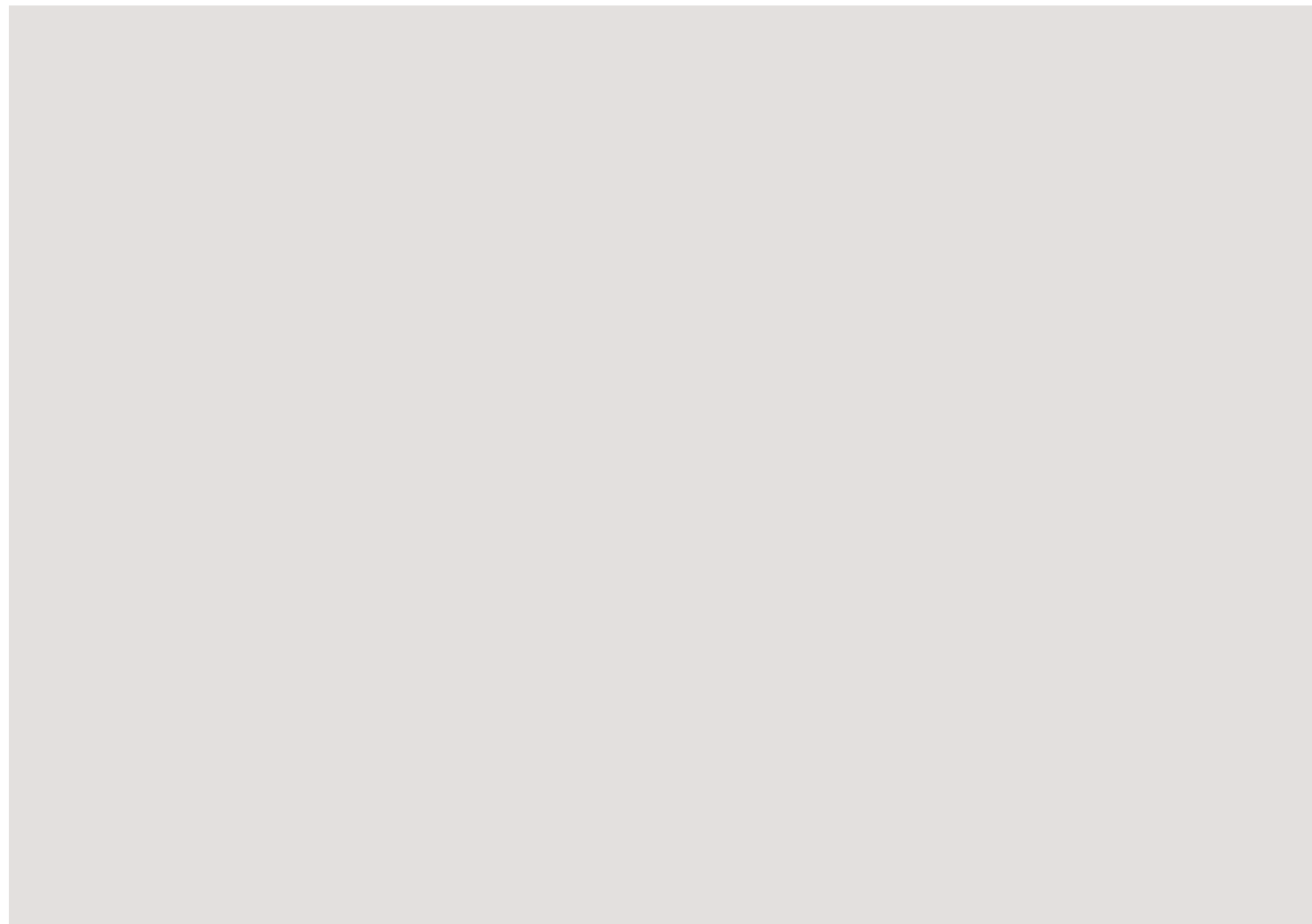
Talking stocks

Our 21st anniversary gift to charity

equilibrium
21 YEARS OF FINANCIAL CONFIDENCE

April 2016

PLUS: The 'new' residential nil rate band | Housing market keeps soaring | Celebrating 21 years



Welcome

2016 is a milestone year for Equilibrium and as we celebrate our 21st birthday, I want to say a huge thank you to all of our clients, whether you have joined us recently or have been with us for many years. I am proud to say that the first client that came on board in 1995 is still a happy one today - and no it's not my mother, although she is happy client too!

This year started with more 'uncertainty' than we would have liked and simply keeping portfolio values above water has been a challenge. However, it's in these turbulent times that you 'earn your stripes' and I am pleased with what we have managed to achieve.

Our approach is always to focus on the facts, not sentiment. We cut through the fear factor to position our portfolios accordingly. In the first few months of the year, we were able to take advantage of the good value that emerged through our 'volatility trades'. To find out more, make sure to have a read of Mike Deverell's investment commentary from page 30.

This edition would not be complete without taking a look at Europe. With arguably the most important referendum of our lifetime approaching, we ask a range of commentators for their views. I also recently shared my personal views with clients and if you email me I would be delighted to share them with you too.

I hope you enjoy the issue. As always, if you have any comments please get in touch at colin.lawson@eqllp.co.uk or on 0161 486 2250.

Colin Lawson
Managing Partner

Contents

Articles

04 Brexit: the effect on investors
08 The EU at a glance
09 What we are reading this month...
10 Talking stocks
12 In profile
14 Our 21st anniversary gift to charity
16 The 'new' residential nil rate band
18 Celebrating 21 years
22 Many happy returns
24 Housing market keeps soaring
26 It's all about the people
27 A gem of an idea

Investment commentary

28 Views from the frontline - China
30 Investment review

Portfolios

37 Sector performance & analysis

Statistics

39 Model portfolio returns
40 Sector portfolio returns
41 Market returns
42 Ideal funds

Contributors Colin Lawson, Debbie Jukes, Tim Cooper, Neal Foundly, Amanda Bailey, John Warburton, Mike Deverell

Editors Gaynor Rigby, Fiona Bousfield

Design Paul Davis

Print Paragon

Brexit: the effect on investors

The debate about whether Britain should leave the European Union rages on but how would it affect investors? We ask three top economists and an MP.

Ian Kernohan,

Economist,
Royal London Asset Management

London Mayor Boris Johnson and several cabinet ministers will campaign for so-called Brexit, but Prime Minister David Cameron retains the support of most of his ministers and the Labour opposition is also broadly for staying in the European Union.

The polls are on a knife-edge and opinion seems volatile, with many voters undecided. We assume that, as in the 2014 Scottish referendum, a majority of these undecided voters will opt for the status quo when faced with uncertainties about the alternative.

If we are wrong and Brexit becomes reality, the long-term impact would depend on the new relationship agreed between the UK and the EU. Even if the UK negotiates a good deal and retains many elements of the existing free trade relationship, this will not become apparent for some time, so uncertainty will increase initially. This would be a shock to the economy and GDP growth would fall below trend in the second half of 2016.

The UK is a relatively open economy and an attractive destination for foreign capital. This has been due in part to its membership of the EU, though other factors, such as legal transparency are also important. A Brexit would put pressure on the capital inflows that allow the UK to sustain a sizeable deficit and sterling would fall to offset this impact, at least until uncertainty is lifted.

The EU may be reluctant to strike a favourable trade deal with the UK. However, Britain is an important destination for EU exports, suggesting that a free trade deal on goods would be likely. The more problematic area is services, where the UK has a comparative advantage, especially in financial services. Some City firms have argued that the EU passport arrangements, which allow UK firms to operate freely across the EU, are too great an asset to relinquish. However, London's position as a major financial centre depends on more than just the UK's membership of the EU.

So there is no easy answer as to whether Brexit will help or hinder the UK economy over the long term. It would depend on the nature of our country's new relationships if we exited. Possible outcomes range from a situation where the UK retains its existing strong EU trading links and develops new ones, to one where radically altered trading relationships make the UK's options more limited.

The polls are on a knife-edge and opinion seems volatile, with many voters undecided

David Page,

Senior Economist,
AXA Investment Managers

At AXA, we assume that increasing support from UK business for remaining in the EU and a growing wariness of change will see the UK public vote against Brexit. We expect uncertainty about the UK's future to have a depressing effect on investment growth and foreign investment this year.

However, with polls still very close, there is a significant chance that the UK will leave the EU. If it does, this will impact us deeply across a broad range of areas including migrant workers, regulation, budget issues and foreign investment.

Two of the most common arguments for Brexit are that it would help the UK achieve trade agreements with faster-growing countries and shelter the UK from stifling regulation. But we think both arguments are questionable and the UK could be substantially worse off outside of the EU.

Although Brexit would leave the UK free to negotiate trade agreements with other countries, they may not prioritise such agreements. Even if they did, the terms might not be as favourable outside a large bloc like the EU. Moreover, the UK would have to work hard to replace EU free trade agreements with other economies. It would require a vast number of agreements and we question its capacity to negotiate such deals quickly.

Financial services are likely to face more restricted access to the EU after Brexit. Wholesale market access would likely depend on regulatory equivalence, reducing any hopes for a more independent regulatory regime. Even then, wholesale access would likely be more restrictive and retail access even more so.

The loss of EU passporting could reduce the attractiveness of UK financial services to foreign investors. Some financial services may repatriate to the EU, post Brexit.

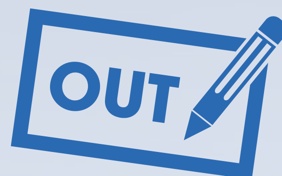
The overall impact on the UK economy of a decision to leave the EU is therefore highly uncertain and depends on the decisions taken after the vote.

Post Brexit, the most plausible analysis is that the UK's long-term growth outlook would be lower. We tentatively predict a loss of 2% to 7% of potential GDP and a marked decline in sterling. We would also expect equities to fall and sterling credit spreads to widen. So overall, it would have a significantly adverse impact.

Post Brexit we tentatively predict a loss of 2% to 7% of potential GDP and a marked decline in sterling

Graham Brady,

**Conservative MP,
Altrincham and Sale West**



Businesses like certainty but it is lazy to assume that staying in the EU would provide it. The EU is failing. It was insane to form the Eurozone for a single currency without recognising that it could only work with a full-blown political and fiscal union to underpin it.

The consequences have been mass unemployment, political instability and criminal levels of hardship inflicted on countries that should never have been allowed to join. Often, those who want to stay in the EU are the same people who would have inflicted the Euro on Britain too.

Our 43 years of EU membership proves that there is no status quo.

We thought we had joined a trade bloc, but it has morphed rapidly into a vast, costly and undemocratic political structure. To resolve the Eurozone crisis, that integration will have to accelerate.

The consequence will be European tax and spending policies that will never enjoy the support of the people. Add the failure to deal with mass migration and you have a heady cocktail of instability.

The founding principle of free movement across Europe cannot cope with the tens of millions of migrants determined to leave Africa and the Middle East for a better life. The choice we face is simple: take back control over our laws, borders and taxes, and forge a competitive future as a global trading nation; or allow ourselves to be mired in a failing and uncompetitive political project, locked in a cycle of decline. The only certainty comes with the freedom to control our affairs.

> We thought we had joined a trade bloc, but it has morphed rapidly into a vast, costly and undemocratic political structure

Peter Westaway,

**Chief Economist - Europe,
Vanguard Asset Management**

There are three potentially important effects of Brexit on Vanguard's clients - on costs of investing; on asset returns; and on employment and income prospects for UK firms and households.

Brexit would probably involve an increase in costs for UK-based asset management firms because they would lose access to the passporting arrangements that allow them to distribute funds to EU markets. This would likely compel these firms to set up additional or enhance existing offices in continental Europe. That would increase operating costs, which the firms would pass on to investors. However, the cost of investing in the UK could also fall due to a removal of EU regulatory costs. Therefore, the net effect of Brexit on investment costs is probably an increase but it is not clear-cut.

Speculation around Brexit has already increased market volatility, especially for sterling-denominated assets. Some studies have suggested that Brexit could cause an even larger depreciation in sterling than has occurred already, perhaps of 20%.

This might suggest that investors should avoid allocating to the UK. However, some of these effects are already priced in and if the UK did avoid Brexit, or if the initial market impact overshoots, then sterling assets might represent good value. In summary, Britain leaving would cause short-term disruption for investors, but it is less clear how significant this impact would be for a long-horizon investor holding a well-diversified global portfolio.

The third and probably most important dimension of Brexit is how it might affect the incomes of UK investors due to the impact on GDP. There are a range of estimates on this - some are positive but most are negative.

The reasons are that the terms of the UK's trade with the EU would likely deteriorate. Brexit might discourage foreign investors that, for example, want to establish a base in the single market. Potential restrictions on the number of EU citizens coming to work in this country, which has boosted GDP and fiscal revenues, might also impact negatively.

The positive case that Brexit could boost UK incomes assumes that trade with non-EU countries could increase. But arguably, such trading opportunities already exist within the EU.

Anti-EU campaigners also argue that the removal of excessive EU regulation might facilitate higher growth. But the UK is already one of the least regulated economies in the EU, and the UK government initiates many of the existing regulations.

The consensus view of economists suggests that EU membership is positive for the UK economy but there are considerable uncertainties, especially in the long-term.

So taking all these factors together, the evidence seems to show that EU membership benefits Vanguard's investors but this prognosis will be uncertain and affected by a wide range of influences.

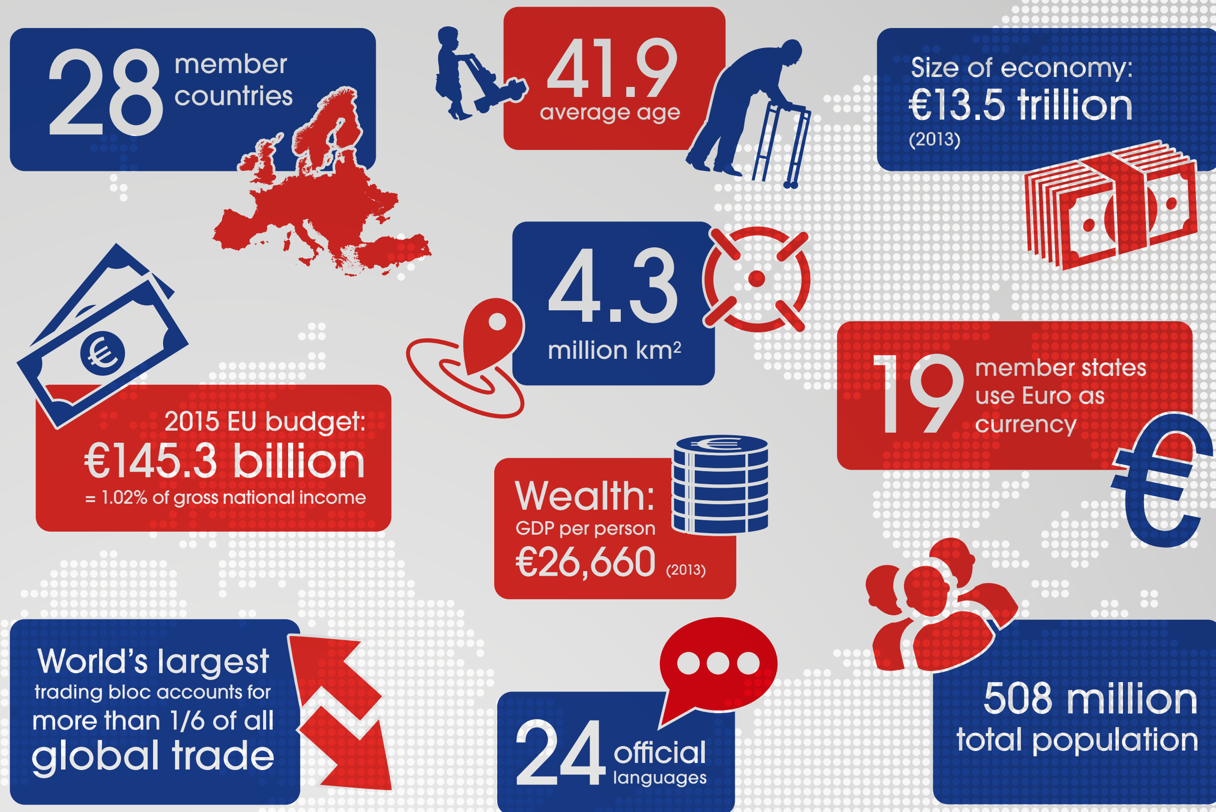
> Speculation around Brexit has already increased market volatility, especially for sterling-denominated assets

Read more online...

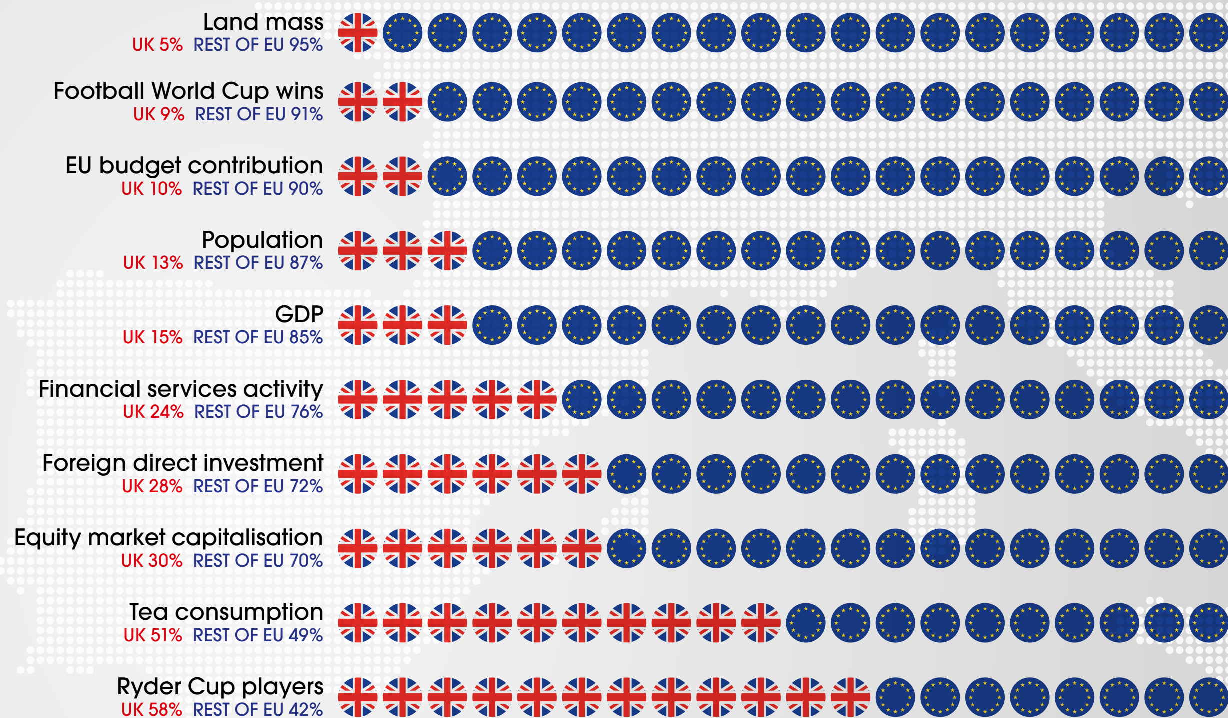
The Equilibrium investment team published a series of Brexit blogs. Go to www.eqllp.co.uk/blog and click on the 'EU referendum' category to find out more about our views and the results of our own Brin or Brexit survey.

The EU at a glance

Despite the political and economic partnership being formed over 60 years ago, how much do you really know about the European Union?



How does the UK compare with the rest of the EU?



Sources: Official website of the European Union – www.europa.eu. Blackrock Report – Brexit: Big Risk, Little Reward – The UK Referendum on Europe Feb 2016 (https://www.blackrock.com/institutions/en-us/literature/whitepaper/bii-brexit-2016.pdf)

What we are reading this month...

Colin Lawson, Managing Partner

The In/Out Question

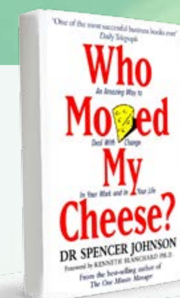
by Hugo Dixon

By the end of June we will all need to have finalised our views on Europe and tick a box for what is arguably the most important referendum in our lifetimes. For the previous edition of Equinox, I reviewed 'The Trouble with Europe' by Roger Bootle and this time it's 'The In/Out Question' by Hugo Dixon.

It's a short book with just 126 pages, yet it's packed with fascinating facts and figures. It does its best to cut through what is, for many people, an emotional issue. It certainly makes a compelling argument for the 'In' vote – and I would recommend it highly.

If you are considering voting 'Out' then I would encourage you to have a read. Equally, if you are thinking 'In' then I suggest reading Roger Bootle's. For those of you that are undecided, I suggest both!

So what's my personal conclusion? In short, I believe that it is in the economic interests of the UK to stay in. I believe that what we need in these uncertain times is continuity and so I am prepared to put up with the odd law that we may find frustrating or the odd rule that we might find bizarre (curvy cucumbers et al.) in exchange for the stability and benefits that staying in brings.



Fiona Bousfield, Marketing Communications Executive

Who Moved My Cheese?

by Dr Spencer Johnson

When joining the Equilibrium team, all new starters are given a selection of books to read - and this is one of them. Hailed as one of the leading 'life skills' books out there, and after reading another of Dr Spencer Johnson's bestselling blockbusters 'One Minute Manager', it was fair to say that I was looking forward to picking it up.

It's a very simple book and an easy read, taking just under an hour cover to cover. You follow the journey of two mice and two 'littlepeople' looking for their 'cheese', a metaphor for happiness and success.

The underlying premise is that the world changes and we have to change with it, otherwise we get left behind. It argues that in order to find your own 'cheese' you need to anticipate, accept and adapt to (and then enjoy) change.

Whilst the moral the book delivers may already be obvious to some, I found that it really made me take the time to think about how I react to change. So perhaps from now on when my 'cheese' is moved, I will remember the straightforward message from this book – to savour the adventure and enjoy the taste of new cheese!

Talking stocks

New plans to help manage stocks without emotional attachment could help boost returns and reduce risk.

By Colin Lawson

Some of our clients love to hold a small portion of their portfolios in direct holdings of UK equities. I often wonder why direct share ownership is so compelling.

When I meet with someone who has a self-managed portfolio of shares, I ask them a number of questions and the conversation usually goes something like this:

Q: 'Why do you hold direct shares?'
A: 'I enjoy managing them.'

Q: 'How have you performed over the last one, two and three years?'
A: 'I have had some winners and some losers.'

Q: 'Are you disciplined in monitoring the performance against a benchmark like the FTSE 100?'
A: 'Not really but I think I do okay.'

Q: 'Do you think you can manage shares better than a professional?'
A: 'No, I don't really manage them, it's more a buy and hold strategy.'

> "To do nothing with shares, except plan to sell them on a random future date, does not seem like a sensible strategy

A few things usually become clear as a result. There is no real strategy for managing this portion of their assets. They have no accurate data on how it is performing. They are not too bothered about performance because the shares are worth more than they paid for them years ago. They can cope with price swings because they enjoy the dividends.

There is also a strange paradox with their decision making. If a share does well they are reluctant to sell it. If a share does really badly they are also reluctant to sell it.

So, we often witness a 'buy, hold, watch and die' strategy in which clients will hold the shares well beyond a sensible period for maximising return. To do nothing with shares, except plan to sell them on a random future date, does not seem like a sensible strategy.

Increasing returns, reducing risk

This has led me to wonder why these shares seem to be stuck to clients with superglue. Often no amount of logic can persuade a client to part from them.

I think it is all down to the feeling that owning shares gives us.

We all like to feel part of something and so to feel like we own a share in a company that we know well, and whose products or services we use on a regular basis, makes us feel good. Equilibrium's own AIM Portfolio invests in individual shares rather than funds, one of which is Fever-Tree Drinks. I often feel better when enjoying a gin and pouring in my Fever-Tree tonic, knowing that in some small way I am contributing to a company that I have a stake in (no matter how small that stake might be).

However, my role as an investment adviser is to increase client returns, ideally while reducing the risk. When it comes to individual share portfolios this is usually straightforward to do, as they often have poor returns and are highly concentrated.

But we first need to convince clients to let go of the old stocks and we have introduced two new initiatives that will help do this. Firstly, we have some very interesting stocks within the funds that we invest in – they are just not so easily visible at present. So we will be highlighting in our communications some of the shares that client portfolios hold.

> "Our job is always to take the emotion out of investing

Secondly, our Investment Analyst and former UK Equity Fund Manager Neal Foundly, will be running a review and management service. This will involve reviewing clients' own direct share portfolios, analysing the future prospects for the specific companies compared to a similar index and then suggesting trigger prices to sell. With a client's permission, we can then take over the management of these holdings, selling at the right time for each share over the years ahead.

Our job is always to take the emotion out of investing. It is the only way to help you improve your prospective returns and lower your risk.

Thinking *inside* the box

Michael Whittaker has helped Nuttall Packaging thrive since he took over in 1972 by adapting it to an ever-changing market.

By Tim Cooper

Michael Whittaker, Chairman-Director of Nuttall Packaging, has overseen huge changes since he and his cousin took over the firm in 1972 - and he aims to help it stay competitive through the digital age and beyond. Nuttall Packaging traces its roots back more than 100 years and Michael's family has run it, together with other partners, since his grandfather took ownership in 1920.

The earliest known site of the factory was in Knott Mill, Deansgate. Since then it has moved four times and now has between 30 and 40 employees, based in a 40,000 square foot facility in Trafford Park.

The business has evolved its product range considerably since Michael took over 44 years ago. At that time, half the factory was involved in making hand-made, and sometimes silk-lined, presentation boxes for customers such as Wedgwood and Royal Doulton. Since then, he has helped it move towards more cost-effective, automated products including printed corrugated cartons; 'retail-ready' packaging; and engineering packaging designed to protect delicate items. Nuttall Packaging also makes acid-free archive boxes for a wide range of public sector organisations, and ancillary packaging products using foam and polyethylene. It has even supplied archive boxes to 10 Downing Street.

One crucial development has been the introduction of a design department with the latest computer-aided design and sample making equipment. 'The design function is increasingly important as customers require more innovative and protective products to promote their goods and ensure they arrive safely,' says Michael.

Nuttall Packaging also takes a 'continuous improvement' approach to its machinery and process. For example, in recent years, it has purchased two case makers that manufacture up to 10,000 corrugated cartons an hour.

It also has a fully automated conveyor system and pallet wrapper, and many other machines for different processes.

Investing for future generations

Nuttall Packaging's longevity has not just been due to automation. The rise of internet shopping has been a boon for the firm, as people need more boxes to deliver goods bought online. 'We have embraced the internet for marketing as well, and get lots of business that way now,' says Michael. 'Social media is important, as is a good website and being able to deal quickly with internet enquiries.'

> I am happy to reinvest because I know that future generations will benefit

'We have also been very cautious, perhaps too cautious, because we haven't grown as quickly as we could have during good times. But we have paid ourselves modestly, and we never liked to borrow to expand, which has enabled us to ride out difficult times. The company believes in treating its employees, customers and suppliers well and fairly. A number of employees have been working for the company for many years.'

> The design function is increasingly important as customers require more innovative and protective products

He adds that he loves going to work and being part of an enthusiastic, young management team led by fellow director Chris Bywater.

Michael is a long-standing Equilibrium client, and says he appreciates the total wealth management approach that it has brought to his finances. He believes that by having his personal planning managed means he can concentrate on his biggest concern, which is to future-proof Nuttall Packaging.

'That is why we continuously reinvest,' adds Michael. 'Having purchased a new building, we are putting in the right sort of machines to secure our future. As we buy more machines, we will need more people to run them. I am happy to keep growing in this way because the investment is not wasted. I know that future generations will benefit.'

Our 21st anniversary gift to charity

equilibrium foundation

> To raise the £21,000, our team will be taking part in a wide variety of events and activities

By Debbie Jukes

Jason Lowe cycling Nice to Geneva

Claire Hayward trekking the Sahara

Running the Salford 10k run

Colin Lawson with our Community Champion

Debbie Jukes presents a cheque to Cancer Research

The team at the City of Manchester run

To mark our 21st year in business, the Equilibrium team has set the challenge of raising £21,000 for The Equilibrium Foundation.

As many of our clients will already know, the opportunity to give something back to the community is important for us, given the relatively fortunate position we find ourselves in. The Equilibrium Foundation was established in 2010 and almost 6 years in, we've raised over £100,000 and supported over 50 worthy causes. You can see some of the events and activities the team have been involved with over the years in the selection of pictures above.

Nominated charities

Whilst historically we have donated money to a range of local charities and non-profit organisations, this year as part of our 21st fundraising plans we're concentrating our efforts on a smaller number of organisations who will benefit from the amount raised.

First up is the Francis House Children's Hospice, based in Didsbury (www.francishouse.org.uk). Francis House provides care for children and young adults with life threatening conditions, whilst also providing support and friendship for the whole family. Back in the days when we were known as Applewood, Francis House was the first charity that we supported and so we felt it appropriate to include them as part of our 21st anniversary plans.

Second on the list is The Enthusiasm Trust, a charity based in and around Manchester, whom we have supported over recent years (www.enthusiasm.org.uk). The charity works to change the lives of young people who are deemed to be most at risk via an intensive mentoring programme – believing passionately that every young person has the right to fulfil their true potential, regardless of their background.

The third tranche of funds is being split between three charities that have been nominated and voted for by the Equilibrium team. The good causes chosen are: The Christie, The Alzheimer's Society and the St Kentigern Hospice in St Asaph.

Running our 21st event calendar

To raise the £21,000 total, our team will be taking part in a wide variety of events and activities, from bake sales and team quizzes, to a large group running the Tough Mudder challenge - a mind-numbing 16-20km combination of obstacles and unrelenting terrain! Other activities will include half marathons, fun runs and walks. Following on from his fundraising achievements after cycling from Geneva to Nice in 2015, Equilibrium Partner Jason Lowe will be attempting perhaps one of our most ambitious challenges – cycling from London to Amsterdam, along with Colin Lawson and some other determined team members!

To keep up to date on all the latest news from the activities taking place, read our quarterly community newsletter Taking Stock at: www.eqllp.co.uk/resources

How to support

If you would like to support the team and help us reach our goal, then visit our Virgin Money Giving Page at http://uk.virginmoneygiving.com/fund/EQ21. All the donations we receive are greatly appreciated and will help us to continue to ensure that we make a positive difference in our local community and beyond.

The 'new' residential nil rate band - should you change your will?

By Amanda Bailey, Solicitor at Knights (Professional Services Limited), Chester

At 40%, inheritance tax (IHT) is one of the highest rates of any tax. IHT mitigation is therefore an important part of any financial plan and the new 'residential nil rate band' (RNRB) could play a useful part. However, this new relief is more complex than it first appears and it could lead people to change their wills unnecessarily.

The nil rate band (NRB) is the allowance that all UK domiciled individuals have to offset against their estate before IHT is payable. This has been fixed at £325,000 since April 2009. Prior to 2009, it increased in line with inflation for the previous 15 years, so freezing it has been a tax rise through the back door.

Since 2007, the NRB allowance has been transferable between spouses. A married couple will have an allowance of £650,000 to offset against their joint estate before IHT becomes payable at 40%.

The combination of a static NRB and rising house prices has led to many families selling the family home in order to meet the IHT liability, normally on second death. The Conservatives initially pledged to increase the joint NRB to £1 million, but this never materialised as the change was deemed unaffordable.

Rather than just increasing the NRB to a lower degree - which would have been clearer and of greater benefit to most people – the government introduced the RNRB. This is effectively a top-up allowance that will run alongside the existing NRB and is available solely to offset against the deceased's residence.

How the new relief will work

The RNRB will phase in from April 2017. It will start at £100,000 per individual, increasing to £175,000 by April 2020.

It would be worth reviewing your will to ensure that your current arrangements are flexible enough to take advantage of this new tax allowance

In simple terms, if an individual owns a property worth £400,000 and has savings and investments of £100,000, the estate would currently suffer an IHT charge of £70,000. By 2020, the IHT charge on this estate would reduce to zero.

However, this is not quite as straightforward as it seems.

If an individual owns a property worth £400,000 and has savings and investments of £100,000, the estate would currently suffer an IHT charge of £70,000. By 2020, the IHT charge on this estate would reduce to zero

The relief is only available if the property is left to direct descendants, that is, children and grandchildren - not to nieces, nephews or other beneficiaries. It will start to taper away on estates over £1 million, or £2 million for married couples - for every £2 over, you will lose £1 of relief. This means that couples with a joint estate of over £2.35 million will not benefit at all.

RNRB also incorporates complex rules around downsizing - those who move to a smaller property should still be able to claim the relief that would have been available had they remained in the larger property. Also, the relief can be applied to a holiday home rather than the main residence, if elected.

Will flexibility

Typically, married couples choose to leave their assets to each other and thereafter to children. However, most well drafted wills provide for a trust to be established due to the added protection and tax planning opportunities they offer.

As the RNRB will only be available to those who leave their assets directly to their lineal descendants, the initial reaction may be to rewrite their will to remove any trust provisions. However, this could be a knee-jerk reaction as it overlooks the very valuable protection benefits of the trust. It is also difficult at present to predict exactly whether an estate will benefit from this new relief.

A possible option would be to retain the trust provisions but ensure that the trustees have the necessary powers to transfer the property out of the trust to the children or grandchildren after death if appropriate. Provided this is done within two years, the RNRB should still be available to offset without the need to rewrite the will completely.

It would be worth reviewing your will to ensure that your current arrangements are flexible enough to take advantage of this new tax allowance. It may be useful to consult a legal expert as they can explain all the legislation changes and help you best meet your objectives.

Celebrating 21 years

By Colin Lawson and Debbie Jukes

2016 is a milestone year for Equilibrium. We are celebrating 21 years in the wealth management industry and we are incredibly proud of what we have achieved as a firm.

21 years is a long time to be in any business and there has certainly been a great deal of change, both inside the firm and in the industry itself since we first started back in 1995. From humble one-man beginnings in a back bedroom, we have evolved into a leading wealth management business that oversees more than £515 million of assets for hundreds of families.

What does reaching this landmark mean to us? Ultimately we think the answer is stability, passion and stories to tell. Having been through boom, bust and calm we are proud of the fact that our business can both ride the waves and weather the storms of an unpredictable investment climate, whilst continuing to add value for our clients.

Crucially, the aim of our business is to put clients at the heart of what we do – and we truly believe that we have achieved this throughout our journey to 21. We make sure to get to know our clients and build robust financial plans and investment strategies personalised to them.

It has been extremely exciting to see our growth over the years and we wanted to share the key events and milestones which have helped us to get where we are today.

Read more online...

Here are just some of the highlights from Equilibrium over the past 21 years. To see our timeline in full, make sure to take a look at the countdown calendar on our website at: www.eqllp.co.uk/equilibrium-21-years/

1995

Originally known as Applewood Financial Services, the business was founded by Colin Lawson

1996

Moved to our first office premises in Didsbury

1997

Employed our first staff member and our first ever seminar was presented

1998

The business expanded to form The Applewood Group

Award win: Shortlisted for the Small Company IFA of the Year at the Money Marketing Awards 1998

1999

Moved to new office premises in Handforth

2000

We celebrated the millennium and continued to make a positive difference to our clients

Debbie Jukes

2001

Debbie Jukes joined the business

2002

First steps were taken to introduce a new fee structure and to phase out commission

The early Applewood team

2003

The business now had 11 families as clients and more than £1 million of assets under management

2004

Client managers began sitting in on all client meetings

2005

Moved office premises to Brooke Court in Handforth Dean and changed from a Partnership to a Limited Liability Partnership (LLP)

2006

Equilibrium becomes directly authorised by the FCA (formerly known as the FSA)

2007

Mike Deverell joined the team and our model portfolios were created

Mike Deverell

2008

The business became a discretionary investment manager and Jason Lowe joined the team

Jason Lowe

2009

Applewood became Equilibrium Asset Management and a new business model was launched

2010

Gaynor Rigby came on board as a consultant and The Equilibrium Foundation was launched

Award win: Firm of Year (The North) at the Citywire New Model Adviser Awards

Gaynor Rigby

2011

Gaynor Rigby became a partner and Andrew Hirst joined as a financial planner

Award win: Business Adviser of the Year at the inaugural Macclesfield and Wilmslow Business Awards

2012

The first edition of Equinox was published and the firm launched several new community schemes

Award win: Community Champion of the Year at the 2012 Cheshire Business Awards

2013

Expanded to open our first office in Chester and we featured in the Financial Times' Private Client Wealth Management Survey for the first time

Award win: Best Wealth Manager at the Money Marketing Awards

2014

Achieved CII Corporate Chartered status and acquired new premises at Evolution House on Brooke Court

The Equilibrium team in 2015

2015

A fantastic award-winning year, combined with further expansion in Handforth and moving to a larger office in Chester

Award wins:
Firm of the Year (North) at the Citywire New Model Adviser Awards
Colin Lawson named Entrepreneur of the Year at the EN North West Awards
Excellence in Customer Service Award at the North East Cheshire Business Awards
Featured in the Citywire New Model Adviser Top 100

2016

Our 21st anniversary – a variety of activities and events are organised to celebrate 21 years of business

Award win: Firm of The Year (North) at the Citywire New Model Adviser Awards

Andrew & Jason at the NMA awards

Many happy returns

Our Alternative Investment Market Portfolio which blends careful stock selection with lower costs and the many attractive benefits of AIM investing, celebrates its birthday.

By Neal Foundly

> We put significant effort into finding a combination of stocks that would deliver the right risk and return characteristics alongside the tax benefits

It's Wednesday 19th June 1995.

The UK number one record, Take That's 'Back For Good' is playing on the radio, interest rates are 5.94% and rising, and the kids are playing with their Power Rangers action figures. Facebook will not be invented for another nine years.

At 8am this morning in the UK, a new stock market starts trading - it's called the Alternative Investment Market (AIM) and is intended to provide a trading platform for early-stage companies to trade their equity and raise capital.

The AIM market has evolved significantly since then but it continues to provide many important attractions for investors.

For example, the small size of most AIM companies means they are faster growing than their larger counterparts; you do not pay stamp duty for investing in AIM shares; you can invest them in individual savings accounts (ISAs); and a number of them qualify for business property relief (BPR), which can be used to mitigate inheritance tax (IHT).

This is why we decided at the beginning of last year to set up the Equilibrium AIM Portfolio. We put significant effort into finding a combination of stocks that would deliver the right risk and return characteristics alongside the tax benefits. After many months of analysis, we created our AIM Portfolio and the first client invested in it in March 2015.

Great holdings

To date, returns are ahead of internal expectations over the first year. The Portfolio holds some terrific companies that have contributed to the performance over the last year or so – here are two examples:

Fever-Tree Drinks is a producer of quality mixers such as tonic waters, soda waters and ginger beer. This plucky little company has fought off tough competition from Schweppes and Britvic. It has carved out a strong position in the premium-priced, quality end of the market and now has growing sales in regions such as the US and Asia Pacific. Look out for it next time you are in Waitrose or if you take a first class flight with British Airways.

CVS Group has been another great holding. This group of veterinary practices runs surgeries and veterinary products and services, such as laboratories and crematoria. The company has nearly 300 surgeries across the UK but that is only 12% of the market, so it still has plenty to go for.

Our AIM Portfolio has proved popular with clients - for the returns and potential tax benefits and for the lower costs compared with other AIM portfolios and funds.

This Portfolio is an important component of our client service and we are excited about the prospects for the companies it can invest in.

If you would like to discuss the potential for incorporating AIM into your investment portfolio, speak to your adviser.

> The AIM market has evolved significantly but it continues to provide many important attractions for investors

It is worth noting that due to this Portfolio carrying a higher risk than some other equities, we may only recommend investing where there is IHT liability to mitigate. As usual, when considering any investments the common sense warnings apply - you should be aware that the value of an investment can go down as well as up and that you may not get back the amount originally invested.

Housing market keeps soaring

Phillip Diggle

Estate agent Gascoigne Halman has 18 branches throughout the Cheshire and South Manchester area. We ask the branch manager of its Hale office, Phillip Diggle, for his views on the future of the housing market and tips for buyers and sellers.

By Tim Cooper

> Online providers are simply displaying your house, not selling it

Where are the property hotspots in your area?

Sale, Hale, Altrincham and Lymm are our hottest spots. They are great areas to live in with good schools and easy access to the airport and the city. Supply is short and demand is high, driving very positive prices and results for vendors and investors alike.

How long are sales taking and what are your tips for a quick sale?

If you price the property sensibly and present it well, it takes weeks rather than months. Price is foremost but well-presented properties are selling best, rather than those that need work because extra finance for development or improvements is harder to obtain.

How are the different market sectors performing?

We mostly cover the mid market (£600,000 to £1.5 million) and upper end (up to around £10 million), but we can do anything from £100,000 upwards.

The lower to middle end has experienced good growth over the last 12 months. The higher end suffered slightly from the December 2014 changes to stamp duty. But I sold eight of the ten houses in the region that went for between £1.8 million and £5 million during 2015. I attribute this to the personal attention to detail in the presentation and in the viewing, including getting to know every applicant's requirements and motivations to ensure we are matching them with the right properties.

What is your prediction for house prices in the region over the next three years?

There will be steady growth. Finance will continue to be affordable and supply will still be short. Even if rates rise to 2%, that is still very affordable.

How is the new 3% stamp duty on second homes affecting the market?

Positively and negatively. It spurred landlords to progress purchases before 1st April, achieving the opposite of the government's aim by taking lower-level property prices out of reach for first-time buyers. But that could be a short-term problem and I am sure it will settle back down.

What questions should you ask when choosing an estate agent?

You have to like and trust the person selling your house and understand fully what marketing and presentation they include in their fee.

Most people stop at that point. But it is also crucial to ask the agent about their system for progressing the sale to completion, which is usually the harder part.

Many agents do not have a system for that. We have focused on it and each office has a person dedicated to progressing sales, with the manager overseeing that daily. Agents need lots of experience and a thorough understanding of the conveyancing process to ask the right, timely questions and progress the sale to a successful completion.

The temptation is to go with the highest of three valuations and reduce it later if necessary. Is this sensible?

If you price the property incorrectly at the outset, you can lose impetus. So the highest valuation isn't always the best. If I had three vastly different valuations, I would assess them against online information and ask the agents to substantiate their valuations - their reaction would be telling.

One price reduction is acceptable; a second can lead to a stickier situation. It then needs pressure on the agent to retrieve the situation and make sure they are introducing the right buyers.

With the introduction of online estate agents, will traditional agents still be here in a decade?

Buying a house is an emotional process and probably the most important transaction you will make. You need a trustworthy team with local knowledge and a personal touch to help market it fully. You cannot rely on an online provider for that. They are simply displaying your house, not selling it.

If you had £300,000 to spend on a letting property in your region, what would you buy?

Look at the rental value versus return and potential capital appreciation. If you don't want to be hands on, buy a modern property with lower maintenance. But the biggest thing to ask when choosing a property to rent out is whether, with that budget, you would live there because you want to attract decent tenants like yourself.

It's all about the people...

By Colin Lawson

We have seen a packed events calendar over the past couple of years, and this November will see us host our biggest client event yet to celebrate Equilibrium's 21st birthday.

But why do we host social events for clients? What do we hope to achieve? We feel events provide the opportunity for us to get to know our clients more, and importantly for our clients to get to know each other and members of our team. In a nutshell, we feel it helps us all to build better relationships – and after all, we are in the people business!

One of our taglines is 'friendly expert'. We have obviously invested a huge amount of money in being experts, and surely investing a small amount in being friends is equally worthwhile. That said, costs do need to be managed and we are careful each year to spend money wisely and get the balance right. For example, to accommodate the budget for our 21st celebration we will not be hosting our Christmas lunches this year. It will, however, certainly be a night to remember and will give us all the opportunity to meet old friends, create new ones and celebrate together.

Andrew Hirst presents at a Chester seminar

Colin with clients at our Mikimoto event in October 2014

Andrew and Colin at an investment dinner

Guests at a client mingle in 2015

A Chester investment dinner in autumn 2015

Wine tasting at a client event

Guests at the Mikimoto event

A group of clients at the Wine & Sparkles evening

Our autumn 2015 client briefing

A gem of an idea

By John Warburton

A wedding proposal is always going to be life-changing. But for Neil Geddes, the decision to get down on one knee was the catalyst to a new career.

It was in 2008 that Neil began his quest for the perfect engagement ring. Dismayed by the lack of knowledge on offer at high street stores, his search led him to an independent jeweller who not only had the perfect ring, but a passion for the industry which whetted Neil's appetite.

Eight years later and Neil is now the owner and managing director of N.J. Geddes Fine Jewellery – an exclusive jewellery concierge and private couture diamond buying company based between London, Leeds and Manchester, with clients located across the globe.

Working with some of the country's wealthiest – yet busiest – individuals, Neil's exclusive service offers a truly luxurious couture jewellery buying and investment experience that stands for exceptional quality and value.

He also sources the finest diamonds and jewels from across the world, as well as helping clients see their dream piece designed and created exclusively for them.

'The final presentation of the finished article is a wonderful feeling, and can be quite emotional,' said Neil.

'It could be someone proposing, or offering an anniversary gift which we have worked on together to capture their partner's personality. We are passionate about fine jewellery and creating pieces exclusively for our clients. The service is akin to 'Savile Row' offering luxurious creations.'

Neil has worked to ensure his team is the finest in the business – his designers have previously worked for some of the world's most prestigious jewellery houses including Moussaieff, Theo Fennell and Van Cleef & Arpels.

The final presentation of the finished article is a wonderful feeling, and can be quite emotional

What's more, Neil assists clients in buying or selling high-end jewellery at international auction houses including Christie's and Sotheby's in London, Geneva, Hong Kong and New York.

Neil added: 'We have worked tirelessly to ensure our service is the very best it can be and we go to great lengths to ensure our client is happy.'

Eight years on from his life-changing moment and Neil's business is thriving. And his marriage isn't too bad either...

Neil Geddes

Read more online...

To find out more about N. J. Geddes Fine Jewellery and the services they offer go to: www.njgeddes.com

Views from the frontline - China

One of the main issues driving markets recently has been fear over what has been happening in China.

Is China going to slow dramatically and experience a 'hard landing', and could this plunge the rest of the world into recession? We ask some of the foremost experts on the Chinese economy and markets for their views.

Linda Yueh

Adjunct Professor of Economics at London Business School and Author

Until recently, China has relied on investment to drive much of its growth and this has pushed debt levels to worrying heights. The Chinese government has therefore started to restructure its economy, ambitiously aiming to raise productivity and innovation. It now relies less on old drivers like investment and exports, and more on market forces. This befits a country with a new middle class whose consumption of goods and services can drive growth.

But re-balancing the economy and developing innovative companies takes time and there is no guarantee of success. The ruling Communist party insists that the slowdown from annual growth of 10% to 7% is all part of the plan but others worry that the transition is out of control.

China's re-balancing means that consumption will become a bigger part of the domestic economy than investment and services will spur more growth compared to manufacturing. As a result, a Chinese slowdown will affect not just commodities and capital goods, but also global consumer demand and thus the profits of multinational companies in America and Europe.

China has contributed as much to world GDP growth as the US in the past 15 years, and even more than the world's biggest economy since 2008.

If the slowdown were to turn into a crisis, this would likely first appear in the financial sector. China's financial sector is not well-integrated with the rest of the world, so the effect should not be as large as it would be if the US had such issues.

However, as China promotes the use of its currency internationally and begins to integrate its financial system with the rest of the world, the risk of contagion from a crisis in Beijing is growing.

Mike Shiao

Chief Investment Officer Invesco Perpetual Greater China

A hard landing in China is a very remote scenario. The Chinese government has the necessary resources and policy tools to prevent the economy from succumbing to a hard landing. The slowdown in growth will likely continue to be gradual.

As a result, we expect Chinese stock markets will eventually come to reflect the fundamental developments taking place in the country, leading to lower but more sustainable long-term growth. This is a continuation of China's longer-term transition towards a consumer-led growth model. Changing the framework of any economy, especially one the size of China, will take time and face many hurdles.

Although China's growth is moderating along with the rest of the world, the various structural reforms underway - for example, in social welfare and financial markets - are positive for longer-term growth. Accommodative monetary and fiscal policies, as well as steady consumer demand, should provide support in the near-term.

The absolute level of growth in China remains quite high. In the long-term, China is heading in the right direction but the country will be managing between growth and reform for some time.

Given the size of the economy, the slowdown in China will impact the global economy, as evident in the correction in commodity markets and the weakness in exports and manufacturing output globally.

It is not surprising to see volatile swings in Chinese stock markets, as China is rebalancing its economy to a more sustainable long-term growth level. The transition will take time and could be bumpy. We should not be swayed by market swings, but rather invest in China for the long-term.

Equilibrium view

Slowing growth in China poses a number of challenges. However, the rebalancing of the Chinese economy also provides opportunities as the Chinese consumer becomes wealthier and has more disposable income. As Linda Yueh points out, even if China suffers a financial crisis, the global impact should be limited. Chinese shares are now as cheap as they have ever been. This means there is a compelling investment opportunity in Hong Kong listed Chinese shares, despite the risks from a slowing economy.

Wei Yao

China Economist Société Générale

Our base case scenario is that the Chinese economy will avoid a hard landing. Instead, it will likely suffer a 'bumpy landing' scenario with further short-term weakness in the renminbi, but where policy actions will be sufficient to avoid disorderly capital outflows.

The danger of a hard landing would come from policymakers miscalculating how much structural reform the system can absorb. If not managed properly, capital outflows and domestic debt risk could inflict severe pain on the financial system.

One trigger would be a credit crunch in China's financial system. This could occur if capital outflows intensify, with a growing number of non-performing loans and an insufficient policy response from the People's Bank of China.

Another trigger could be faltering demand for housing. If this happens then real estate developers could suffer renewed stress, triggering a significant scaling back of domestic demand.

In response to a hard landing scenario, Chinese policymakers would be forced to make difficult choices - either to succumb to the temptation of a short-term boost via new infrastructure or pursuing a reform agenda. The former option could risk deepening the economic imbalance further, while the latter choice would be positive to China's long-term sustainability but more painful in the short-term.

Under a hard scenario, economic growth would drop below 4% in 2016, compared with the level of 6.5 to 7% that the Chinese government has targeted. In this scenario the Chinese renminbi would weaken substantially.

However, this is not our base case and we attach perhaps a 30% probability to a hard landing occurring.

Matthew Dobbs

Fund Manager Schroder Asian Alpha Plus

The Chinese economy has already exhibited signs of a significant slowdown and its 2015 GDP growth of 6.9% confirmed this. This is the slowest rate of growth for the world's second-largest economy in 25 years. Companies in other countries who transact with Chinese businesses are also seeing this slowdown feed through into both top and bottom lines.

However, the real picture of China's economic health is rather mixed. The services and consumer-oriented sectors still show strong growth with overall employment holding steady. Conversely, heavy industry is suffering from overcapacity and industrial production is providing almost zero growth in nominal terms.

This divergence is creating a 'two-speed economy' in China. It can also be applied geographically – coastal and first-tier cities are seeing much more robust growth, driven by services and consumer spending, than the northeastern provinces, which are heavily exposed to industry.

The overall slowdown in growth could worsen given that credit growth is still twice the rate of nominal GDP and this imbalance will need to be addressed at some point. The main threats to the world economy and stock markets from China are from deflation and debt growth respectively. Even if the Chinese yuan stabilises, China can still have a deflationary impact on other economies via the export of spare capacity. Any shocks relating to the mounting debt pile in China could still create regional and global volatility.

However, in the longer term, Chinese growth of around 3% to 4% should be the norm and this will still be a sizeable addition to global GDP as it is already a US$10 trillion economy.

Read more online...

The Equilibrium investment team regularly share their views on our website. To read more go to: www.eqllp.co.uk/blog

Investment review:

Finding positive returns in a complex world

In this section, we will review what has happened in the investment world over the past six months, what has happened to Equilibrium's portfolios and the actions we have taken.

We have seen plenty of volatility in stock markets over the period, which is not unusual at this stage of the market cycle. We have generally been able to mitigate this, and often benefit from it, in portfolios.

The chart on this page shows the progress of the FTSE 100 and our typical balanced portfolio since the last edition of this magazine. It also provides a timeline of key events over the past six months.

We will look in detail at the major factors that have driven markets, including central banks, commodities and a slowing China.

Welcome to the investment review section of this edition of Equinox.

By Mike Deverell

Switch
reduced property and purchase alternative equity

Equilibrium Balanced Model
+1.19%

US rate increase

Brent crude oil > $40

Bank of Japan cuts rates

ECB cuts rates and increases QE

4%
2%
0%
-2%
-4%
-6%
-8%
-10%
-12%

Sell
volatility trade
6,400

Sell
volatility trade
6,300

Sell
volatility trade bought in June 2015 and buy fixed interest

ECB cuts rates

Brent crude oil < $50

Buy
volatility trade
5,963

Buy
volatility trade
5,960

Sell
volatility trade
6,043

Sell
volatility trade
6,000

FTSE 100 (Total return)
-1.5%

Buy
volatility trade
5,600

Brent crude oil < $30

Oct '15
Nov '15
Dec '15
Jan '16
Feb '16
Mar '16
Apr '16

34 **Asset class outlook**
In general, we are cautiously optimistic about future equity market returns, less pessimistic about fixed interest and more cautious about property.

36 **Portfolio changes & added value**
The chart above gives an overview of changes made to portfolios, including volatility trades.

37 **Fund performance & sector analysis**
81% of funds held in portfolios equalled or bettered their benchmarks. All of our active UK funds beat the market.

39 **Portfolio performance**
All our main model portfolios outperformed their benchmarks over 12 months and generally protected value well during a difficult time.

In general, we are delighted with performance, at least in relative terms. To lose less than the rest is not the best slogan but to have a good defence is often the best way to win the match.

Chart 1 below shows the 12 month performance of our balanced portfolio (blue) against the average managed fund (UT Mixed Investment 20%-60% Shares sector - green) and the average discretionary manager (ARC Sterling Balanced Index - orange), which take a similar level of risk to us. It also shows the FTSE 100 Index (red).

The chart shows risk and return. We always want to be as far to the top left as possible as that indicates lower risk and higher return.A return of 0.72% is not particularly attractive in itself, but all the other benchmarks shown on the chart are negative.

We have no more control over the investment climate than we do over the weather. Our job is to try and work out what the future investment climate looks like and to position portfolios accordingly. In simple terms, if it is raining our job is to provide the umbrella, and if it is sunny to provide the sun cream. If the rain is heavy, we may not be able to keep you perfectly dry but we can protect you from the worst of it.

Unfortunately, short-term investment markets are often driven by sentiment (how we all feel). When investors are fearful, our job is to look at the long-term fundamentals. So if we believe it is just a shower, we still want to get outside and take advantage of the sunshine to come.

We work hard for clients when markets are falling and can often add the most value during these tough times.

By using QE the Fed was trying to push up asset prices. Wise investors went along for the ride

Don't fight the Fed(s)

There's a long held investment phrase; 'don't fight the Fed'. When the Federal Reserve, which is the US central bank, was trying to pump up the deflated American economy with quantitative easing (QE), it was foolish to bet against them. The Fed, like other central banks, has access to the printing presses - both physical and metaphorical - and can create or remove money from the financial system at will. QE is simply an electronic way of printing money.

By using QE the Fed was trying to push up asset prices hoping that the gains would feed into the real economy. Wise investors went along for the ride.

In 2009, as the world battled the financial crisis, the Bank of England and the central banks of Europe, Japan and China joined the Fed in cutting rates to as low as it was then thought they could go.

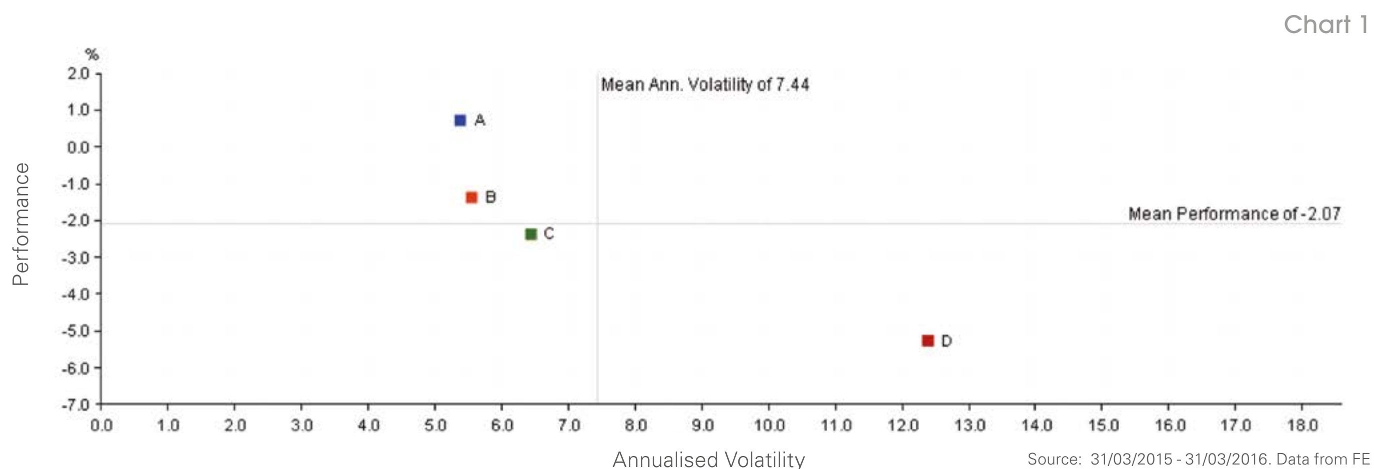
Meanwhile the Chinese government started throwing money at infrastructure projects like roads, railways and cities. Together, these actions helped pull back the global economy from the brink, while helping all asset classes rebound.

Fast forward to 2015 and we see a very different story. With much greater divergence between economies and different policy responses, which of the central banks should we follow?

The US has just put rates up for the first time in a decade - by just 0.25% - responding to a robust, if unspectacular, economy and low inflation.

However, other parts of the world are not in such good health. Europe and Japan have struggled with very low inflation and need a weak currency to keep exports competitive. Both central banks have therefore expanded quantitative easing and cut interest rates, loosening monetary policy while the Fed is tightening.

At the same time, the Chinese authorities have cut back investment spending, slowing economic growth. What does all this mean for investors?



Key	Name	Performance	Annualised Volatility
A	Equilibrium Balanced Model	0.72	5.38
B	ARC Sterling Balanced Asset PCI	-1.37	5.55
C	UT Mixed Investment 20%-60% Shares	-2.37	6.44
D	FTSE 100	-5.26	12.39

It's complicated

We live in a globalised world where no economic event can be viewed in isolation. The Fed's 0.25% rate rise has had a much bigger effect than perhaps expected.

We have generally been able to mitigate volatility, and often benefit from it

The most obvious way that interest rates affect the economy is through lending. When rates go up it is more expensive to borrow and vice versa. An additional 0.25% on a mortgage would not discourage many borrowers and you would not expect that to affect economic growth significantly.

However, the second effect is often on the currency market. The increase in rates has strengthened the dollar, which has had some significant knock-on effects. These have been exacerbated by moves in Europe, Japan and China to try and reduce the value of their currencies against the Greenback.

The strong dollar has played a big part in falling oil and commodity prices. US manufacturing has come under pressure and the profits of S&P 500 companies have been hit. This led to fears of a US recession in the early part of 2016.

These fears have now abated somewhat as more positive economic data has emerged and as the Fed has become more dovish. Instead of the planned four rate hikes this year, it is now predicting perhaps only two and there is a significant chance it will do less than that.

That has reduced some of the pressure on markets and led to a rebound from February's lows.

Market effects

One reason this is so important is that stock markets have become highly correlated to the oil price.

Companies like Shell and BP are some of the largest in the UK, so they have a big effect on the movements of the FTSE 100. The FTSE also has a large exposure to mining stocks, so it has been hit by weak commodity prices. Other markets have also suffered, particularly commodity-producing emerging markets.

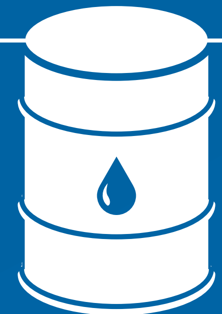
Weak commodity prices have also affected corporate bonds, in particular in the US where shale oil and gas companies have borrowed huge sums on the bond market. Sliding oil and gas prices have not just hit their profits but their ability to repay debts.

Finally, banks have also been hit by sliding profits and increased fears of commodity related defaults. The interest rate environment does not help profits. Banks make most of their money by borrowing over the short term from depositors, and lending out over the long term. Normally, long-term rates are much higher than short-term rates. The difference between the two is profit for the banks.

However, one effect of quantitative easing and of low and even negative interest rates in some regions, is a reduction in long-term interest rates. This means that banks cannot make as much profit from lending as usual.

The recent market turmoil has therefore been a result of various intertwining factors. With such inter-linking between markets and economies around the world, every action has far-reaching and often unintended consequences.

Commodity corner



Much of the problem lies in the commodity markets. As China is no longer throwing so much money at infrastructure, its demand for commodities like metals, building materials and energy has decreased. Some commodity producers had ramped up production to meet Chinese demand, so many were left with excess supply.

As a result, prices in commodities such as copper and iron ore have fallen, putting pressure on mining companies. An excess supply of steel has had a big impact in the UK with the potential closure of the Port Talbot plant among others, leading to many potential job losses.

However, the biggest commodity story has been in oil, where prices fell from $115 per barrel in mid-2014, to a low of $28 in January, then rebounded to around $40. How much of this slide is due to reduced demand is debatable, despite the Chinese slowdown or the long-term effects of better engine efficiency or the move towards renewable energy.

What we do know is that the oil supply has increased dramatically over the past few years.

This is mainly due to the shale oil revolution in the US, where previously impossible to access oil fields can now be drilled using controversial 'fracking' techniques. This excess supply is a major reason for the slump in oil prices.

With commodities priced in dollars, we tend to see prices move in the opposite direction to the dollar. If the dollar goes up, the price of commodities tends to come down.

Over the past two months, as the prospect of further rate hikes in the US has reduced, the dollar has weakened slightly and this has reduced pressure on the oil price.

Asset class outlook

Equity - cautiously positive

After the lows of February, stock markets stabilised in March. They now look reasonable value, if not as cheap as at the lows.

We like to ignore sentiment and look at the facts. For example, what is the ratio between the price of the companies on a market and the profits that they make? Over a five or ten year period, the relationship between valuation metrics such as the price/earnings ratio and the return of the market is very strong.

There are several indicators that we can use to assess market value and some have historically been better indicators of future returns in different markets.

We create our own valuation indicator by combining these metrics into a single number for each region. Chart 2 shows this. Think of it as being like the graphic equaliser on an old stereo – the black bar is the full range of where the valuation indicator has ever been in the past.

The green bar shows what the valuation is now. Some of the regions are valued above their long term average, shown by the grey line, while some are below it.

Also on the chart are indicators showing one standard deviation above and below the long-term average. This is a statistical measure showing the frequency of returns. Normally, we expect 68% of results to be within one standard deviation of the average.

You can see from this that Europe and the US are relatively expensive on our measure while the UK is slightly above ‘fair value’. China and emerging markets look marginally cheaper than average while Japan looks very good value on this basis, being one standard deviation below average.

To put it into context, the UK market on 5 April 2016 was trading on 17.7 times the profits (earnings) of the companies. The long term average ratio is around 14.

Historically, when this ratio has been around 17.7 times, we have seen an average return on the UK market of around 10% a year over five years. However, averages must always be viewed with care.

Drilling into our data, we find that a little over half the time we see more than a 10% a year return when we start with a price/earnings ratio of 17.7. Around 20% of the time, we have seen negative returns over five years at this level of valuation.

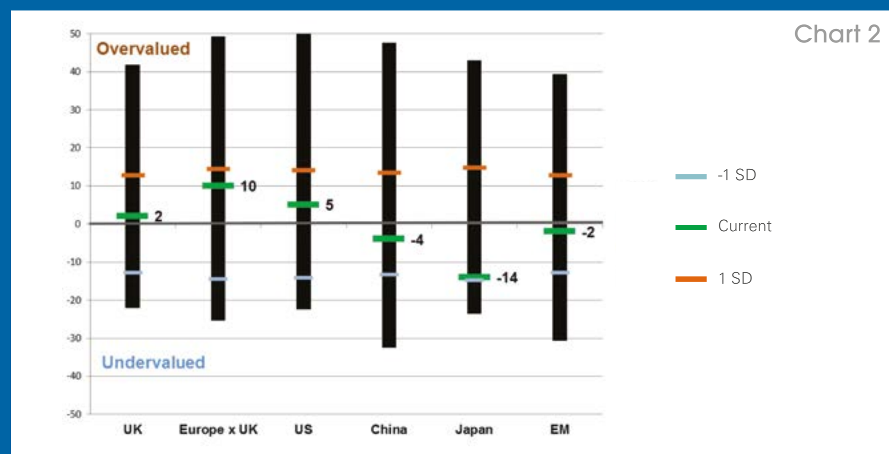
This shows why we are slightly cautious on UK equities. While the starting price/earnings ratio is a very important factor on future returns, it also depends on whether those earnings or profits grow or not.

When the FTSE 100 closed at 7,104 on 27 April 2015, the price/earnings ratio then was 17.5 times. At 5 April 2016 the FTSE closed at 6,091, 14.3% down in price terms, yet the market is now slightly more expensive at 17.7 times.

That is because profits on the UK market have dropped just as far as the market over this period, mainly due to falling commodity prices. Profits are now showing signs of stabilising and we think they may start growing again soon.

However, to find better value we look at other markets. In particular, we think Japan looks good value despite, or in some ways because of, its recent underperformance. As well as being cheaper than other regions, earnings growth remains positive and profits grew around 6% over the past 12 months. Unlike the UK, profits went up while the market dropped.

While there are several risks in this market, not least from the failure of negative interest rates and the strong Yen, we believe this is one of the more interesting places to invest.



Source: Thomson Reuters datastream/Equilibrium investment team

Fixed interest – more attractive

When there is turmoil in equity markets, government bonds tend to rally.

By buying a government bond, such as a UK gilt, you are lending money to a government for a fixed period, for a fixed level of interest. However, if gilts are in demand the price will rise, which means the yield of the bond will fall.

As the government guarantees them, gilts are in demand as a safe haven asset when investors are worried.

The blue line on Chart 3 shows how much the yield on a 10 year gilt has fallen over the past two years, from around 2.8% in July 2014 to below 1.4% on 5 April 2016 as the bonds remain in demand.

An alternative to government bonds are corporate bonds, which work in the same way but involve lending to companies rather than governments. They are riskier because if a company fails it could default on a loan.

As a result, corporate bond yields tend to be higher than gilt yields, but the safer companies - known as investment grade - tend to follow the same trend as gilts in normal conditions.

The orange line on Chart 3 shows the IBOXX UK Corporate Bond index yield over the same period. The grey shaded area shows the difference, or spread, between the corporate bond and the gilt yield.

In February 2015, gilts yielded 1.4%. At the time, corporate bond yields were about 3%, so the difference between the two was 1.6%.

However, in February this year when gilts were 1.4%, corporate bonds yielded 4.1%, or 2.7% more than gilts. You can see this spike in the spread clearly in the grey area on the chart. While this premium has since reduced a little, it remains high relative to history.

We have had much less fixed interest exposure in portfolios than usual over the past couple of years, as we felt that the yields were just too low. However, this increase in the spread was a trigger for us to reduce this underweight position and top up our fixed interest exposure.

We remain relatively cautious on this asset class but feel it can produce some better returns going forward and help diversify portfolios.

Property – slowing returns

Property returns have remained largely unaffected by all this turmoil, providing excellent diversification in portfolios.

Our property portfolio returned 5.32% over the 12 months to 5 April 2016. While this was a reasonable return, it is lower than the 7% a year we would expect from property over the long term. It is also well below the double digit annual returns we have seen recently.

Property returns correlate highly to economic growth. While the UK economy continues to grow solidly, it is relatively unspectacular. The same is true of property returns.

Another important factor is the volume of money going in or out of the property sector.

Chart 4 shows the monthly flows into the property unit trust sector over the past few years. While flows into the sector were very strong in 2015, helping to drive returns, they have slowed dramatically, with net outflows of property funds in the first two months of this year.

In addition, we are still only seeing limited rental growth and rental yields have fallen as capital values have risen. For these reasons, we are no longer as bullish as we have been on property.

We think returns will most likely remain positive, if slow and steady, but we have cut exposure in most portfolios from overweight to an underweight, relative to our long-term view.

Alternative equity – potential opportunities

The divergence between different regions is a potential opportunity for alternative equity, one of our current favoured asset classes.

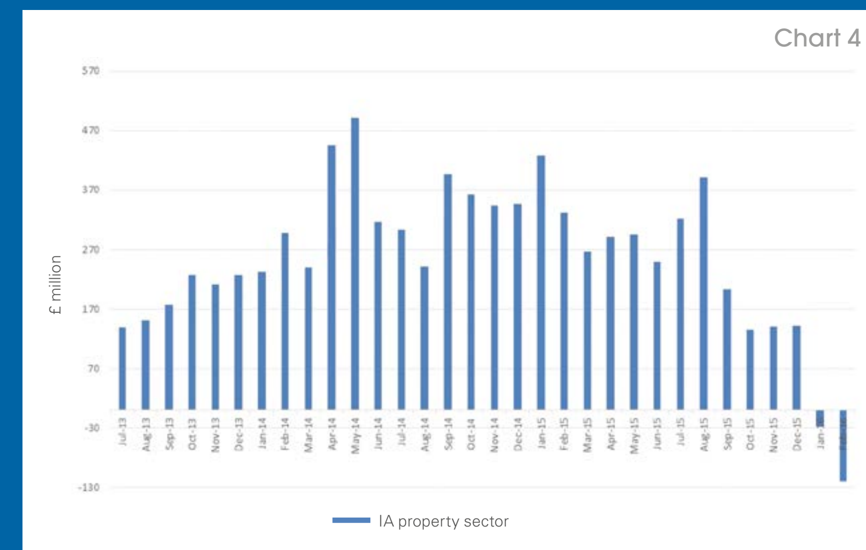
These funds can make money from betting on asset classes going down as well as up.

Some of these funds can make these plays in various markets, including currencies, bonds and equities. Divergence is exactly what they need to make money.

The crucial point is that they hedge the risk on these trades. For example, a fund could bet that US stocks would outperform European ones. This could work regardless of the direction of markets. If markets go down, as long as US stocks fall less than European stocks, they would make money.

Of course, these funds can still lose money if they get their calls wrong, but this does mean that they have the potential to make gains when other asset classes are falling.

Given some of the uncertainty in other asset classes and the divergence between regions, we think alternative equity funds could do well over the coming months.



Portfolio changes and added value

Chart 5 summarises the changes we have made to portfolios and shows how the asset allocation of our ideal balanced portfolio has changed over the past 12 months.

The blue line across Chart 5 shows the FTSE 100 over the same period. You will notice that the red area representing equity has increased and contracted again several times over the year. This is generally due to the volatility trades mentioned earlier.

As the market dips, we tend to top up equity, then sell again as it recovers.

Table 1 summarises the results of our volatility trading strategy for a typical balanced portfolio.

Each volatility trade was the same size, roughly 3% of portfolios, and so if we add up the various transactions this works out as roughly 12.75% total gain on this part of the portfolio during a period in which the market has fallen.

Other changes to portfolios involved reductions in property and increases in alternative equity and fixed interest. We also changed several funds.

Of all the changes made in the past 12 months, 60% are so far in profit and in total these trades added around 0.5% to the returns of a balanced portfolio over 12 months. That might not seem like a great deal but is a good return in context of the difficult markets.

Over the three years to 1 April 2016 (the maximum time we have data recorded), the changes we made to a balanced portfolio have added around 8.15% to returns, or over 2.5% a year.

Chart 5

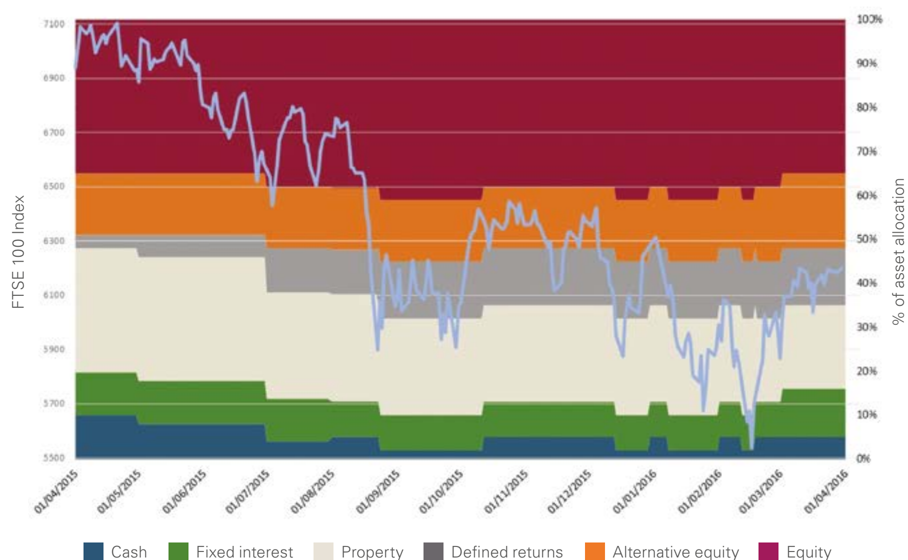


Table 1

Purchase Date	Sale Date	Return
30.06.2015	02.03.2016	-5.12%
24.08.2015	12.10.2015	+5.91%
14.12.2015	30.12.2015	+5.29%
08.01.2016	01.02.2016	+0.59%
12.02.2016	18.02.2016	+6.08%

Chart 6

Portfolio performance

Given the difficult investment environment we are pleased that we were able to mitigate losses. Chart 6 shows the performance of our balanced portfolio over various periods against our benchmarks; the UT Mixed Investment 20% to 60% Shares sector reflects the average managed fund that takes a similar level of risk to our balanced portfolio. The ARC Sterling Balanced PCI shows the average discretionary manager's balanced portfolio. The chart also shows the FTSE 100 for comparison.

We are always pleased to be ahead of various benchmarks, but our real target is not relative performance but absolute performance.

The five-year return works out at around 5.5% a year on average. While this is below the long-term target of 7% to 8%, it is around 4.5% a year above inflation over the period, broadly in line with the real returns we want to achieve.

Given the volatility we have seen recently, we are very pleased with that.

Fund and sector performance

81% of funds we hold in portfolios have outperformed their benchmark by more than 10%. 56% of funds have outperformed by more than 25%.

We will never get every decision right, but we always aim to get more right than wrong - and make more money on the ones we get right than we lose when we get it wrong. We are pleased that this has been the case over recent months.

Sector performance & analysis

In this section, we review the various funds in each sector over the past 12 months.

UK equities

It was a difficult period for UK equities, with both the average fund and the FTSE down over 12 months.

However, our actively managed funds did extremely well in relative terms, as Table 2 shows. Each fund beat both the index and its peers. Three of the funds produced a double digit return over 12 months.

The funds that did particularly well - the two Miton funds and the Marlborough fund - are biased towards smaller companies. We have skewed our UK portfolios deliberately towards smaller companies, as this area was valued attractively in our view and had strong growth potential. We still prefer this part of the UK market, despite potential headwinds in the shape of the EU referendum.

The index tracking fund we hold in portfolios underperformed the average actively managed fund over the past year. While we are always likely to hold some low-cost index exposure, we have held less in the tracker than we would normally in favour of the actively managed funds.

Table 2

	6 months %	12 months %
CF Miton UK Multi Cap Income	1.91	11.98
CF Woodford Equity Income*	-0.2	
Royal London UK Equity Income	0	-2.87
Equilibrium UK Conservative Equity Portfolio	0.72	1.73
Sector : UT UK Equity Income	-1.43	-3.38
Index : FTSE All Share	-1.43	-6.06
CF Lindsell Train UK Equity	5.65	3.84
Marlborough Special Situations	2.46	16.03
CF Miton UK Value Opportunities B Inst Inc	0.05	15.03
Portfolio : Equilibrium UK Dynamic Portfolio 22/05/2015	2.54	13.26
Sector : UT UK All Companies	-1.94	-4.55
Index : FTSE All Share	-1.43	-6.06
Equilibrium UK All Companies Portfolio (FTSE Allshare tracker fund)	-1.49	-6.16

* Not held for the full 12 months so only 6 months performance shown

Global Established equity

Over 12 months, the best of the major established regions was North America. European funds were typically slightly down over 12 months, while Japan was the worst performing region.

Our preference for Japan has had a negative effect on the Global Established portfolio over the past 12 months. Our European and American funds outperformed their benchmarks. Our decision to increase our US exposure last summer by adding the JP Morgan US Equity Income fund to portfolios has helped performance.

Global Speculative

Emerging markets was the worst performing sector over 12 months.

In our Global Speculative portfolio, we preferred Asia and China to the other emerging markets, which are much more vulnerable to the commodities slowdown. We sold a global emerging market fund last summer and instead moved more into established markets, and this decision helped relative performance.

Table 3 shows our Global Speculative portfolio outperformed the sector over 12 months as did each fund against their benchmarks, losing only 9% with the sector down 11.08%.

Table 3

	6 months %	12 months %
Baillie Gifford Japanese B Inc	0.93	-9.9
Schroder Tokyo A Inc	-1.7	-8.98
Sector : UT Japan	1.96	-5.89
BlackRock European Dynamic FD Inc	4.89	0.83
Sector : UT Europe Excluding UK	2.89	-3.92
JPM US Equity Income C Acc*	14.53	
Vanguard US Equity Index Inc	10.18	3.3
Sector : UT North America	10.67	2.33
Equilibrium Global Established Portfolio	5.07	-2.1
Global Est. Benchmark	7.22	-0.47
Equilibrium UK All Companies Portfolio (FTSE Allshare tracker fund)	-1.49	-6.16

* Not held for the full 12 months so only 6 months performance shown

Chart 7

Alternative equity

Over a difficult period for various asset classes, alternative equity produced some consistent positive performance, as the portfolio is designed to do. Each of the funds outperformed the portfolio's benchmark, the UT Mixed Investment 20% to 60% Shares sector.

The funds typically describe themselves as absolute return funds, but we do not use that term as some of them can be just as volatile as equities. However, they can make returns in a different way to a traditional equity fund. In particular, Chart 7 shows how the portfolio made solid gains during the summer months when equities dropped substantially.

Fixed interest

We have been very light on fixed interest for some time. Low yields from bonds and the prospect of rates going up led us to reduce fixed interest exposure in most portfolios down to a very small amount. We did retain shorter duration bonds from higher risk companies, which tended to have higher yields and less sensitivity to interest rate increases. However, as fear pervaded financial markets and the prospect of rate rises seemed more remote, investors have sold such bonds in preference for longer-dated, highly-secure government bonds, even though these yield very little.

As a result, our fixed interest portfolio has not done well of late, losing 2.12% over 12 months. Its benchmark, the UT Sterling Corporate Bond index lost 0.75% over the same period. Meanwhile gilts, as represented by the FTSE Actuaries UK Conventional Gilts All Stocks index, actually gained 3.64%. Over the long term the portfolio remains ahead of its corporate bond benchmark.

Property

Property was doing extremely well until very recently. We have been substantially overweight in this asset class. Returns are now slowing and over 12 months our portfolio returned 5.32%. This is slightly behind our composite benchmark of funds that would be eligible for our property portfolio, which returned 5.8%.

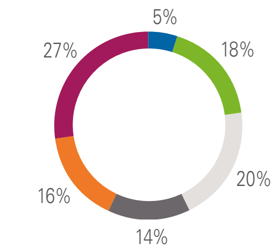
'Re-prices' in a couple of the funds we hold have hit returns recently. Buying and selling buildings is costly. If funds experience outflows, they may have to sell properties to meet redemptions and can re-price downwards to reflect the cost of sales. The Aviva Property Trust has re-priced down by 5%, while the Aberdeen UK Property fund has dropped by around 3.5%.

Should flows turn positive again, they could re-price back up. However, as the weight of money flowing into property has reduced, we have reduced our holdings in most portfolios, moving from a slight overweight to an underweight position, meaning we hold less in this asset class than usual.

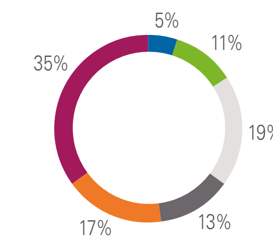
Model portfolio returns

It is pleasing to note that portfolios are ahead of the average fund manager over the majority of time periods.

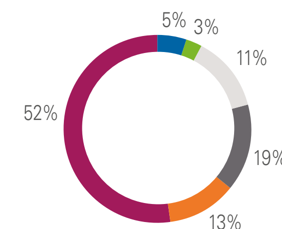
Strategic asset allocation



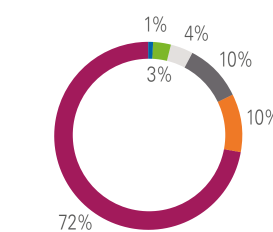
Cautious Model	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch* %
Cautious Portfolio	0.73	-0.52	14.49	27.78	46.54
Mixed Asset 20-60% Shares Sector	2.40	-2.45	10.15	22.62	31.58



Balanced Model					
Balanced Portfolio	1.19	-0.13	16.67	29.05	47.86
Mixed Asset 20-60% Shares Sector	2.40	-2.45	10.15	22.62	31.58



Adventurous Model					
Adventurous Portfolio	1.83	-0.42	16.51	27.83	45.80
Mixed Asset 20-60% Shares Sector	2.40	-2.45	10.15	22.62	31.58



Speculative Model					
Speculative Portfolio	1.80	-2.10	16.73	27.71	52.58
Mixed Asset 20-60% Shares Sector	3.05	-2.98	12.74	25.49	52.58

- Cash
- Fixed interest
- Property
- Alternative equity
- Equity

We also show returns compared to the Asset Risk Consultants indices made up of other discretionary managers' portfolio returns. These are shown in the table below and are given to 31 March 2016 as ARC indices are published on a monthly basis:

Cautious Model	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch* %
Cautious Portfolio	2.19	-0.14	13.86	28.02	46.79
ARC Sterling Cautious PCI	1.87	-1.08	6.68	16.40	28.95
Cautious Portfolio	2.87	0.39	15.75	29.26	48.21
ARC Sterling Cautious PCI	3.68	-1.37	9.84	22.01	32.86
Cautious Portfolio	3.82	0.15	15.30	27.99	46.15
ARC Sterling Balanced PCI	3.68	-1.37	9.84	22.01	32.86
Speculative Portfolio	3.82	0.15	15.30	27.99	46.15
ARC Sterling Steady Growth PCI	3.68	-1.37	9.84	22.01	32.86

* Launch date 1 January 2008 except speculative Model AA 10 launched 1 September 2009. All data to 5 April 2016.
Figures are highlighted in green where they are in excess of the relevant 'Mixed Asset' sector.

Sector portfolio returns

	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch* %
Equity Portfolios					
UK Conservative Equity	0.76	1.77	27.96	56.89	56.27
UT UK Equity Income Sector	-1.43	-3.38	21.15	42.31	45.68
UK All Companies	-1.49	-6.16	12.54	27.49	34.78
UK Dynamic	2.54	13.26	43.57	57.81	70.23
UT UK Equity All Companies Sector	-1.94	-4.55	17.80	33.65	40.75
Global Established	5.12	-2.06	30.62	55.16	66.94
Global Established Benchmark **	7.22	-0.47	33.9	53.69	65.67
Global Speculative	3.94	-9.00	3.73	-6.86	9.75
UT Global Emerging Mkts Sector	7.89	-11.08	-6.79	-10.17	7.34
Cautious Equity Mix	1.57	-2.50	20.66	39.39	45.24
Cautious Equity Benchmark ***	0.57	-3.94	19.44	35.62	41.85
Balanced Equity Mix	2.50	-0.82	24.46	39.40	48.84
Balanced Equity Benchmark ***	2.18	-3.51	21.36	37.37	44.81
Adventurous Equity Mix	3.44	-1.50	22.5	34.43	46.00
Adventurous Equity Benchmark ***	2.95	-4.16	18.7	31.58	41.15
Alternative Equity	1.48	4.47	22.97	41.78	60.77
UT Mixed Asset 20-60% Shares	2.40	-2.45	10.15	22.62	31.58
Fixed Interest Portfolio	0.18	-2.12	7.61	26.49	52.41
UT Sterling Corp Bond Sector	2.75	-0.75	10.68	31.99	46.44
Property Portfolio	1.95	5.34	27.94	31.10	49.97
Composite Property Benchmark ****	2.13	5.83	27.91	28.66	53.09

* Launch date 1 January 2008 except Property Portfolio 1 July 2009.
** Global Established Benchmark is 40% UT North America, 40% UT Europe Ex UK, 20% Japan.
*** Cautious, Balanced and Adventourous Equity benchmarks are an approppriate composite of the benchmark for each component of that equity mix.
**** Composite Property Benchmark is an equal weighting of all elegible funds in the UT Property Sector. Property portfolio switched to cash 15 June 2012 to 11 April 2013 as we did not hold property funds in this period.

Market returns

	6 Months %	1 Year %	3 Years %	5 Years %
Equity Markets				
FTSE 100 Index (UK)	-1.50	-7.42	8.70	21.87
FTSE All Share Index (UK)	-1.43	-6.06	12.84	28.13
FTSE 250 Index (UK Mid Cap)	-1.32	-0.59	34.19	63.47
MSCI Europe Ex UK Index	1.57	-8.14	19.04	21.44
S&P 500 Index (USA)	11.41	5.41	49.49	90.55
Topix (Japan)	2.52	-5.79	20.63	46.55
MSCI Emerging Markets Index	7.08	-12.07	-5.64	-11.22
Fixed Interest				
IBOXX Sterling Corporate Bond Index	4.44	0.64	15.37	42.84
UT Sterling Corporate Bond Sector	2.75	-0.75	10.68	31.99
FTSE British Government Allstocks (Gilt) Index	4.27	3.64	13.26	39.01
UT Gilt Sector	3.91	2.40	12.79	37.44
UT Sterling High Yield Sector	1.84	-1.71	7.20	22.44
Property				
IPD UK All Property Index	4.20	11.69	50.61	64.64
Composite Property Benchmark*	2.13	5.83	27.91	28.66
Other Measures				
Bank of England Base Rate	0.25	0.50	1.51	2.53
RPI Inflation	0.58	1.56	4.99	12.30

* Property benchmark is a composite of all eligible funds in the UT Property sector.

Risk warnings and notes

Past performance is never a guide to future performance. Investments may (will) fall as well as rise.

Any performance targets shown are what we believe are realistic long-term returns. They are never guaranteed.

None of the information in this document constitutes a recommendation. Please contact your adviser before taking any action.

Unless stated otherwise:

- All performance statistics are from Financial Express Analytics on a bid-bid basis with income reinvested.
- All performance data is to 5 April 2016.
- Model portfolio performance is stated after a 1.5% Equilibrium fee and a 0.35% platform charge, but with the discounts we receive from fund managers factored in.
- Your own performance may vary from the model due to dividend pay dates, transaction dates, contributions and withdrawals.
- Actual performance may also differ slightly due to constraints over how we can reflect fees and discounts from fund managers. These are assumed not to change over the whole investment period. In reality, discount levels change as we change the funds in which we invest.
- Individual sector portfolios are shown with no charges taken off or fund manager discounts applied.

For details of your own portfolio performance, please refer to your half-yearly statement from the wrap platform in which you are invested. We will also provide personalised performance information at your regular reviews.

Ideal funds

Below are the funds currently in our different portfolios and the charges that apply to each fund.

Portfolio	Fund Name	Initial Charge %	Annual Management Charge %	Ongoing Charges Figure %
Liquidity	Cash	0.00	0.00	0.00
Conservative Equity	BlackRock Corporate Bond Tracker	0.00	0.15	0.17
	Jupiter Strategic Bond	0.00	0.50	0.73
	Royal London Extra Yield Bond	0.00	0.75	0.85
	TwentyFour Dynamic Bond	0.00	0.75	0.81
Property	Aviva Property	0.50	0.62	0.74
	Henderson UK Property	0.00	0.75	0.84
	Ignis UK Property	0.00	0.75	0.76
	Kames Property Income	0.00	0.75	0.90
	M&G Property Portfolio	0.00	0.75	1.11
	Aberdeen Property Trust	0.00	0.67	0.80
Alternative Equity	H2O Multi-returns	0.00	1.00	1.00
	Odey Absolute Return	0.00	0.75	0.92
	Invesco GTR	0.00	0.87	0.87
	Old Mutual GEAR	0.00	0.75	0.85
Defined Returns	Barclays FTSE Autocall Nov 2014	0.15	0.00	0.00
	Credit Suisse FTSE Autocall June 2015	0.15	0.00	0.00
	Morgan Stanley FTSE Autocall July 2015	0.15	0.00	0.00
Equity - UK Conservative	Royal London UK Equity Income	0.00	0.62	0.67
	Miton UK Multi Cap Income	0.00	0.75	0.82
	Woodford Equity Income	0.00	0.75	0.75
Equity - UK All Companies	Vanguard FTSE All Share Index	0.20	0.08	0.08
Equity - UK Dynamic	Lindsell Train UK Equity	0.00	0.65	0.77
	Miton UK Value Opportunities	0.00	0.75	0.87
	Marlborough Special Sits	0.00	0.75	0.80
Equity - Global Established	Baillie Gifford Japanese Co.	0.00	0.65	0.68
	BlackRock European Dynamic	0.00	0.75	0.93
	JPM US Equity Income	0.00	0.75	0.93
	Schroder Tokyo	0.00	0.75	0.92
	Vanguard US Equity Index	0.00	0.10	0.10
Equity - Global Speculative	Invesco Hong Kong and China	0.00	0.94	0.94
	Schroder Asian Alpha	0.00	0.75	0.96

These are the funds in our standard portfolios at 5 April 2016. These will change periodically and have not all been held throughout the period covered by this document.

equilibrium

21 YEARS OF FINANCIAL CONFIDENCE

Equilibrium is the award winning Chartered wealth management company that offers a genuinely personalised financial planning and investment management service, giving clients confidence now and in the future.

Headquartered in Wilmslow, Cheshire, we oversee more than £500 million worth of assets and are committed to delivering an exceptional service to all our clients. We also have offices in Knutsford and Chester.

Our commitment to excellence and the high standards of service we aim for are reflected in the awards we have won:

- New Model Adviser Firm of the Year 2015 & 2016
- North East Cheshire Business Excellence in Customer Service 2015
- Financial Services Professional Entrepreneur of the Year 2015

This year we are celebrating our 21st year in business. To read more about our founder and to hear about our journey, watch our latest video at:

www.eqllp.co.uk/about-equilibrium/our-people/colin-lawson

#makingapositivedifference

Brooke Court Lower Meadow Road
Handforth Dean Wilmslow
Cheshire SK9 3ND
United Kingdom

t : 0808 168 0748
e : askus@eqllp.co.uk
w : www.eqllp.co.uk

equilibrium
21 YEARS OF FINANCIAL CONFIDENCE

Equilibrium Asset Management LLP (a limited liability partnership) is authorised and regulated by the Financial Conduct Authority. Equilibrium Asset Management is entered on the Financial Services Register under reference 452261. The FCA regulates advice which we provide on investment and insurance business; however it does not regulate advice which we provide purely in respect of taxation matters.
Registered office: as above. Registered in England and Wales, no OC316352.