

INVESTMENT OUTLOOK UPDATE

Dear all,

Since we heard from Sarasin at our last Trustees meeting there have been a number of positive effects on world stock markets. At the end of September the FTSE 100 was 5866 and as I write this, that index has risen to 6390 (+9%) and the Dow Jones is close to its all time high.

News of vaccines to counter the effects of the Corona virus were announced earlier than had been expected and this has led to a bounce in global stock markets earlier this month coinciding with the anticipated results of the US election. Joe Biden is seen as a steadying influence and although Democrat policies are not generally as positive for stock markets, it is expected that the new President's powers will be constrained as the Republicans hold the majority of votes in the Senate.

In my view it remains important to maintain a Global strategy as set out by Sarasin for the Triangle Investment Portfolio because,

- China's economy is rebounding faster than expected and will likely lead to a bounce in Global GDP in 2021
- Confidence is (gradually) returning in the US and bond yields indicate a recovery in 2021.
- Seemingly greater cohesion between the EU, US and China on Climate Change is likely to lead to greater expenditure on Climate Change capital projects.
- The outlook for the U.K. is clouded by investment uncertainties and the political risk of Brexit. However the certainty of a Brexit deal would be positive for the U.K. stock market.

As we know there is always investment risk and, a resurgence in Covid-19 or a no deal Brexit could see stock markets weaken, but nevertheless these risks are mitigated for us as Trustees of The Triangle Trust by holding a well managed and well diversified global investment portfolio.

Happy to answer any questions now or at our meeting.

Best wishes,

David

18th November 2020