

Globally facing portfolios have fared well in the year to date in Sterling terms, despite the extent of political uncertainty in developed markets. It is important to recognise that a large part of this has been driven by currency movements leading up to and following the Referendum. Basically the weakness of Sterling favoured returns being translated from other currencies. This can clearly be seen in the data presented below for US, Asian and European indices in both Sterling and local currency terms.

In the three months since the Referendum there was little detail on the government's position regarding Britain's exit from the European Union. After its dramatic devaluation in the initial period after the vote, the Sterling exchange rate to the US Dollar firmed a little in August, but weakened incrementally across September. The S&P 500 made a modest loss in US Dollar terms in September and more muted currency translation effects were only sufficient to create a modest gain of 0.8% in Sterling terms.

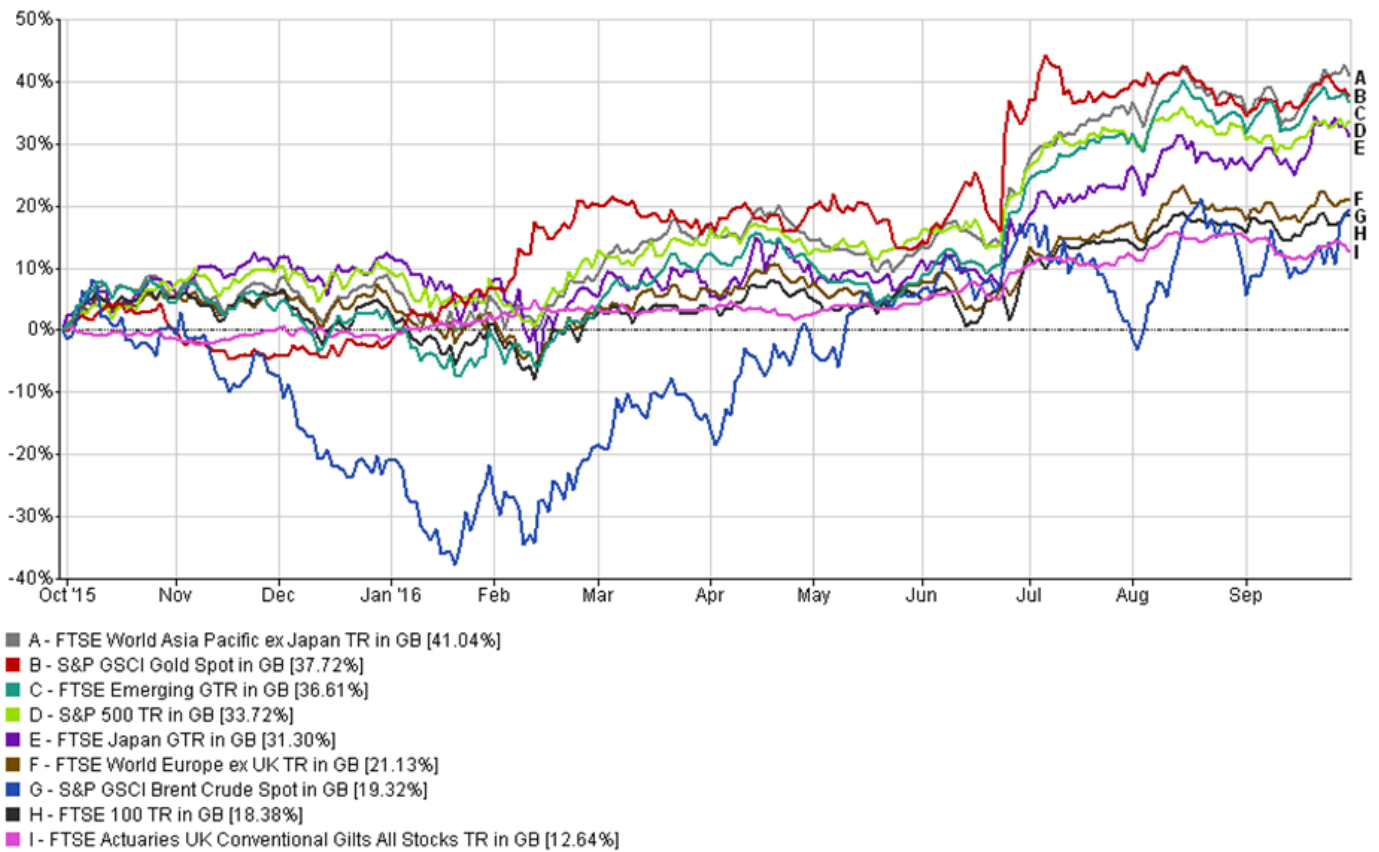
At the Conservative Party Conference it was announced that the UK will leave the European Union and its Single Market and seek a bespoke trading arrangement, probably based on access for key sectors. This has led Sterling to weaken dramatically against major currencies once again in early October and if the situation continues it will be a positive influence for Sterling returns in the coming month. Trying to guess long term currency positions impossible and we do not intend to attempt it.

Volatility is increasing in bond markets. Gilts lost momentum in September, losing just over 2% as investors may finally be recognising the level of overvaluation inherent in this market. In the first week of October prices fell and the UK 10-year yield spiked above 1% for the first time since early July in reaction to the announcement of the terms of "Brexit".

It seems likely that diminishing marginal returns have now set in for extraordinary monetary policy measures. For instance, the Bank of Japan's announcement that it was adopting a cap for 10 year bond yields and declared intention to overshoot its 2% inflation target failed to spur equity markets, with a modest loss being made in local currency terms in the last month.

Gold has made significant gains in the last year because the opportunity cost for holding it has been eroded by low and in some cases negative interest rates. The longer term data reveals the volatility in the gold price though, with investors holding it for five years making a 2.6% loss in Sterling terms and nearly 19% in US Dollar terms.

1-Year Performance in Sterling Terms to September 2016



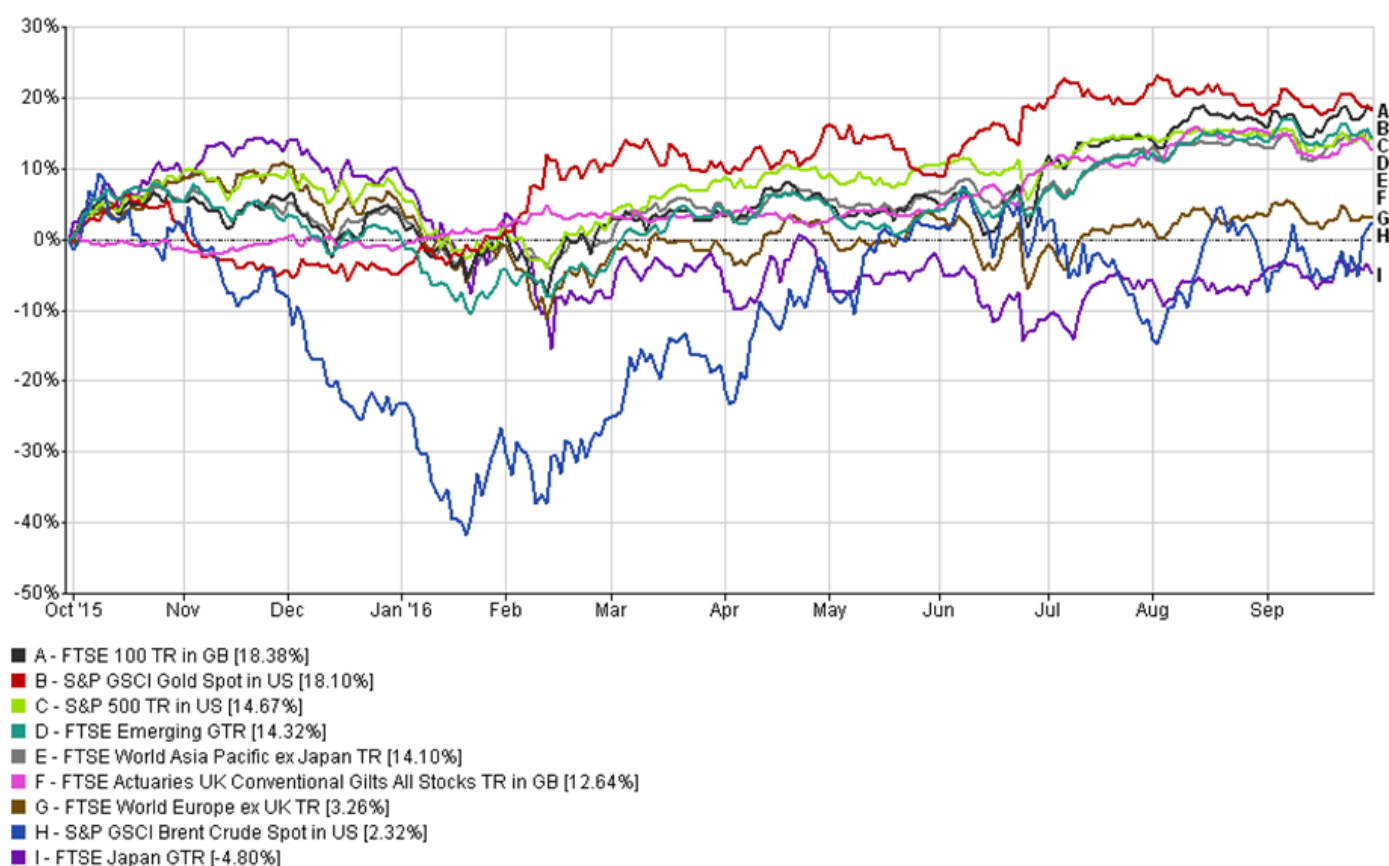
30/09/2015 - 30/09/2016 Data from FE 2016

Cumulative Performance in Sterling Terms to September 2016

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-2.29%	2.34%	8.66%	12.64%	28.78%	36.69%
FTSE 100 (GBP)	1.80%	7.06%	14.06%	18.38%	19.24%	61.98%
S&P 500 (GBP)	0.80%	6.71%	17.35%	33.72%	68.02%	147.82%
FTSE World Europe ex UK (GBP)	1.62%	8.97%	13.55%	21.13%	27.10%	83.59%
FTSE World Asia Pacific ex Japan (GBP)	2.65%	12.18%	20.73%	41.04%	28.85%	65.93%
FTSE Emerging (GBP)	1.87%	11.24%	21.84%	36.61%	27.36%	42.66%
FTSE Japan (GBP)	2.85%	12.10%	21.91%	31.30%	41.12%	75.52%
S&P GSCI Brent Crude Spot (GBP)	7.92%	3.90%	37.70%	19.32%	-41.76%	-40.34%
S&P GSCI Gold Spot (GBP)	1.26%	2.64%	17.94%	37.72%	23.74%	-2.64%

Source: Financial Express

1-Year Performance in Local Currency Terms to September 2016



30/09/2015 - 30/09/2016 Data from FE 2016

Cumulative Performance in Local Currency Terms to September 2016

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-2.29%	2.34%	8.66%	12.64%	28.78%	36.69%
FTSE 100 (GBP)	1.80%	7.06%	14.06%	18.38%	19.24%	61.98%
S&P 500 (USD)	-0.02%	3.69%	6.06%	14.67%	34.78%	106.65%
FTSE World Europe ex UK (Composite)	-0.19%	4.95%	4.29%	3.26%	21.22%	80.11%
FTSE World Asia Pacific ex Japan (Composite)	0.86%	6.69%	8.30%	14.10%	14.09%	50.93%
FTSE Emerging (Composite)	0.36%	7.28%	9.34%	14.32%	17.71%	47.88%
FTSE Japan (Yen)	-0.13%	7.52%	-0.73%	-4.80%	16.82%	92.30%
S&P GSCI Brent Crude Spot (USD)	7.04%	0.97%	24.45%	2.32%	-53.28%	-50.25%
S&P GSCI Gold Spot (USD)	0.43%	-0.26%	6.60%	18.10%	-0.75%	-18.81%

Source: Financial Express

Calendar Performance in Sterling Terms

	YTD	2015	2014	2013	2012	2011
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	14.01%	0.57%	13.86%	-3.94%	2.51%	15.79%
FTSE 100 (GBP)	14.14%	-1.32%	0.74%	18.66%	9.97%	-2.18%
S&P 500 (GBP)	21.76%	6.58%	20.02%	29.10%	10.16%	2.23%
FTSE World Europe ex UK (GBP)	14.20%	5.35%	0.16%	25.18%	17.82%	-14.71%
FTSE World Asia Pacific ex Japan (GBP)	29.47%	-4.40%	5.01%	2.72%	17.72%	-12.93%
FTSE Emerging (GBP)	32.55%	-10.31%	7.87%	-5.29%	12.76%	-18.36%
FTSE Japan (GBP)	16.72%	17.58%	2.73%	24.95%	3.34%	-12.91%
S&P GSCI Brent Crude Spot (GBP)	51.17%	-31.54%	-44.40%	-0.68%	-1.69%	13.73%
S&P GSCI Gold Spot (GBP)	40.96%	-5.28%	4.25%	-29.34%	2.26%	11.05%

Source: Financial Express

Calendar Performance in Local Currency Terms

	YTD	2015	2014	2013	2012	2011
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	14.01%	0.57%	13.86%	-3.94%	2.51%	15.79%
FTSE 100 (GBP)	14.14%	-1.32%	0.74%	18.66%	9.97%	-2.18%
S&P 500 (USD)	7.31%	0.75%	12.99%	31.55%	15.22%	1.47%
FTSE World Europe ex UK (Composite)	-2.40%	8.66%	7.58%	23.37%	20.54%	-12.71%
FTSE World Asia Pacific ex Japan (Composite)	9.38%	-2.73%	4.18%	11.36%	19.07%	-12.84%
FTSE Emerging (Composite)	12.98%	-5.83%	7.17%	3.92%	18.79%	-12.09%
FTSE Japan (Yen)	-13.41%	11.52%	10.32%	54.77%	21.46%	-17.98%
S&P GSCI Brent Crude Spot (USD)	33.23%	-35.28%	-47.54%	0.97%	2.83%	12.89%
S&P GSCI Gold Spot (USD)	24.23%	-10.46%	-1.64%	-28.17%	6.96%	10.23%

Source: Financial Express

Georgina Ogilvie-Jones

This document reflects the general views and opinions of Dewhurst Torevell & Co Ltd only and these are subject to change without notice. This document and its contents do not constitute advice or a personal recommendation and do not take into account individual client circumstances or needs.

The value of investments can go down in value as well as up, so you could get back less than you invest. It should be remembered that past performance is not necessarily a guide to future performance.

Our research is undertaken and views are expressed with all reasonable care and are not knowingly misleading. Any information provided in this document is obtained from sources that we consider to be reasonable and trustworthy but accuracy cannot be guaranteed.

Issued by Dewhurst Torevell & Co Ltd, 5 Oxford Court, Manchester M2 3WQ. Tel 0161 281 6400. www.dewhurst-torevell.co.uk. Dewhurst Torevell & Co Ltd is a company registered in England 3279315 and is authorised and regulated by the Financial Conduct Authority (FCA number 183210).