

# NLP Financial Management Ltd

---

## Investment Team Update

---

24<sup>th</sup> April 2020

It has been one month and one day since UK prime minister Boris Johnson announced the government were taking measures to ensure the country effectively entered a complete lockdown. The implications of this were that all but essential workers would have to work from home for the foreseeable future. As a result, the morning commute has been transformed from a packed tube journey to a gentle meander from the bedroom to the dining room or study. The disruption that the outbreak of COVID-19 has caused to the everyday lives of all is undisputable, however from an operational perspective the investment team have been able to function as efficiently as ever. The team had actually started working from home around 1-2 weeks ahead of the official lockdown and have been able to take advantage of the wonderful technology available to us all, allowing them to continue managing the assets of our clients with great care and diligence. Every morning at 9am the investment team meet over a Zoom call (video meeting) to discuss the market moves of the previous day, the shape of the portfolio and share any views they have heard from fund managers or asset management firms (on the following page is a screenshot from a recent call on Zoom with the investment team, who perhaps need a lesson or two in looking candid). The call is open for any financial planner or paraplanner to attend, and the update from the team provides a strong foundation of knowledge for all when giving prudent financial advice. The call also gives them the opportunity to ask any questions of the team, which is particularly welcome when there is so much uncertainty in the financial markets.

These are truly unprecedented times and we must not lose focus of the fact that this is a human health crisis before anything else. However, we appreciate that the crisis quickly spilled over into financial markets as the economic impact of this pandemic became increasingly evident, hurting the performance of investment portfolios and savings accounts for all. Unfortunately, due to the nature of the market crash, some loss of capital was unavoidable, but the investment team have been working hard to limit these losses as much as possible. Working from home has not prevented the team from making changes to the model portfolios and rebalancing clients linked to those models, which has already occurred on three separate occasions. The aim of these exercises was to add more stability to the portfolios with the selling of riskier assets and reallocation to cash and government bonds. Whilst the high volatility in markets can lead to opportunities for short-term traders, we believe now is not the time to be taking risks and we will keep cash levels high until we are confident that the global economy is through the worst of things. The team are also in constant dialogue with our underlying fund managers and the companies they work for to certify that they are managing your money in a prudent manner and not taking any unnecessary risks with your assets. Since the beginning of the lockdown, the investment team have attended over 60 video meetings, calls and webinars with fund houses, including 20 funds from the model portfolios. In addition to that, they are reading over quarterly reports, monthly commentaries and weekly updates of all funds in the models so that they are on top of any changes to market conditions or the portfolios themselves. We are in uncharted territory, but one thing you can be certain of is that we are working harder than ever to protect your assets and guide them through these periods of heightened volatility.

Charlie McCann - On behalf of the Investment Committee

*NOTE: This material has been written for information purposes only and must not be considered as financial advice.*

# NLP Financial Management Ltd

## Investment Team on their Daily Zoom Call – 21<sup>st</sup> April

