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CHURCHILL & PARTNERS
INDEPENDENT FINANCIAL SERVICES

BE A SMART INVESTOR- DIVERSIFY!

The instability and turmoil of the past couple of years has led us into 2010 with caution and uncertainty. It is becoming ever more important to protect the value of your investments by minimising risk – now is not the time to put all your eggs in one basket. The key to successful investing is the importance of diversification.

Experts are advising investors to focus on building portfolios that are well balanced, in order to maintain and build upon the value of their assets. This does not involve simply spreading them across different countries and sectors, as these can often correlate quite closely with one another. It has become particularly apparent from the recent global recession that it is not enough to rely upon geographical variations between stocks as they generally rise and fall in close association. Instead, investors need to mix up various



different asset classes that are affected by different influences. This makes the overall portfolio far less susceptible to the specific risks related to individual markets. Consequently

returns will be smoother over time, as one asset may decline as another appreciates.

Successful asset allocation can be achieved with little effort, or more detailed consideration depending on your preference. Firstly, you could leave it all up to the professionals by investing in one reputable fund that utilises this strategy. There are many of these now available, where the fund managers work hard at maintaining suitable percentages of the fund across different asset classes. The allocations are periodically

updated to minimise risk and maximise returns according to market trends. The allocation of the fund across different classes works to negate the impact of a negative shift if the equities start to slide. Much like a seesaw effect, if equities dip, cash or fixed interests and bonds are likely to appreciate in response. Therefore if you have distribution across the board of classes the negative effect is equalised. Churchill and Partners can recommend a number of funds that adopt this investment strategy, including the Porcupine Absolute Return and Intelligent Portfolio funds from the reputable fund manager Castlestones, or the VAM managed Driehaus and various Growth funds. The Iveagh Wealth fund also successfully adopts the asset allocation strategy. For more information, performances, and factsheets on these various options please go to www.churchillandpartners.com/funds.asp.

Alternatively, you can work with your IFA on building a portfolio of different fund investments that are focussed on different asset classes. The six main categories are property, equities, hedge funds, cash, bonds, and real assets. The latter refers to physical or tangible assets such as gold, land, commodities etc. Real assets are recommended to achieve a fully diversified portfolio as they have been proven over time to be disparate to the other classes. Agriculture funds are often a relatively safe consideration for long term investors also, as the demand for food is ever increasing in the modern world as population rises, and alternative uses for grain are becoming more frequently implemented.

The range of classes and fund options are numerous so for further information and guidance on how and what to select for your portfolio, please contact your IFA to arrange an appointment or go to www.churchillandpartners.com/contact-us.asp

For more information or to arrange an appointment with one of our independent financial advisors contact us on:

enquiries@churchillandpartners.com

www.churchillandpartners.com/contact-us.asp Switchboard: +44 (0) 1245 216 030

EURO UPS & DOWNS OVER GREECE DRAMAS

The euro strengthened against the dollar this month, as a helping hand was finally extended towards Greece and their debt crisis, only to dip again as concerns re-emerged. European governments agreed to offer a €30bn lifeline to the country, and a further €15bn from the IMF (International Monetary Fund), to be used as a last resort should they run out of other funding options. The offers were expected to at least ease the process of negotiation, as Greece sets about trying to find the €54bn it needs to raise this year. In order to reduce the deficit, they will need to take drastic measures, government salaries alone are expected to be cut by 10%. Greece is by no means out of its economic trauma. However the EU/IMF deal did temporarily improve sentiment, with

investors rushing to buy Greek stocks and the Euro immediately strengthening by 1 percent against the dollar on the 9th when the plans for a deal emerged. Terms of the deal were announced on the 11th, but Greece maintained that they won't have to resort to the euro-zone bailout. Since then the euro has come under pressure again as concerns about Greece's financial position have returned and uncertainty over the bailout agreement remains high. Only time will tell how things will pan out for Greece and the fate of the common currency.



CAUTIOUS INVESTORS! OPT FOR CAPITAL PROTECTION

For those of you looking for a degree of stability in a world where uncertainty and the unexpected prevail, you might want to look into investing in something that offers more guaranteed security. Financial markets can be predicted to a certain extent, working on the basis of previous trends and anticipated events, enabling experts to advise where or what is *expected* to appreciate. That said, with all the best intentions in the world nothing is guaranteed, and it is the nasty surprises that the more cautious investor may desire protection from. Simply concerning yourself with making gains will not shield you from potential pitfalls. For a more secure way of aiming to do both, you could opt for a capital protection fund, that aims to protect the majority of the value of your initial investment whilst working towards making an annual return. One option for such an investment comes from Nomura, who are currently offering the GEM III 80% Protected fund. The attractiveness of the fund combines growth potential linked to the performance of their Global Emerging Markets index with an 80% capital protection safety net for investors, if a downturn occurs. For more info go to www.churchillandpartners.com/funds.asp



MARKETS UPDATE- Close 28/04/10

	Current	Previous (24-03-10)	Movement %
FTSE	5,586.61	5,677.88	-1.607
DOW	11,045.27	10,836.50	+1.927
CAC	3,780.00	3,949.81	-4.299
SMI	6,576.39	6,879.95	-4.412
DAX	6,084.34	6,039.00	+0.750
NIKKEI	10,924.79	10,815.00	+1.015

For the very latest market info

www.churchillandpartners.com/market-news.asp

CURRENCY EXCHANGE RATES- 29/04/10

CHF- USD\$: 0.92453	CHF- GBPE: 0.60641
CHF-EUR: 0.69703	EUR- USD\$: 1.32638
USD\$-GBPE: 0.65591	EUR- GBPE: 0.86999

www.churchillandpartners.com/currency-converter.asp