



fresh & objective thinking leads to  
truly independent financial advice



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## SEASONS GREETINGS!



**WISHING YOU A HAPPY AND PROSPEROUS NEW YEAR  
FROM EVERYONE AT CHURCHILL AND PARTNERS!**

The year 2009 started off on rather a negative footing as the consequences of the 2008 credit crunch and deepening recession took its toll on most major industries. Economies across the world have suffered, which in turn prompted pessimistic sentiment towards the markets. However, the worst is behind us! As economic growth returns and business and consumer sentiment has been restored, the outlook for 2010 appears to be a whole lot brighter. A relief for all, as the festive season is upon us many expatriates can visit home and relax with their families comforted by the thought of a somewhat more optimistic future.

Despite the struggles of 2009, Churchill and Partners have striven to aid our clients in building successful diversified investment portfolios, many of which have seen excellent growth even through the hard times.

We are looking forward to continuing to work with, and being of service to all our clients, (existing and new) in 2010 and beyond, assisting you in maximising the returns on your investments. Our servicing office will be open right up until 22nd Dec to deal with any queries or instructions you may have, and we return bright and early on 4th January ready for the new year ahead! We would like to wish all our clients an enjoyable Christmas and a very Happy New Year!



### MARKETS UPDATE- Close 21st Dec 2009 Nikkei slips from 7 week highs

|          | Current   | Previous (25-11-09) | Movement % |
|----------|-----------|---------------------|------------|
| FTSE 100 | 5,293.99  | 5,362.59            | -1.28%     |
| DOW      | 10,414.10 | 10,464.40           | -0.48%     |
| CAC      | 3,875.82  | 3,809.16            | +1.75%     |
| SMI      | 6,504.44  | 6,422.20            | +1.28%     |
| DAX      | 5,930.53  | 5,803.02            | +2.20%     |
| NIKKEI   | 10,183.50 | 9,441.64            | +7.86%     |

For the very latest market info [www.churchillandpartners.com/market-news.asp](http://www.churchillandpartners.com/market-news.asp)

### CURRENCY EXCHANGE RATES- 22nd Dec

|                     |                      |
|---------------------|----------------------|
| CHF- USD\$: 0.9549  | CHF- GBPE: 0.59673   |
| CHF-EUR€: 0.66755   | EUR€- USD\$: 1.43045 |
| USD\$-GBPE: 0.62491 | EUR€- GBPE: 0.8939   |

For the very latest market info [www.churchillandpartners.com/currency-converter.asp](http://www.churchillandpartners.com/currency-converter.asp)

## SUSCRIBE TO A NEW WORLD ORDER: EMERGING MARKETS

There has been a recent focus in the industry on the growth and continued positive outlook for emerging markets. Faith is strong for this sector, as the global economic agenda shifts towards developing countries. Currently there are approximately 28 emerging markets in the world, hosting almost 85% of the world's population. China and India are considered to be by far the two largest with Brazil and Russia as close followers. Collectively these four leading markets known as the BRICs, have been clearly the best performers and are the top favoured stock holdings. Developing nation equities have gained three times more than the S&P 500 this year, more than doubling since their low point in March. Brazil, China and India have all rallied more than 75% with Russia's RTS index surging by a whopping 137%! Emerging markets have not been hit by the banking crisis to the extent that western markets have. What's more consumers in these countries tend to borrow less and save more and so are therefore better equipped to increase consumption. Furthermore, stocks in emerging markets are historically undervalued. On price/ earnings ratio valuation basis, they are comparatively cheaper than European and US stocks and are expected to have a greater market return than the US and Europe. Forecasts for the emerging markets, expect to see a rise at an annual pace of 4.6% during 2010- 2015. (Source: Bloomberg & Castlestone Management.)

The emerging markets presents a more secure investment environment than before, having seen many improvements including fiscal and monetary management.

There are a number of fund options available to investors looking to take advantage of the attractive stock valuation and growth potential of emerging markets. The Global Emerging Markets III Fund from Nomura, offers an 80% protection feature meaning your downside risk at any time is limited to a maximum of only 20%. The GEM III fund will track the performance of the NGEM index (Nomura Global Emerging Market) which comprises 6 equally weighted mutual funds from leading managers. Geographical and sectoral diversification is maximised by annual rebalancing of the initial allocations. The index is varied across 17 emerging countries, 17 sectors and over 300 stocks. Other funds options available include the VAM Emerging markets Growth Fund, and the Castlestone Protective Equity (Emerging Markets) Fund. For more information or to arrange an investment please contact your IFA or go to [www.churchillandpartners.com/funds.asp](http://www.churchillandpartners.com/funds.asp)



For more information or to arrange an appointment with one of our independent financial advisors contacts us on: [enquiries@churchillandpartners.com](mailto:enquiries@churchillandpartners.com)  
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## TACTICAL ASSET ALLOCATION

Savvy investors are adopting tactical asset allocation to drive returns by taking advantage of certain situations in the market place to create extra value. By rebalancing the percentage of assets held in various categories, investors use market timing to smooth the path of their funds through global business cycles. Exiting risky assets during booms and re-entering during busts, informed investors pay more attention to how much of each market they have in their portfolios than to any particular stocks,

commodities or funds. The Iveagh Private Investment House are one of the fund managers who implement this investment strategy to maximise the returns on their funds. Iveagh's tried and true technique involves holding a base-case allocation, fixed weights for every market to provide the best trade off between risk and return. To view Iveagh Wealth performance sheets please go to [www.churchillandpartners.com/fund-iveagh-wealth.asp](http://www.churchillandpartners.com/fund-iveagh-wealth.asp), alternatively contact your IFA to arrange an investment.