

ALTORFER FINANCIAL NEWSLETTER – 14th MAY 2021

I trust that you remain safe and well and are looking forward to the lifting of the covid restrictions over the next few weeks. We are hopeful of a return to some sort of normality with our working practices by mid to late June but are currently still working our rota system with each team in the office every other week and working from home otherwise. We are all still contactable by telephone, post and email.

Global stock markets have recovered sharply from the lows seen last spring, but remain volatile as the situation changes on almost a daily basis. There has been a lot of positive news, some of which is a result of the pandemic. This has seen the moves towards flexible working and online shopping, which was progressing slowly prior to March 2020, accelerate to a level where it almost seems like it has always been this way. There has also been an increase in awareness of Environmental, Social and Governance (ESG) factors, largely driven by Greta Thunberg and David Attenborough, with many portfolios now including a wide range of ethical and sustainable funds. Recent statistics have shown that it is no longer about principles or profits and the number of new funds being launched in these areas outweigh those where ESG or sustainability is not taken into account. Please talk to your adviser if you are interested in learning more about how we are accessing these areas. The main areas of concern are President Biden's tax raising legislation affecting the profits of the large US technology companies and the spectre of increasing inflation, along with the ongoing effects of covid. Inflation will increase in the short term, as it compares the situation last year with that now. This time last year, the oil price was negative and much of the global economy in lockdown, so the return of consumer spending and increase in oil prices will drive up inflation. The longer term picture is more uncertain, as it depends on how well both companies and individuals cope with the withdrawal of government support and whether this leads to a rise in unemployment, thereby driving down wages, or the recovery being strong enough to ride out the short term and return close to full employment. We do not make predictions either way but continue to monitor the situation closely to see how we, and therefore your portfolios, can benefit.

After 7½ years' service with Altorfer, David Ashley has left us and we wish him all the best for the future. We have already begun the recruitment process for his replacement and hope this will be completed in due course. In the interim, please rest assured that, whilst we may experience some delays to our usual service for a period of time, the team will always be on hand to assist you and to carry out your review meetings as usual. If you have any questions, please contact us.

We have used the period while half of us have been working from home to start redecorating our new office. It should soon be ready to welcome you and we are looking forward to being able to see you face to face, rather than via a screen.

Kind regards



Daniel Wackett
Managing Director
Altorfer Financial Management Limited