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RT FINANCIAL PLANNERS LTD

Investment and Economic Update July 2023

We will, again, provide some detail on the economic and investment backdrop, although it really has begun to feel as if we have simply been repeating ourselves, time and again, over the last eighteen months or so because the conditions have continued to present a very similar picture throughout this time.

There have been various causes, but the underlying root cause has been inflation, which has been fuelled by a number of factors, such as labour shortages, spiralling wage costs and higher food costs because of the position in Ukraine and the resultant, higher energy costs. I will not repeat everything again, because we have no doubt covered this over the period of time in question.

It was in late 2021 when we started seeing heavy falls in investment markets and the position has been up and down since then but, and putting it simply, values have largely moved sideways.

However, we continue, on an ongoing basis to monitor our recommended, underlying investment funds and are making small changes where we feel it is really necessary, because making additional alterations is very difficult in the current conditions.

We are again providing figures below because they highlight the problems we have seen. These show various indices, they not only show the different stock market indices, but also the AFI, or Adviser Fund Index measures. These are measures of investment funds that are commonly used by advisory firms and I have shown the cautious, balanced and aggressive indices because they paint a picture and show how all assets have been affected. I have shown the position for a year to the end of June, as well as for eighteen months since the difficulties began:

Index	**1 year to 30th June 2023**	**1st January 2022 to 30th June 2023**
AFI Cautious	1.43%	-9.22%
AFI Balanced	2.40%	-10.93%
AFI Aggressive	3.83%	-11.96%
IA Sterling Corporate Bond Sector	-5.26%	-16.58%
FTSE All Share (UK)	7.91%	2.95%
S&P500 (US)	9.86%	-0.52%
FTSE All World (ex UK)	9.47%	-0.79%
FTSE UK Conventional Gilt All Stocks	-15.15%	-26.78%

You can see bonds – sterling corporate bonds and government bonds have had a shocking time, and this has had a very detrimental effect on more cautious portfolios. Shares have recovered a little more in some economies, but we cannot simply invest fully in equities as that would be most inappropriate from a risk management perspective. I will note that the only reason the UK market looks better than other measures is that it is so heavily weighted in oil, gas and resources.

Our advice remains the same that we need to focus on the longer term, given that investments are held for long term, and we need to try to avoid focusing on short term falls. We firmly believe that remaining invested throughout these difficult times is the best solution. Timing investment markets is impossible and withdrawing money when values are down is likely to lock in losses and mean missing out on the recovery. We also believe that fixed interest securities must show some recovery in the not too distant future.