



# WISE INVESTMENT

## AUTUMN NEWSLETTER



### Welcome to the Autumn edition of our quarterly newsletter.

Welcome to the Autumn edition of our newsletter. It has been a busy few months for us here at Wise over the Summer. We have welcomed a new receptionist, Holly. Holly joins us having previously spent 13 years in a similar role at Owen Mumford in Chipping Norton.

We have also welcomed a couple of team members back from maternity leave, as well as recruiting a new member of the Admin team, Megan, who is due to start at the end of October. We have been out and about at various events over the summer and there has been plenty of fundraising for local charities going on.



**Alexandra Rae**  
Chief Executive Officer

### MARKET UPDATE

#### **With the recent rise in interest rates, a long-ignored asset class has come back into focus. Cash rates have been at or near zero for well over a decade.**

Initially, this was a response to easing the economic effect of the Great Financial Crisis (GFC) that started in 2007 but was further extended through the Covid pandemic that began in 2020. Recent rapid rises in inflation have caught central bankers by surprise and motivated them to quickly raise interest rates in order to temper some of the factors behind inflation or at least the repercussions that could cause inflation to spiral out of control.

Naturally, the rise in interest rates has also led to a rise in the rates depositors can earn on their bank balances with typical instant access accounts now offering mid-single digit yields. When comparing this current rate with the recent historic return from their portfolios, investors may be tempted to pull their money from a diversified portfolio of stocks, bonds and real estate and sit in cash instead.

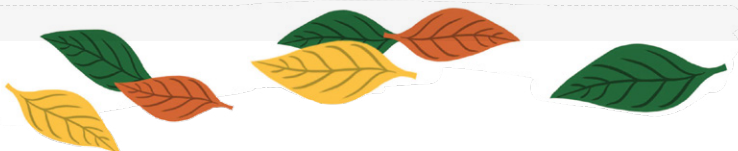
Indeed, in our own portfolios we have partly moved money away from equities and into short dated corporate bonds to take advantage of attractive short-term yields. However, we would caution that viewing cash as the only game in town could lead to missing out on the long-term benefits of a diversified portfolio.

Apart from potentially making the error of comparing historic performance of one group of assets with the future performance of another, there are a number of factors investors should consider before making any dramatic changes to a portfolio. For the sake of simplicity, I will use a comparison of the performance of the UK equity market (which barring the most defensive of portfolios is generally the driving force behind a UK based portfolio's return) with that of a typical cash balance over a continuous period just short of 4 decades to the end of last year.

In this time, the average calendar year return from the UK equity market has been just under 10% per annum whilst cash has returned just under 2.7%. Even excluding the period after the GFC, when rates were kept low for an extended period, this only increases to just under 4.5%. UK equities outperformed cash in 70% of the periods and when they did outperform, the excess return was over 15% (underperforming by an average of just under -8% when cash beat stocks). Now none of this would particularly matter if one could time the oscillations of the equity market with precision. Unfortunately, that is a skill that eludes most of us. In fact, I might go as far as to say all of us, including those who are professionally engaged to manage money. That is not to say it isn't possible to have a view on relative and absolute value. And, as I say, we recognise the current attractiveness of short-term interest rates. However, we are also aware that in the absence of a fully functioning crystal ball a portfolio diversified across multiple asset classes provides a much better chance of returning compelling long term returns than attempting to correctly pick out the top performing one.



**Robert Blinkhorn**  
Head of Investment Management



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**Autumn 2023**

## MORETON SHOW & BLENHEIM HORSE TRIALS



**We had a fantastic day at Moreton show on 2nd September. It was lovely to meet so many new people and connect with lots of great local businesses.**

We say a big congratulations to the winner of our 'guess the number of sweets in the jar' competition. Don't eat them all at once! Our doggy photobooth also went down a storm. It was very amusing watching some of the creative ways owners got their dogs to pose for the camera! It's only the second time we've done Moreton show but its already a firm favourite in our calendar. We really hope to be there again next year. Thank you to everyone who came to say hello on the day.

We also had a great few days exhibiting for the first time at Blenheim International Horse Trials. This four-day event sees around 75,000 people attending to watch some of the best riders in the world compete in the breathtaking grounds of Blenheim Palace. Having never been to such a big event, we were a little unsure what to expect. But the weather was in our favour, and lots of people stopped by our stand to say hello and have a chat with us.

We have found exhibiting at events such as Moreton and Blenheim are a great way of connecting with local people and businesses alike.

## CHIPPING NORTON THEATRE – PANTO FUN RUN



**Jo and Heather (accompanied by Sprout the dog) took part in the Chipping Norton Theatre Panto 5k Fun Run on 24th September.**

Following a vote on our social media channels, they took part dressed as Where's Wally. The weather was pretty abysmal, but they didn't let that dampen their spirits! Our 'Wise Wallies' have so far raised over £160 in aid of Chippy Theatre. We are so lucky to have the theatre in town; it plays such a pivotal role in our community. A big thank you to the organisers of the run, as well as the marshals who lined the route. If you would like to make a donation, please let us know and we will send you a link to the Just Giving page.

## WISE TEAM UP WITH WHITLEY STIMPSON TO HOST FREE WEBINARS

**We are teaming up again with local Accountancy & Business Advice firm, Whitley Stimpson, to host two free webinars on 10th and 17th of October.**

We have worked with Whitley for a couple of years now and had great feedback on the webinars we hosted together with them last year. The first webinar on 10th of October will focus on new pension rules and making the best of them, with the second webinar on the 17th focussing on inheritance tax and how to maximise the tax efficiency of your affairs. Please let us know if you would like the link to reserve a space on these webinars. You can also head to our YouTube channel to see the recordings of our previous webinars, together with Angus chatting to Ian from Whitley Stimpson on the importance of business and financial resilience, and the ins and outs of the 60% tax rate.



## ALEX JOINS THE CEO SLEEPOUT



**Alex is taking part in the Oxford CEO Sleepout on 12th October to raise awareness of homelessness across Oxfordshire.**

CEO Sleepout brings business leaders together for an unforgettable night sleeping under the stars, uniting to fight homelessness in cities across the UK. Funds are being raised in aid of Oxfordshire Homeless Movement. Alex has so far raised over £650. If you would like to donate, please let us know and we will send you the link to the Just Giving page.

## WISE INVESTMENT CHRISTMAS FAIR - 18TH NOVEMBER

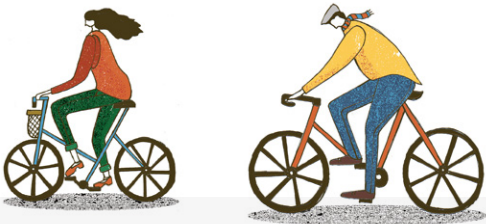


**We are incredibly excited to be hosting our first Christmas Fair at our offices on Saturday 18th November.**

We've got a fantastic lineup of stall holders for you to browse, including crafts, gifts, glass art, ceramics, embroidery, textiles, photography, Chipping Norton honey, cured meat, artisan chocolates and more! Doors will be open 10am until 4pm. We have got ample free parking on site and would love to see you there!

## WE WANT TO HEAR FROM YOU

What would you like to see in our upcoming newsletters? We'd love to include as much relevant information for our readers as possible. It's important to us that you enjoy and relate with their content. If there are specific areas or topics you would like us to include, please drop our marketing coordinator Jo an email on [jo@wiseinvestment.co.uk](mailto:jo@wiseinvestment.co.uk)



## WISE INVESTMENT

Wise Investment is authorised and regulated by the Financial Conduct Authority (firm reference number 230553). Your capital is at risk as values can go down as well as up.

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