

## Openwork Investment Committee - Investor Update March 2020

In this difficult time, we hope that you and your family are all well and managing through this extraordinary and tough period. The Openwork Investment Committee met yesterday (Tuesday 24 March) and we would like to reassure you that while your investment values are likely to have fallen in the short-term, we are confident that all processes are being followed correctly.

We discussed all the following investments, some of which you may hold:

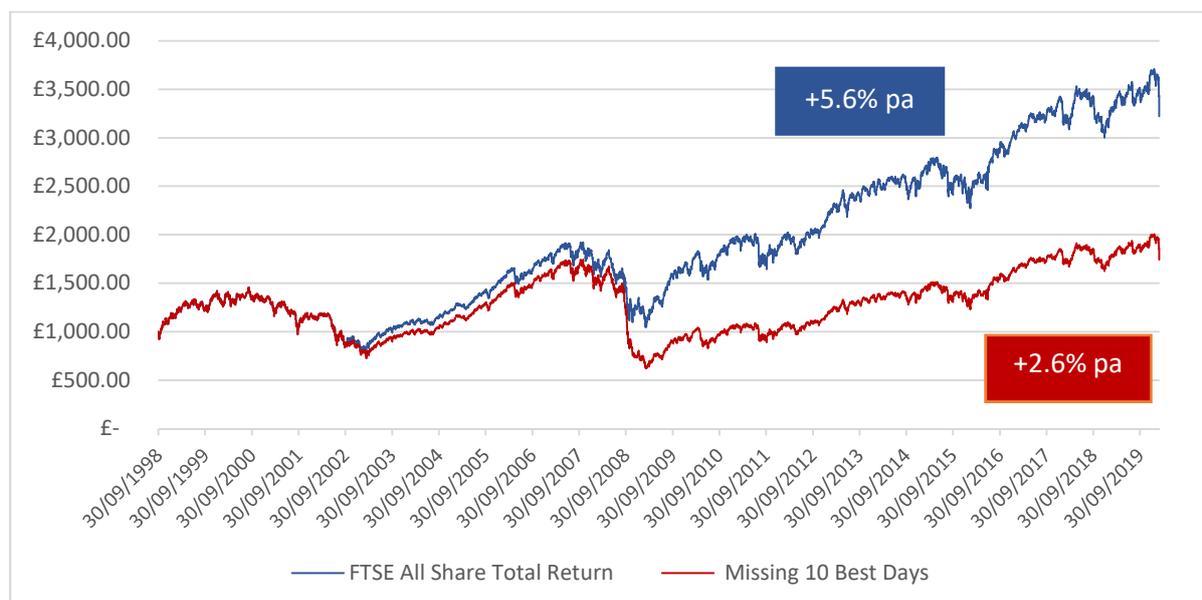
- Omnis Funds
- Openwork Graphene Model Portfolios
- Omnis Managed Portfolio Service
- Openwork Portfolio of Funds
- Openwork Recommended Funds
- Prudential PruFund
- VCT and EIS Products

There are a number of points that we wanted to highlight to you.

### Stay Invested

As you have seen, global equity markets fall and the value of your own investments fall as well. It is natural that some of you will be thinking whether you should sell your investments and move to cash or some other “safe haven”. Our strong message to you is stay invested. Focus on the investment objective that you set with your Financial Adviser at the outset and trust the process.

History shows that as night follows day, global equity market recoveries follow global equity market falls and it is damaging to miss out on the recovery days. The following chart shows the performance of the FTSE All Share between 30 September 1998 and 28 February 2020 and the impact if you missed the 10 best days. The cost of missing these 10 best days would have been nearly 3% a year (Source: Omnis Investments).



We even saw this yesterday when the FTSE 100 Index had its second best day ever rising by 9.1%. It was similar in the United States where the Dow Jones 30 rose by 11.4%. If you had moved to cash 24 hours earlier, you would have missed out on these gains.

### Understand Your Attitude to Risk

We know that you will have discussed your Attitude to Risk and your capacity for loss comprehensively with your Financial Adviser. We are delighted that this process appears to have really worked during this extremely short-term volatile period.

If you are a Cautious investor, you have been protected from the extreme falls of global equity markets. In fact, if you are invested in the Openwork Graphene C1 Cautious Model Portfolio, your investment will have fallen by less than 1% over the last 12 months, compared to the FTSE 100 which has fallen by over 20% (Source: FE Analytics)



■ A - Openwork Graphene C1 Cautious Model Portfolio 27/03/2019 TR in GB [-0.84%]  
■ B - FTSE 100 TR in GB [-20.91%]

22/03/2019 - 24/03/2020 Data from FE fundinfo 2020

### Prudential PruFunds

We are aware that the Prudential PruFunds have seen downward unit price adjustments in the last week to 10 days. Again, there is nothing untoward here and this is simply the consequence of how the product/funds work. We note that the Expected Growth Rates have remained unchanged and fully expect upwards unit price adjustments when global equity markets recover.

### Property Funds

A number of property funds have suspended dealing as a result of the consequences of us all being based and, for many, working from home. We have always been very specific about the issues with liquidity with property funds and this is why they are not included in our portfolios. Furthermore, we have only ever recommended that you have a maximum of 15% of your investment in property funds to protect you in times like this.

## **VCT and EIS Products**

Although high risk and not suitable for everybody, we know this is traditionally a very busy time for VCT and EIS products, giving you the chance to get tax relief on your investment in exchange for investing in smaller, high risk companies. We have a panel of products still available for you and your Financial Adviser and expect some of these to remain open into the new tax year.

We understand it is an unprecedented time for all of us. Some of you may be home-working for the first time as well as having to home-school your children. For others, you have had to cancel your Easter holidays and are not able to leave your home.

In such times, it is important to know that your hard-earned pension savings and other investments are being looked after. We cannot stop short-term market falls but we can reassure you that your money is being monitored closely. We fully expect global equity markets to recover. We cannot predict timescales but if you do not need your money now, we believe you will be rewarded for staying invested.

We will update you again after our next meeting and in the meantime, please look after yourselves and stay safe.

Thank you.

Mike Morrow, Paul Mitchener and Jon Baillie  
Openwork Investment Committee

**The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested. Past performance is not a reliable indicator of future performance and should not be relied upon**