This quarterly newsletter is designed to provide a brief overview of what's been happening in *the global economy and* world markets.

Equities

October saw an early dip in equity prices, but then they rebounded strongly to close up, led by Asian and Emerging markets, as progress in the US/China trade talks appeared to gather pace with an announcement that a "Phase One" trade deal was in the offing.

Another cut in US interest rates (the third this year), also boosted sentiment, offsetting further signs of slowing US economic momentum, however all other developed markets lagged a little, with the UK All Share Index actually declined, due to a 5% rise in Sterling (the biggest monthly rise since May 2009) and lacklustre Q3 results in larger cap earnings. Small and Mid-Cap shares did manage some small gains though, as the EU agreed to extend the Brexit deadline to 31st January 2020, reversing a minor amount of the underperformance that they have suffered since June 2016).

In November, global equities were broadly higher, as hopes for the signing of a US-China trade deal (known as "phase one") boosted sentiment, and the UK rose 2.2% as opinion polls strongly suggested a Conservative party overall majority at the up-coming mid-December election.

Emerging Markets fell over the month with China dropping 1.95% due to both Industrial Production and Retail Sales missed forecasts, and currency-related weakness and political unrest hurt investor confidence in Latin America.

December saw another strong month as Central Banks provided yet more liquidity to markets. Whilst US markets saw a rise of just under 3%, Emerging Markets were the best performers seeing rises of 5.75%.

The UK saw a rise of 3.32%, helped by a surge after the result of the election was announced, whilst the rest of Europe was only up 1.31%, held back by the Italian and Irish markets, possibly due to concerns over the impact of Britain's exit from Europe in the latter case.

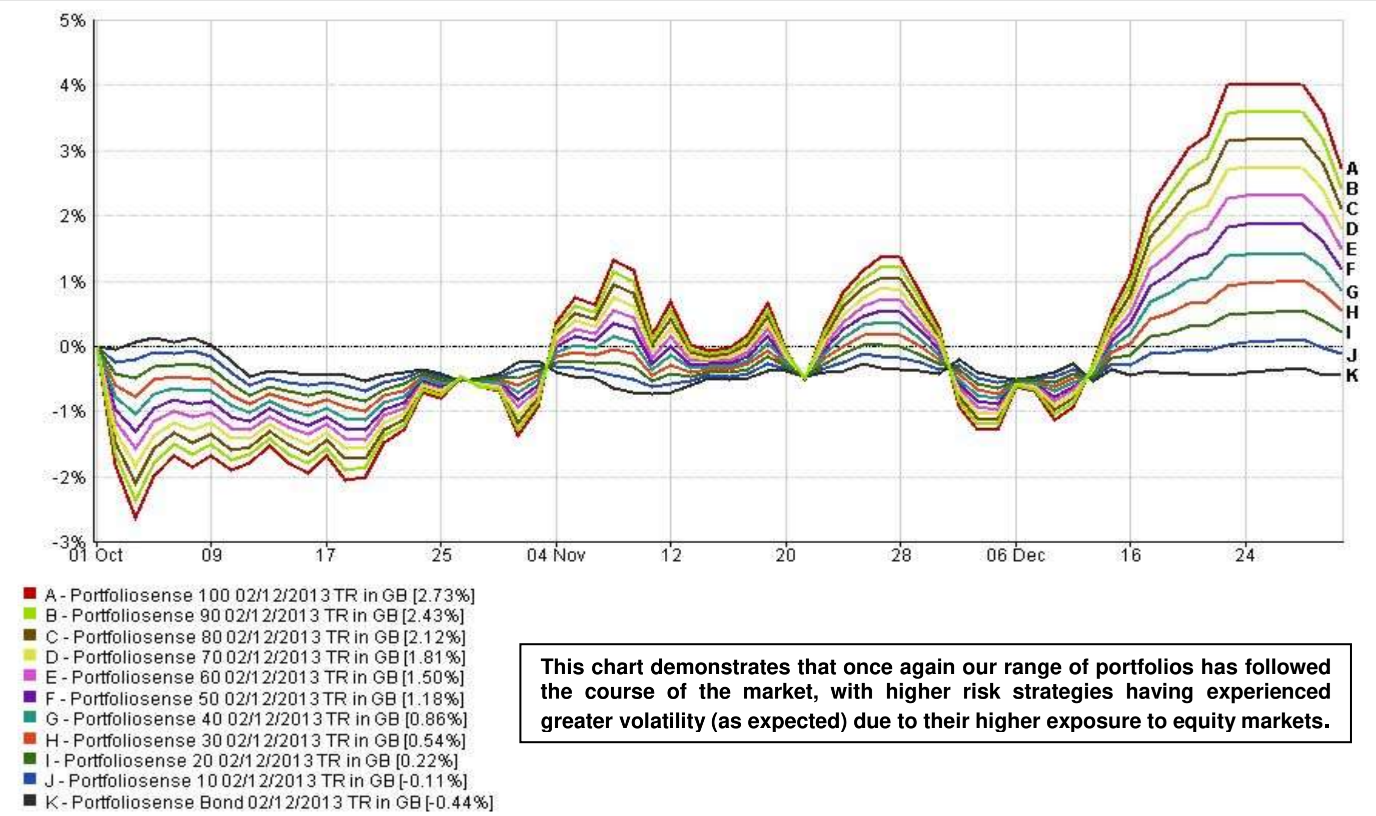
Fixed Interest

Bond prices fell over the month of October, as investors began to increase their appetite for risk assets. Whilst the Fed's third interest rate cut was widely expected by investors, 'Jay' Powell's implication that there would be a "pause" in rate cuts for a re-evaluation of their effects, disappointed bond traders.

Emerging Markets bonds saw small gains, predominantly in Local Currency bonds, as confidence rose doe to the weakness of the US Dollar, which pushed domestic EM Currencies higher.

As a consequence of renewed growth expectations, global bonds had a poor month in November, with European Sovereigns the worst performers as newly installed ECB President Christine Lagarde called for increased government spending to support the regional economic bloc's growth outlook.

UK Gilt yields also rose as investor sentiment improved vis-a-vis the UK, as they increasingly expect a Conservative election victory.



This chart demonstrates that once again our range of portfolios has followed the course of the market, with higher risk strategies having experienced greater volatility (as expected) due to their higher exposure to equity markets.

In December, Corporate bonds outperformed Governments (as one might expect given the increasing Central bank liquidity output), as investors sought more risky assets with Sterling Corporates boosted by the UK election result.

Property

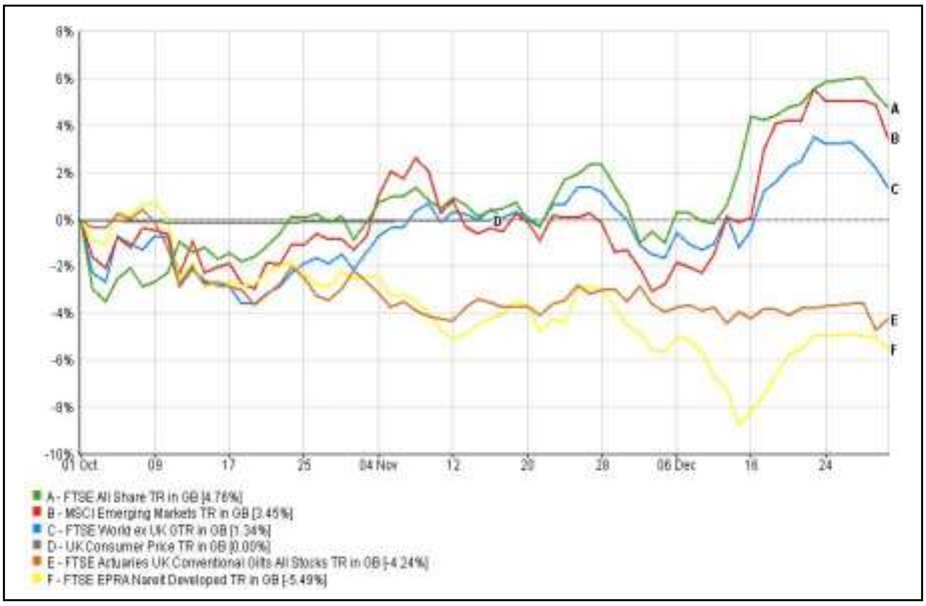
October was a very mixed month; the UK Property market saw a 5% gain as the country inched towards a deal with the EU, but aside from France, other regional markets were flat or down on the month (Irish property falling by 3.65%).

November saw another mixed performance. The UK market rose 2.4% on the month building on October's gains as the likelihood of a no-deal Brexit continued to recede. Emerging Market property rose, boosted by a gain in Chinese property, despite another sharp fall in Hong Kong, as pro-democracy demonstrations continued.

The last month of 2019 saw property prices surge globally, with Emerging markets leading the way, being up 8% on the month (with Brazil seeing rises of over 20%).

Elsewhere, returns were more muted, with Global property falling almost 1% as both the US and Japan fell by more than 3%, possibly due to profit taking after another strong year for property returns worldwide.

The best national performer of 2019 was the UK, up over 30% on the year as it finally appeared that the Brexit "gordian knot" had been severed, though in truth, much remains to be resolved and negotiations have not really begun in earnest as of yet.



In a reversal of Quarter 3, Property has gone from a strong performer to the weakest, albeit they rebounded at the time that stock markets rose, in anticipation of and following the announcement of the result of the UK General Election.

Over the course of the year we (unusually) saw all sectors posting a positive performance, with UK Small Cap leading the way.