



MVAM
MOLE VALLEY
ASSET MANAGEMENT

Monthly Report

'Why Eating Mince Pies May Be Good For Your Health and Your Wealth!!' November 2019



"Mom, I followed your time-honored legendary family recipe for Brussels Spout Bake with one exception - I substituted a pizza for the Brussels Sprouts."

CartoonStock.com

This report includes:

Portfolio Review

Allocation Summary

Portfolio Holdings

Portfolio Transactions

Important Information

Only 34% of adults think that Christmas is the best time of the year. This lowly statistic was met with stunned incredulity when the figures were announced in the now traditional run up to Christmas UK TV show "I'm a Celebrity Get Me Out of Here!"

What makes Christmas so special (for the 34% of us), are just those traditions. Whether it's watching a television programme or eating a mince pie we all need our traditions.

Tradition perhaps more than anything explains the normal run up in stock markets at this time of year. Twenty of the last twenty-five Decembers have seen the stock market rise. The reasons for this seasonal phenomena are difficult to explain but it may well be due to the warm feelings from these traditions, providing investors with some Christmas spirit?

Last year however was a big exception, with the UK markets falling 3.6%. This supports the view that the old traditions, most of which were established in the second half of the twentieth century, are being undermined. The feeling of comfort at this time of the year is disappearing. Rage and fear permeate the media. The global political system is in disarray and the climate change crisis is creating an unsettled and anxious environment for all. Our traditions are threatened as we now challenge behaviours that have seemed so sensible over all these years. It's hardly surprising that financial markets are so jittery in the face of such change.

If we worry about the damage stocking fillers are doing to the environment, the air-miles of the tangerine at the bottom of the stocking or in which sea the plastic throw away game will end up in, then the vagaries of the stock market aren't likely to beckon new investors any time soon. If driving home for Christmas (let alone flying) has negative as well as positive connotations, what chance is there of strong investment returns which need at least some optimistic view of the future?

We at MVAM however, tend to be glass half full type people. We acknowledge the challenges of the present (no not present as in gift, we're trying to be serious here!!) but believe new traditions are created by new circumstances. When we know how to safely substitute that plastic game, calm and tradition will be restored. This turmoil will create as many opportunities as it does threats. It gives openings for new companies and new ideas that will make the world a better place, after all, plastic games were pretty naff at the best of times. The products and services from these new ideas will create our new traditions and bring back that cosiness we all need and desire. Difficult as it seems when the routine of today is so imperilled, the change we are seeing makes me much more upbeat about the world, its people, and its financial markets than the current headlines suggest.

For this, you may say I'm a dreamer....but I'm not the only one.....

Mole Valley Asset Management Ltd.

Website: www.mvam.com Tel: 01306 776999 Email: mvamteam@mvam.com

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