

# KEEPING THE BOAT STEADY – INVESTMENT CONSIDERATIONS INTO THE END OF 2020



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The September quarter in financial markets stands out as being unremarkable; in a year of the remarkable. This is certainly true when we look across broad market indices. However, just as the approach to dealing with COVID-19 has been staggered and uneven, so has the economic impact.

In our latest Quarterly Market Update, we explore the “what’s” and the “where’s” of the past three months, as well as sharing some investment principles that may help you think about market developments as we navigate through to the end of the year.

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Let’s have a look at just some of the key points discussed in the report.

## What happened?

Relative calm describes the market experience over the past quarter. Broad market trends either continued or consolidated gains from the June quarter, albeit with reduced zeal.

## Where are we?

The quarter may not have felt calm for many investors. In addition to behavioural reasons, there was some degree of turbulence below the surface, as different rates of infection impacted different countries and different sectors, in different ways.

## What are the dark clouds on the horizon?

Over the next few months, we have issues including; the U.S. presidential election, a deteriorating US/China relationship and Brexit to mention but a few. These have the potential to increase market volatility, the bias of which will inherently tie to whether uncertainty is increased or decreased. Indeed, as we pass through time, some of these issues will resolve in one way or another. These resolutions will likely place an upward bias on asset markets as they serve to reduce the current levels of uncertainty.

## Where to from here and how should I consider investing in this environment?

As you chart your path through the coming months, it will serve you well to be prepared for moments of market stress. Bearing these is an unfortunate requirement of earning investment returns. A positive fact to bear in mind, is that both fiscal (governments) and monetary (central banks) authorities stand ready to support the recovery.

We delve deeper into these topics throughout the update, as well as sharing developments within our various asset classes (cash, fixed interest, real estate, Australian equities, International equities and Alternatives).

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