ForresterHyde
CHARTERED FINANCIAL PLANNERS

Investment Outlook

Autumn 2021

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The four most expensive words in the English language are, 'This time it's different'. – Sir John Templeton, Fund Manager

Key Points - Introduction

- In the UK over 700,000 jobs have been added, 182,000 between June and July.
- Global dividends are forecast to return to pre-Pandemic levels within twelve months.

Introduction

2020 provided a bumpy ride for investors. The new decade signalled the longest rising market in modern history. However, that quickly soured, with the first quarter recording the worst return since the Great Depression of 1933 – with global equities falling over 20% in sterling terms. Lockdowns led to a surge in jobless claims, coupled with deep recessionary signals and even liquidity concerns.

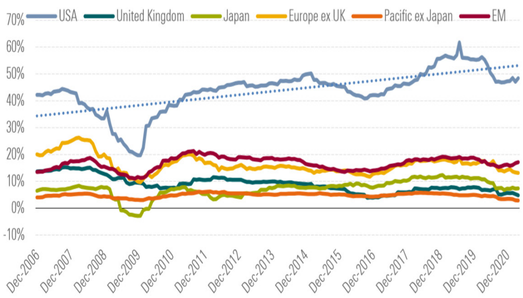
Q2 2020 saw a bounce back led by technology and 'new economy' stocks, and the year ended with global equities back at record highs. A clear case of markets anticipating recovery on the back of vaccine rollouts combined with a perception of improved political stability.

In the UK over 700,000 jobs have been added, 182,000 between June and July 2021. The unemployment rate fell to 4.7%. The Bank of England expressed confidence that the jobless rate would not rise materially when the Job Retention Scheme ends in September. The labour pool is smaller, - migrant workers who left are not expected to return in the same numbers, 2 million are off work due to long term health and older workers have opted to retire. Wages rose by a record 7.4%, ex bonuses, year-on-year between April and June, reflecting the mismatch in the labour market. The Bank of England expect the spike in inflation will subside, returning to the Bank's target rate 2% by 2023.

Global dividends are forecast to return to pre-Pandemic levels within twelve months after pay-outs jumped by 26% during Q2 2021. Companies paid £346bn between April and June, leading Analysts at Janus Henderson to forecast total pay-outs in 2021 would rise to $1.39tn.

Looking ahead, we believe markets have underestimated the return potential of the technology sector and the longevity of their potential advantage. As a result, we believe the intrinsic value (the value of underlying cash flows) from US companies will remain above market or fair value. US earnings as a proportion of global corporate earnings continue to rise, see below:

Proprtion of the Global Market's Corporate Earnings
Source: Morningstar Investment Management calculation, Factset, at 30/04/2021



In line with Morningstar, our benchmark for asset allocation, we will continue to take prudent consideration of starting valuations as well as the trade-off between risk and reward to ensure portfolio outcomes remain aligned with investors' goals. Morningstar have introduced Asia Pacific as a sector into their asset allocation. Whilst we have always had exposure in this sector, we will be moving in line with the benchmark.

Key Points - UK

- The UK economy surged 4.8% in Q2 2021.

Key Points - US

- Federal Open Market Committee suggest the end of the $120bn-a-month Asset Purchase Programme.

UK Equity

The buoyant UK jobs market saw vacancies rise to a record high. The number of people in employment rose to 32.28m in Q2 (ONS). Strong job growth supported wage increases leading Ruth Gregory, Senior UK Economist at Capital Economics, to suggest the Bank of England might raise interest rates sooner than we had anticipated, forecasting a rise to 0.25% next year.

Inflation continues to pose a threat, with Yael Selfin, Chief Economist at KPMG UK, saying "The July fall in year on year inflation masks the strength of inflationary pressures currently within the UK economy".

The Bank of England forecast UK inflation to rise again after July's dip.

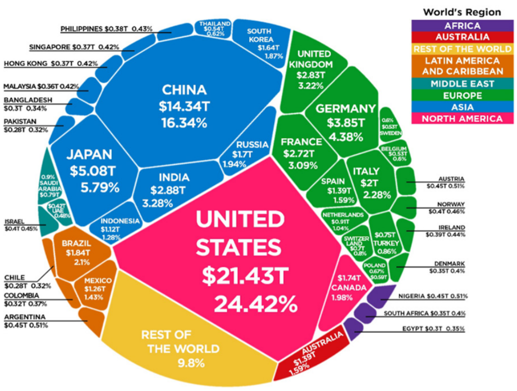
The increase in earnings threatens the Conservatives Pension "Triple Lock" Pledge.

The UK economy surged 4.8% in Q2 2021. Despite this, the UK produced 4.4% fewer goods and services between April and June than in Q4 2019. The economy is on track to return to pre-Pandemic levels of output before the end of the year as long as the virus remains under control.

We might not think UK companies are undervalued but that is not a view shared by our American cousins who are actively seeking to buy UK assets. In the last eight months, overseas buyers have spent more acquiring UK listed companies than they have in the last five years. Morrisons has succumbed and now Sainsbury is under threat. BHP is delisting in London. Advent International acquired Cobham for £4bn last year and counter to the pledges given has saddled the Company with $3bn of debt whilst embarking on an asset sale. According to figures published by Dealogic, 1,462 UK companies worth £183bn have been bid for so far this year. Private equity investors, largely from the US, have swooped on firms whose valuations have suffered as a result of Brexit and Covid.

We are reducing exposure to the UK in favour of the US to remain underweight to our benchmark.

Global Powerhouse
Source: https://howmuch.net/articles/the-world-economy-2019



US Equity

The benchmark S&P 500 - the barometer of the $51tn US stock market - has doubled from a closing low hit during the depths of the Pandemic underscoring the resilience of the market, aided by the Federal Reserve pumping trillions of Dollars worth of stimulus.

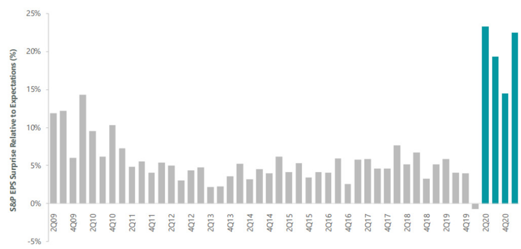
June economic output returned to pre-Pandemic levels whilst earnings figures from corporate America eclipsed Wall Street expectations.

However, Minutes from the July meeting of the Federal Open Market Committee suggests the end of the $120bn-a-month Asset Purchase Programme is nearing. The consensus is edging towards 'tapering' the Bond Buying Programme, which the Central Bank has pledged to keep in place until it sees "substantial further progress" on its goals of average 2% inflation and maximum employment.

US stocks fell on publication of the Fed Minutes. Terry Smith, the Fundsmith Manager, continues to focus on quality growth companies that will outperform over the long term. Eschewing the rally in value stocks, asserting "no amount of recovery or low valuation will turn a poor business into a good one".

The US remains a global powerhouse and earnings have beaten expectation.

Historic Earnings Surprise
Source: Facset as at 31/03/2021



As a consequence of Morningstar increasing allocation to US Equities, we are also increasing exposure, by way of the Premier Miton US Opportunities Fund and to Fundsmith Equity.

We are positive and overweight to our benchmark.

Key Points - Europe

- Germany will hold elections in September as Angela Merkel steps down after fifteen years.

European Equity

European bourses tumbled on 19 August on mounting concerns over US Monetary Policy. Europe presents a complicated and mixed outlook. Inflation remains a central issue, but the recent rise is expected to remain a temporary phenomenon. Prices for the vast majority of manufacturing staples are rising and will feed into the cost of production, ranging from electricity, oil and the cost of services such as transportation. The cost of a container shipped from Shanghai has doubled in the past twelve months.

Political change is afoot in Germany with elections in September, when Angela Merkel will step down after fifteen years.

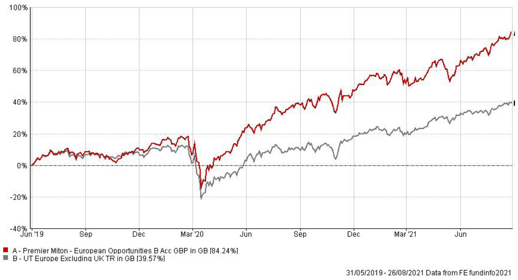
Initially, it appeared the pendulum was swinging to the Greens, but polls now suggest no significant policy shift. From an ESG perspective, corporate activity in German property highlights an interesting example of how environmental legislation is changing market returns. The market has been overly focused on the politics around rent rises and ownership, while the real opportunity lies in energy efficiency, providing both a positive environmental impact and attractive investment returns.

After a slow and acrimonious start, the EU vaccination campaign gained traction – the EU met its target for vaccinating 70% of adults by July. There are exceptions- Bulgaria and Romania have vaccinated only 20% and 32%, respectively.

Our position is unchanged. Exposure is via the Premier Miton European Opportunities Fund and we remain neutral in line with our benchmark.

Premier Miton European Opportunities Performance Since FH Purchase

Source: FE Analytics as at 27/08/2021



Key Points - Japan

- The economy is now expected to grow at an annualised rate of 1.3%, beating Analysts' expectations of 0.7%.

Japanese Equity

Japan's economy crawled back to growth in Q2 2021, but the rebound was weakened by a sudden rise in Covid cases. The economy expanded 0.3% in Q2 following a 0.9% drop in the first quarter. The economy is now expected to grow at an annualised rate of 1.3% beating Analysts' expectations of 0.7%. Domestic consumption grew by 0.8% in Q2, whilst exports and business investment grew by 2.9% and 1.7%, respectively.

The country's vaccination programme is ramping up and forecast to vaccinate 50% of the adult population by September. By the end of June only 25% of adults had received their first dose of the vaccine. Noting the limited number of severe cases and deaths, Naohiko Baba, Chief Economist at Goldman Sachs, expects the boost in sentiment from the vaccination programme will unlock pent up demand in the fourth quarter when he forecasts GDP growth of 8.4% in the final three months of the year.

We have followed Morningstar and reduced exposure to Japanese Equity but still remain positive to our benchmark.

Key Points - Asia

- Morningstar have now differentiated between Asia and Emerging Market exposure.

Asia

Morningstar have now differentiated between Asia and Emerging Market exposure. In practice, investors in our portfolios are exposed to Asia via the following funds:

- Fidelity Emerging Markets Fund
- FSSA Asia Focus Fund

Going forward, we will report on Asia as a separate sector from Emerging Markets.

South East Asia deal-making hit $19bn in the first six months of 2021, fuelled by acquisitions by Grab, Gojek and Sea. South East Asia is home to 400m plus internet users and Google expects the digital economy to be worth $300bn by 2025.

China cracked down on gaming and private tutors declared parents were piling too much work on their children – this negatively impacted Chinese Education Companies. A Peking University study reported the private tutoring market grew by 30% annually and is worth in excess of Rmb800bn ($123bn) in annual sales. Steve Tsang, Director of the Soas China Institute in London, said "President XI has made it clear that he intends every policy to be subject to the leadership of the party".

We are increasing exposure via the FSSA Asia Focus Fund. The fund invests at least 80% in shares of large and mid-sized companies based in, or where the majority of their activities take place, the Asia Pacific region (excluding Japan). These companies generally have a total stock market value of at least $1bn. The fund was launched in August 2015 and is managed by Martin Lau and Richard Jones, the fund size at 30 June 2021 was £1,178.8m.

We are positive to our benchmark.

Key Points - EM

- Rising commodity prices, buoyed in part by the global bounce back, represents a tailwind for exporting countries.

Emerging Markets

Globally the pace of recovery has varied widely, but with vaccinations trending higher and a restart for global capital expenditures, we expect this to filter through to a strong recovery in the second half of 2021. The return of inflation is a sign of economic growth. Our outlook for Emerging Market debt is positive and we believe the sector is poised to deliver strong absolute and risk-adjusted returns.

Turkey's GDP exceeded pre-Pandemic levels by Q3 and was up 7% over Q1. Poland's output was only 1.7% below its pre-Pandemic level in Q1 and Russia is also close to its pre-Pandemic level of output. South Africa is lagging, but the gap is closing more quickly than forecast.

Afghanistan faces a dire financial outlook. Ajmal Ahmady, the former Head of the Central Bank, said "The country had depended on bulk shipments of Dollar reserves from the US and was now running short". The IMF has withheld $450m in funds. People will not be able to access funds from banks, inflationary pressure will build, leading to higher food prices.

Our investors are exposed to this sector via the Fidelity Global Emerging Markets Fund. The Fund Managers seek to identify companies with the following characteristics:

- Superior return on assets.
- Sustainable return on assets.
- Long term growth opportunities that reinvest at high marginal rates of return.
- Strong, underleveraged balance sheets and self-funding businesses.
- Equitable treatment of shareholders by management and majority owners.
- Reasonable valuations that support high total shareholder returns.

Whilst the pace of recovery in Emerging Markets has varied, China, Korea and Taiwan all responded swiftly to control the outbreak. India endured a brutal second wave that overwhelmed the country's Healthcare system. Latin America also maintains high infection rates in some countries. The vaccination programme is not the only factor playing a role in the EM recovery story. Rising commodity prices, buoyed in part by the global bounce back, represents a tailwind for exporting countries. Not only do rising prices bolster the GDP of commodity producing economies, they also help reduce fiscal and current account deficits.

On the back of the economic rebound we expect an increase in capital expenditure. The US is increasing Capex 15% year on year. Columbia, Argentina and India anticipate 16% - 20% uptick, whilst Hungary, Indonesia, Brazil, Chile and Greece anticipate an uptick in the range from 8% to 12%. South Africa, Korea, Mexico, Turkey and Russia anticipate lower increase in the range from 1% to 7%, whilst Capex is expected to reverse in Czech and Poland.

We remain positive and are further increasing exposure above our benchmark.

Key Points - Alternatives

- The JPM Global Macro Opportunities Fund returned 2.56% in the last 3 months.

Alternatives

You will recall Morningstar removed Commodities and Property from the sectors benchmarked. Forrester-Hyde exited the Property sector in 2020 and introduced 'Alternatives' in place of Commodities. Exposure is via the JPM Global Macro Opportunities Fund. This is an FE Five Crown rated fund, which returned 2.56% in the last 3 months (26/08/2021) on the back of Long Equity strategies, particularly quality growth Tech, Consumer Discretionary and Healthcare.

We remain positive to our benchmark.

Key Points - Fixed Interest

- When Bond prices fall, yields rise. US 10 year yields rose above 1.5%, whilst the UK yields rose to 0.8%.

Fixed Interest

In the first three months of the Pandemic the US Fed bought $1.6tn of Treasuries. In the subsequent fourteen months, it bought $1.1tn, slowing the pace of asset purchase. During this period S&P 500 rose by 50%, credit spreads are tighter, and real yields lower. In the last three months, 10 year US Treasury yields fell from 1.70% to 1.13%, whilst in the UK, 30 year yields fell from 1.40% to below 1%. We expect Central Bank support will taper posing a challenge for lower quality Bonds, whilst many of the higher quality Bonds look overpriced.

Our investors access this class via Vanguard Asset Management. Vanguard are one of the largest Fixed Interest Managers with £415bn across their active Bond Funds. We believe the surge in inflation is a transitory spike driven by rising energy prices, wage inflation and supply side shortages. Stephen Snowdon, Manager of The Artemis Corporate Bond Fund said "The post-Pandemic recovery will not keep fuelling high inflation.... I have little doubt the current inflation story is a transitory one".

He goes on to say in an interview with Jakob Payne that almost irrespective of when you buy into the High Yield Bond market, you can expect attractive long term returns. He does not believe the Bond market is in imminent danger of collapse or a sustained sell off.

It is not he says "The ideal time to buy Corporate Bonds, that is when the world is in crisis, investors fear defaults, when Equity markets are on their knees and risk appetite has been wrecked".

We remain underweight Government Bonds, UK Corporate Bonds and Global Inflation Linked Bonds, but overweight Global Corporate Bonds to our benchmark.

Cash

Cash exposure across our Core Portfolios is via the Royal London Asset Management, RLAM, Cash Plus Fund. RLAM have successfully provided a Specialist Cash Management Service since 1987, managing over £12bn in Cash assets, for a range of Clients, including Corporates, Universities, Insurance Companies, Professional Bodies, Charities and Local Authorities.

The fund is appropriate for Investors with a medium term timeline horizon. Diversification is achieved across a range of counterparties and asset types. A minimum of 50% will be invested in Money Market Instruments, providing a high level of liquidity. The majority of assets are rated AA-, or better with a large exposure to AAA rated floating rate covered Bonds. The combination of sub-one year Money Market Instruments and high quality Floating Rate Notes aims to provide security and an enhanced yield, estimated between 0.50% to 0.75% per annum.

Our exposure to cash has remained unchanged since the last rebalance, with 5% of our Balanced portfolio still allocated to the cash asset class. We are underweight to benchmark.

Key Points - Conclusion

- Central Bank tightening led by the Federal Reserve seems unlikely for the next two years.

Conclusion

After rebounding strongly from lockdown, economic activity has stalled as companies are hit as the lack of staff and materials plague Manufacturing and Service. The Consumer Electronics sector has suffered from a Global Chip shortage, which has also impacted car production with Toyota and VW closing production facilities. IHS Markit said higher wages and severe shortages of raw materials and critical components pushed up purchasing prices in August. The slow down in the recovery will, however, reduce pressure on Central Banks to raise interest rates despite inflationary pressure.

Investors worried about rising prices across the board have poured cash into inflation protected Government debt. However, both the Bank of England and the US Federal Reserve are on record as saying the current levels of inflation are transitory and will fade as supply and demand jams are resolved.

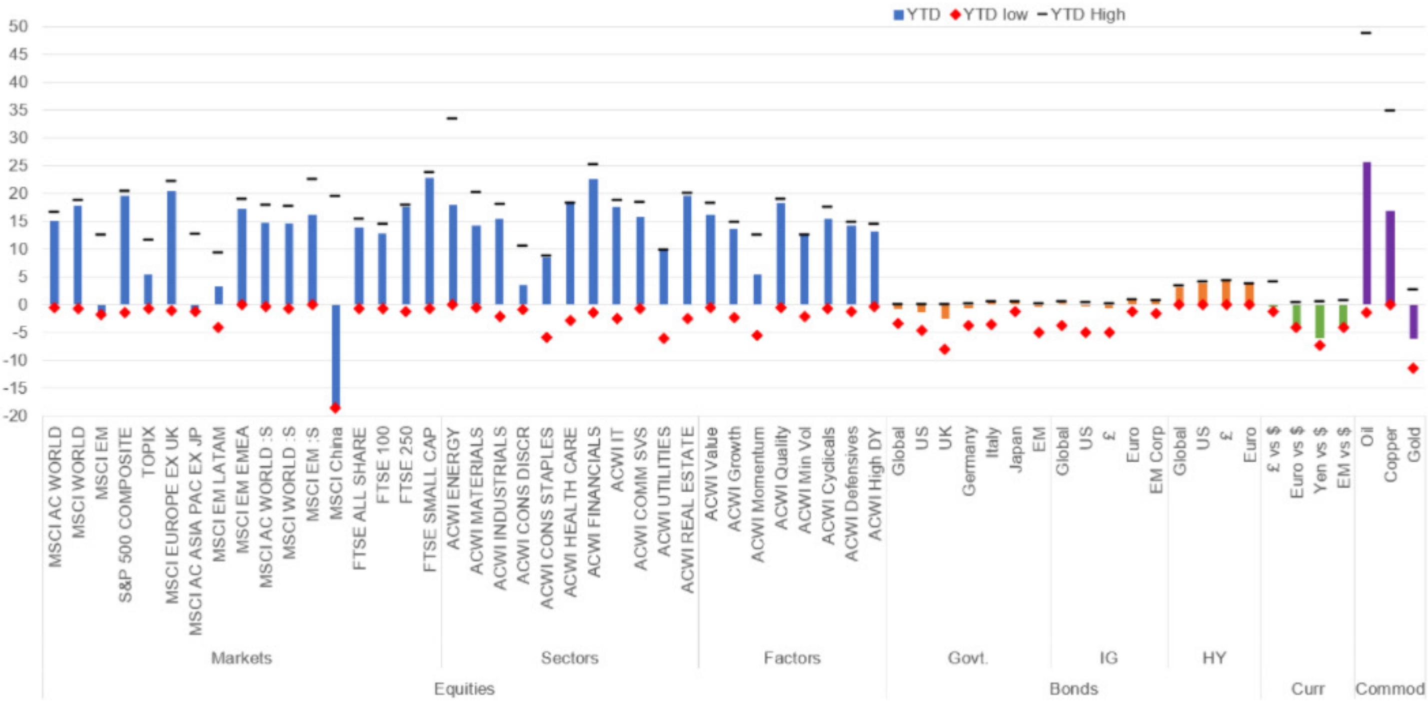
Despite promising to maintain the triple lock at the last General Election – the State Pension is boosted every April by the higher of inflation, earnings growth or a 2.5% floor – with earnings growth above 6%, Chancellor Rishi Sunak is expected to renege on his earlier promise. The Chancellor will also be looking to raise taxes to repay the colossal amount the Government borrowed. I

The roll-out of vaccinations throughout most developed countries has encouraged investors to look optimistically to a post Pandemic future. The main driver of valuation has now moved from hope to real improvement in earnings. The US remains in the vanguard of fiscal spending and Central Bank support.

Whilst we are still in the recovery phase, it is interesting to see the performance of asset classes.

YTD market performance (%)

Source: Datastream as at 22 August 2021



Central Bank tightening led by the Federal Reserve seems unlikely for the next two years and the major economies are in the early recovery phase from the 2020 lockdown recession. The financial impact of the Pandemic is less than feared and less than the impact of the 2008 financial crisis. Prompt Government intervention protected jobs and earnings. In the UK, in Q2 2020 GDP fell by more than 13%, but household incomes by only 3% on average. In terms of valuations, the UK and Emerging Markets look sensibly priced. The V-shaped recovery has played out, but markets are still rising.

Fund Panel Update

FH Core

Allocation Increased | Allocation Decreased | Fund Added | Fund Removed

Fund Name	Conservative	Cautious	Balanced	Assertive	Adventurous
Allianz Gilt Yield	2	1			
Allianz Strategic Bond	-1	-1	-1	-1	
Artemis Corporate Bond		1	1		
Artemis US Smaller Companies				1	1
Baillie Gifford Japanese			-1.5	-1.5	-1.5
BlackRock Emerging Makets				0.5	0.5
Fidelity Emerging Markets	-1	-1	0.5	1.5	1
First State Asia Focus			0.5	1	
Franklin UK Equity Income		-3	-4	-3	-4
Fundsmith Equity			2	2	2
Janus Henderson Absolute Return Bond			-2		
JPM Global Macro Opportunities				-1	
LF Miton European Opportunities	1				0.5
LF Miton UK Multi Cap Income	-0.5	2	2		
LF Miton US Opportunities		2	1.5	2.5	2.5
Liontrust Special Situations			-1	-1	-1
Royal London Cash Plus			2		
Royal London Sustainable Leaders	-0.5	1		-1	-1
TB Amati UK Smaller Companies		-2			

FH Distribution

Fund Name	Distribution
Artemis Corporate Bond	1
Baillie Gifford Strategic Bond	-1
BlackRock Continental European Income	-2
Franklin UK Equity income	-1
Kames Diversified Monthly Income	2
LF Miton Multi Cap Income	1
Rathbone High Quality Bond	-2
Royal London Cash Plus	-3
TB Evenlode Global Income	7
Threadneedle US Equity Income	-2

Funds Introduced

TB Evenlode Global Income

The Evenlode Global Income Fund was launched in November 2017 and is co-managed by Ben Peters and Chris Elliott. The managers adopt a buy and hold stock picking strategy, combined with portfolio nudges each quarter, to keep the fund on track. The fund is focused on finding good quality businesses with high returns on capital and strong free cash-flow.

Fund Panel Update

FH Specialist

Allocation Increased | Allocation Decreased | Fund Added | Fund Removed

Fund Name	Ethical Cautious	Ethical Balanced	Ethical Assertive
AXA Sterling Credit Short Duration Bond	-4		
AXA Strategic Bond	1		
BMO Responsible Global Equity	-0.5		
BMO Responsible UK Income	-1	-2	-2
FTF Clearbridge Global Infrastructure Income	2	2	3
Janus Henderson UK Responsible Income	-1		
LF Montanaro Better World			0.5
Liontrust Sustainable Future Global Growth			1
Rathbone Ethical Bond	1		1.5
Royal London Cash Plus			-2
Royal London Ethical Bond	2		-3
Royal London Sustainable Managed Income Trust	0.5		
Stewart Investors Worldwide Sustainability			1

FH Passive Plus

Fund Name	Cautious	Balanced	Assertive
Artemis Corporate Bond			-2
Fidelity Emerging Markets			1
Fidelity Index Japan	-5	-7	-9
HSBC American Index	-7.5	-12.5	-16.5
iShares Corporate Bond Index			4
iShares Emerging Markets Equity Index	2	2	3
iShares Japan Equity Index	5	6	8
iShares Pacific ex Japan Equity Index	-2	-1	-2
iShares UK Equity Index	7.5	11	15.5
iShares UK Gilts All Stocks Index	8	4	
iShares US Equity Index	9.5	15.5	20.5
L&G Cash Trust	-1		
Royal London FTSE 350 Tracker	-8.5	-12	-16.5
Royal London Cash Plus		-2	
Vanguard FTSE UK Equity Income Index	-1	-1	-4
Vanguard UK Government Bond Index	-7	-3	-2

Funds Introduced

Following our annual passive review, several changes have been recommended. Passive Funds were assessed on cost, tracking error, FE Passive Fund rating and strength of provider.

Performance (As at 31/08/2021)

Portfolio	1 Year %	3 Year %
Forrester-Hyde Adventurous Model Portfolio	24.71	26.98
Forrester-Hyde Assertive Model Portfolio	20.98	24.10
Forrester-Hyde Balanced Model Portfolio	15.89	19.90
Forrester-Hyde Cautious Model Portfolio	10.88	14.31
Forrester-Hyde Conservative Model Portfolio	6.05	11.18

Portfolio	1 Year %	3 Year %
Forrester-Hyde Passive Plus Assertive Model Portfolio	21.20	22.06
Forrester-Hyde Passive Plus Balanced Model Portfolio	15.70	17.70
Forrester-Hyde Passive Plus Cautious Model Portfolio	10.85	14.55

Portfolio	1 Year %	3 Year %
Forrester-Hyde Ethical Balanced Model Portfolio	17.22	27.73
Forrester-Hyde Distribution Model Portfolio	10.05	9.21

Asset Class	1 Year %	3 Year %
Bloomberg Barclays Sterling Aggregate Corporate	3.44	18.50
Euro STOXX 50	23.89	25.13
FTSE 100	24.12	6.69
FTSE Actuaries UK Conventional Gilts All Stocks	-1.16	12.65
MSCI Emerging Markets	12.20	21.82
Nikkei 225	12.75	16.40
S&P 500	26.42	53.32

*Past performance is no guarantee of future results.

Glossary & Abbreviations

Alpha - A measure of the return of a portfolio relative to an investment benchmark.

ARC Index – A set of risk-based indices designed to be used by private clients and advisers in assessing performance of their portfolio. The index comprises of the performance of a series of private client investment managers.

Basis point – 1/100th of 1% (0.01%).

BBB bonds – Credit rating of a bond considered to be of Investment Grade.

Bear Market – When a market shows signs of decline - prices go down.

Beta – The sensitivity of an asset's or portfolio's return to fluctuations in the return of the market or benchmark.

BoE – Bank of England.

BoJ – Bank of Japan.

Bottom-up – An approach to active investment management that gives priority to the selection of companies (with less emphasis on sector and country selection) to build up an investment portfolio.

Bull Market – When the prices rise consistently over a period of time.

CAPE Ratio – Cyclically-Adjusted Price-to-Earnings Ratio.

Correlation – The extent to which two assets' values rise and fall together.

Covenant Protection – Covenants are conditions tied to an indenture or loan agreement, usually in the form of forbidding certain actions of the issuer, put in place by lenders to protect themselves from borrowers defaulting.

Diversification – A risk management strategy that mixes a wide range of investments within a portfolio in order to reduce overall volatility.

Dividend Cover Ratio – Measures the number of times that a company could pay dividends to its shareholders.

Dividend Yield – The annual dividend on a share divided by the share price.

Duration – The duration is a measure of the average time until a bond's cash flows occur, and of the sensitivity of its price to interest rate changes.

Earnings per share – A common way of expressing company profits – dividing the profits after tax by the number of shares in issue. This is the basis for the calculation of the P/E Ratio.

ECB – European Central Bank.

ESG – Environmental, Social and Governance.

FCA - Financial Conduct Authority.

FDI - Foreign Direct Investment.

Fiscal Stimulus – Combination of tax cuts and increasing government spending in order to increase aggregate demand within an economy.

G7 Countries – The seven largest IMF-described advanced economies in the world, comprising of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

GDP – Gross Domestic Product.

Growth stock – A stock that is expected to achieve above average earnings growth. Growth stocks normally have a high P/E ratio relative to the market as a whole, as investors are willing to pay a premium for future higher earnings.

IMF – International Monetary Fund.

ISM – Institute for Supply Management Index.

Large cap stock – A stock with a market capitalisation is among the largest within a market. Medium and Small cap definitions also used.

Liquidity – The extent to which an asset can be bought or sold quickly and cheaply.

Macroeconomics – The study of market behaviour and performance of an economy as a whole, examining general economic factors such as interest rates and national productivity.

MiFID II – A legislative framework instituted by the European Union to regulate financial markets and offer greater protection and transparency for Investors.

Monetary Tightening – When central banks increase interest rates and reduce the money supply within the economy to help control the rate of inflation.

Nominal – Very small or far below the real value or cost.

OBR – Office for Budget Responsibility.

ONS – Office for National Statistics.

P/E Ratio – The relationship between the company's Stock Price and Earnings per Share.

The Purchasing Managers' Index (PMI) - Is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

Quantitative Easing (QE) – Is the introduction of new money into the money supply by a central bank, usually via a Central Bank purchasing Government and Corporate bonds.

Quantitative and Qualitative monetary Easing (QQE) – An increase in the size of the balance sheet of the central bank through an increase in its monetary liabilities that holds constant the (average) liquidity and riskiness of its asset portfolio.

Quantitative Tightening (QT) – The counterpart of QE. QT is used to decrease liquidity within the economy.

Top-down - An approach to active investment management which starts with macro-economic factors, followed by business cycle analysis to identify a portfolio distribution across asset classes, then a country/currency mix, a sector distribution and ultimately a stock selection.

Transactional Charges – Expenses incurred when buying or selling a good or service.

Value stock – A stock that appears cheap when compared with other stocks because the share price is low relative to the book value of the equity (or earnings or dividends).

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