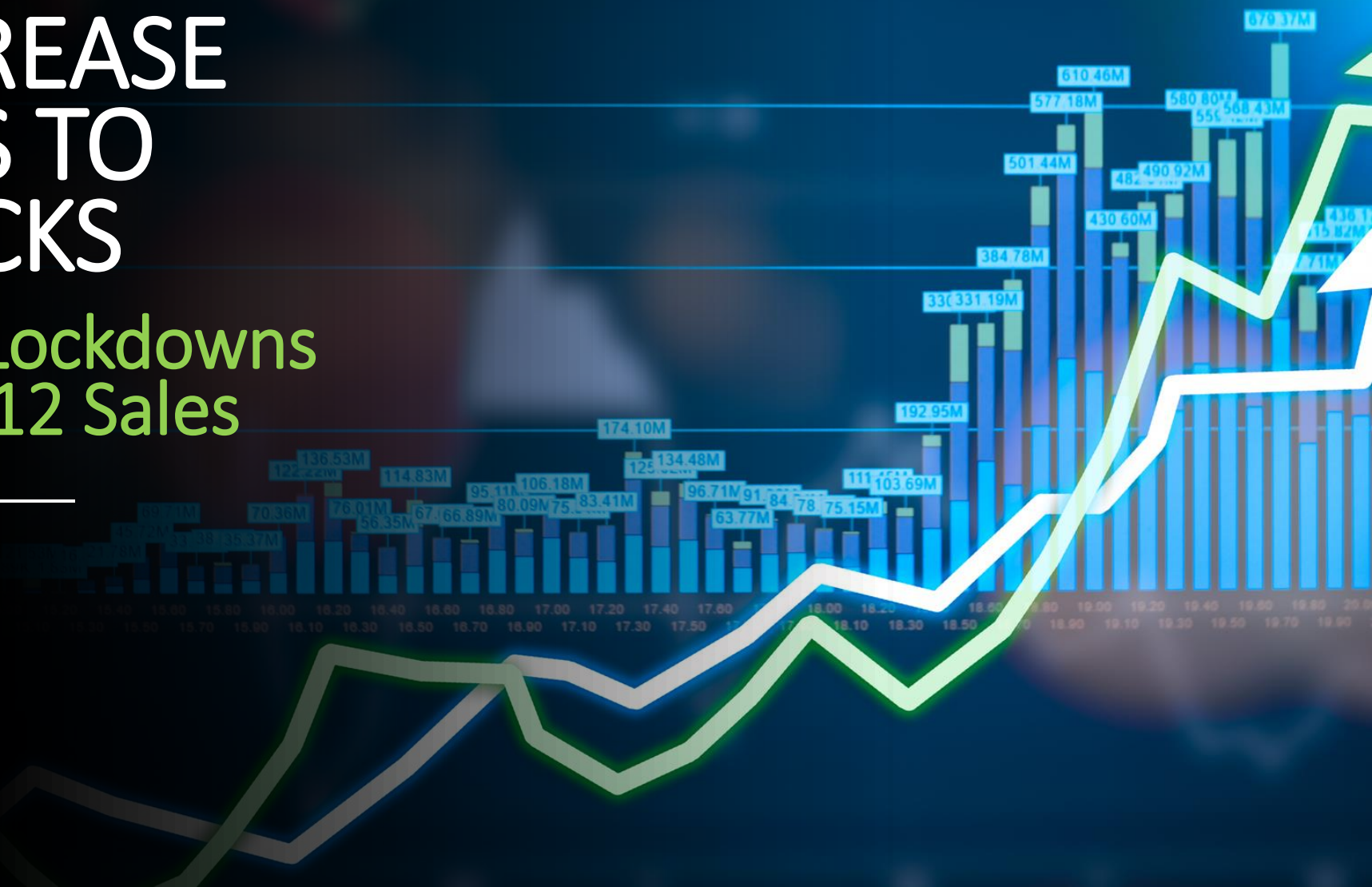




TIME TO INCREASE ALLOCATIONS TO FAANG+ STOCKS

COVID Christmas/Lockdowns
and Apple iPhone 12 Sales



LARGEST INFLOWS
SINCE MARCH
2018.

ECOMMERCE
SALES WILL BE UP
SIGNIFICANTLY
THIS CHRISTMAS.

IFAS NEED
PERFORMANCE TO
HELP COVER
PLATFORM COSTS.

- ✓ Economic Numbers will continue to improve – it will be slower than expected and bumpy Unemployment Claims.
- ✓ Investors allocated nearly \$24 billion into equities in the world's top economy, the largest such inflows since March 2018.
- ✓ Technology stocks are 25% of the S&P 500 Index and 13% of the World Stock Market. Technology companies have higher margins; stronger sales growth and higher EPS growth.
- ✓ Technology Stocks are their own ASSET CLASS
- ✓ IMRG says that online sales have grown by between 40% and 50% during the pandemic, and that could increase still further ahead of peak trading.
- ✓ History has shown the longer the period of investment, the greater chances of a positive outcome.
- ✓ IFAs need to buy FAANG+ to help cover the increasing cost that platforms are charging investors.

UNITED STATES ECONOMY WILL TAKE TIME TO RECOVER

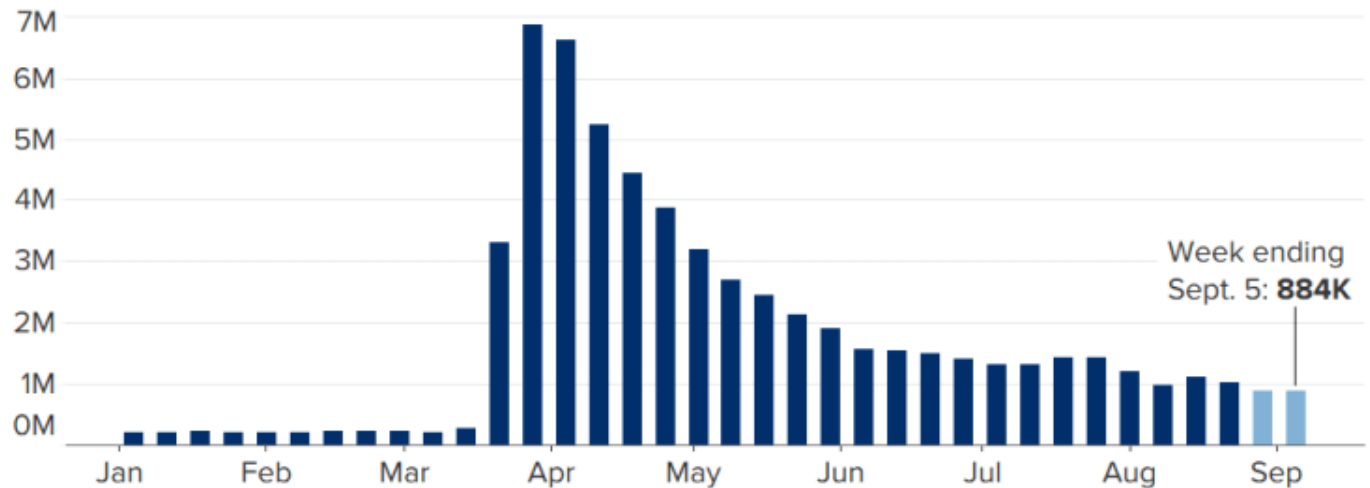
(AS WE HAVE BEEN SAYING)

Economic Recovery Will Take Time

Initial claims for unemployment insurance

Weekly in 2020, seasonally adjusted. Light blue bars represent weeks in which the Department of Labor is using a new seasonal adjustment methodology.

■ Prior Adjustment Methodology ■ New Adjustment Methodology



SOURCE: Department of Labor. Data is seasonally adjusted. Data through September 5, 2020.



- ✓ We are seeing slowly but surely a drop in unemployment which will help economic recovery.

EQUITIES HAVE
THE BIGGEST
WEEKLY
INFLOWS SINCE
MARCH 2018

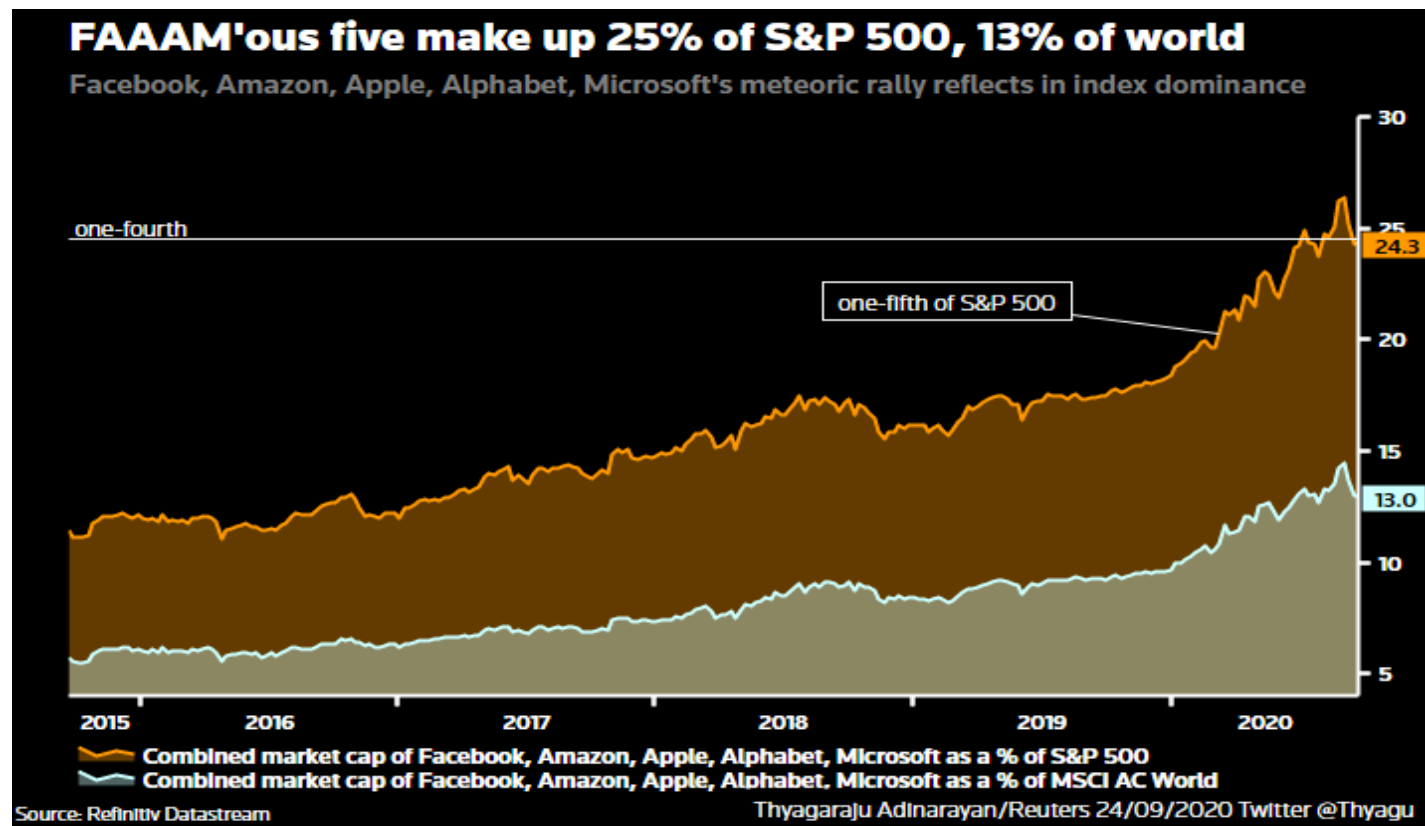
Equity Allocations Point Towards Quick Recovery

Equity funds saw more than \$26 billion (20.06 billion pounds) in the week to Sept. 16, BofA research showed, as investors chased U.S. stocks after a sharp selloff earlier in the month led by technology stocks.

In a "frenzy into U.S. stocks", investors placed nearly \$24 billion into equities in the world's top economy, the largest such inflows since March 2018, said BofA. The inflows come after 10% pullback in Nasdaq 100 in early September.

Technology Stocks Dominate Index Allocations

TECHNOLOGY
STOCKS ARE
25% OF THE
S&P 500 AND
13% OF THE
WORLD



- ✓ Technology stocks make up 25% of the S&P 500, this means that 25 cents of every dollar invested into the S&P 500 goes into Technology Stocks.

STRONG
E-COMMERCE
DEMAND THIS
CHRISTMAS AS
CUSTOMERS
SHIFT ONLINE

Prepare for an Online “Covid” Christmas

Andy Mulchay, strategy director at IMRG, told BBC online. “We think the volumes are going to be really very excessive this year. Whilst that in itself is not a problem, getting too much of it too close to Christmas is going to be a bit of a problem.

“If you can spread out your shopping and do quite a lot of it in November, maybe even a bit of it now, then that would really help.”

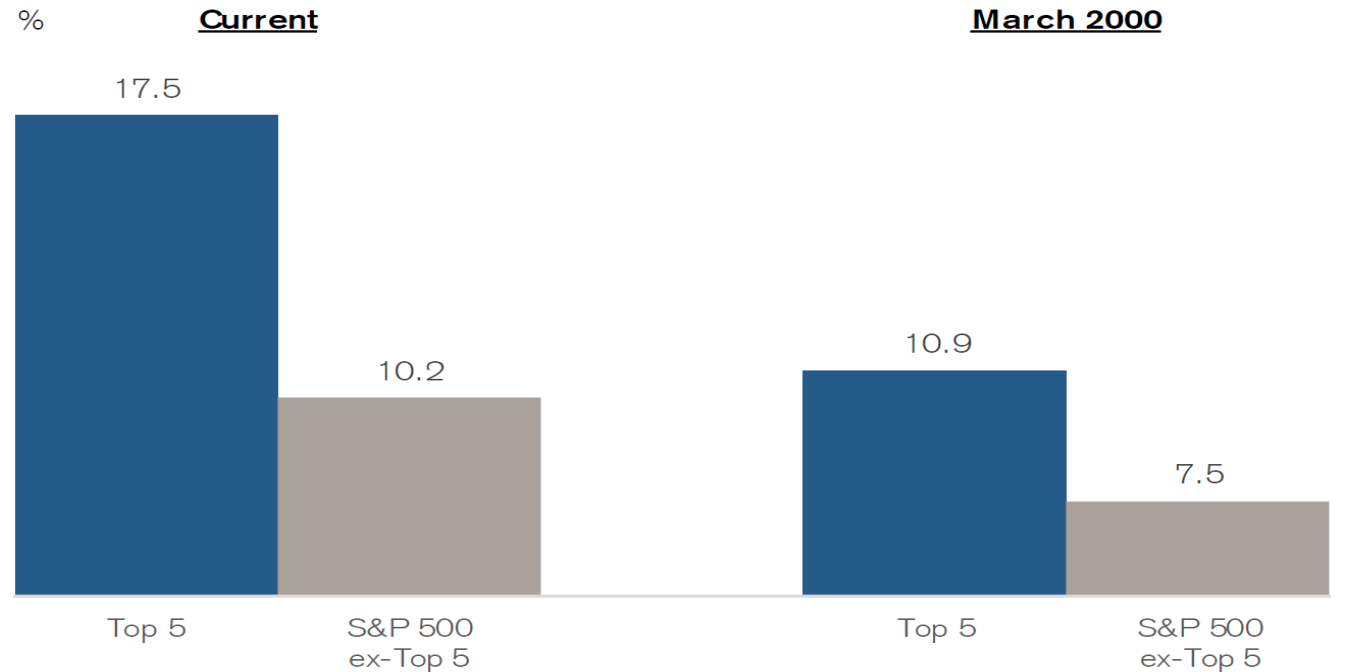
IMRG says that online sales have grown by between 40% and 50% during the pandemic, and that could increase still further ahead of peak trading.

“At this point,” said Mulcahy, “I think we can expect an increase of at least 30% for the peak festive trading season but if stores have to close this might push to 50%.”

TECHNOLOGY'S
PROFIT
MARGINS ARE
MUCH BETTER

Technology Company's Boast Larger Profit Margins

Figure 4: Net Margins (Trailing 12-Month)

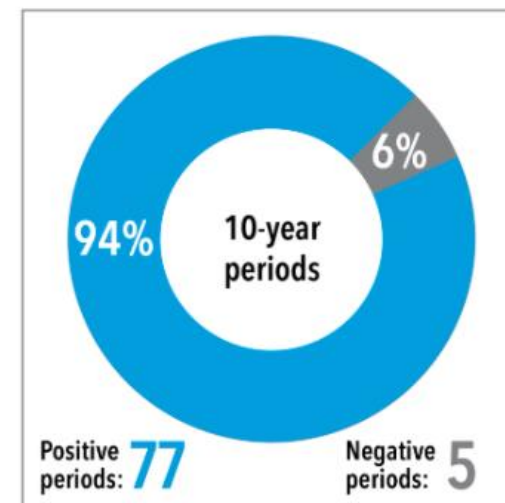
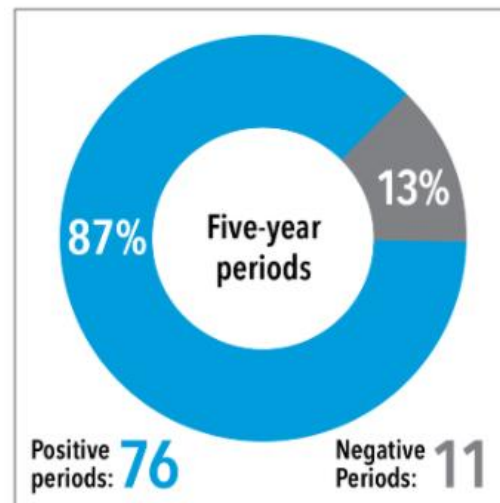
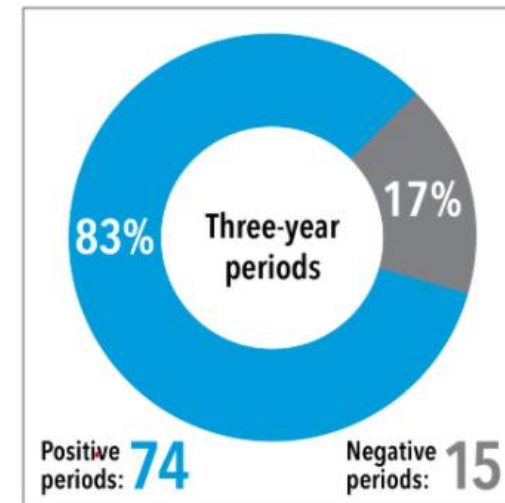
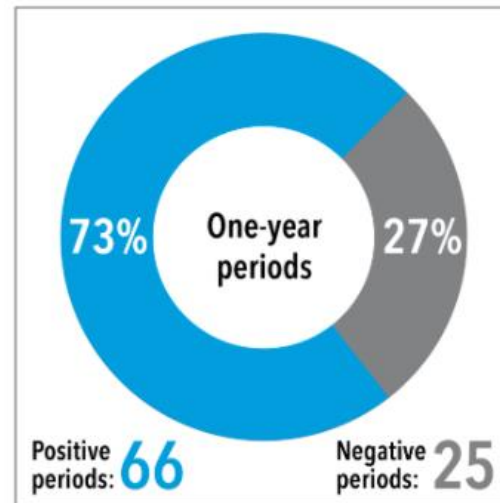


Source: Standard & Poor's, Thomson Financial, FactSet and Credit Suisse

- ✓ Technology company's profit margins are higher than the remainder of the S&P 500. This will allow them to invest more of their profits into new ideas to help them grow.
- ✓ These margins have improved over the last 20 years.

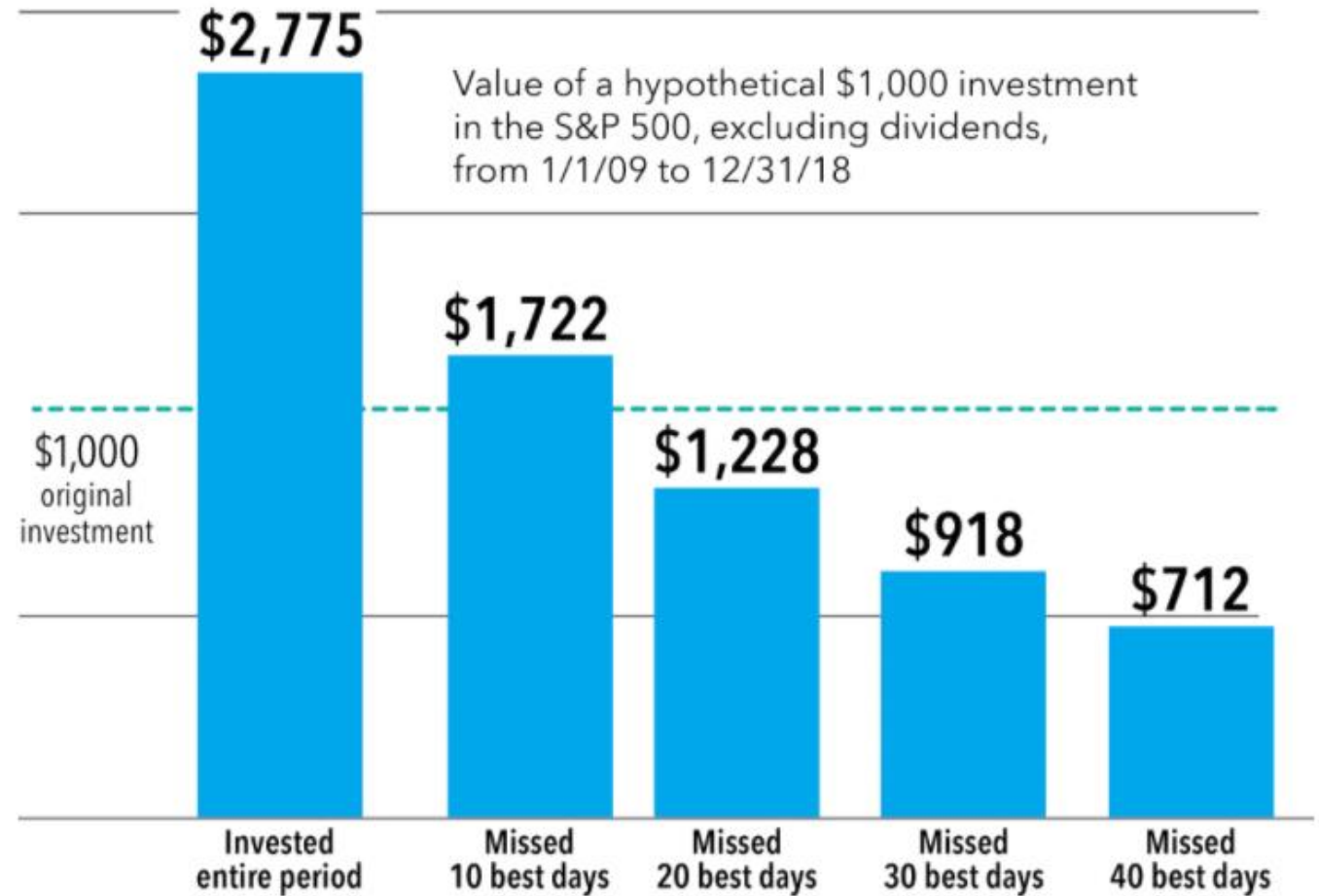
HISTORY HAS SHOWN THE LONGER THE PERIOD, THE GREATER THE CHANCES OF A POSITIVE OUTCOME

Staying Invested Has Paid off Historically



Time Invested Is More Important Than Investment Timing

Power of staying invested



THE MORE
MISSED BEST
DAYS, THE
STEEPER THE
LOSS

IFA'S NEED
FUNDS THAT
WILL PERFORM
TO COVER THE
COSTS OF THE
PLATFORMS

Quilter
International



Charge increase from 1 January 2021

Quilter International products include charges to cover administration costs. We review the charges once a year to ensure they are in line with the costs we have incurred.

Following our latest review, we have found it necessary to increase the charges across some of our products, effective from **1 January 2021**.

Please click on the links below for details on the increases, including **copies of the client letters**.

- [Portfolio bonds](#)
Find out about the portfolio bond administration charge and dealing charge increases.
- [Managed Capital Account, Managed Savings Account, Managed Pension Account, Managed Account Plus and International Mortgage Account](#)
Details of the maintenance charge increase.

If you have any queries, please either contact your Quilter International sales manager, or your [regional office](#).

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