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Review of UK Asset Managers - 2018

At Indur-Vishni Wealth Management LLC we like to present our reports in a novel way. We take the numbers seriously and we carry out a certain amount of thorough research (dude, life's too short to scrutinise every piece of guff released by the company!) but we don't obsess over it and we certainly don't lose ourselves in 'jargon diarrhoea'! The object of the year-end survey is to entertain and enlighten, not bore. So, we're going to wrap up our report in a couple of pages.

We do things differently at I-VWM: we have our own recommendations. We don't use the conventional 'Buy', 'Hold' and 'Sell'. Instead, we prefer the far more colourful 'Stay the f**k away' (S.T.F.A.), 'G.T.F.O' (you can probably figure out what the acronym stands for) and, because we're classy and we had an expensive, private education 'Carpe'!

We want our readers and clients to read 'em and weep (with laughter) but without losing sight of the fact that we'd like them to invest wisely and to not only retain their capital but also get a return on their capital. But, if you were dumb enough to buy any of these stocks at inflated prices you won't find this report amusing. We advise you to click the 'X' at the top right hand of the page!

We're going to start our review of 2018 alphabetically, with the UK's Asset Managers.

Putting the 'Ass' in 'Asset Managers'

No winners here (bar one), mostly just a whole bunch of overpaid sheep!

Ashmore finished 2018 10% down from where it began (It dropped from a high of 407.60 on 2.1.18 to a low of 365.60 on 31.12.18). It's currently trading at a 52-week high of 455p and has a dividend of 3.77%. Our advice? Don't be fooled by the dividend. And, remember what we said earlier about buying at an inflated price? There's nothing to justify this lofty valuation, especially in the U.K. (alias Disunited Brexitdom) financial sector. **S.T.F.A. & G.T.F.O.**

Not to be outdone in ignominious failure, **Brewin Dolphin** outdid Ashmore and finished the year over 18% down (dropping from 396.20 to 322.40). At just over 5% the dividend's a little more tempting but we recommend staying away until the stock breaks below its 52-week low of 288.80 and, even then, don't go crazy! Just buy a small tranche…if you're feeling adventurous. What you need to remember is that the U.K. is an emerging market masquerading as a developed market and you need to limit your exposure to both U.K. stocks and the pound.

Hargreaves Lansdowne was flat for the year (how else would you describe a gain of less than 1.5% for the year?) and, yes, we recommend **S.T.F.A. & G.T.F.O.** The dividend is derisory and, at over 2,000p, the stock is ridiculously over-priced.

Compared to **Jupiter Fund Management**, Ashmore and Brewin got off lightly. Whereas they merely finished the year in Correction territory, what happened to Jupiter could only be described as a 'prison gang-rape'! Jupiter got torn a new (Ur)anus! Jupiter nosedived, like a B737Max, from a new year high of 634.60 to an end-of-year low of 295.20. That's a 53% drop. The dividend stands at just over 4.5% but we're not buying it. Remember, when times get tough the first thing to be cut is the dividend, not the fund managers' salary and perks. We'd wait for a fall below 300 before revisiting the stock. **G.T.F.O.**

Man Group, too, got roughed up bad (a top to bottom fall of just under 37%) but we felt sorry for it when we saw it whimpering in the corner. Actually, it was more the yield of just under 6% combined with the 52-week lows that caught our attention, rather than any irrational sympathy for the stock or management. We're nice guys really but when it comes to the markets our approach to under-performing or over-rated stocks makes Gordon Gekko look like a boy scout (we hasten to add that we neither indulge in Gekko-esque insider trading and nor do we encourage it!)! Keep an eye on Man Group and start nibbling when it's close to breaking the buck..

Quilter is that rare breed that defied gravity and its peers, netting an impressive gain of 14.46% for the year. It's currently at 156, way too close to its 52-week of high of 160. This looks like an interesting purchase but not now. Maybe when it starts drifting towards 120. **Carpe** the carp at 120!

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Putting the 'Ass' in 'Asset Managers' (cont.)

With a top-to-bottom fall of 9.5%, preferred asset manager of the English bourgeois **Rathbone Brothers** (Ticker: RAT! Could there be a more appropriate ticker for an asset manager?) narrowly avoided dipping its expensively-clad feet in to the fetid pond. However, we are going **to S.T.F.A. (and G.T.F.O.)** because the yield, like British politicians, is lame and we see very little upside.

Herr **Schroders**, too, got bent over and taken good...to the tune of 30%. Like RAT, these guys are also preferred by the English nobs but, despite the English penchant for general kink and (in particular) masochism, I doubt shareholders would have enjoyed the pain inflicted such a thrashing (although it probably made them nostalgic about their time at boarding school!). Even a yield of just over 4% couldn't get us interested. **S.T.F.A. & G.T.F.O.**

Stan Life Aberdeen, the result of a merger between Standard Life and Aberdeen Asset Management was second only to Jupiter in getting pummeled, finishing 2018 41% down from where it began. The only saving grace here is the generous 8.5% yield but how long will that continue if, post ejection from the EU, the economic condition in the UK worsens and investors start liquidating holdings to survive? **S.T.F.A. and G.T.F.O.**

While all these asset managers are, for now, trading above their year-end lows, we don't see them heading much higher and we certainly aren't going to take the dividend bait at these prices.

We hope you enjoyed our brisk, brusque and irreverent take on the U.K.'s asset managers (or, as we like to call most of them, 'Punk-Ass Bitches'!).We thoroughly enjoyed preparing the report for you. Until next time then? :o)

UK Asset Managers 2018 Performance