

## **UBS presentation 26<sup>th</sup> November 2020**

### **Questions & Answers summary**

**Q** - Do you expect Brexit to affect the performance of UK financial further?

**A** - Brexit – clearly reaching point of maximum noise. Economic pressure likely to signal some sort of deal. Plus, political drivers.

**Q** - Energy lagging behind what if the sector cannot transform quickly enough with more demand for ESG transparency?

**A** - Energy – Will struggle to adapt – no doubt they will need to invest significantly

**Q** - Will Government issue 100year bonds?

**A** - Bonds – Government currently issue 50-year bonds.

**Q** - Do you think the Bank of England will be tempted to write of HMG's debt (25% of gilts) in order to reduce the UK governments increasing debt?

**A** - Write of debt – Never say never but extremely unlikely. During financial repression – government & Central banks keep debt interest low.

**Q** - Do you think the government will offer more support to charities?

**A** - Government support – Department spending will fall throughout this governments term – Unprotected departments (not Education & Health) likely to have reduced spend.

**Q** - What impact do you see of a bout of inflation?

**A** - Government taking debt out on long term, low interest fixed basis.

RPI will rise 21/22 and the following year but rise from 1% to 2% - Economists don't see this as real inflation.

**Q** - What do you see the outlook for equity markets in the short term?

**A** - Don't believe they will fall, likely to rise 4% to 5%

Not timing the markets that matter it is the time in the markets

**Q** - What are the prospects for growth in dividend?

**A** - Expect in 21/22 likely to see start in dividend payments but at a lower rate.

**Q** - Can investments be provided as security when they are either endowed or restricted assets?

**A** - From a bank point of view yes. Charities will have to be absolutely sure if their constitution allows it and be extra careful.

**Q** - Is a Lombard loan easier than a Covid "Cbus" loan?

**A** - It is much easier.