

## A question of balance

Investing through the pandemic and beyond

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# Welcome

**This edition of News & Views finds us in a world that is still in the midst of a pandemic. Many of us are checking our own personal equilibrium to support a degree of normal daily life while ensuring that our plans are still leading us to the goals we want.**

From the tax implications of massive government borrowing, to the societal and demographic trends emerging from this pandemic – so much has changed from six months ago. And while much is still unknown about what the future holds, our articles demonstrate how we can help clients through these uncertain times in a balanced way to consider your options and maximise the opportunities available.

In his article on [page 4](#), our CIO, Michel Perera, explores six key trends he believes are set to underpin our changing world but which provide clear investment opportunities for clients. On [page 14](#), Matt Phillips, Director of Wealth Planning, highlights the importance of inter-generational wealth planning **now**, to ensure your families and beneficiaries aren't negatively impacted by the likely tax changes ahead. We also haven't forgotten the political backdrop which rumbles on – and could impact investment portfolios – and so we feature two separate updates: one on [Brexit](#) (from deputy CIO, Justin Oliver), and the other on the upcoming [US election](#) (from Canaccord's chief US global strategist, Tony Dwyer). If Tony's

article leaves you wanting more, you can join our open call on 15 October, when he will be answering your questions on the outlook for markets in light of the US political situation.

We believe this period has super-charged a number of longer-term trends which were already in motion before COVID-19 – from technology and healthcare to ESG. We have been able to take advantage of many of these themes on behalf of our discretionary clients, and our analysts continue to research many exciting opportunities through meetings with fund managers and the senior management of investee companies. We take a closer look at all three of these themes in this edition, including how investors can gain exposure to the important area of oncology and an interview with battery technology specialist Aanand Venkatramanan on [page 25](#).

On a more practical level we would like to reassure you that we are taking a very safe and pragmatic approach to returning to the office, for the safety of our people and you, our clients. Following the latest government guidelines, we are currently working on a

flexible home-working and office basis, with access to everything we need. You can reach us in the usual way, to suit you. If you would like to see us face-to-face, we can arrange it – here or with you at home – so please let us know.

I know the COVID-19 situation is far from over, but thanks to the business we have built and the systems and technology we have invested in, we have been fortunately positioned during this crisis. Our smooth transition to home-working earlier in the year (which you can see more about [here](#)) is testament to our speedy reactivity and adaptability, and we believe this will be important as the situation continues to evolve. As ever, we look forward to investing more of our time and energy into enhancing the Canaccord client experience further to meet your changing and emerging needs as a result of COVID-19.

We hope you enjoy this edition of News & Views. If you have any questions about anything in this issue, or about your portfolio or plans for the future, please get in touch. Finally, I wish you all the best of health. Stay safe; we hope to see you soon.





Michel Perera,  
Chief Investment  
Officer

# Tomorrow's world – six key trends after COVID-19

While investors have been focusing on market movements during the pandemic and politicians are trying to deal with the massive economic fallout, this crisis will doubtless leave a lasting imprint on our daily lives. Here we highlight six key themes for investors that may play out post COVID-19.

## 1. Our lifestyle revolution will continue and tech will benefit

The work-from-home and online shopping revolution that would normally have taken 10 years happened in 10 weeks. These activities will become entrenched and some companies are likely to reflect that in their real estate by reducing their city centre footprint. There is probably no going back, even when most businesses reopen. New systems, new habits and new patterns have emerged, changing our day-to-day lives forever, and this is likely to keep the information technology sector booming.

We have explained previously why we continue to like the [technology sector](#) and although it could give up its market leadership when there is a workable COVID-19 vaccine, the long-term societal changes taking place mean it's not going to go away completely.

## 2. Necessity is the mother of invention

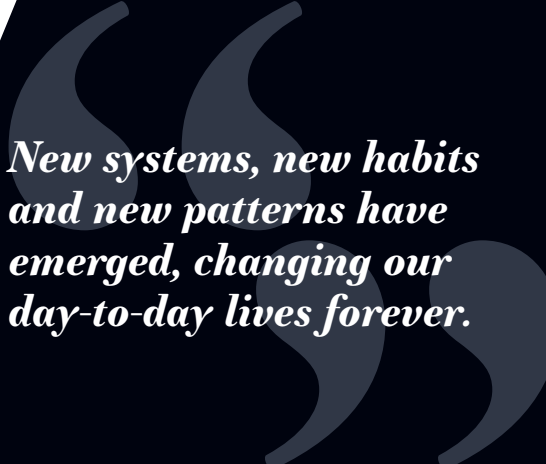
Crises have historically yielded innovation and creativity, sometimes in surprising ways. The death of thousands of horses in an 1815 famine led to the invention of the bicycle. The assembly line became prevalent after the Spanish Flu of 1918-1919. Business creativity will be tested in the recovery from this outbreak, whether it's in how to deal with social distancing, reestablishing a profit model or launching new products or services.

The challenges we face are driving creativity to meet changing customer and world needs. Those businesses and individuals who are most flexible and innovative in their approach will benefit the most and successfully navigate a COVID-19 recovery.

## 3. Wealth inequality could lead to higher taxes

Social changes may lead to policy changes. As the rich have cut back on spending in the US, the UK and Europe, the poor have been the victims, whereas the educated elite has generally been able to work from home and governments have piled up the debt to rescue the economy. There is a risk that a whole generation of students and first job applicants may lose out from the virus, in particular as many traditional student jobs are in areas hit by social distancing (waitressing, bartending, the gig economy).

It is unclear whether there will be a political price to pay for that, but higher taxes, maybe even wealth taxes in various countries, cannot be ruled out. We believe various tax changes over the next 12 – 24 months are probable, which you can read more about [here](#). Fortunately, some could be mitigated by careful and timely wealth planning.



*New systems, new habits and new patterns have emerged, changing our day-to-day lives forever.*



*Our focus on healthcare will become sharper and more constant, feeding into medical technological advancements.*

#### 4. ESG will become mainstream

This crisis will add to young people's concerns about the environment and social injustices. We see ESG principles (environmental, social and governance) becoming front and centre in everything we do and in the way companies are perceived by investors and society overall. In fact, there are five important [ESG themes](#) which already form the tenet of our sustainable investment strategy at Canaccord (cyber security, [oncology](#), [battery technology](#), water and waste management).

ESG is much more of a reality for younger generations than simply a greenwashing slogan. The rainbow coalitions, environmental marches and fights against social misdeeds will colour their attitudes to life and may eventually be reflected in government policy. We believe the opportunities for ESG investing are potentially enormous and could be incredibly important for many years to come.

#### 5. Generational divides

Our attitudes to COVID-19 and how we live with it may well diverge depending on our age, social status and level of concern about the virus. Society may split into younger, carefree people – including many working class – who will say: 'you only live once and even if I catch it I'll survive' and older, more concerned people who will socially distance and stay at home beyond the government edicts. The comparison has been drawn with the 1920s, which saw both Prohibition and the Jazz Age.

This could have an impact on spending and investing. Older people will be more cautious, won't spend as much and may well want to endow their children with more funds, to enable them to behave normally and have all the chances to succeed that they had. This could mean shifts in consumption, wealth planning and investment patterns – and potentially another roaring 20s.

#### 6. We will be obsessed with our health

After each crisis, people always try to prepare for a repeat of the same, rather than something completely different. Warning signs for a potential pandemic during the last decade fell on deaf ears, as many were trying to prepare for another 2008 financial/property crisis. Our focus on healthcare will therefore become sharper and more constant, and will keep feeding into medical technological advancements.

Some of the concerns will be warranted (during COVID-19 many other health issues, such as cancer or heart conditions, have been left untreated) and some of them exaggerated (the next crisis may well be something completely different). However, healthcare spending in our countries will likely be on a steep upward slope. We were recently joined by healthcare Polar Capital fund manager Dan Mahony, discussing the US\$8trn healthcare industry and how investors can find exposure to its areas of resilient growth. Watch our video interview [here](#).

There will be many societal changes following this pandemic and many implications for investors. However, we believe some of the opportunities are excellent, even with the uncertainty that remains.



# The art of the possible

## Negotiating the way through Brexit

The continuing EU and UK government negotiations on their post-Brexit relationship will sternly test whether politics really is the art of the possible. While it appears that the negotiating positions of London and Brussels are so stubbornly entrenched as to make any agreement unrealistic, we believe a deal by year-end remains possible. However, it appears likely that any deal will be a 'bare-bones' agreement and many areas will take years to settle.

Boris Johnson has stated that, if a deal is not reached by 15 October, both sides would need to cut their losses and move on without agreement. Given the seemingly perilous state of the negotiations and the controversial plan to breach international law by re-writing the Brexit withdrawal agreement, undermining the previous deals on state aid and Northern Ireland, what conclusions can we draw? How will this affect UK markets, and what will it mean for investors?

## Fundamental differences

The Brexit negotiations must deal with the fact that the philosophical views of the UK and EU are at polar opposites.

On the one hand, the UK government wants to ensure that Brexit really does mean Brexit, and that it can escape the EU's regulatory constraints and become master of its own destiny. The UK government has stated it is willing to discuss all issues except sovereignty over laws, courts and fishing.

On the other side, the EU's position is that if the UK government wants to retain access to the EU marketplace, it needs to play by the EU's rules. In return for tariff and quota free trade in goods, the UK must remain closely aligned with the EU in terms of labour and environmental regulations, state aid, tax and social standards. However, the UK government is increasingly insistent on securing freedom from EU rules on state aid. So we can expect to hear lots of talk about equivalence, level playing fields and lines in the sand.

## So long, and thanks for all the fish

There are other areas of strong disagreement or, as Michel Barnier, the EU's chief negotiator has warned, topics that will be "very, very difficult to reconcile". One of the most emotive issues will be fishing rights, and the success or failure of the wider negotiations may rest on reaching an acceptable compromise on the access of the EU's fishing fleet to British territorial waters.

Despite the fact that the fishing industry represents a tiny fraction of the EU's and UK's GDP (0.04% in the case of the UK), the EU remains adamant that it must retain its existing right to fish in British waters and that this right must be guaranteed for the long term. The UK government, in contrast, has insisted that such access is reviewed, and agreed, annually. A deal is implicit, given 75% of UK-caught fish is exported to the EU and the UK does not have the capacity to process or consume all that is caught. However, it will be used as a key bargaining chip; probably up until the very last minute.

## The City of London

Of far more importance to the UK is the access of the UK financial services industry to the European market. Brussels' standpoint is that it will unilaterally judge whether British regulations and financial supervision are sufficiently robust to allow UK firms to operate within the EU. Even if granted, this access may be withdrawn with 30 days' notice; a time period which is far too short as far as the UK government is concerned.

## No-deal remains a distinct possibility

There may well be a no-deal outcome at the end of 2020. It seems that, if the 15 October deadline is missed, the UK will have to trade with the EU under World Trade Organisation (WTO) rules from the beginning of 2021. Extensive tariffs would be applied and, in many cases, export and import licences would be necessary. Time is running out and the UK government is now openly ramping up its contingency planning for a 1 January no-deal.

*The EU's position is that if the UK wants to retain access to the EU marketplace, it needs to play by the EU's rules.*





*There are fundamental differences between the UK and EU which won't be resolved in just a few months.*

### **Different versions of a soft Brexit**


The EU's version of a soft Brexit, which offers tariff-free trade on agricultural and industrial goods, requires a level playing field on labour, social, and environmental standards, together with future 'dynamic alignment'. This means that, should the EU tighten its rules in the years ahead, the UK must follow suit. The more access the UK requires, the greater the regulatory alignment.

The UK government's version envisages a free trade agreement (FTA) similar to the EU's deals with Canada and Japan. This suggests the UK government would accept tariffs and restrictions on trade in certain sectors, but would align regulations with the EU in areas where cross-border value chains are important (such as autos) or the UK has a strong export presence (including the pharmaceuticals sector).

### **The most likely outcome**

The problem with brokering a Canada-style FTA is that it would normally take several years of negotiation. The EU also believes the UK should be treated differently to Canada given its geographical proximity. Meanwhile, regulatory alignment is wholly unpalatable to Boris Johnson.

There are fundamental differences between the UK government's and EU's positions which won't be resolved in just a few months. So, what compromise could be reached before year-end? The likeliest seems to be a very basic deal which covers certain critical provisions, including travel and transport arrangements, and limited agreement on certain vital industries. Thereafter, sectoral trade negotiations would be conducted on a case-by-case basis, but these could take many years to resolve. Until then, trade would be conducted either under WTO rules, or broadly as it is now.



*The underperformance of UK equities is presenting many intriguing stock opportunities which we will continue to identify.*

## The impact of Brexit on UK assets

Given the uncertainty engendered by the Brexit negotiations, it is no surprise that the UK equity market has underperformed this year, even when allowing for its significant exposure to sectors which have been hardest hit by the coronavirus pandemic. We have maintained our long-standing underweight to the UK in our clients' discretionary portfolios and have benefited from a more global focus; much as the UK government hopes to capitalise on a more global perspective in its dealings with the outside world.

It is also important to monitor the sterling/euro exchange rate. While a 'hard Brexit' may already be priced in to an extent, the ultimate failure of any negotiations could well exacerbate sterling's decline.

Irrespective of this, it is important to stress that the UK will continue to present investment opportunities, and there are many world-class companies, institutions and cultural bastions of which the UK can continue to be proud. Certainly, the underperformance of UK equities is presenting many intriguing stock opportunities which we will continue to identify.

COVID-19 may force the UK government to maintain high levels of spending. If this spending is focused on the right areas, the UK economy may ultimately benefit. For now, and from a top-down perspective, we are in no rush to increase our exposure to UK equities for discretionary portfolios. However, a breakthrough in the negotiations, or increased hopes of a soft and orderly Brexit, may yet prompt us to reappraise this position.



## Putting together the facts about the US election

**With the US election looming, our US-based Chief Market Strategist, Tony Dwyer, explains why trying to determine what it will mean for markets is an impossible task. Instead, we should look at it in reverse: what can markets tell us about the US election?**



In a true statement of the obvious, this is the most complicated election-year setup we could possibly have. There is incredible uncertainty over:

- How the voting process is going to work
- How to insure against possible voter fraud
- Which candidate will win the presidential vote
- Whether the Democrats will sweep the board, taking Congress, the Senate and the White House
- Whether either side will concede defeat anywhere near election day.

We can already see the issue of the nomination of the next Supreme Court Justice having an impact on this fragile environment.


Frankly, the outcome of these issues is truly unpredictable, and we believe making an investment decision based on the political landscape at this point would be simply guessing. Instead, we remain focused on what we do know: that the continuing pandemic, coupled with the lack of further fiscal action, means the Federal Reserve (Fed) is likely to reinforce or even accelerate its aggressive monetary policy accommodation for years to come.

## Expect higher taxes if the Democrats get a clean sweep

If the Republicans retain either the White House or Senate there is little risk of a significant change in the tax code, but if the Democrats retain the House and win the Senate and Presidency we would expect a meaningful change in tax policy as already outlined in the Biden team's stated proposals. They plan to:

1. Increase the corporate income tax from 21% to 28%
2. Double the minimum tax on the profits earned by foreign subsidiaries of US companies from 10.5% to 21%
3. Restore the top individual income tax rate to 39.6% from the current 37%
4. Increase the social security earnings cap
5. Tax capital gains as ordinary income for taxpayers with over US\$1m in income and tax unrealised gains at death
6. Cap itemised deductions
7. Phase out small business income deduction above US\$400,000.

However, even if the Democrats do score a resounding success, it is unclear how fast they would be able to move on the above policies and which proposed tax hikes might be modified.



*The Fed is likely to reinforce or even accelerate its aggressive monetary policy accommodation for years to come.*

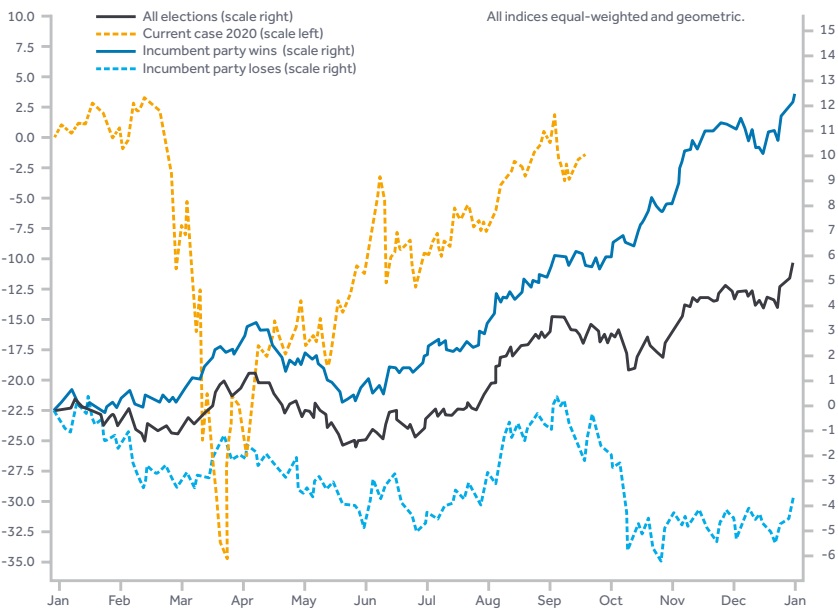
# Be guided by the market

While most people are focused on who will win the White House and Senate, we are far more worried about whether either side will accept the outcome – or whether we will even know the result for days or possibly weeks after the election. As a result, it is impossible to base any investment decisions on the outcome until we actually know what it is.

The good news is that the market may give us a clue as to who may win in November. In studying the history of the market performance in presidential election years since 1900, we found the Dow Jones Industrial Average (DJIA) tends to see a sharp drop BEFORE the election in years where the incumbent party loses versus typically moving higher throughout the second half of the year when the incumbent party wins (see opposite).

For now, at Canaccord Genuity in the US, we are staying with our game plan of adding exposure in the economic recovery areas on corrections, and waiting until there is a more definable edge in the election framework, before guessing what the possible impact might be.

Dow Industrials – election year cycle  
(incumbent party wins vs loses)



Source: ndr.com/canaccordgenuity

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Note: 'Current case' represents year-to-date performance of the DJIA (left scale). Plotted lines associated with the right scale are estimates based on average cycle patterns derived from daily data of election year returns from 1900-2016.

# Assessing your financial plans after COVID-19

## Helping you through turbulent times

COVID-19 has already affected many aspects of our daily lives and the effects of these changes are going to be long term and profound. Financial planning in a post-pandemic world is going to be key, with particular emphasis on inter-generational wealth planning.

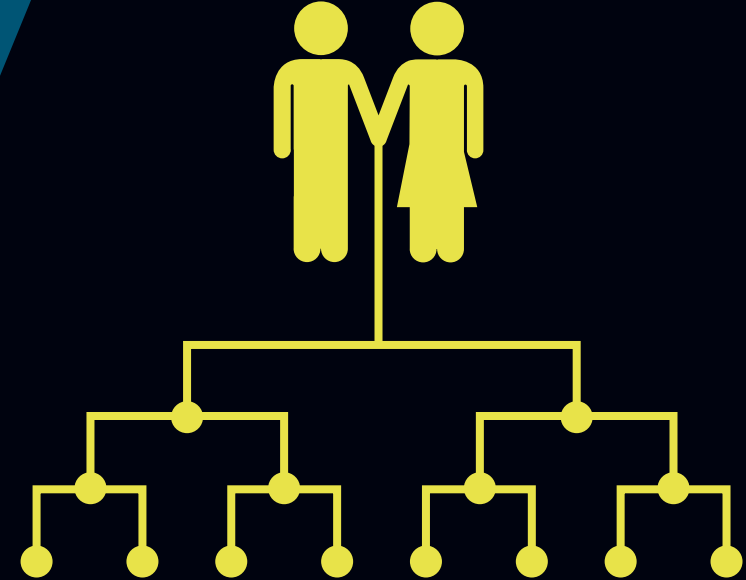




## The financial effects of COVID-19

The pandemic has left the UK government with a massive deficit, caused by the government borrowing an unprecedented amount of money. This has been accompanied by an increase in the number of unemployment claimants, with many of the job losses affecting the young and low-skilled workers.

The government now has three choices: do nothing, reduce spending or – most likely – increase taxes. Doing nothing is not really an option and, after a decade of austerity, a reduction in spending would have limited scope, be potentially very unpopular and risk damaging a tentative economic recovery.



### An urgent need for inter-generational planning

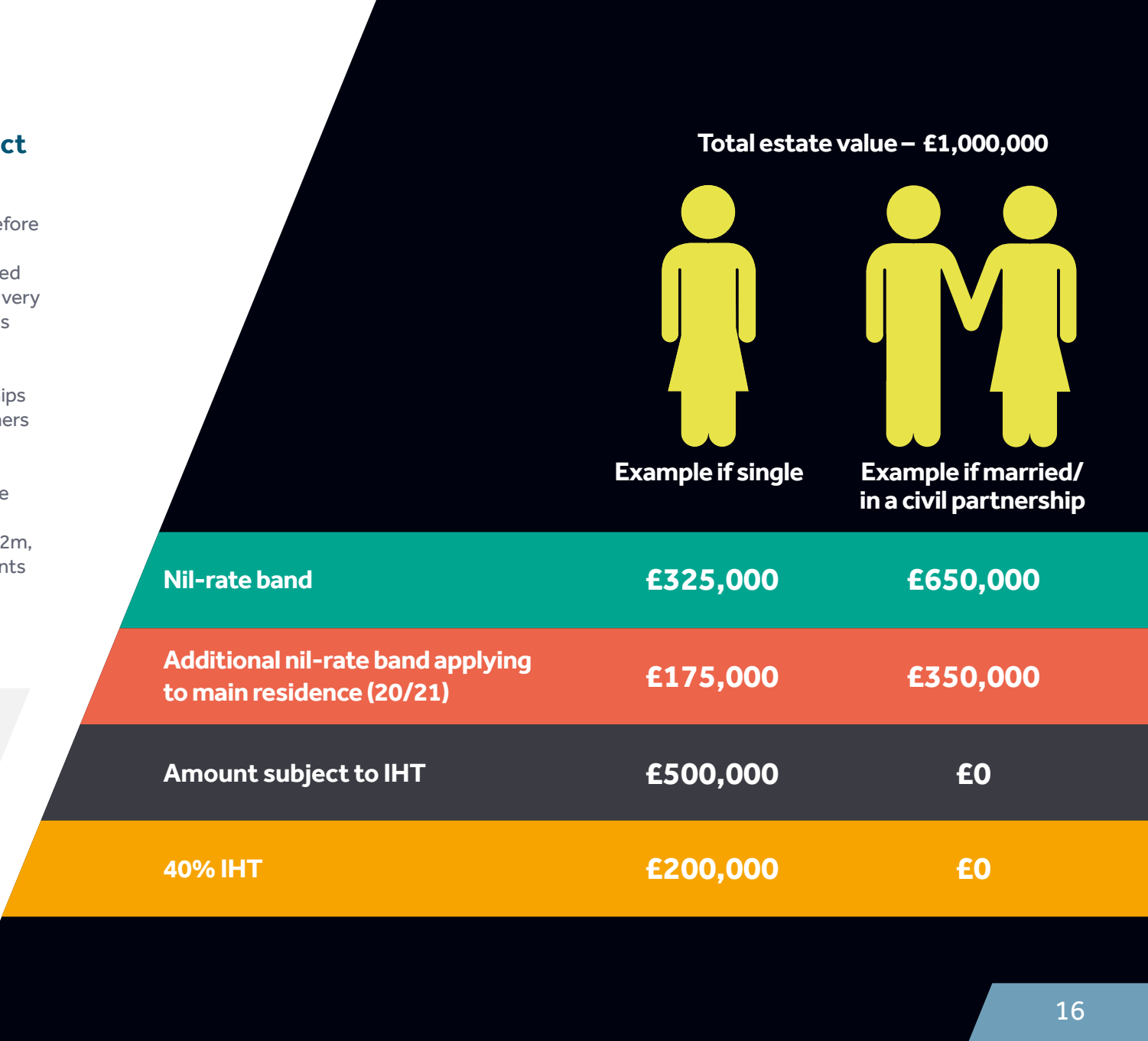
We believe the government is likely to raise taxes, with much of the burden falling on the wealthy. In particular, the government could look to review inheritance tax (IHT). While seen by many as an unfair tax on wealth, from a government point of view it is easy to collect. That's why we believe it is vital for wealthier families to look closely at inter-generational planning, to help support their younger relatives through these turbulent times and into the future.

## How might inheritance tax (IHT) affect your family's future?

Everyone in the UK has a nil-rate band of £325,000 before IHT applies to their estate. If an estate is worth more than £325,000 on death, inheritance tax will be charged at 40% on the rest of the estate. This can add up to a very significant amount, particularly for wealthy individuals and families.

Married couples and those in registered civil partnerships have a joint nil-rate band of £650,000, while homeowners can claim an extra £175,000 against the value of the property. If the property was held in joint names, this means a couple would have an allowance of £1m before inheritance tax became payable. However, be warned: this new allowance is reduced for estates worth over £2m, while rising property prices have meant that many clients will still leave a significant IHT bill for their heirs.

The tax treatment of all investments depends upon individual circumstances and the levels and basis of taxation may change in the future. Investors should discuss their financial arrangements with their own tax adviser before investing.



## The art of giving

Making gifts to younger generations during your lifetime in a planned and structured way can help to mitigate IHT and support younger relatives.

The first step is to undertake proper analysis and planning with an expert. We can look at your current position and then explore various scenarios to establish what you could potentially gift now – and how – whilst ensuring that you don't gift so much that your future life is adversely affected.

We can initially do this with you by creating a **personalised cashflow forecast** for your financial situation. This involves assessing your current and forecast wealth, along with your income and expenditure. We use assumed rates of investment growth, inflation and interest rates while building a picture of your finances now and in the future.

Before anything else, we would make sure you had the right planning in place for your retirement and the potential cost of a care home or in-home care. Given the prudent assumptions that we use, we find that most clients still have capacity to gift lump sums or smaller regular amounts.





## Helping your family with regular gifts

As long as you can afford it, regular gifting from excess or surplus income has many advantages. It falls outside your estate immediately, and it can be monitored and increased if funds become available – or stopped altogether if your situation changes.

Gifting regularly into an investment account for your family allows them to benefit from 'pound-cost averaging' whereby investing at different points of the market cycle effectively lowers investment risk, as it averages out the cost of acquiring an investment asset over the longer term.

You could accumulate these investments in a discretionary investment portfolio, including building up ISA or JISA subscriptions, to help your children or grandchildren pay for higher education or buy their first home. Other options might allow for family holidays every year, or fund regular pension contributions for your family members.



**A working example:**  
**Mrs A gives her daughter**  
**£500 per month (= £6,000 a year).**

Period of time	10 years	20 years
This reduces her estate by	£60,000	£120,000
Assuming IHT at 40%, reduction in IHT is	£24,000	£48,000

The money is received directly by Mrs A's beneficiaries, arguably when they most need it.

When accounting for growth over the same periods, the IHT savings will increase, as the growth occurs outside Mrs A's estate. **Effectively, a cumulative growth rate of 5% per annum would mean a reduction in the IHT liability of approximately £38,000 and £79,000 respectively.**

## Lump sum gifting has its own benefits

Whilst regular investment is probably preferable, there are also good reasons to choose lump sum gifting. You might need to reduce your estate quickly, or your relation might need urgent support.

The current stamp duty holiday is a case in point. The government has waived stamp duty on property purchases up to £500,000 until 31 March 2021 – a significant saving. If you were thinking about gifting to help a younger family member buy a property, it's advisable to look at the viability now if the purchase is to complete before March. Properties have to be viewed and chosen, solicitors briefed, sales and purchases arranged and the gift assessed and carried out – all of which can take months.

In addition, mortgage rates are historically low and, if you can help your relative with a substantial deposit, they could benefit from even lower rates.

There may also be changes to IHT. Currently, if you gift a lump sum, you need to survive for seven years for the gift to fall out of your estate (a potentially exempt transfer or PET). In order to pay back the government deficit, the treasury may consider attacking this and other gifting exemptions.



## Talk to us about making the most of present exemptions and planning for future possibilities

Many of our clients are considering helping the younger generation during these difficult times, and want to enable family members to enjoy the gift whilst they, as donors, are still alive.

We can help with effective planning and cashflow analysis. Ask your wealth manager about the next step – and it's best to act quickly in case the Chancellor starts making changes.



Richard Champion,  
Deputy Chief  
Investment  
Officer, UK

## 2020, a new technology bubble?

Even with the huge disruption caused to economies and markets by the COVID-19 pandemic, on the face of things 2020 may not be a bad year for equity investors. After all, the US market, as measured by the S&P 500 Index, is up by 4.5% at the time of writing\*. Pretty good, given the precipitous falls seen between late February and late March. At its nadir this index was down 31% from the end of 2019 and has now recovered by fully 51%.

\*This article was originally written in mid-September 2020.



But most, if not all, of this performance has been focused on a select group of sectors, some of which were already enjoying very strong momentum even before the pandemic struck. These sectors have been seen as big beneficiaries of the changes wrought by COVID-19, such as working and shopping from home, as well as the accelerated adoption of new technologies such as cloud computing, artificial intelligence and increased cyber security.

The lop-sidedness of the market is illustrated by using the technology-rich NASDAQ Composite Index as a proxy for technology as a whole; this index is up 25% over the year and has made more than 40 new all-time highs over 2020. Since technology now makes up about 30% of the wider US index, this great performance has in fact been responsible for more than the entire rise in the broad market.

## A for amazing Apple and Amazon

There have been some amazing moves. Amazon was up 90% in 2020 at the time of writing\*; Apple by 80% and Microsoft by 48%. And it's not as if the sector had a bad 2019. These three names have risen by 135%, 126% and 227% respectively since the end of 2018. When we wrote about technology in the previous issue of News & Views, we highlighted that just three US companies were worth more than the entire UK market. Now it is just two – Apple and Amazon. Apple on its own is now worth more than the entire FTSE 100 Index of top UK-listed companies.

The massive outperformance of the sector has prompted some to ask whether we are seeing a repeat of the so-called TMT (technology, media and telecoms) bubble of 1999 and early 2000. The market value of Tesla is now around twice that of oil major Royal Dutch Shell, even though its revenues last year were one fourteenth the size. Zoom (market value around US\$120bn and up by 520% this year alone) has forecast revenues for 2020 less than one tenth those of AstraZeneca (market value around US\$140bn and up a mere 12% year-to-date).

\*This article was originally written in mid-September 2020.



*Apple on its own is now worth more than the entire FTSE 100 Index.*

**Past performance is not a reliable indicator of future performance.**



*Several companies have share price charts that look parabolic, and such performance is very difficult to sustain.*

## Fasten your seat belts

These kinds of numbers do prompt some cause for concern. At first sight, a number of warning signals are beginning to flash at least amber for those of us who can remember what the 2000 tech bubble felt like.

Several companies have share price charts that look parabolic, and such performance is very difficult to sustain. This can lead to volatility and is rarely a good time to buy stock.

Just as in 2000, there is vastly increased and sometimes unhealthy retail investor interest in the sector, which can mean that investments are made less on rational grounds and more on sentiment. The growth in passive investing (where passive funds slavishly track the performance of a particular market or index, such as the FTSE 100) has meant very large, momentum-driven flows into the technology sector, flows that are not necessarily driven by fundamental analysis.

There have also been a number of single-day movements that are characteristic of bubbles in today's market, just as there were then. For example, back in 2000 the shares in France Telecom (now called Orange and the French equivalent of British Telecom), having risen by around 250% over the previous two years, rose by 16% between 2 February and 4 February. In one astonishing session, they then rose by 26% on 3 March. Why? Because the company announced better than expected, but hardly transformational, results. It closed that day at €215.5 per share, a level it has never regained since. Today it stands at just under €10 per share.

Similarly, in early September this year, the share price of Zoom rose by 35% in a single day, after an even more stellar prior performance, on better than expected results, as more and more of us used the app in lockdown. This is not to say we now forecast a collapse in Zoom's share price – it is very possible that the future of video-conferencing is much more robust than that of an early 2000s national telecommunications monopoly. But it is a potential red flag because it shows evidence of emotional, rather than rational investing.

## Spot the difference

However, the good news is that despite some similarities, there are even more significant differences between 2000 and today.

Firstly, although valuations have risen over the last couple of years, they are nothing like the levels seen in 2000. In the TMT bubble back then, traditional yardsticks were abandoned, massive price to sales multiples became the norm and speculation was rampant.

Secondly, interest rates today are almost at zero (and below in some countries), whereas in 2000 the US Federal Reserve had raised rates to 6.5%. Low interest rates sustain high valuations because they increase the value of future cashflows and dividends. Moreover, given the challenges of economic recovery from the pandemic, it is most likely that rates will stay low for a very prolonged period indeed. We don't think this support to valuations is going away any time soon.

Thirdly, the underlying businesses of technology companies today are huge compared with what they were in 2000. Many internet-based businesses then were based on future ideas that have since come to fruition. For example, from 2000 to the end of 2019, Amazon grew revenues 100-fold from US\$2.76bn to US\$280.5bn. Companies such as Apple, Google, Facebook and Microsoft generate vast amounts of cash today, whilst in 2000 many technology companies were generating losses as they tried to ramp up their business models.

Next, although the spread of the internet was opening up new pathways to growth in 2000, growth prospects for the technology sector today have rarely been brighter. Among other factors, these prospects are led by quantum computing, artificial intelligence, the explosion in cloud computing, remote working and living and the rapid development of countries such as China and India.

Finally, as noted earlier, the impact of COVID-19 has been to accelerate the roll-out of these themes, in some cases meaning that the effect of years of growth has been accelerated into the last few months.



*Growth prospects for the technology sector today have rarely been brighter.*

## **Future threats and opportunities**

Although there are some warning signals in technology markets today, we remain comfortable to have technology as one of our core investment themes. We may see some rotation out of the sector, perhaps as a COVID-19 vaccine is launched. However, thanks to the long-term secular drivers of growth allied to the massive strength and financial resilience of the sector's major players, we would see any such pull-back more as an opportunity than as a threat.





## The fund manager interview:

**Aanand Venkatramanan,  
battery technology specialist  
and Head of ETF Investment  
Strategies, Legal & General  
Investment Management**

New developments in battery technology are changing the way we transport and power the world. Significant progress has been made in improving battery energy density, price, lifespan and safety while mitigating the impact on the environment. At Canaccord, we believe battery technology is a highly important investment theme, set to underpin our changing world.

However, there are still many concerns around this technology – particularly environmental concerns for ESG (environmental, social and governance) investors. Here Patrick Thomas, Head of ESG Investments, asks Aanand Venkatramanan, Head of ETF (exchange traded funds) Investment Strategies at Legal & General, about some of the frequently cited concerns around battery technology and the outlook for innovation.

### **How important is battery technology in helping the world decarbonise?**

Around 15-20% of today's greenhouse gas emissions come from transportation, the majority of which is road transportation. So electric vehicles, and therefore battery technology, which is taking the market leadership in producing clean energy for transportation, will be at the forefront of the world's transition to a lower-carbon economy. According to BCC Research\*, the global market for large and advanced batteries reached US\$64.1bn in 2019 and could reach US\$109.9bn by 2024. The broader market for clean energy storage, where battery technology is used, is also expanding, with a 20-30% annual growth rate.

**This is not a recommendation to invest or disinvest in any of the themes or sectors mentioned. They are included for illustrative purposes only. The investments discussed in this article may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.**

### **Governments around the world are generally supporting the adoption of electric vehicles (EVs). What has the response been from the auto industry?**

Automakers continue to increase their EV portfolios, thanks to improvements in battery technologies, their decreasing cost and the need to comply with stringent regulations. BloombergNEF (BNEF)'s Electric Vehicle Outlook 2020 forecasts that about 500 different EV models will be available worldwide by 2022. We believe automakers will continue to increase their electrification portfolios despite the short-term ups and downs of the market.

Automobile and battery manufacturers are focusing their efforts on achieving 80% charge in 15 minutes, which will help to alleviate concerns around how far EVs can travel on one full charge (range anxiety).

### **What are the main challenges to EVs being more widely adopted?**

From our perspective, the four main challenges are:

- Battery costs
- Range anxiety
- Recharge time and charging infrastructure
- Life span of a battery and safety concerns.

*Electric vehicles and battery technology will be at the forefront of the world's transition to a lower-carbon economy.*

## So, how is battery technology evolving to help solve these problems?

There is constant innovation in all areas of battery technology to address these issues:

### • Battery costs

According to BNEF, lithium-ion battery costs will fall below US\$100/kWh in 2024 and reach US\$61/kWh in 2030. At US\$100/kWh, EVs will start to reach price parity – in terms of the purchase cost for the consumer – with ICE (internal combustion engine) vehicles.

### • Range anxiety

Continual improvements are being made to increase battery energy density so electric vehicles can cover longer distances, such as innovations in the lithium-ion battery space, or research into solid-state batteries that support greater energy density.

### • Recharge time and charging infrastructure

Fast EV chargers and technology already exist. Pennsylvania State University researchers developed a lithium-ion battery capable of adding 200 to 300 miles of driving range to an EV in 10 minutes by charging it at an elevated temperature. In terms of infrastructure, charging stations have grown at a 32% annual growth rate over the last seven years\*, while EV owners now also have the option to buy a home charger.

### • Life span of a battery and safety concerns

Batteries are currently guaranteed for up to eight years or 100,000 miles. A long lifespan reduces pressures on resources and any negative impacts of manufacturing and recycling.

## As ESG investors, the environmental impact of battery technology is important to us. Can you talk a little about the environmental cost of battery technology and how it's being addressed?

Mineral extraction and refining, dismantling old batteries, and building and delivering vehicles all involve CO2 emissions. These environmental costs are being addressed in multiple ways:

- Battery technology producers are working towards using clean energy rather than fossil fuels
- The auto industry is expected to benefit from economies of scale as more EVs are built – this increases efficiency and reduces pollution in the manufacturing process
- The large penetration of EVs and the need for batteries will create a market for recycling these storage devices, reducing the pressure on mining
- EV batteries can be reused for energy storage projects, reducing waste and extending their lifespan.

\*Source: BCC Research 2020

*Continual improvements are being made to increase battery energy density so electric vehicles can cover longer distances.*

### **We have also seen issues with cobalt mining – how are these being dealt with?**

The high concentration of cobalt production in the Democratic Republic of Congo (DRC) may be associated with certain ethical and political risks. However, cobalt is not necessarily needed for batteries. Tesla has already decreased the amount of cobalt in a cell to less than 3%, and is targeting 0% use in the future, while researchers from the University of Austin say they have developed a cobalt-free lithium-ion battery that does not sacrifice battery performance.

### **There is a lot of excitement around hydrogen and its potential. What are your views?**

Hydrogen-based fuel cells have attracted attention recently, with industry leaders expressing views both for and against. However, the technology has a long way to go before it can challenge batteries.

At Canaccord, we believe battery technology plays a vital role in helping to address some of the world's biggest environmental challenges as it is the main driver for the faster adoption of electric vehicles as well as grid storage capacity, which is needed for the renewable energy market. So it could form part of an environmentally responsible investment strategy. To read more about Canaccord Genuity's approach to sustainable ESG investing, please see our article on [page 29](#). In this article, we highlight our five key sustainable and responsible themes (including battery technology) and go into more detail about oncology as a specific area to consider.

**If you would like to find out more, please contact your wealth manager or Patrick Thomas, our Head of ESG Investments.**

### **What do you think the overall EV landscape will look like in five years?**

The wider adoption of battery storage is being supported by public policies across the world. On the corporate side, multinational energy company Enel recently announced plans to deploy up to 1 GW in grid storage capacity by 2022.

We expect EV prices for consumers to fall in line with those for ICE vehicles, giving EVs up to 10% of global passenger vehicle sales. We believe innovation in battery technology will accelerate further in the next few years, while alternative battery types to lithium-ion could emerge in the longer term. We expect China and Europe to drive EV demand, thanks to the European vehicle CO2 regulations and China's city policies.

*The wider adoption of battery storage is being supported by public policies across the world.*



A patient is lying on a medical table inside a circular CT scanner gantry. The patient is wearing a blue protective garment. A bright light source is visible on the left side of the gantry. The image is framed by a circular border with a blue and green gradient.

# ESG investing: supporting the battle against cancer

# What is ESG?

Conscientious investors are increasingly considering ESG issues alongside traditional financial factors, to create a more sustainable portfolio.

**Environmental** criteria look at how a company performs in relation to the natural environment – for example, it might be evaluated according to its energy use, sustainability policies, carbon emissions or resource conservation.

**Social** criteria examine a company's relationships with its employees and the communities in which it operates – does it care about employee welfare and workplace safety? Does it make a positive contribution to the community?

**Governance** factors concern a company's leadership, executive pay, audits, internal controls, independence, shareholder rights and transparency.

Looking at these aspects allows investors to assess a company's social and economic impact and think about how this might affect a business model over time. Businesses working in a more sustainable way, with robust policies and procedures around ESG issues, may also be attractive from a risk and return perspective.

## What we look for:



The ultimate aim being to find funds that deliver competitive returns, mitigate ESG risks, pursue ESG opportunities and focus on measurable impact solutions.



## Our ESG themes

Five sustainable and responsible investment themes underpin our sustainable investing strategy. They are:

- Cyber security
- Oncology (the subject of this article)
- Electrification/battery technology (read more in our fund manager interview, [here](#))
- Water and waste – you can also read more about them in our blog, [here](#).

The thinking behind all our ESG themes follows a similar process. We consider challenges facing the world, either from an environmental (helping the planet) or social (helping people) perspective, and look for companies offering potential solutions as well as offering our clients sustainable investment returns.

One of the long-standing societal themes in our discretionary portfolios is the need for more people to access better and more effective healthcare. We have been investing in the long-term opportunities in healthcare for some time, and this year we looked at ways of making this more specialised and more measurable in terms of the positive impact we are generating – for both the world and our clients.

**The investments discussed in this article may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.**

*We believe investing in oncology companies is a positive way to join in the solution to one of our society's great global problems.*

## Why oncology?

Globally, cancer is still the second-leading cause of death – and because the incidence of cancer increases with age, its prevalence is unfortunately linked to the ageing of the world's population. While advances are being made, there are still urgent needs and wide markets for solutions, creating huge investment opportunities. We believe investing in oncology companies is a positive way to join in the solution to one of our society's great global problems.

Cancer statistics remain frightening and, despite scientific advances, the outlook for patients is not good enough.

The challenge here is the combination of demographics and complexity. Our world is getting older and more susceptible to a disease that remains hard to treat. As noted, cancer is complex: rather than a single disease, it encompasses multiple distinct diseases, including solid tumours such as lung, skin, breast and kidney, as well as blood cancers such as lymphoma and leukaemia. The challenge lies in catching it early (screening and diagnostics) and treating it with the most effective solutions (drugs and therapeutics).

## Finding new ways to beat cancer

As the world marked the 20th anniversary of World Cancer Day earlier this year, scientists continue in their battle to beat it. In 2019, for the second year in a row, the Nobel Prize in Medicine went to researchers whose insights are influencing the field of oncology.

In 2018, James Allison and Tasuku Honjo were awarded for their work on checkpoint inhibitors, which have changed the paradigm of cancer treatments worldwide.

Last year, a trio of researchers (William Kaelin, Peter Ratcliffe and Gregg Semenza) won the 2019 Nobel Prize in Medicine for deciphering how cells sense and respond to changing oxygen levels by switching genes on and off\*. Thanks to their work, it is now possible to harness one of nature's essential processes to treat cancer.

\* Press release: [The Nobel Prize in Physiology or Medicine 2019](#)



# Why investing in fighting cancer makes sense



By 2030 there will be **over 22 million new cancer cases a year**, up from 14 million in 2012<sup>1</sup>.



Cancer deaths forecast to **increase between 2012 and 2030 from 8 million to 13 million annually**<sup>2</sup>.

**Second-leading cause of death globally**<sup>1</sup>.



Pipeline of oncology drugs in clinical development has **expanded by 45% over past decade**<sup>4</sup>.



Global costs of cancer-related treatments to rise to **US\$147bn by 2021**<sup>3</sup>.

Goldman Sachs values the **immuno-oncology market at around US\$140bn** and predicts it could **grow by another US\$100bn**.

<sup>1</sup> World Health Organization (WHO). <sup>2</sup> International Agency for Research on Cancer. <sup>3</sup> IQVIA Global Oncology Trends 2017. <sup>4</sup> Global Lung Cancer Drugs Market Report 2019-2025.

## A world-changing investment opportunity

Three developments make this a particularly exciting area of healthcare to invest in.

1. Demand for cancer treatments is rising as prevalence increases and the world's middle classes – who can afford insurance – expand. Between 2012 and 2016 the global costs of cancer-related treatments grew from US\$91bn to US\$113bn, according to IQVIA\*, a health-data firm.
2. Cancer enjoys faster regulatory approvals than other diseases. This makes sense given the fatality statistics, which mean that regulatory hurdles are lower.
3. Scientific progress, particularly around manipulating genes and cells, has been exponential. Amazing, almost unimaginable innovations are taking place across many areas – see next section.

## Exciting scientific developments

Firstly, the pipeline of oncology drugs in clinical development has expanded by 45% over the past decade.

Secondly, progress in immuno-oncology, where the patient's own immune system is used to attack cancerous cells, has been particularly impressive. To put this into perspective, Goldman Sachs values the immuno-oncology market at around US\$140bn and predicts it could grow by another US\$100bn.

Screening and diagnosis methods have also improved. According to the World Health Organization (WHO), some of the most common cancers have high recovery rates if they are detected and treated in time. This is particularly notable in breast cancer, cervical cancer and oral and colorectal cancers. However, there are some glaring healthcare inequalities in terms of screening. Not all cancers can be detected early, chiefly because certain tumours – such as skin cancers – are undetectable before the initial symptoms appear. Not all countries have access to screening either, particularly the poorest nations.

Lastly, 'profiling' to match the solution to the patient is becoming more successful, thanks to investment in artificial intelligence and data collection to help identify people with more susceptibility to varying types of cancers. Linked to the above, this enables treatment to begin earlier and potentially work more effectively.

*Demand for cancer treatments is rising as prevalence increases and the world's middle classes – who can afford insurance – expand.*

## Two vital ways to invest in fighting cancer

The most straightforward way to invest in treating cancer is through shares in pharmaceutical companies that sell effective drugs.

Alternatively, the biotechnology sector tends to be where a lot of the earlier innovation occurs. Typically, 40% of US biotechs are oncology related. Big pharma now buys rather than builds much of its innovation, so backing oncology start-ups can be an especially lucrative (if riskier) approach. According to CB Insights\*, equity investment in cancer-therapeutics start-ups has grown from US\$2bn in 2013 to US\$4.5bn in 2017.

## Challenges for investors

Despite the long-term opportunities, there are two main concerns behind investing in healthcare:

- **Financial risk:** investments in oncology and in biotech more generally have historically been very volatile and investors have seen wild price swings; part of the problem is that success is not just about medical efficacy – new treatments can be brilliant but may never become cheap enough to sell
- **Impact risk:** we want to make a difference; Cancer Research UK noted last year that much of the welcome inflow of capital into cancer research is chasing similar opportunities, and rarer types of cancer can get neglected.

To overcome these concerns, we believe investors should consider looking at actively managed funds specialising in oncology, with investment universes created in conjunction with leading oncology scientists. These funds have exposure to investment opportunities on multiple fronts – from bigger pharmaceutical companies to more innovative smaller biotech companies.

Watch our recent video interview with Dan Mahony, Co-Head of Healthcare at active fund manager Polar Capital, where he shares more of his insights into the US\$8trn healthcare industry. Click [here](#).

## Conclusion

The pandemic has brought the need for effective healthcare into sharper focus. We believe there are plenty of opportunities to earn investment returns while making a positive impact on the wider world. We see our oncology theme as an excellent way for our capital to support global innovation where it is most needed.

*Backing oncology start-ups can be an especially lucrative (if riskier) approach.*

## Is small more beautiful?

The growth potential in small-cap investing is significant, much more so than in the FTSE 100. But it is considered the riskier end of the investment spectrum, due to the fact that the companies are ... well, smaller. With these investments, you really need to do your homework to ensure they are suitable for the level of risk you are willing to take, says Adam Caplan, Investment Director, Canaccord Genuity Wealth Management.





The coronavirus crisis has tested the mettle of companies large and small. But it has become apparent that large parts of the FTSE 100 have become the market equivalent of Jurassic Park, housing the dinosaurs of former glory. COVID-19 is the asteroid that has sent them hurtling, if not into oblivion, then the FTSE 250.

Comparatively, companies outside the FTSE 100 look more like tiny mammals, poised to inherit the earth. When we talk about small-cap investing, we mean companies listed on AIM (Alternative Investment Market), or with a market capitalisation of less than £2bn, including companies in the FTSE 250, FTSE SmallCap and FTSE Fledgling indices. Because of this breadth, as a universe, small- and mid-cap stocks are more interesting.

## What makes small-caps attractive?

For a start, there is the diversity in small-caps – technology, healthcare, online gaming, consumer discretionary (non-essential goods) – that we just don't see in large-caps. FTSE 100 companies tend to be concentrated within a limited range of sectors, which can lead to greater risk as companies within one sector tend to move in the same direction (think of what's happened to oil and gas this year). So the range in small-caps gives better opportunities to diversify a portfolio effectively. The primary benefit of small-cap investing is the growth

potential, as small companies can theoretically grow at a faster rate and by a greater ratio than mid- or large-caps. It's easier to multiply the size of a £100m company by 10 than to grow a £100bn company to a £1trn company. Another plus is that smaller companies are more likely to be acquired, as their size makes them easier for larger competitors to snap up – and acquisitions can signify a payday for investors.

However, the downside of these benefits is risk. The smaller the company, the more likely it is to go bust. Small-caps do fail more frequently than their larger counterparts. And they can be illiquid, making them difficult to sell exactly when you want to. They can also be unattractive to income-seeking investors, as they tend to re-invest profits back into the company rather than pay dividends.

## COVID-19 has moved the goalposts

When we look at small-caps vs large-caps against the backdrop of the current environment, things haven't panned out as we would expect. In a downturn, there tends to be a flight to quality companies, historically equated with large-cap. But this economic crisis hasn't worked like that. Many traditionally defensive stocks (e.g. the integrated oil companies and banks) have struggled in the pandemic world.



*Smaller companies are more likely to be acquired – and acquisitions can signify a payday for investors.*

These days, investors need to be smarter. COVID-19 is rewriting the rule book. If you like the UK market, then small- and mid-caps – due to their growth potential – might be worth a look. However, it helps to know what to look for within the sector.

- **Niche businesses:** companies that satisfy a really specific market need, such as AB Dynamics, a supplier of integrated test systems for the global automotive industry; or Creo Medical, a medical device company focused on the emerging field of surgical endoscopy
- **Roll-out stories:** companies with a proven, successful offering that are rolling their product out to new markets, either in phases or store by store – think Hotel Chocolat, with over 70 UK stores; or Cake Box, a personalised egg-free cake business with 114 stores nationwide
- **Market leaders:** companies that carry the largest market share in their peer group, such as online clothes retailer ASOS; pizza delivery company Dominos; or Marshalls, the leading supplier of materials for garden design and construction

- **IPOs (initial public offering):** companies raising initial capital to help them transform from a private company to a public listed entity – e.g. global eyewear company Inspecs; or Watches of Switzerland, a leading UK luxury watch specialist now expanding into the US

- **Industry consolidators:** where companies buy up and improve their competitors; such consolidation opportunities are always attractive to investors – look at Keywords Studios, a global service provider to the video gaming industry, or UK regional law firm Knights.

Small-cap investing – the AIM market in particular – has shaken off its ‘wild west’ tag in recent years, predominantly thanks to the success of tech and gaming companies and high profile growth stories, like Fever-Tree. But it can still be a minefield. That’s why it’s really important for investors to tread carefully, get informed and not go in all guns blazing.

Due to their risk, small-caps are often ignored by wealth management companies who may lack the expertise and experience to spot and evaluate opportunities, and invest on your behalf. At Canaccord Genuity Wealth

Management, we do have that expertise. In fact, we are among the most experienced independent UK wealth managers in this area. And we believe smaller companies can be a very important part of a truly diversified and well balanced portfolio – whether you are investing directly in the shares of small-caps or via a specialist fund.

To find out more about investing in small-caps or our specialist team, visit our website [here](#), email us at [wealthmanager@canaccord.com](mailto:wealthmanager@canaccord.com), or call us on +44 20 7523 4500.

Smaller company shares can be more volatile than those of larger companies because a small change in the financial performance can have a bigger impact on the company’s value. These companies also tend to have fewer resources to overcome financial difficulties. Sometimes it can be difficult to buy and sell large volumes of these shares at the market price. Although smaller company shares can be traded on a regulated market, it is common for them to be traded on a less regulated market, or a ‘multi-lateral trading facility’, such as London’s Alternative Investment Market (AIM). Companies whose shares trade on these markets are subject to less regulation than those on regulated markets.

This is not a recommendation to invest or disinvest in any of the themes, sectors or companies mentioned. They are included for illustrative purposes only.

# Together #wecandothis

As the UK went into lockdown on 23 March, our entire workforce needed to work remotely. The true Canaccord can-do spirit emerged as we set out to look after our clients and colleagues brilliantly from home, with our IT team emerging as the early heroes.

- We went from 12 offices to 560 homes
- All our office lines were diverted to mobiles
- We maintained full access to all our systems, central expertise and processes
- In March 2020, we continued to operate seamlessly and broke our trading volumes record, undertaking nearly 61,000 trades (compared to 7,000 in March 2018)
- We created a COVID-19 hub on our website for market and business updates, as well as hosting open client calls with our CEO, David Esfandi, and CIO, Michel Perera.



## What our clients said:

*Many thanks for your dedicated contact and assurances. I do appreciate what you have said, and have every trust that when the opportunity arises, Canaccord will do everything it can to ensure that our investments are dealt with in the best ways possible.*

*Very helpful call thank you. And thanks again for continuing to send me your emails.*



# Inspiring people through #wecandothis

As well as making sure all our clients and their portfolios were being properly looked after, taking a genuine social responsibility for our people was critical. We developed a series of inspiring videos and regular communications offering help and support across all aspects of physical and mental wellbeing.

Through our long-standing relationship with TeamedUp, we had unexpected access to Olympic athletes whose Tokyo plans were on hold. This enabled us to continue supporting them whilst benefiting from their skills and insight. We covered themes such as 'How to build resilience' and 'Maintaining motivation and purpose through change' as well as short exercise videos to keep everybody moving.

While the return to our offices may take a little longer, we're ready to adapt to the 'new normal' and ensure our clients receive the very best we can-do for them.

A portrait of Olympian Lizzie Simmonds, a woman with long brown hair, smiling. The image is partially obscured by a large blue graphic element on the right side of the page, which contains a quote and her name.

*I've loved having the opportunity to share knowledge and insights from the world of elite sport through the #wecandothis campaign. This is an unprecedented and challenging time for all of us, so it's great that Canaccord Genuity Wealth Management has been so forward-thinking in supporting employee wellbeing with such a positive initiative.*

Olympian Lizzie Simmonds



*Working with CGWM on the #wecandothis initiative has been a terrific experience for all the athletes involved. With the postponement of the Olympic Games in Tokyo, the opportunity to get involved in the initiative provided a helpful distraction and the opportunity to earn some money during lockdown.*

*Creating exercise programmes, making videos and presenting are all valuable skills that help prepare them for their next career after elite sport.*

Dominic John, Founder of TeamedUp





# When the going gets tough ...

## we talk to Richard Chiassaro, Paralympian

If we think we had it tough, imagine being a wheelchair athlete on target for your next Paralympics, only to have your training routine dashed and your equipment wear out.

For real inspiration on a #cando spirit, we interviewed Paralympian Richard Chiassaro. When you are covering 100 miles plus a week, wheels and rims take a pounding, and with the cost of rear wheels alone being £5,000, Richard is having to muster all his mental strength and resilience.

### What did 2019 look like for you?

2019 was a good year for me. As well as getting married, I helped develop a new racing chair, thanks to Dynolight Racing. We spent many hours in Chris Boardman's wind tunnel developing the aerodynamics.

I then managed to get selected for the Para Athletics World Championships

in Dubai. I won a bronze medal in the 400m, setting me up perfectly for the Paralympics in 2020.

### What were your original plans for 2020?

2020 started well with an excellent six-week training camp in Australia. My training partner and I covered just over 1,000 miles and we were both feeling strong and ready for the start of the season. I was due to go to Spain for my second warm-weather camp – but then COVID-19 happened and pretty much all training stopped.

Training has been very hard with all the athletics tracks being closed but I managed to push on the roads when I could and kept up with some gym work at home. As the lockdown started to ease things obviously became easier but we had all missed a lot of training so we had to make sure we came back at the right pace.

## What are your plans for 2021?

Next year I will start all over again with my Coach Jenni Banks, just as we did this year. We'll start preparation in January in Australia ready for the Swiss Nationals which take place in May. We will then head to the European Championships in Poland and hopefully hit the qualifying times for Tokyo selection. I will be aiming to get selected for the 400m, 800m, 1500m and the 4x100m mixed relay.

## How have you applied your #cando attitude given the recent circumstances?

My #cando attitude has really been tested this year with so many obstacles to overcome but everything was out of my control except how I reacted to the situation. There were many ways to carry on training during these times and I think many people around the world did an amazing job and seeing how people adapted was inspiring.

We still need social distancing, but things are slowly returning to normal. Last week I attended a private competition in Switzerland, and it was great to be back on a track in a competition setting.

## And the immediate future for you?

On 13 September I raced a 10k in Harlow to raise money for St Clare's Hospice as they have lost over £600,000 due to the pandemic this year.

Away from training my wife is due to have a baby girl in four weeks' time so we will both be busy for a while, but I will still manage to fit my training in for the Paralympics.



If you would like to find out more about how we have supported Olympians and Paralympians through our #cando initiatives, please go to: [canaccordgenuity.com/wealth-management-uk/we-can-do-this](https://canaccordgenuity.com/wealth-management-uk/we-can-do-this)



# How can we help?

If you'd like to talk to us about any of the topics or issues discussed in News & Views, please contact your Wealth Manager, or email us at [marketing@canaccord.com](mailto:marketing@canaccord.com).

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The logo for Canaccord Genuity Wealth Management is located in the bottom right corner. It features the lowercase letters 'cg/' in a large, bold, sans-serif font. Below this, the words 'Canaccord' and 'Genuity' are stacked in a smaller, bold, sans-serif font. At the bottom, the words 'Wealth Management' are written in a smaller, blue, sans-serif font.

cg/  
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