



Mt Fort Advisers - “Update” Newsletter

August 4th, 2021

We hope this “Update” Newsletter finds you well and you and your loved ones are keeping safe and healthy despite the pandemic still roaming around.

We seem to be resigned to accept living with the SARS-CoV-2 and its multiple variants for some time and having to go through the inoculations of regular shots of vaccine, as the only recipe for now to be able to live as normally as possible. There will be surely a before and an after the pandemic with the acceleration of several clear trends such as the requirements for digitalization and the growing awareness of human fragility and its planet, which hopefully will push politicians and financiers to take the global environmental threats more seriously. We need to adapt and live with our times and times are changing fast.

In the meantime, financial markets do not seem too troubled, reaching new all-time highs in the US in particular, thanks to extreme unorthodox monetary policies (FED balance sheet expanded by circa \$4 tn in 2020-2021 to over \$8 tn) and huge fiscal policies in excess of \$5 tn (i.e., about 25% of the US GDP cumulated). This is an extraordinary stimulus under any historical standards. It is more than triple the Great Recession-era aid. Even back in the 30s, the Roosevelt’s New Deals amounted to about 13% of GDP cumulatively at the time. This is a strong endorsement to supply-side measures and quasi unlimited spending by the US Congress and most governments across the world. Investors have understood it well by keeping injecting monies in the financial markets, hence the recent record highs. What is the alternative with such historically low

interest rates for so long? The interesting question is how long the party can go on and who or what would derail it eventually. The FED?

We discussed in more detail our investment strategy in our latest paper sent to you at the beginning of July (it can be accessed using the [following link](#) with our usual password). Our stance was generally favourable to risky assets as we did not see any major grounds for the party to stop imminently, assuming the pandemic does not drift back out of control and monetary policies remain accommodative. We emphasized though on the basic need to adjust portfolios diligently to the appropriate investment profile, both in terms of liquidity and risk appetite - return expectations, as well as the requirement to keep a diversified exposure across assets, sectors, regions and styles.

With travelling still complicated, your Mt Fort Advisers Team continued its internal developments to improve its processes (digitalization) and strengthen its organisation to better serve you. It has been an eventful first half of the year with some recognition for our work from both our peers and the regulator. On March 4th, Mt Fort Advisers was publicly [announced](#) the winner of two awards at the 1st Swiss EAM WealthBriefing Awards for Excellence. The award ceremony has been postponed due to the pandemic, but we will have the opportunity to celebrate it officially on September 15th. For the occasion, we have published a one-pager [add](#), as well as a short [video](#) and an [interview](#) in the WealthBriefing Acclaim magazine.

More importantly, we have been notified formally by our Swiss regulator FINMA on July 5th that Mt Fort Advisers is now fit and proper to conduct its activity as a regulated portfolio manager under the new Swiss Financial Institution Act, which came into force in January 1st, 2020, and consequently received its license with immediate effect. We are particularly proud to receive it among the very first group of [regulated entities licensed by FINMA](#) and monitored by a supervisory organisation, as only 3 companies received it so far in Geneva and only 6 in total for the whole of Switzerland, confirming our commitment to establish Mt Fort Advisers as a front runner in its industry.

Although our license does not significantly impact our clients, who are all deemed professional investors (unless they decide it otherwise), we will still need

to re-sign our mandates, which have been adapted to the new regulatory framework. We will contact you over the next few months and deal with this administrative task.

Despite our golden badge from FINMA and two awards, there is obviously still much work to be done to keep bringing added value to our clients and strengthen our organisation. Reaching a certain critical size is becoming a necessary step forward in a more and more constrained and regulated environment with more complex client requirements and situations, not only to be able to address those needs and perform, but also to guarantee the continuity of our organisation across several generations of our clients. This is our responsibility. Mt Fort Advisers and its team is committed to those goals without compromising on its values and quest for excellence. We will focus on integrating talented new partners and managers sharing our aspirations and values and who have the capacity to bring a notable contribution to Mt Fort Advisers and our clients.

In the meantime, we wish you an enjoyable summertime (wintertime Down Under!) and thank you for your continued support and trust. We very much look forward to meeting each of you in person very soon. Stay safe and healthy.

With our good wishes,

Your devoted *Mt Fort Advisers Team*



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