# Insights from Paul Niven on Investment Strategies and Opportunities



**Investment Insights with Paul Niven of F&C Investment Trust**

In the latest installment of "Where Experts Invest," Paul Niven, fund manager at F&C Investment Trust, shares his insights on investment opportunities and pitfalls. F&C Investment Trust, managing assets valued at approximately £6 billion, invests globally in publicly listed firms, unlisted securities, and private equity.

### Investment Picks:

* Next 10 Years: Niven recommends Intuitive Surgical, a US-based leader in surgical robotics, noting its dominance and growth potential in the medical field.
* Next 12 Months: Smurfit Kappa, a manufacturer of paper-based products, is advised due to its strong market position and potential for earnings upgrades as it emerges from the cycle's trough.

### Sector Preferences:

* High Potential: Semiconductors, vital in the AI technology sector.
* Avoid: Auto sector, due to intense competition and uncertainty with the rise of electric vehicles.

### Geographic Insights:

* Best Value: The UK market, deemed attractive in valuation compared to historical performance and other markets, offers a low sector-adjusted price-to-earnings ratio despite potential long-term growth being more appealing elsewhere.

### Market Outlook:

* US Market: Despite high valuation, the US market is noted for delivering premium growth, justifying its valuation level.
* Growth vs. Value Stocks: Niven maintains a balanced portfolio approach, acknowledging the current rich valuation of growth stocks and discount opportunities in value stocks.

### Specific Stocks:

* Tesla: Valued high with future growth expected, but faces stiff competition.
* Gold: Suggested as a portfolio diversifier but not essential for all investors.
* Bitcoin: Regarded as a speculative investment with high volatility.

### Sector Risks:

* Geopolitical Threats: Tensions in the Middle East and between the US and China.
* Inflation and Interest Rates: Niven predicts inflation rates to be transitory, with slower economic growth leading to falling interest rates but not returning to past decade’s lows.

### Personal Preferences:

* UK Banking Shares: Considered undervalued with high profitability and capital levels.
* Tech Investment in UK: Sage, despite recent results, shows strong growth potential in transitioning to cloud-based services for SMEs.

### Policy and Economic Views:

* Brexit's Impact: Cited as a factor for weaker UK equity performance but offset for investors due to sterling's depreciation.
* Future Outlook: Anticipation of lower interest rates and transitory nature of inflation.

With these insights, Paul Niven provides a comprehensive view on his current and long-term investment strategies.