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August 2016

Investment Review



Introduction

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Hello and welcome to our Summer 2016 review which we have prepared in view of the market conditions that have prevailed post BREXIT vote.



Bank Of England

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After a stutter in July the Bank cut interest rates to attempt to create growth.

They also committed to more QE.

As expected markets reacted well.



Markets Post Brexit

They fell horribly on the day of the result - we did half expect this if the vote was to leave the EU. We issued a statement then urging tolerance as we saw the issue to be short term. Since then the FTSE 100 has gained more than 1000 points and the FTSE 250 - which is possibly more representative of UK company fortunes as the FTSE 100 is very international and so gained from the weakening of the £, has gained over 3000 points - approximately then, the popular and renowned equity markets, have bounced from their low points by 16% and 20%.



Our Portfolios



The general construct of our portfolios is mixed and balanced according to each clients risk rating. It does not exclusively hold equities. This meant that the large fall did not factor in many portfolios.

Since the Brexit for example our medium risk portfolio has grown by around 8% with a great deal of this growth coming from equities. Property funds have been suffering during this time but we have only had modest exposure here and where appropriate we have in fact moved out of the property sector. Where such a move was not possible because action to suspend or reduce those fund values carried no forward warning, our advice is to hold fast as these property funds are now being recommended by pundits as good value and a "buy".



This chart shows the growth of our medium risk portfolio.

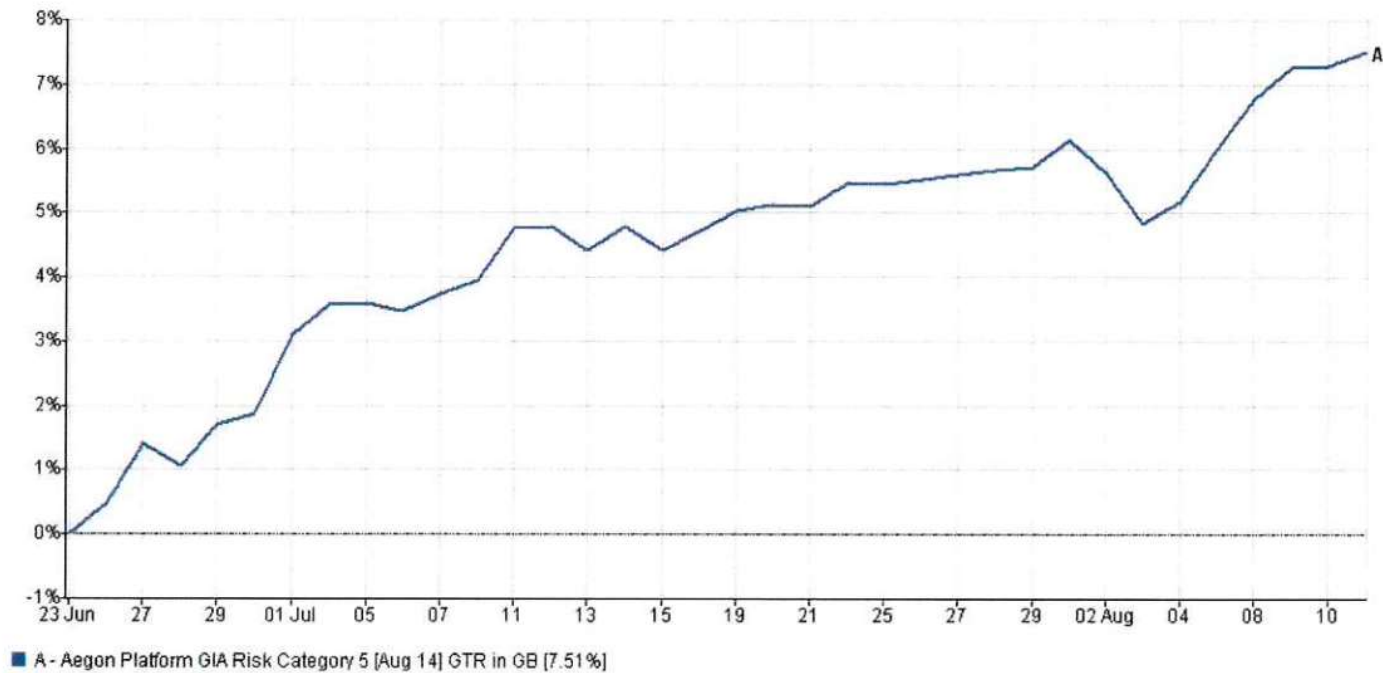


Performance Line Chart



12 August 2016

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



23/06/2016 - 11/08/2016 Data from FE 2016

What Next?

It is reasonable to expect the markets to consolidate a little after such growth. The FTSE may breach the 7000 ceiling and correct as profits get taken. However for the longer term we are recommending we stand by our diversity.

With interest rates cut it follows that cash savings offer no prospect of growth and although sometimes a little see-saw like, the mixed balance of investments appears to show better opportunity over time.



Summary

We will be watching matters closely and be in touch should any changes be needed.

Do contact us if you have any concerns or if you feel your approach to risk has altered.

Moving into the Autumn we are looking closely at methods for reducing investment costs with the same level of diversity and will be contacting clients in due course.



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