

## LEAVE THE WORRYING TO US



### We live in interesting times.....

We have had a new Prime Minister for only a matter of weeks and Mr Johnson has already polarised opinion, almost as much as the topic that has been at the forefront of - and central to - the nation's thoughts since David Cameron announced the Referendum back in 2016. 'Brexit' has become such a familiar term that it has entered the Oxford English Dictionary and we would suggest that the only word discussed more amongst the British is 'weather' - although that seems to generate a lot less friction. The Prime Minister seems adamant that we will leave the EU on 31st October 2019, with or without a deal and only time will tell whether this is the case or not.

So.... is this a cause for concern?

Firstly, we must emphasise that our role is not to discuss the rights and wrongs of the UK leaving the EU. That is a matter of opinion and our main concern is to help you broadly understand how Brexit, in whatever guise it takes, affects your underlying investments.

So, a better question for us to address is, should you be worried about your investment portfolio? Well, to put it simply, we think not.

Let's consider what may happen in the short term. Firstly, we may - or may not - be leaving on 31st October. Mr Johnson is adamant that it will happen, whilst others in Parliament are very unsure. This friction will possibly end with a vote of "no confidence",

which almost certainly will lead us to a General Election - which may have already happened by the time this article goes to print, such is the fluid nature of these discussions. All of this generates uncertainty.

However, it must be noted that if you are invested through one of our investment partners, we can guarantee that none of our clients is invested 100% in UK Equities. Discretionary investment managers are dynamically controlling the risk within portfolios and it is for this reason that you will see a higher allocation to more defensive assets than in years gone by. This is to try and smooth out some of the peaks and troughs of the stock market. However, overall performance has to come with an element of volatility and that, in itself, can often offer opportunity.

For example, should we leave without a deal on 31st October, the Pound is expected to fall sharply against the Euro. Yet, with most FTSE 100 companies generating their profit from overseas, this potential fall in currency will be seen as a good thing for them.

As we have said many times before, it is not about timing the market, but time in the market. Our role is to ensure that you are invested in a risk controlled investment portfolio that best suits your circumstances for the long term, to help you meet your lifetime goals.

We are not saying that this won't be a difficult time for the UK, or that stock markets won't be affected. But we do want to reassure you that our Investment Partners continue to survey the horizon for storm clouds and have taken active steps to provide more insulation within portfolios, to reflect the challenging market and economic conditions.

Therefore, we would encourage you to spend more time thinking about what you are going to do with your life and money, rather than being concerned about the short term impact of markets on your investments.

Why not leave the worrying to us - that's what we are here for!