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## **August Newsletter**

**Down Ratley**

**RAYMOND JAMES<sup>®</sup>**  

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**INVESTMENT SERVICES**

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## Why are Deutsche Bank taking a 25 year lease on a new Headquarters in London?

Taking the media (including social media) as a whole, one could be forgiven for believing that the end of the UK as we know it is upon us and that a seismic shift will start to take place.

Scanning our free copy of last Wednesday's Daily Telegraph courtesy of Waitrose, one small article about Deutsche Bank stood out as particularly interesting given the start of the negotiations surrounding Brexit.

The article alluded to the fact that Deutsche Bank had just agreed a 25 year lease on a new London Head Office to house at least 5,000 staff. Now, whilst we don't know the long term plans of Deutsche, it doesn't strike us as a plan that is going to lead to all their staff upping sticks and moving to Berlin or Frankfurt.

We are not saying for one minute that there won't be significant issues that will need to be faced along the Brexit road. However, as we have said in many meetings recently, we believe the world will continue.

Importantly, we have faith in the executives in boardrooms around the country and indeed the world that they are making decisions and positioning their respective companies to make the most of current and future scenarios in order to protect and grow value for their shareholders. That's what capitalism is to us.

Company executives will do this however difficult and bizarre the Brexit negotiations are or become. The financial markets understand this and asset values will in most cases reflect this.

### **Now for a history lesson**

For some unknown reason, Duncan has picked up an old text book from his A level days on Tudor and Stuart England, probably because he's forgotten most of what he learned 30 years or so ago and the fact that he can no longer answer relevant University Challenge questions with confidence.

This is also an insight into our Investment Committee meetings!!!

The reason we mention this is that in those particularly difficult times, despite there being an unhealthy sense of suspicion predominantly between the Crown and Landowners, there was a significant level of pragmatism, particularly in England, in order to keep trade and the economy moving forward (notwithstanding war- which still had some benefits in those days!).

Let's hope the relevant current political leaders can also take such a pragmatic stance.

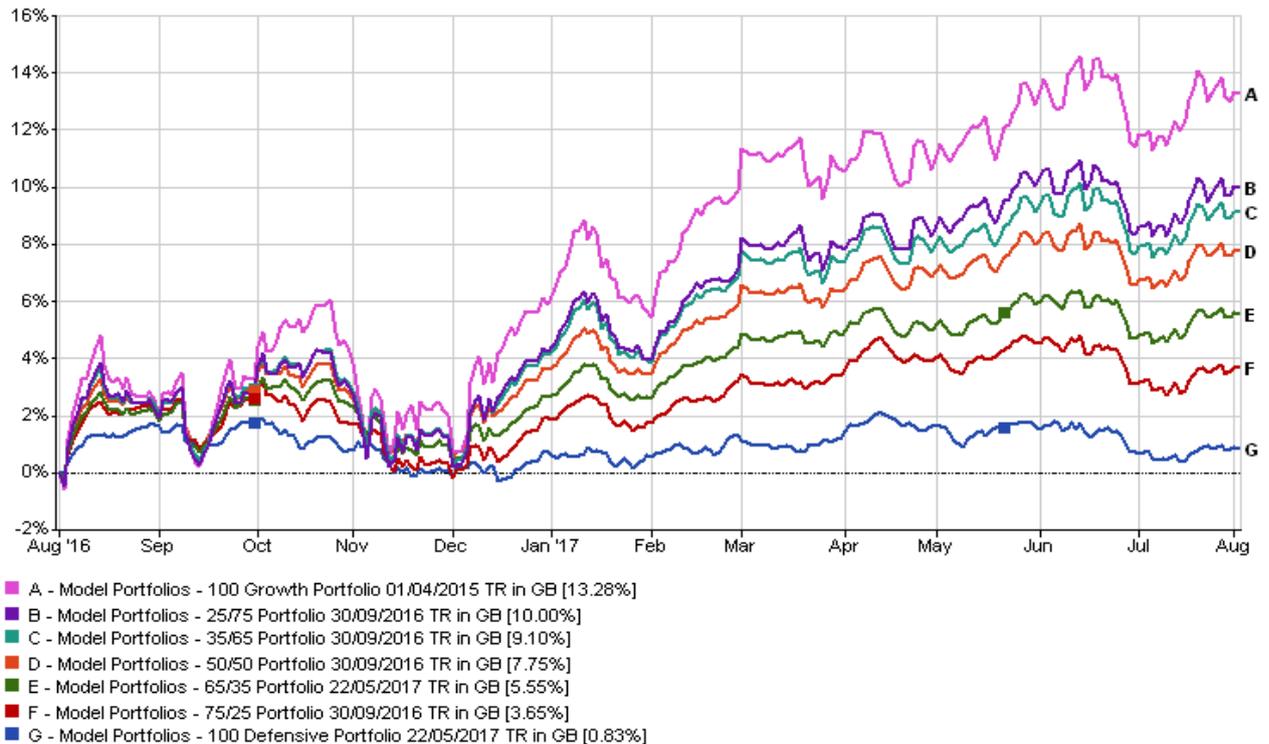
The good news is that most businesses can function perfectly well, no matter what our politicians do.

### **So what about your portfolios?**

As you will see from the chart overleaf, the portfolios over the last year have all moved forward positively, with those weighted more to growth assets performing more strongly than the more cautious portfolios. We know that there will be bumps along the way and there will be times when portfolio values fall, but our faith remains in the boardrooms of the globe.

Strong diversification globally is still our bedrock.

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



02/08/2016 - 02/08/2017 Data from FE 2017

Please note the performance figures exclude management fees.

As ever if you wish to chat please call.

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