
October Newsletter

Down Ratley

RAYMOND JAMES[®]

INVESTMENT SERVICES

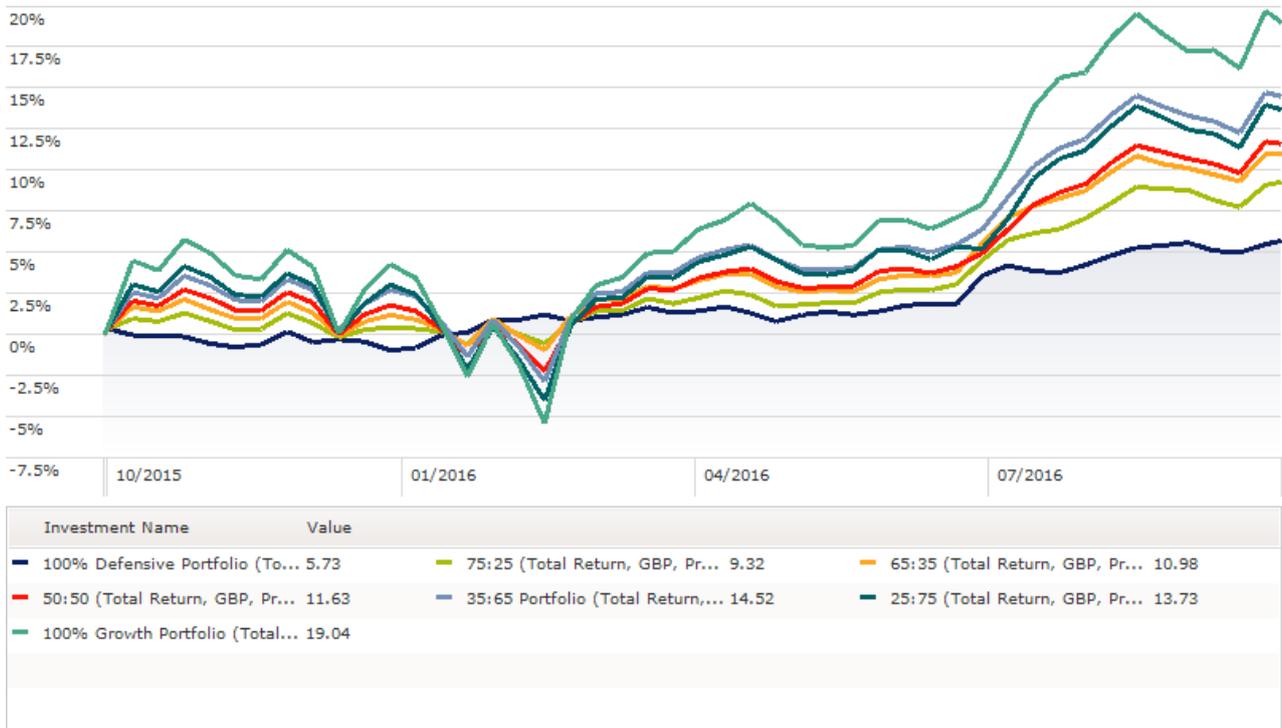
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Quarterly valuations 3 months on from the EU Referendum

Where we are now

For clients with Raymond James Investment portfolios, your latest quarterly valuation is now attached.

As you will note, portfolios across the board are all up strongly since the start of July, more than making up for a slow first half of the year as shown in the chart below. So much for the negative impact on Brexit that all the commentators made following the EU Referendum result!



Please note that management fees and associated costs levied in conjunction with all portfolios will reduce the gross performance shown.

On a serious note, it is still very early days in this respect and we would argue no one knows how things are really going to pan out, particularly as the Government has yet to decide on what their actual strategy will be in driving forward the will of the people on 23rd June 2016.

We know we sound like broken records on a regular basis, but the truth is that the markets don't know the future as indeed no one does, but our strong belief is that the world will continue and in the long term, UK companies will continue to find markets to sell their goods and services. Overseas companies will still want to export their goods to the UK and the UK populous will still buy them!

Portfolio review

One area over which there seems to be consensus is that UK interest rates will 'stay lower for longer' and following the Governor of the Bank of England's decision to reduce rates by 0.25% immediately after the Brexit vote, we tend to agree.

Whilst cash never was a core holding for growth, following the latest rate cut and current outlook, we see little value in holding cash as anything other than a place for funds needed for short term access or emergencies. As a result, for this quarter's rebalance we are selling down our Blackrock Cash fund in portfolios and increasing our weighting to short dated Government Gilts.

In addition, whilst portfolios have typically remained within our tolerances for Growth and Defensive weightings, selectively where appropriate, we have taken some profits in growth assets, predominantly Global Equity and Property.

Overall, we continue with our view that a globally diversified portfolio covering the major asset classes remains the prudent way forward in the current climate whilst acknowledging that volatility in markets is likely to continue for the foreseeable future. More than ever, focusing on the long term and ignoring all the noise in the short term is the way forward.

As ever if you have any questions please do not hesitate to contact us

Best wishes.

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