
January 2019 Newsletter

Down Ratley

RAYMOND JAMES | Exeter

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What a year 2018 was!!

The headlines

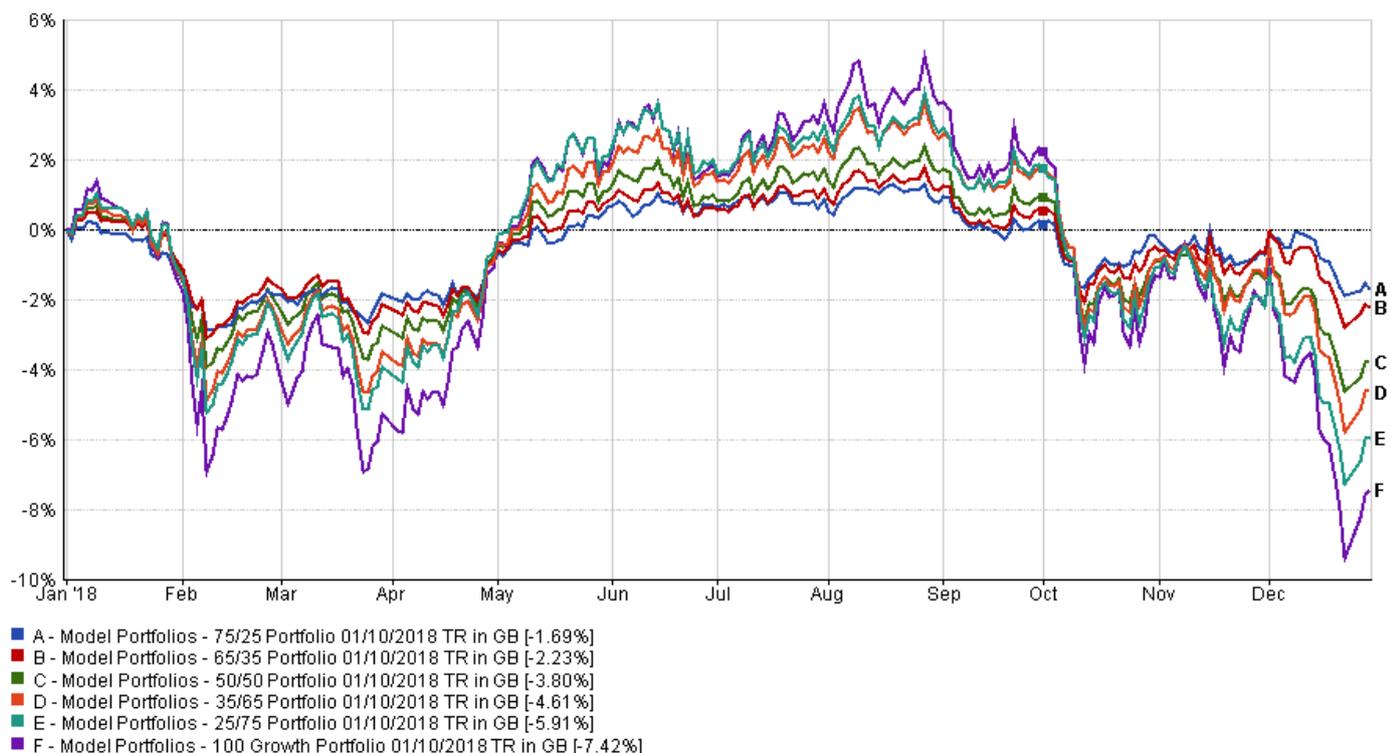
- Jittery FTSE endures worst year since crash!!!
- The CBOE UK 100 index (a similar index of the UK's top 100 companies) fell 12.6% through 2018 as the political farce over Brexit took its toll.
- There were wider concerns over the slowing global economy and the worries over US-China trade wars were not helping markets at all.
- China's CS1300 index shed a quarter of its value.
- Hong Kong's Hang Seng fell 13.6%
- Japan's Nikkei dropped 12%
- Germany's Dax dived 18%
- France's CAC fell 11%

About a year ago UK and US markets reached record highs with President Trump declaring "The reason our stock market is so successful is because of me".

Now he is blaming Jerome Powell, Chairman of the US Federal Reserve (a man he appointed).

Other than that, he's been curiously quiet since the end of year reversals in the markets!

So time to put the tin hats on and look at our portfolios in 2018.



29/12/2017 - 31/12/2018 Data from FE 2019

Please note the performance figures exclude management fees.

As you will probably see from the chart on the previous page, our portfolios with less exposure to Growth assets (Equity and Property) have fared better than those with more exposure to Growth.

The Defensive elements of the portfolios have largely done their job and our regular reviews and rebalancing continue to provide opportunities to buy Growth assets when they have fallen and are therefore cheaper, just as the rebalancing allows us to take profits on the back of rises in values.

It will be no surprise to know that our current rebalancing reviews are in the main selling down Index-Linked Gilts (which are defensive assets) and buying Global and UK Equity which have fallen and will hopefully provide benefit to the portfolios as and when markets stabilise and start to rise again.

By all means give us a ring if you want to talk this through in any more detail.

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