

# Investment matters post-Brexit

Facing new challenges at every turn to meet long-term objectives

We are now living in a more uncertain world. As correlations between asset classes rise, the right strategy is crucial to preserve capital when markets are falling. In addition, the result of the European Union (EU) referendum came as a shock to financial markets, and there is likely to be fallout from this historic event for some time. Many investors are now facing new challenges at every turn. So what can you do to manage your investments in current markets?

## MARKET CONDITIONS

With uncertainty looking as though it could be with us for some time, much will depend on what happens politically and how central banks respond over the coming months. Political uncertainty is likely to continue for some time, particularly in the UK, but also in Europe and further afield. This could affect economies globally, with the UK potentially going into recession by next year.

## BETTER EQUIPPED

On a more positive note, the banking sectors globally are more stable than they were back in 2008, with governments and central bank policies being more supportive. Bank capital levels are substantially higher than they were in 2007/08, and UK and European banks are much better equipped to weather volatility.

## INVESTMENT STRATEGY

It's important not to react out of panic and where possible to remain calm and take a long-term view. Taking a step back from the short-term noise, thinking about why you invested in the first place and making sure those reasons haven't changed are essential before making any decisions about implementing changes to your current investment strategy.

## ROUNDED APPROACH

Successful investment requires the navigation of complex market forces, taking into account economic, political and behavioural factors (as well as company financials). So it's well-advised to take a rounded approach. The single most important thing you can do to mitigate risk is to diversify your portfolio. You may already have different types of investments across different countries, and if that is the case you should be well

diversified, with someone making the day-to-day investment decisions for you.

## INVESTMENT REASONS

If you actively manage your own investments, you'll probably want to make sure your choices still meet your needs and your original reasons for investing are still valid. You should also consider taking professional financial advice. Some of the questions you might want to ask are: are you suitably diversified to help shelter your money from significant volatility? If you're invested in a riskier single asset class or region, did you deliberately take this approach? Is it still right for you in the current market environment?

## 3 TIPS TO MAXIMISE YOUR INVESTMENT RETURNS

1. Consider investing in a wider range of asset classes
2. Be more adventurous with your strategic position
3. Take a more flexible approach to different opportunities

## RETIREMENT MATTERS

If you're still some years from retirement, your pension investments will have time to recover from any short-term losses. Even if you're near retirement or are already retired and relying on your investments for income, you shouldn't panic. There are things you could do to help shelter yourself from market volatility.

If you're approaching retirement, the most important thing to do is make sure you're in investments that will get your money to where it needs to be by the time you retire – whether that's purchasing an annuity, taking it all out as a lump sum,

or keeping it invested and taking a flexible income.

If you're already retired, there are also ways to help protect your money, not just from market volatility but throughout your retirement. ■

## HELPING YOU TO MEET YOUR LONG-TERM COMMITMENTS

With persistently low inflation, ultra-low interest rates, low growth and low returns, some investors may not be feeling the reward potential that heightened risk brings. In a low-yield environment, how can you meet your long-term objectives? To discuss the options available to you, please contact us to discuss your requirements.

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