STERLING
PLANNERS

Did Trump trump Brexit?

Since our last update earlier in the year, we have had the 'pleasure' of witnessing both Brexit and the US elections. In both cases, we were bombarded with a barrage of promises, speeches, media headlines, bumper stickers, social media. Some factual, some make believe. Either side, pledges to improve the economy, provide better education, preserve the environment and generally make the world a better place for everyone; all depending on how you vote.

With both Brexit and the US election it is fair to say the both delivered a somewhat unexpected outcome (at least when measured against the opinion poll predictions). In both cases when the result was announced, investment markets went into short term tailspins. In both cases, once they had a moment to contemplate the implications, investment markets retraced their falls and ended up in a more positive frame of mind.

All of this short term "noise", confirms our previous update, that there is never a routine to the way investment markets perform. What is difficult is working out a way to let the "noise" wash over you and focus on the fact that these types of geo political and macroeconomic events have been going on for hundreds of years and no doubt will continue to do so.

Amid all years of turmoil, somehow well-constructed investment portfolios have managed to continue to deliver good returns, to help clients achieve their financial goals and objectives.
So here at Sterling Planners we are proposing a vote of confidence.

A vote of confidence is more than being positive or negative, it's about assessing the opportunities (and the risks) that may lie ahead. Formulating the correct asset allocation and a suitably diversified portfolio, then sticking with it through the ups and downs we may face in the coming months and beyond.

Looking ahead we maintain a vote of confidence in our previous forecast for more volatility and constrained returns (compared those achieved in the somewhat bullish market we have seen since 2008). The choppiness in markets may produce more pullbacks and comebacks, however the steady (although slow), economic growth around the world we believe will still support acceptable returns in most asset classes. Our reluctance to invest in government bonds, we believe will be fully vindicated in 2017 as interest rates start to creep upwards.

We are currently assessing some additional investment opportunities that we may introduce to portfolios in the New Year to further diversify and assist in smoothing volatility. Once confirmed we will communicate these changes for your perusal and authority to implement.