

Politics and the games we (*they*) play!

One of the things that we do on your behalf is to monitor financial and political conditions that may have an impact on our markets and subsequently investments that you hold.

One such condition is the political events developing now in the USA.

Approaching the new financial year (*October 2021 to September 2022*) the US Government requires approval of budget funding via their political processes. You may recall during Trump's term of office funding was denied which created a degree of nervousness and volatility across all markets at the time. The current situation has the potential to do the same (*Republican's 'payback' against the Democrats ??*).

While any market downturn is likely to be temporary there are of course other factors at play, both political and financial. One such concern is the massive debt the USA (and other countries) has driven up in order to combat the Covid pandemic and attempt to hold the domestic economy together.

With this in mind and given the propensity for events in the US to impact our own markets, we have formed the view that it may be prudent to contemplate further reducing exposure to the market against any possibility of a major long-term downturn.

In our last communication to you we indicated that we would be selling MVB and that we will be receiving the initial investment back from RDC's delisting (September). MVB has been sold. While we believe this is sufficient at the moment, we will continue to monitor developments closely. Any additional stock that we do decide to sell will be targeted based on our own research, and to the degree that we feel is appropriate in the circumstances.

Apart from any major downturn, we expect that any short-term effect will dissipate by the end of October/early November, and we intend to re-enter the market via a new rebalance of portfolios at the end of November.

We know that many of our client's also watch the market/s closely and we invite anyone with concerns or alternate ideas for their own portfolio, to engage with us directly over the next week or so.

The above information that is general in nature. It does not consider the objectives, financial situation or needs of any particular person. You need to consider your financial situation and needs before making any decisions based on this information. Please arrange an appointment to seek personal financial and taxation advice prior to acting on this information.