Paul Lindfield

Director at Sedulo Wealth Management

● The result of the EU referendum clearly brings threats but equally opportunities for clients. The threats are in some ways caused by people being emotive and we have seen this with the flight to so-called defensive equities, which have pushed up some stock prices and other assets well above their true valuations.

The UK Government appears happier with UK sterling prices taking the fall over the stock market. This is compounded further by the recent run on UK bricks and mortar property funds, with dealing suspensions now applied across most investment houses.

This does bring about opportunities, as a pragmatic active investment manager can make profit for clients by selling down wildly overvalued stocks and reinvest in those undervalued and temporarily unloved assets that represent long-term good value with strong balance sheets, rising dividends and a lot of upside on the share price.

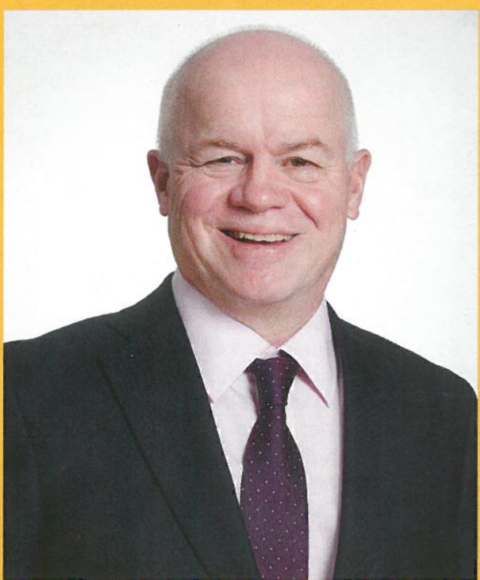
We use risk targeted multi-asset funds as a core for most clients, which not only incorporate strategic asset allocation but tactical overlay, and so most of the protective action was taken pre-Brexit with movement from UK equities to International, movement to dollar-denominated assets, and increasing cash holding as a safety position and to take advantage of the current mispricing that is occurring at the moment.

We are moving some client portfolios holdings that have been managed on a purely strategic asset allocation to multi-asset investments with active management so that they have the needed tactical overlay to protect their investments and benefit from the new opportunities over the next two to three years as we leave the EU. In addition, we have reviewed all our clients' funds where there is some exposure to true property due to potential liquidity problems and have taken appropriate action.

All of this has had to happen on top of our normal day-to-day business but it is at times like this that we show, and add, real value to our clients, and become their trusted adviser.

Mike Fosberry

Financial services director at Smith & Williamson



● It's very much business as usual but quite a lot of time is spent in reassuring clients. Clearly, the impact is uncertain and initially the concern has been focussed on the fall in sterling against the dollar and the euro. While equity markets have been relatively robust, this does not tell all the tale as it has been mainly due to the positive performance of a relatively few shares in the FTSE 100 that have significant overseas-generated revenues.

The suspension of trading for a number of property funds due to liquidity issues is an indication of fragility in certain sectors. I do not believe there is a quick fix and clearly the political uncertainty does not help.

Following the changes in Government, it will be important to see the direction of travel economically, as well as from a taxation perspective once we hear the Budget plans of Mr Osborne's successor Philip Hammond. Clearly, it will be in our interests to persuade businesses to trade in the UK so on the face of it lowering corporation tax rates in the UK seems sensible.

Against this uncertain background, if clients have a specific need for cash in the short term, eg to repay a loan or to take tax-free cash from a pension, it may be sensible to raise the cash now to ensure certainty. However, they should be aware that interest rates on cash holdings may fall further from their current low rates.