

JONATHAN DAVIS

Leaders in Wealth Management

Chartered Financial Planners



Economics and Wealth Management Update

To comment on any of the points raised here or to ask a query just click jdavis@jonathandaviswm.com

This is our regular report on Economics, Markets and Financial Planning, freely available to all. We also produce reports, for clients only, with more detail and directly relevant.

If you wish to forward to a friend click [here](#).

It's Hallowe'en this weekend and, coincidentally, the global economy looks scarier and scarier. GDP has just been reduced in the UK and US and we expect sharply lower growth in 2016. **It may even be outright Recession.** This may be the first time you have seen that. It won't be the last.

I haven't been expecting a soon-to-arrive sharp slowdown for years but it is here now.

What are your portfolio managers doing about it?

Are they reducing exposures to shares and property? (Or ramping up at multi year highs...as they did in 1999 and 2007?)

It's your money. So long as they stick to the investment risk profile they have noted in their system, if they lose you a lot you have no comeback.

Don't say you haven't been warned.

What are we doing?

We have two primary investment philosophies which inform our portfolio recommendations, namely:

1. That the West is in an (indisputable) era of Disinflation (falling inflation) and may be heading towards long term Deflation (falling prices).

This radically alters thinking around investing from what used to work, namely. Property, Shares and Bonds. The first two normally do not do well in a low growth, low inflation (or deflation) era. The last normally does very well.

and

2. We invest in quality assets at severely depressed prices, collapsed even. We have a natural aversion to assets which have already soared in price.

The means to preservation of capital and growth of capital, medium to long terms, is by buying cheaply.

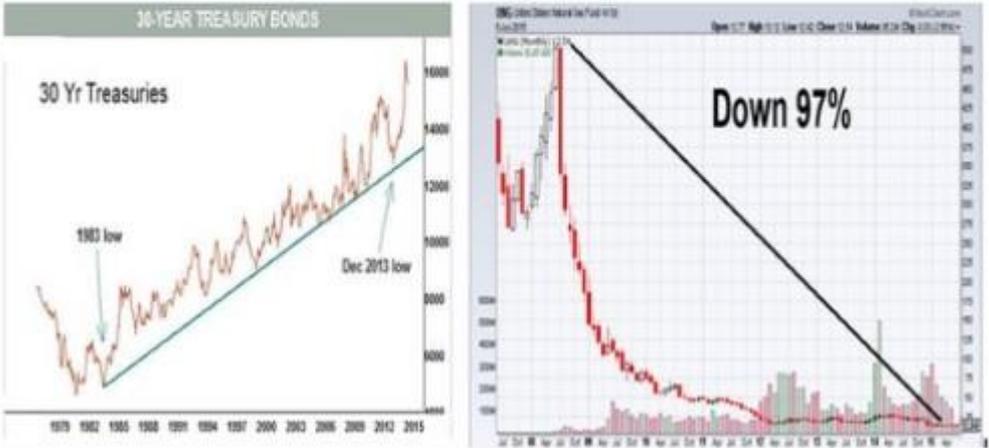
If you prefer to invest in assets or be invested in assets - such as property or Western shares - which are at huge levels, on any measure, then you may wish to reconsider your strategies of preserving and growing your wealth.

This is what is pinned to my Twitter account ([@j0nathandavis](#))

Pinned Tweet

 **Jonathan Davis** @J0nathanDavis · Jun 6

2 Investing principles: We're in an era of DIS/DEflation Buy With Blood On Streets (Baron Rothschild) AKA 90% down



If you are investing in inflation-linked assets or in assets that have risen for years, you might want to review your strategy. Assets which will do well in disinflation or even deflation are where you ought to be invested.

If you are not investing in quality assets which have crashed or even collapsed, you are taking large medium to long term capital risks.

We strongly suggest you review what you own and why.

In this edition of Wealth Management we shall look at the following:
(Click on the titles to go to the articles or just scroll down.)

[Stock markets - outlook.](#)

[The Big Picture.](#)

[Focus on ... Gold Mining company shares.](#)

[How much does it cost for a degree in the UK?](#)

[Keeping your money safe by avoiding identity theft.](#)

[State pension changes: can I top up my pension?](#)

What should YOU do to secure your wealth?

Speak to us before something happens, that nobody advised you could happen, and which detrimentally and materially affects your wealth and financial security.
Don't put it off till it's self-evidently too late.

Can you benefit potentially from our advice? We work for wealthy to very wealthy families (£300k to £25m of financial assets) and/or high earners and trusts. We work for clients all over the UK and indeed on three continents.

Our most important and most often repeated philosophy is (as seen widely on our website): "We advise you based on what we would do, were we in your shoes, given what we know".

Call me personally to see how we can help.

I welcome your feedback and if you have any queries over any of the issues raised, do not hesitate to get in touch with me by clicking jdavis@jonathandaviswm.com.

Kind Regards

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Managing Director

If you're on Twitter, find me [@J0nathanDavis](https://twitter.com/J0nathanDavis) where I frequently tweet about markets and economics.

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Stock markets - outlook

The risk is there if you are holding a lot of general stocks.



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The Big Picture

Are you still investing as if we have inflation and will have? Why?



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Focus on ... Gold Mining company shares.

There is extraordinary value in gold mining.



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How much does it cost for a degree in the UK?

An April 2015 article reviews the cost of studying at university in the UK, giving food for thought for would-be undergraduates and their families.

Of course, it's not all about money. But, depending on what University you go to and what course you study, it very well could be. And in many cases it is.



[read more](#)

Keeping your money safe by avoiding identity theft.

Fraudsters are widening their net and we are seeing a growing number of cases involving older members of society.



[read more](#)

State pension changes: can I top up my pension?

A new initiative allows people who reach the state pension age before April 2016, to top up their pension.



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Please note that investments can fall as well as rise. And they do!

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