

BREXIT: THE INVESTOR'S CONUNDRUM

John Kelly

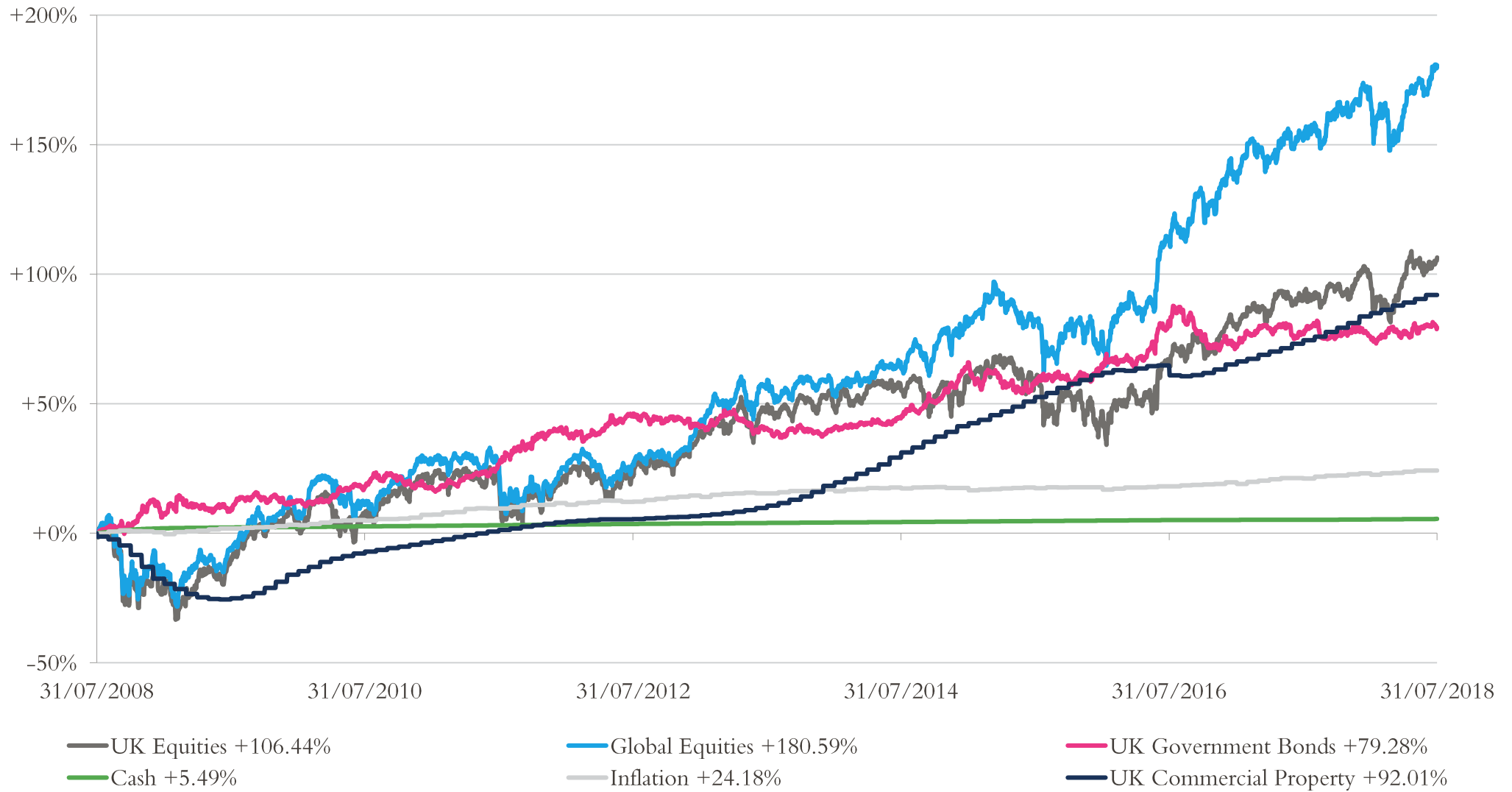
CCLA

- CCLA is a leading manager of charity assets in the UK
- We allocate all our resources to the needs of the sector
- We are owned by our clients
- Ethical and responsible investment is at the heart of what we do
- We offer segregated and pooled management to our clients

- Investment markets reflect probabilities
 - Data richness
 - Precedence

 - BREXIT
 - Lack of clarity
 - Range of complex outcomes
 - Non-financial inputs
- = Hope for the best , fear (increasingly) a less strong future

- Global backcloth supportive
 - Economic growth – UK, Europe
 - Low inflation
 - Relaxed monetary environment, gradual moves towards normalisation



Source: Bloomberg as at 31 July 2018

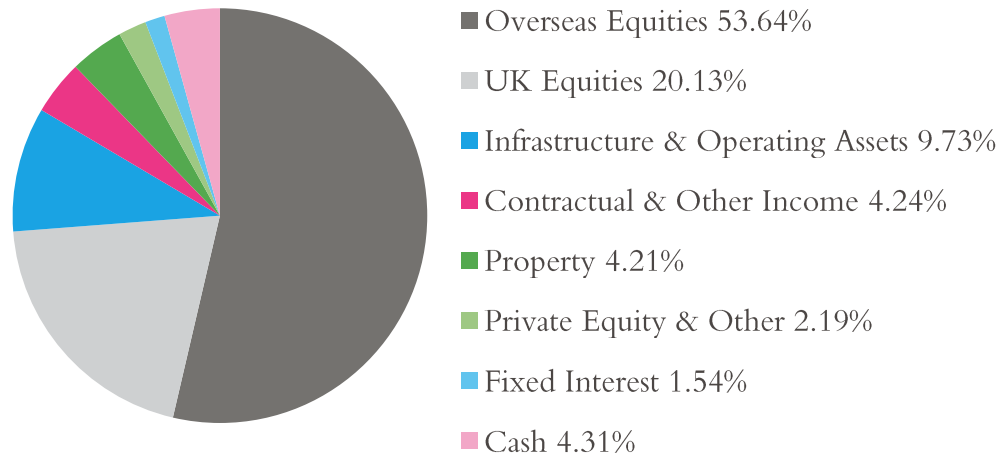
- There is no strong consensus!
- City view: only 20% chance of a 'no deal' exit :
- Optimistic relative to other surveys
- No clear views of long term relationship
 - But likely to constrain growth
 - Goods vs services



Source: Bloomberg



Source: Bloomberg



Overseas Equity	%
North America	34.9
Europe ex UK	11.1
Asia Pacific ex Japan	3.9
Japan	3.4
Latin America	0.4
	53.6

- Stay exposed to growth
- Increase non-UK weighting
- In UK hold global stocks
- Diversify into non-traditional assets
- Avoid Gilts

Source: CCLA as at 30 June 2018
 Asset allocation is subject to change

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