

JONATHAN DAVIS

Leaders in Wealth Management

Chartered Financial Planners



Economics and Wealth Management update

As the students go back to school and the older ones take on more debt to obtain their degrees* here is our regular update on economics and markets and other relevant issues.

* You do have to wonder how many of those degrees will produce more benefit than the cost...! I would estimate no more than a third of them. (And that's probably being highly optimistic.)

First we will look at the global economy and what's happening and what's coming.

Then Government Bonds and how they've risen strongly in price this year - bearing in mind they were about the World's most heavily 'hated' investment asset class, amongst portfolio managers, going into 2014.

Also, we will look at Emerging Markets' share prices. These too have been shunned by portfolio managers yet they are significantly up on the lows of January/February, after years of underperformance.

We make comment about Scottish Independence and we give a different and persuasive viewpoint that we have not heard raised during the entire public debate - which is a pity.

Finally, a miniscule farewell to a great comedian and genius of improvisation, Robin Williams, who died a few weeks ago. I loved Mork and Mindy as a teenager. My kids love Mrs Doubtfire.

In terms of portfolio management, our philosophy remains to seek out quality assets at severely depressed prices.

It also means we have a natural aversion to assets which have soared in price. If you prefer to invest in these then you may wish to reconsider your strategies of preserving and growing your wealth.

We have other thoughts that keep us alert to attacks on personal wealth and retirement security as well investing opportunities not generally discussed which may be of interest to you. What should YOU do to secure your or your clients' wealth? We urge you to speak to us.

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 us. You can forward this newsletter to a friend [here](#) if there is any information you think would be beneficial to them.

Kind Regards

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Summer 2014 Economics and Markets Commentary

A theme I have written of many times, during the last few years, is how we, in the West, may be [#turningjapanese...](#)

... And, look at that, whatever mistakes Japan did for now 25 years, the West has been making exactly the same ones since 2009. Solution to the huge Recession in 2008 from the initial bursting of the debt bubble...? Borrow massively more. Again and again and again. It's called Quantitative Easing.

Google Einstein to see his definition of insanity.

WE ARE IN AT LEAST DISINFLATION AND PROBABLY OUTRIGHT DEFLATION.



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US Treasuries

One of our big investment holdings is the bonds of the United States. They are called Treasuries. (In the UK they call them Gilts).

... as Jonathan Davis wrote for Fund Strategy, to be published in September 2014, investors have income (the interest yield) AND capital growth. What's not to like?



[read more](#)

Emerging markets' shares

The other asset class which was majorly out of favour of asset managers was Emerging Markets' shares ie Brazil, Russia, India, China etc. The share prices had fallen considerably from 2011 right through to January/February of 2014 (in aggregate).



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Scottish Independence vote

Until a few weeks ago my standard answer to 'what would you vote for' was:

Well, as an Economist and Wealth Manager AND as a Scot I can forcefully say...I don't care what they do! ;>)



However, I changed my mind a few weeks ago.

[read more](#)

And Finally...

"So sad #RobinWilliams Nanu nanu"



Watch Clips

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

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