



Risk & Return - Balanced Investing

Investment News

March 2020

Introduction

The World is your lobster...



...in the words of Del boy. With electronic platforms and trading our client portfolios are all over the place – geographically speaking. I look at the good bits and the bad bits, especially in light of the current COVID 19 situation. In the last bit of my postscript I look at mitigating shortage.

Markets Commentary

Happy new (Chinese) year? Adieu Europe. Coronavirus.

Global Investment

If nothing else the current Coronavirus crisis shows the value of lots of eggs and baskets – diversity. In the old days only the very rich could consider investing in overseas markets via their bankers or stockbrokers as minimum investment amounts were high as were exchange costs; now it is possible to invest relatively small amounts via funds across many countries. As always there are pluses and minuses:

Good Bits

Diversity. Being able to invest across the globe means that investors can manage risk and an example of this now is accessing current Chinese markets – which seem to be recovering. To get rich quickly investments should be concentrated but this also can lead to getting poor quickly, being able to spread your money around can lower the risk to a level that suits you.

Bad Bits

Legislation in many countries means that accountancy standards may not meet UK standards and this means that it can be difficult to properly assess investment opportunities. Another major factor is the risk effect of currency fluctuations; for example, if you have invested in an American Dollar denominated fund and the value of the Dollar falls against the Pound then you lose out, conversely if the Dollar rises against the Pound you win.

Flexibility is Key

The tools now available allow our clients' money to be moved around World markets quickly and cheaply. If for example you have concerns over BREXIT then simply move some funds away from the UK. Our job is not to be patriotic; it is to look after our client's money and being able to move easily is very helpful in this regard.

SUMMARY

There are risks in overseas investment but in the main we believe that these risks are by far outweighed by the ability to diversify from our small island across markets in the whole World. This spreading of risk has worked well for us for over twenty years and most of our current client holdings have significant overseas exposure which topically has helped significantly in the recent Coronavirus outbreak.

'Financial Medical'

Our offer of a free review of your existing investments or a strategy report for recipients of this newsletter is still open; call us if you would like a chat.

Help us, please -

We are seeking to grow and would be very grateful if those of you who have Google accounts could give us a (hopefully nice) Google review – just go onto Google and find our business and review it please. Many thanks to those of you who have already left reviews for us.

And finally...

Please continue the feedback – telephone us or send an email. In the next edition I look at the effects of inflation.

p.s.

for commentary on our take on the Coronavirus issue see the link on the landing page on our [website](#). As always there may be some silver lining in terms of that some people might not now take quite so much for granted.

p.p.s.

We have not stockpiled as a family as a result of which I am switching back from the electronic to the paper edition of the Financial Times.



This document should only be read by those persons to whom it is addressed and is not intended to be relied upon by any person without subsequent written confirmation of its contents. Accordingly, S Johnson Wealth Management LLP disclaim all responsibility and accept no liability (including in negligence) for the consequences of any person acting, or refraining from acting, on such information prior to the receipt by those persons of subsequent written confirmation.

This message and any files transmitted with it are confidential and intended solely for the use of the addressee. If you have received this message in error please notify the sender and destroy all copies of the message and any attached files. We make every effort to keep our network free of viruses but take no responsibility for viruses once this email has been transmitted. S JOHNSON WEALTH MANAGEMENT LLP ARE AUTHORISED & REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

S Johnson Wealth Management LLP, 348 Bromford Lane, Ward End, Birmingham. B8 2RZ

[**Send me your feedback on this newsletter**](#)

[**Click here to unsubscribe.**](#)

[**www.RiskAndReturn.co.uk**](http://www.RiskAndReturn.co.uk)

 [**Visit our Facebook page**](#)

Tel: 0121-327-1977 / Fax: 0121-327-5139