

BLACKWOOD ASSET MANAGEMENT



INVESTMENT COMMENTARY - JANUARY 2019

The speed and ferocity of the final quarter of 2018 has been labelled one of the most violent and brutal on record for investors.

Indeed for 2018 as a whole, almost every asset class whether equities, bonds, commodities or property failed to produce a positive return, the first time this has happened since 1972.

As we enter the New Year some calm has returned to markets and global stock markets have recovered somewhat from the recent lows. It should be noted that the U.K. stock market suffered much less in the recent downturn than the U.S.

We consider this a validation of our view that, relative to the U.S, the U.K. offers significantly better value to equity investors.

Brexit negotiations drag on but we are confident that once this whole scenario has played out the U.K. stock market, rather than becoming the subject of the various doomsday scenarios being described by “the experts”, could instead soar. The old adage about investors hating uncertainty is true, but it is precisely this fear which creates low prices and hence the best buying opportunities.



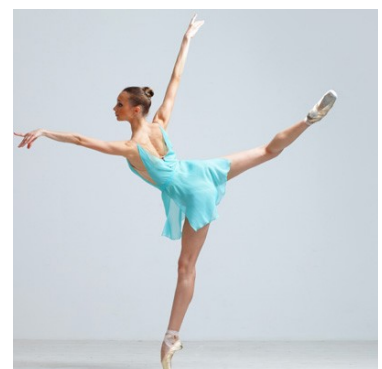
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