

A value view

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I've been working in investment markets for 30 years. Today's economic landscape is challenging, with Brexit threatening economic and political uncertainty, at least in the short term, but let's keep things in perspective.

There have been some incredibly tough times during my career, such as the 1987 crash and, more recently, the 2008 bear market and recession, which many consider to be the worst financial crisis since the Great Depression of the 1930s.

The Merchants Trust will celebrate its 130th birthday next year. Not only has it survived global conflicts and crises, but its resilience through markedly different market conditions has enabled it to generate notable long-term returns for its investors.

My goal is to seek out compelling investment

opportunities: if they happen to be out of favour, the greater the potential upside.

The UK economy may be under a cloud but, as well as domestically focused businesses, this is home to some of the world's best-known "mega cap" businesses so investing in UK stocks can still provide access to the global economy.

And there will still be long-term winners for UK stocks that are truly domestically focused (those deriving most of their revenues from within the UK), even if they are currently almost universally valued low.

Looking ahead, the outlook is tough to call. Losing access to the EU's free trade area may be an economic negative but it will give the UK the opportunity to change the way it trades with the rest of the world – potentially for the better.

I'm certainly not ready to write off the long-term prospects for the UK economy. Meanwhile, my focus remains on strong franchises with distinct businesses models – companies that have a good chance to do well, even if the short-term environment is uncertain.



To find out more and listen to Simon Gergel's new podcast, visit merchantstrust.co.uk

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