
Brexit

The aftershock of Thursday's vote for the United Kingdom to leave the European Union (EU) membership will continue to drive market uncertainty. Many will attempt to prognosticate on how the global markets or economies will be affected. Great Britain will need to re-establish individual trade agreements and new immigration rules. Beyond the practical effects of re-establishing foreign ties to the individual countries of the EU, the main concern is the ripple effect of Brexit. Will Scotland attempt to succeed again from the United Kingdom? Will other countries choose to leave the EU? No one knows. The referendum is not binding but due to the political climate in the United Kingdom, it would require a second election to reverse the current decision.

As the Brexit continues to create sensational news and uncertainty, the idea of market timing or moving to cash can seem enticing, but remember you have a long term Financial Plan. Market timing creates a false sense of control. No one can control the markets or avoid temporary declines. Remember, your portfolio is highly diversified and contains hundreds of American and International companies. Ask yourself, what is the likelihood that all of those companies will go bankrupt due to Brexit? Very unlikely. Most individuals that move out of the market and into cash during significant world events never return. The goal of investing in equities or company stocks, despite short-term market shocks like Brexit, is the potential to earn a return above inflation over the long term. You risk diminishing purchasing power when your money earns less than inflation. If you want to achieve your goals, I recommend that you continue to be a long-term investor.

The British saying "keep calm and carry on" is an appropriate response to this situation. If you have concerns, feel free to call me so we can talk it through.

Kind regards,
Meghan



Meghan Phillips Dykstra
Investment Advisor Representative
900 East Front Street
Suite 200, Mailbox 4
Traverse City, MI 49686
phone: 231-486-6188
fax: 231-486-6191
Meghan.dykstra@securitiesamerica.com