

Dear Clients and Investors

The EU referendum result in favour of Brexit! (9.45 UK Time, 24th Jun 16)

Despite the close opinion polls yesterday, the above result was a surprise therefore I thought a quick note from KMI would be helpful to you our clients.

Today has seen big moves across the globe – currently S&P500 Futures down 5%, FTSE 100% Futures down 8%, DAX Futures down 11% and GBP/USD rallying back at 1.37 having rallied from off 1.32 (a level not seen since 1985).

While most of our clients' portfolios have been positioned to minimise volatility, we advise staying put rather than any sell off at this stage. Where clients have holdings in US\$ these will have seen a rise in sterling terms and to a lesser degree the same applies to Euro holdings.

We suspect that the markets will remain volatile + or – 10% max for the next few weeks but ultimately we expect the main indexes to stabilise within these parameters.

We have already seen Sterling bounce from early losses this morning (-10%) and we expect the value to ultimately settle around the US\$1.40 and €1.25. At these levels the UK economy should prove very sustainable.

In terms of the political outcome we believe we are only at the first chapter, the EU in particular will have to make serious changes and these will be monitored by KMI to ensure we take advantage of any investment opportunities. Clearly our two wealth managers, WH Ireland and Mansard will be advising us on a daily basis.

Should any of our clients wish to chat regarding their portfolios please do so via your normal consultant or email Mike Towning or myself directly.

My best regards

Lee