

Trump takes his throne

Friday 20th January 2017 marked the day that former business tycoon, Donald Trump, became president of the United States, having stunned the world by winning the US election in November. The crowds showed up in their millions (give or take a few hundred thousand…) as the doubters, haters and protesters were silenced for 20 minutes while Trump made the most of his big moment, delivering a spirited speech with a strong protectionism theme. Trump vowed, "from this day forward, it is only going to be America first" and that the wealth of the middle class which has been, "ripped from their homes and redistributed across the rest of the world" will be returned to America. He reinforced that, "protectionism will lead to greater prosperity and strength" for America and that they should endeavour to follow, "two simple rules - buy American and hire American". Of all Trump's proposed policies, infrastructure stood out as a central theme of his speech, with a pledge, "to bring new roads and high roads and bridges and tunnels and railways" across the nation. Of course this relies on the bill being pushed through by Congress, but his reaffirmation of this key policy stance is certainly a good start.

Despite the initial shock of the election result back in November, TAM is pleased to have put the uncertainty over who will fill this mammoth role behind us, now focusing on what Mr. Trump will indeed

make of this influential position and how he will fulfil his plans to "make America great again". We are by no means naïve and are more than cognisant of the risks involved in Trump's political inexperience. However, we are confident that he has been handed the keys to a strong and growing economy that could be the critical driver of global growth going forward, and with a strong team around him, he should be able to unlock this potential. Yes, there will probably be many more Twitter outbursts to come, where Trump sloppily slips back into reality TV mode, but some of the most significant shifts in markets began well before his victory. So, whether Trump-related or not, we are confident on the outlook for US equities and global growth. With no intention of missing out on the action, we have made several adjustments to our portfolios since the start of the year in anticipation of Trump's ascent to his throne, including the addition of a global infrastructure fund, US financials ETF and a US mid-cap fund. These additions are targeted towards an inflationary environment and are set to benefit from the Trump administration's intentions for fiscal spending, tax cuts and lower regulation. Our portfolios will look much more globally diverse this year, reflecting our views on the drivers of global growth going forward, and as we continue to find opportunities further afield that are simply too attractive to miss out on!

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