

“Britin” or “Brexit”? Hedge Risk Assets, Focus on Quality in Equities, (Part 1)

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Both the run-up to the 23 June referendum to decide ‘Britin’ or ‘Brexit’ in the EU and the aftermath undoubtedly creates distinct investment opportunities and threats.

Over the next several weeks, we examine these implications across asset classes and review potential allocation strategies to [hedge and trade](#) these scenarios.

Part 1: ‘Britin’ or ‘Brexit’? : In a nutshell

- **“Pre 23 June 2016”:** Brexit speculation heightens political uncertainty and raises market volatility. Investors should consider positioning defensively, hedge long equity positions and allocating into safe havens.
- **“Britin” - Bullish Scenario:** The status quo restores market confidence. The quality growth theme for European equities remains. Overall risk-on sentiment to put pressure on safe havens.
- **“Brexit” - Bearish scenario:** Elevated political and economic risks for UK and the EU. Structural weakness puts sterling and euro at risk. Broad diversified dividend strategies for UK equities and currency-hedged exposure to Eurozone equities may gain appeal.

Our Asset Allocation Strategy to position around the EU Referendum and the two possible scenarios are summarised below.

View our [Short & Leverage ETP](#) and [UCITS ETF range](#).

Important Risks Related to this Article

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