



## FTI Consulting Survey Shows Deep Concern Regarding Economic Impact of Brexit on UK and EU Member States

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### Global Institutional Investors Expect Significantly Worse EU Economic Conditions in the Near-term, but Expect Damage to be Largely Contained to Eurozone

LONDON, June 30, 2016 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN), the global business advisory firm dedicated to helping organisations protect and enhance their enterprise value, today announced findings from a survey gauging global institutional investors' immediate reactions to the UK referendum (informally known as "Brexit") and their expectations for its impact on the UK, the European Union ("EU") and global economies, as well as their portfolios.

Drawing from a pool of 100 institutional investors around the globe with more than \$8 trillion in assets under management combined, the survey results indicated a strong majority of investors believe the UK and EU economies will suffer significantly as a result of Brexit. Notably, 67 percent of respondents believe it is likely the referendum will trigger a recession, while 98 percent expect worse economic conditions in the near-term. However, there is some optimism regarding the longer-term outlook, as 64 percent of respondents expect economic conditions to improve in five or more years post-Brexit.

"The results announced today indicate grave concerns regarding Brexit's implications for the UK and EU economies in particular," said [Edward J. Reilly](#), Chief Executive Officer of the Strategic Communications segment at FTI Consulting. "This will be a continually evolving process, with many uncertainties and complexities that have wide-spread impact on capital markets activity, corporate business decisions and the political discourse across numerous jurisdictions. We are counselling our clients to remain engaged, stay updated on the current state of play and to be nimble in adjusting to changing market forces."

The survey also suggests institutional investors are particularly worried about the impact of the referendum on the collective Eurozone economies, though they expect that any economic damage will be largely contained to the EU.

"Respondents indicated they see France as most likely to face immediate financial fallout, with 71 percent stating that the French economy will be harmed by Brexit," said [Dan Healy](#), Managing Director and Head of the UK Strategy Consulting & Research practice at FTI Consulting. "That result tracks closely with the overall sentiment towards the Eurozone economy, with 78 percent of investors surveyed expecting a broader economic downturn across Western Europe. On the other hand, only 4 percent expect Brexit to harm North American economies."

Other key findings from the poll include the following:

- A majority (56 percent) of institutional investors surveyed are concerned the UK won't have access to the EU common market, but the concern is tempered with optimism – 58 percent consider it likely that the UK will ultimately negotiate access.
- 7 in 10 respondents believe it is likely the fall in the Pound Sterling will result in increased M&A activity for UK-listed stocks, and a majority (55 percent) of respondents are closely monitoring the UK M&A market. On a sectoral basis, those surveyed are most interested in the expected movement in the industrials (57 percent), consumer goods (48 percent) and healthcare (45 percent) sectors.
- Only 25 percent of institutional investors claim to have benefited from the referendum; however, most (63 percent) claim to have been only slightly harmed.
- Nearly 8 in 10 (78 percent) of institutional investors surveyed are moving to realign their portfolios as a consequence of the Brexit vote, and almost half (46 percent) are seeking to safeguard their investments. On the other hand, 46 percent have already moved to take advantage of the volatility in the market.
- While there has been public speculation that the UK may not actually leave the EU as a result of the referendum, 72 percent of respondents expect that the UK will eventually trigger Article 50 and withdraw from the EU.
- The data indicates investors would like to be wrong in their prediction of the UK leaving the EU – 59 percent suggested the UK government should remain in the EU with a combination of 34 percent recommending the UK negotiate better EU membership terms, 17 percent recommending that the UK government delay the withdrawal processes wherever possible to maintain the present membership, and 7 percent recommending the UK government ignore the results of the referendum altogether.

Further results can be found at <http://fticommunications.com/2016/06/global-institutional-investor-view-post-brexit-research>.

#### Research Methodology

This research was conducted online by FTI Consulting's Strategy Consulting & Research team between June 27 and June 29, 2016, among 100

global institutional investors. Respondents were sourced from FTI Consulting's network and subscribed industry directories opting in to participate in research.

More information on the results and methodology can be obtained by emailing [dan.healy@fticonsulting.com](mailto:dan.healy@fticonsulting.com).

#### **About FTI Consulting**

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.78 billion in revenues during fiscal year 2015. For more information, visit [www.fticonsulting.com](http://www.fticonsulting.com) and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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