HURST

FINANCIAL CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

Investments & Pensions

Mortgages & Insurance

Market Review
24th April 2020

~ STRAIGHTFORWARD ADVICE..... IN BLACK AND WHITE ~

About Hurst Financial Consultancy

Hurst Financial Consultancy was founded in 1997 by the Managing Director, Michael Hurst. The company has operated successfully in Salisbury from inception serving clients locally, nationally and internationally.

The company focus has always been on excellence.

We have also developed a strong focus on state of the art information technology being aware of its significant value in not only collating data, but managing the performance of investments. We have our own in-house IT department and use its services constantly to develop the service that we give to our clients to ensure it is always "leading edge".

As Independent Financial Advisers we have access to the full range of products and services available in the UK as opposed to a Tied Agent or Company Representative who may only advise and offer products from the company or companies they represent - they give "restricted advice" - we give independent advice. This means that we are able to give you impartial advice and recommend the most appropriate products for you, so that you will enjoy choice, value for money and our high-quality service.

Hello, I thought that it would be useful if I gave a relatively short update as to where we are with outlook in respect of the market, given the continued difficulties surrounding Covid-19.

So here are a few Focus points:

First, there is certainly no clarity at all regarding the lockdown whether this be in the UK Europe or indeed worldwide and of course this creates uncertainty and markets, despite which they have been relatively stable showing some day-to-day volatility within fairly narrow bands.

I think it's important that we get some perspective around our own client portfolios and in this regard, I'm speaking in general terms not specific, obviously.

This gives an indication as to what most clients are experiencing:

Over 1-year our average risk weighted portfolio has fallen by approximately 2%.

Over the last 6-months the same portfolio, has fallen by around 5% and, if we examine portfolios from the zenith of worldwide markets at their absolute recent peak, then portfolios have fallen by around 9%.

Some clients have contacted me about concerns surrounding the oil industry and how this may impact our portfolios and, I'd like to reassure people that the assets that we are holding do not include a significant amount of exposure in this connection. I would go as far to say as it is very low.

Turning to economic outlook - it's obviously pessimistic, but it's being supported very broadly by governments worldwide with stimulus and interest rate cuts and, a recovery is expected as the lock down slowly starts to unwind.

With regard to investor behaviour times like this; I will read to you some text that has been published by Vanguard - we use Vanguard for quite a lot of clients and they are one of the largest fund managers in the world with 4.2 trillion US dollars under management, so let's hear what they have to say.

This comes from a document which I will publish alongside this recording for people to read through themselves.

Key takeaway

What should investors do in response to these developments?

Many investors change their portfolios in a bid to take advantage of the latest news. However, it's very difficult to time these changes effectively.

In practice, shifting your portfolio in response to short-term events may lead to little more than increased trading costs.

At Vanguard, we believe that investors will usually be better served by identifying the appropriate asset allocation to suit their goals, then sticking with it and tuning out short-term noise. By regularly rebalancing back to target weights, the LifeStrategy® Funds are built to reflect this belief. See the back page for more on Vanguard's principles for investing success.

This is true of all our portfolios and as clients who have been with us now for many years know, we never have a knee jerk reaction to things but always believe that we are properly positioned in terms of asset allocation and proper spread of risk.

I will keep this report short because there's lots of this reading around but, I thought that it was important that we created some context around what the last 12-months in particular has done for our investments and, although it's not great having some retraction in our investment portfolios, it's at least true to say that it has been modest.

We will be keeping an eye on things obviously and will be releasing more information as and when we think it is appropriate but will maintain our promise not to 'over contact' - thanks for listening.

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