



Coronavirus and your Investment Portfolio

4th March 2020

As a client with Hoyl Independent Advisers, you may be concerned how the stock markets will react going forwards following the outbreak of the Coronavirus and what that will mean for your investment portfolio.

The concerns around the coronavirus developing into a global pandemic and its impact on the global economic activity is increasingly troubling for investors and trying to predict the final outcome is an impossible task.

Last week we experienced the worst market shake-out since the collapse of Lehman Brothers in 2008. As at Friday 28th February the following market indexes saw a significant drop in value from their previous highs in 2020. The FTSE 100 fell by 14.25% from its previous high point on 17th January, the S&P 500 Index fell by 12.76% from its previous high point on 19th February and the Dow Jones Industrial Average Index fell by 14.02% from its previous high point on 12th February.

For over ten years now, markets have been positive and volatility has almost been non-existent, despite a few dips over various geopolitical events. We have rarely, if ever, seen a bull market run as long as this and many investors will have forgotten the discomfort of a sizeable correction. After experiencing positive investment conditions for such a sustained period, it is easy for a market downturn to feel very scary.

We need to remember that whilst the drop we've seen in the last couple of weeks is not a comfortable experience, it is traditionally part of the journey for a long term investment.

Human nature tends to be risk averse and a short term dent in our investment portfolio can be a real concern. However, history tells us that attempting to sell assets at a whim can lead to crystallising losses at exit, followed by missing the right time to re-invest later on. Financial markets will fall but the financial markets will recover. It is the time in the markets rather than timing the markets that will lead to the most positive return over time.

Going forward, no doubt we will see more volatility within the UK and international stock markets and this will potentially affect your investment.

However, one of the advantages of investing through Hoyl's Model Portfolio investment strategies is the diversification of the holdings within the portfolios.

While invested in Hoyl's Model Portfolio investment strategies your investment portfolio is diversified by investing across different asset classes such as cash, fixed interest, property and equities both in the UK and internationally.

One of the most important factors of investing and to reach your long term financial goals is to ensure that you have a diversified portfolio. The key benefit of diversification is that it helps to minimise risk of capital loss to your investment portfolio. If one investment fund performs poorly over a certain period, other investment funds may perform better over that same period. Therefore reducing the potential losses of your investment portfolio from concentrating all your capital under one type of investment fund.

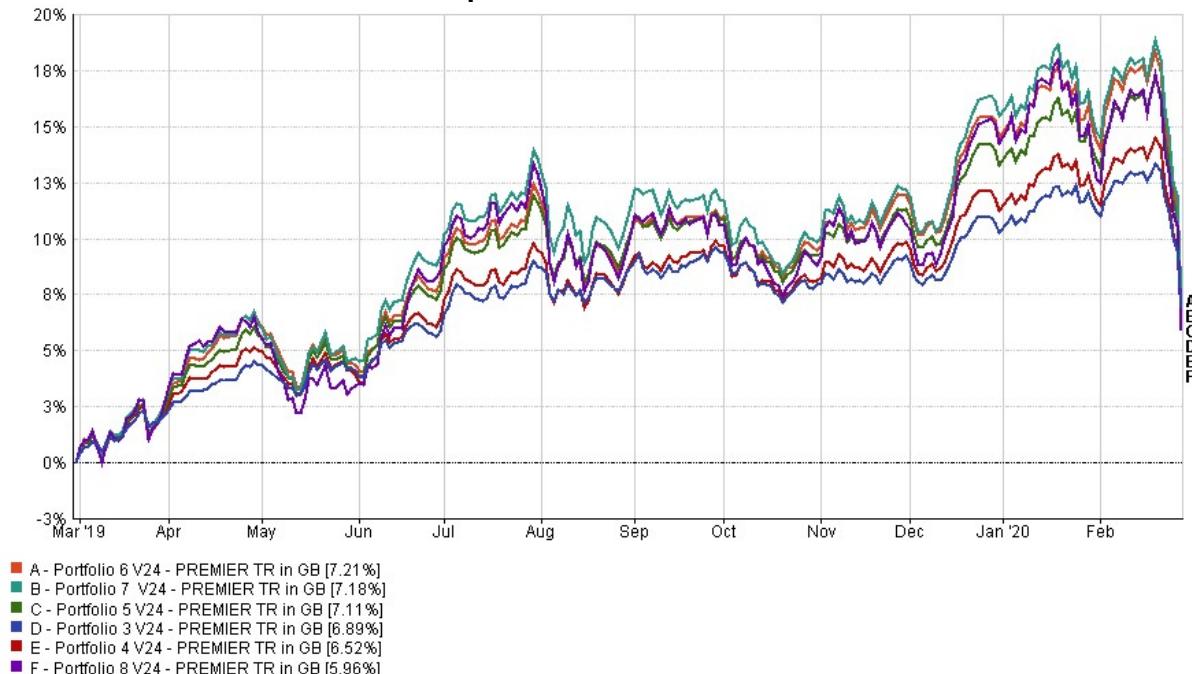
We can assure you that Hoyl's Investment Committee are monitoring the situation and will make any recommendations if they deem it necessary.

Hoyl Model Portfolios Historic Performance Comparison

The following graphs show the past performance of Hoyl Model Portfolio investment strategies over the last year and over the last month.

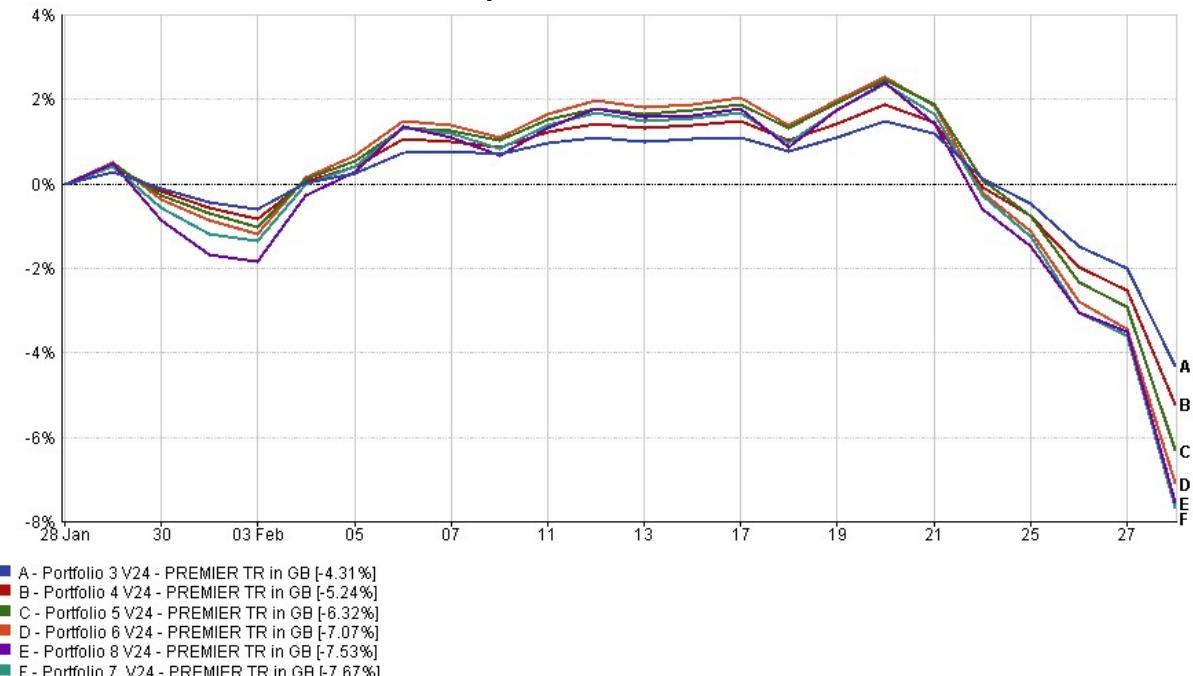
Premier Model Portfolios

1 Year Historic Performance Comparison



28/02/2019 - 28/02/2020 Data from FE fundinfo 2020

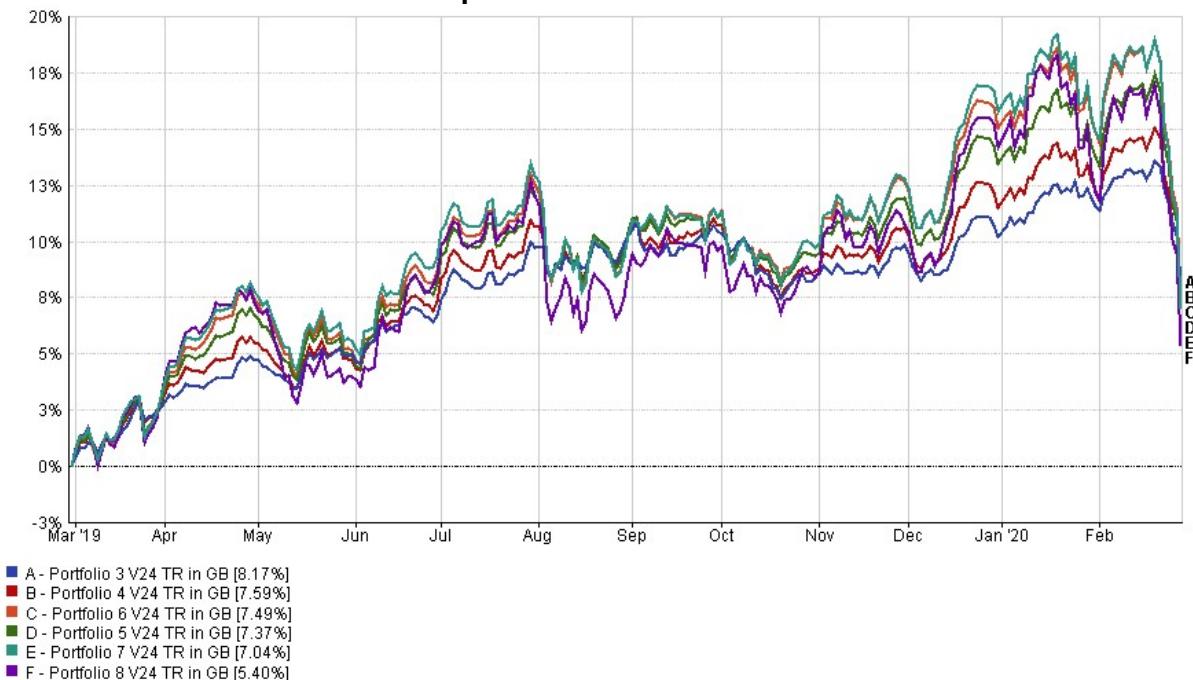
1 Month Historic Performance Comparison



28/01/2020 - 28/02/2020 Data from FE fundinfo 2020

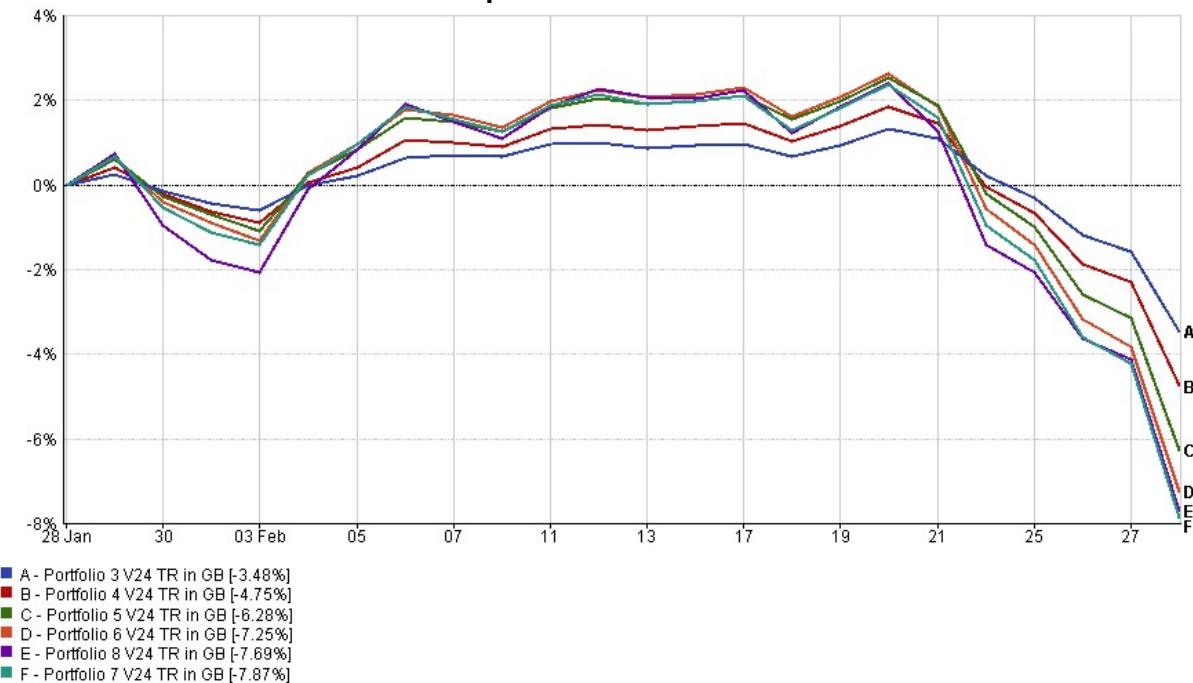
Standard Model Portfolios

1 Year Historic Performance Comparison



28/02/2019 - 28/02/2020 Data from FE fundinfo 2020

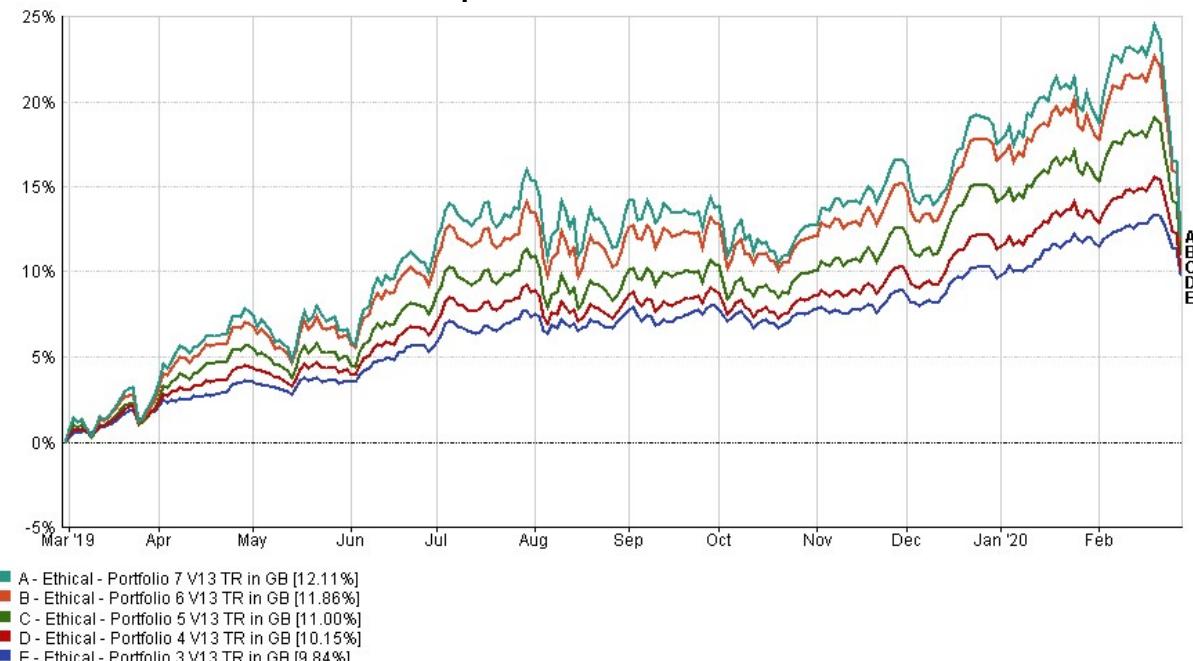
1 Month Historic Performance Comparison



28/01/2020 - 28/02/2020 Data from FE fundinfo2020

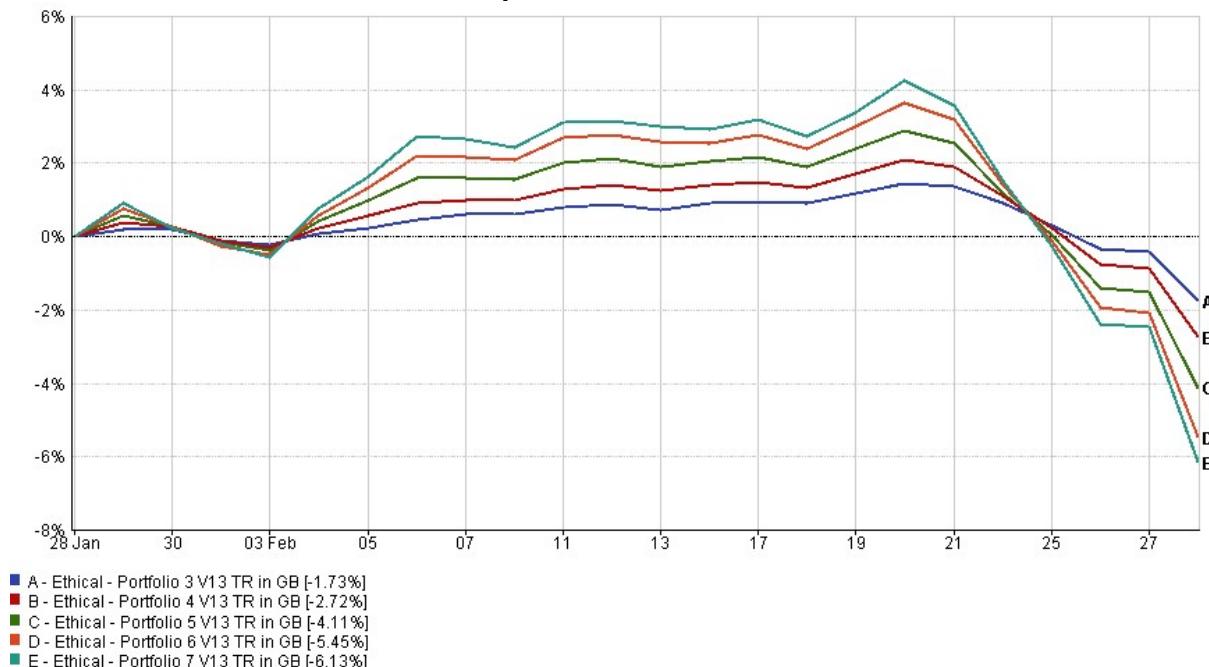
Ethical Model Portfolios

1 Year Historic Performance Comparison



28/02/2019 - 28/02/2020 Data from FE fundinfo2020

1 Month Historic Performance Comparison



28/01/2020 - 28/02/2020 Data from FE fundinfo 2020

As you can see from the performance graphs, the lower risk portfolios have suffered less over the latest crisis and over the last year each portfolio has still provided a positive return.

It should be noted that one of the criteria for the selection of the underlying funds is past performance and hence the performance of the Hoyl model portfolios could benefit from an element of hindsight. Of course, past performance cannot provide any guarantee of potential returns. This means that future out-performance of your existing investments is not guaranteed.

Buying Opportunity

Although we have seen falls in the UK and international stock markets we believe that this should not have "any meaningful long-term impact" on markets and that the markets should rebound. As such this should be seen as providing a buying opportunity for the bold investor.

However, the markets may well continue to fall until the spread of the virus has been brought under control.

Should you have any queries concerning this notification, Hoyl's Model Portfolio investment process or any other concern, please speak with your financial adviser.

Contact your Hoyl Adviser on 01263 513 016 to learn more

e-mail support@hoyl.co.uk or visit <https://www.hoyl.co.uk>

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DISCLAIMER

The value of investments can go down as well as up especially over the short term and you may get back less than the amount you invest. Past performance is not necessarily a guide to future returns. The information provided above is for information only should not be interpreted as investment advice. If you would like personalised advice, or you wish to discuss the contents of this review please contact your Hoyl Adviser.

The contents of this review are the thoughts, comments and observations of the Hoyl investment Committee on 3rd March 2020 based on information obtained from sources including: FE Analytics, J. P. Morgan, Rathbones, London Stock Exchange, US Federal Reserve, BMO, 7IM. We take no responsibility for the accuracy or reliability of the content.

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