



INDEPENDENT FINANCIAL ADVISERS



Investments  
&  
Pensions

Mortgages  
&  
Insurance



## CORONAVIRUS

~ 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.

The situation with coronavirus is clearly becoming worse and individual countries look like they are finally aligning the thinking that a lockdown will help to manage, particularly, medical resources.

This will undoubtedly have an impact on the short-term financial outlook for many businesses and many companies. Consequently it is not lost on anybody that this is having an affect upon our investments.

As I mentioned in our last update, the diversification that we have means that our portfolios are not falling in line with the dramatic headline rates that we are seeing across various constant news channels. That said, it is very difficult in a time like this to feel confident and of course I appreciate that it is impossible to celebrate a reduction in value albeit smaller than those being suffered in markets.

Our current position is that we should not be seeking to hastily remove funds from our investments because this will of course crystallise a loss which is currently academic and in reasonable probability, should be relatively short term. We would anticipate markets to start growing again as soon as this matter is brought under control. The unknown of course is the timescale attached to this.

Governments have taken dramatic steps with regard to their monetary policy and interest rates are now being cut as we considered possible in our last review. Also quantitative easing is now being opened up fully by most major governments to ensure that financial institutions have adequate liquidity. The next line of action is likely to be adjustments to fiscal policy in order that businesses, companies and indeed individuals are able to ride out the short-term difficulties that we are almost certainly expected to experience.

So, we are suggesting that we sit very tight during this very difficult time.

You may recall in amongst all correspondence when we created your investment portfolio, that we spoke about capacity for loss. In this regard I am directing the following remarks towards clients who are taking income.

**Action to be considered in the coming weeks** - if the income that you are currently taking from your investments is non-essential because of other assets, for instance cash in the bank or perhaps because the limitations on activity are reducing the need for income, then please contact your advisor and a discussion should take place about whether or not this income should be temporarily suspended during this difficult time.

Taking income from investments when markets are falling of course, makes it doubly hard to repair the capital values and so where other resources allow, it would be appropriate to rely on those other resources.

**This particular paragraph is labelled action to be considered in the coming weeks.** I labour this point because I do not believe that a couple of income withdrawals are going to cause necessarily, a dramatically negative outcome. However a prolonged income withdrawal strategy during a period of falling markets, is to be avoided and therefore I would suggest that clients give this matter consideration and contact us within the next 4 to 8 weeks in this connection.

Of course any client at any time can contact us to discuss matters or raise concerns.



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Authorised and regulated by the Financial Conduct Authority  
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