

Global Market Turmoil As A Result Of The Coronavirus



Image: Getty Images

Dear Client,

As you are no doubt aware, the impact of **coronavirus** has been felt across the world.

Global financial markets including the Johannesburg Stock Exchange have been

impacted negatively, with almost a trillion US dollars of value wiped off the global stock markets.

We have been keeping a close watch on the markets and how your investments are reacting.

Our Investment Committee have been meeting to discuss and gage the performance of the markets and the impact seen on your portfolio. These meetings have been more frequent recently due to the volatility currently being experienced.

As this event begins to spread, we have begun to make changes.

Where our clients have [Category 2 License Mandates](#) with [Global & Local Investment Advisors](#), we have been making changes to portfolios in order to reduce the volatility currently being experienced in the markets by adjusting fund exposure and in some cases switching out of some funds altogether.

Our strategy is firstly to protect capital and then grow it. This would be especially important for those clients who need to rely on investments to generate return to be able to sustain income drawdowns.

This process is not as simple as it may seem as we need to understand all the moving parts of the global and local markets as well as how this may impact your own investment portfolio. We also need to keep in mind that knee jerk reactions are emotional and are often not correct for a long-term investment strategy.

We are therefore in the process of adjusting underlying funds in your investments which will provide a higher exposure to bond and cash instruments as these will provide stability and fixed returns in a market where high growth returns may be absent for some time. We will though, as always maintain some exposure to equity markets as this is the asset class that generates long-term growth above inflation.

Should you have any further questions on this strategy please do not hesitate to contact our offices.

Should you not have signed a [Category 2 License Mandate](#) with us, please contact us, so that when circumstances such as these occur, fund switches can be made in order to

- a) protect your portfolio and
- b) position your portfolio for growth when growth returns to the markets.

Alternatively, you can download the [Category 2 Licence mandate here](#), once completed please return the mandate to us at info@globallocal.co.za. Upon receipt of the completed mandate we will process the relevant switches immediately.

We trust this meets with your understanding.

Kind Regards,

Michael Haldane

Managing Director



Contact Us

Global & Local

Investment & Retirement Specialists

175 Barry Hertzog Avenue, Emmarentia,
Johannesburg 2195

T | +27 11 486 2500

info@globallocal.co.za

globallocal.co.za
