**10% Drop Letter**

**Template Document.**

**Client name**

Decline in the value of your portfolio

You are receiving this letter as the value of your investment has reduced by more than 10% since your most recent valuation.

New rules introduced in January 2018 requires individuals whose portfolios are managed on a Discretionary Fund Manager (DFM) basis to be notified of a fall in value occurring that is at or above 10%. You will have recently received a letter from your investment manager, detailing the decline in your portfolio value, and we wanted to take this opportunity to provide some information and, hopefully, a little bit of reassurance.

Background

The drop in the value of your portfolio reflects the performance of the investment from a specific date point (the quarterly valuation point) and to the most recent business day at the point the letter was issued. This return does not reflect the overall return experienced or even the yearly performance of the portfolio.

Covid-19 (Coronavirus)

The continuing spread around the world of the Covid-19 virus and the response to this from Governments and investors is creating unparalleled volatility in stock markets. As the crisis is affecting all sectors across the global economy, all portfolios with exposure to equity markets and bond markets are likely to be seeing exceptional levels of short-term volatility.

We always consider investing a long-term strategy for funds and we would be reluctant to make any changes to your investment approach based on returns over a very short period of time.

Over the long-term markets experience significant drops as well as rises. While the nature of the crisis affecting stock markets right now is somewhat unique, we would still recommend investors refrain from selling out of holdings and to ride out the markets with a focused long-term strategy in mind.

Actions

This letter is to inform you regarding your portfolio drop, and it does not require any action from you. I would remind you that you are free to contact me should you have any queries or comments on your portfolio or financial matters in general.

As part of our ongoing relationship, we will review with you your needs and objectives and consider if these, alongside your ability and willingness to take risk, warrants considering a change in investment approach.

We also regularly review the investment managers we recommend and if we believed there were reason to consider an alternative approach, we would make a recommendation on this basis (rather than on short-term performance) accordingly.

Additional client and/or business comments if necessary

Yours sincerely,

**ADVISER**

**SIGNATURE**