



14th April, 2020

Dear Client,

We are living in extraordinary times as the world attempts to grapple with the physical and financial effects of COVID-19. Worldwide the news is grim and the possibility exists that things could get worse before they get better. So much is uncertain...how long the pandemic will last and how and when global economies will re-open. What we do know is that because of the length of time that economies around the globe have 'shut-down', it is likely that most, if not all, of these countries have entered a recession. Stock markets have responded to this shuttering of economies, by falling nearly thirty percent. This will undoubtedly have an impact on your portfolio.

It is only natural that circumstances like these would cause anxiety, but we want to remind you that history has shown that times like these have been ideal buying opportunities for stocks. As a prime example, just a few years ago we experienced the 'Great Recession', which was followed by a ten-year bull market.



Source: BofA Research Investment Committee, Bloomberg, as of 16 March 2020

We understand that losses are tough to handle; no-one likes to see the value of their portfolio decline. However, we want to remind you that your investments are long term. When you take a long-term view, it will enable you to withstand the down markets and allow you to participate in the rally when markets recover. This can only happen if you maintain the course and do not liquidate your account and realize the current losses. We also recommend that the best strategy is to have a well-diversified portfolio, as this will help to minimize losses by spreading your risk across asset classes.

If you have any questions regarding your account, or for those of you with a shorter time horizon (i.e. less than 5 years), we invite you to contact Customer Service.

Yours sincerely

Investment Policy Committee



10th March, 2020

Dear Client,

At present, there is considerable uncertainty surrounding the impact and/or implications of the COVID-19 illness and the recent oil price tensions between Saudi Arabia and Russia. These factors continue to be reflected in the volatility that we are now witnessing in world capital markets.

Whilst we acknowledge that there will be continued and heightened volatility, we assure you that Colonial's Investment Policy Committee (IPC) is continually monitoring the markets and the various fund managers on our investment platform. We wish to remind you that price volatility is a normal part of the capital markets and while we may not have seen the bottom of the cycle, we believe that the current situation will be resolved in due course.

In the meanwhile, we recommend that the best strategy is to have a well-diversified portfolio as this will help to minimize losses by spreading risk across asset classes. We would also like to stress that pension investments are 'long-term' and clients should not hurry to sell their positions while the market is down, as this would result in a realized loss. (For example, during down markets, maintaining your level of contribution, will enable you to buy more units of the respective funds at depressed prices, thus reducing your average cost per unit).

We will keep you informed as events unfold. However, if you have any further questions or for those of you with a shorter time horizon (i.e. less than 5 years), we invite you to contact Customer Service to arrange a one-on-one discussion.

Yours sincerely

Investment Policy Committee