UNCERTAIN TIMES

Important Information - *"The value of investments can go down as well as up and you may not get back as much as you invested.*

The recent falls on the stockmarket may have made you feel uncomfortable; however, it's important to remember the investing principle of Warren Buffett, the world's most successful investor: "it's time in the market, not timing the market that is the key to success."

Human nature is such that in a crisis we feel we should do something. However, sitting on our hands and doing nothing is an active choice, and is the course of action we are currently recommending. These setbacks only become losses if you sell your investments before they've had a chance to recover.

In March 2009, the FTSE had fallen to 3,753 in the depths of the credit crunch and in the following 12 months rose by 2,000 points to 5,744! This demonstrates the danger of missing out on market recovery which will come without warning and can be swift.

In the short-term the stock market can be volatile and when this happens you can be sure the front pages of the papers are inundated with negative headlines. This can make investing feel uncomfortable and risky but it's important to keep it all in perspective.

While past performance is no guarantee of future performance, if you look back at history, these headline-grabbing moments don't look so bad and are another blip on the long term graph. Corrections and crashes are always going to happen, and they have happened throughout history, but despite this the stock market has been the best place for the longer-term investor to grow their wealth.

A global health crisis reminds us that the economy is susceptible to forces outside of normal economic cycles and government interventions. Our investment approach aims to protect our clients' capital as much as it aims to grow it. More importantly, though, we continue to hope that coronavirus is quickly brought under control, along with the human cost of this crisis, which ultimately matters more than any short-term economic woes.

Do try to tune out of the short-term market fluctuations as much as you can. Remember your time horizon– and as you're investing for the longer-term (more than five years) then you can ride out the shorter-term highs and lows. Over the last 20 years (end of 1999 – end of 2019), the FTSE All-World GBP has averaged an annual return of 7.5%.

If you wish to discuss this with your adviser, please do telephone or write; you may prefer to do this rather than have a face to face appointment, given current health guidelines.

Laurie Mellor