



Keep Calm & Carry On Your Journey



REM once sang the famous words “it’s the end of the world as we know it” and it may seem like it at the moment with the world on lockdown and markets tumbling, but is it really? If history has anything to go by then no, we have been here before and are likely to encounter further events in the future.

The reality is no one can prepare for situations like this, but we can make things easier by not panicking. I understand this is easier said than done as investing can be very emotional, after all, people are putting their life savings in an investment with the hope it will generate enough income for them to live off in their old age when they have retired.

To put this event in to context, in the 2008 financial crisis when markets went in to freefall, people thought it was the second coming of Christ and the end of the world, however the decade that followed, companies were riding the waves of optimism, companies values increased exponentially around the world. The returns have been great to those who have kept their nerves and stayed in the market while others who panicked and bailed out at the worst possible time have missed out on real returns. Evidence clearly states that missing a handful of the best days in the market over long time periods can drastically reduce the average annual return an investor could gain just by holding on to their investments during market downturns.

I can understand your fears right now, who isn't concerned about current events? Rational fears such as "Will my loved ones be ok?" "How long will this go on for?" Are all perfectly normal but worrying about your investments is adding fuel to the already anxious fire. Ok, Investments will drop in value and may continue to do so but history tells us time and time again that these falls are temporary, you need to remember why you invested in the first place and think of the long-term plan. Fear inevitably leads to irrational decisions especially when it involves your money but remember the conversations we had about future market falls and how there will be times when the investment exceeds expectations and times it won't.

If history is anything to go by, one should realise that volatility is normal in stock markets and sometimes it can appear quite sharp. Empirically, financial panics do not last forever and historically stock markets have risen far more than they have fallen, and the long-term trend of the markets has been upward. Although the recent market correction looks severe, it might just become another short-term setback in the overall uptrend of the markets in the long run. You might argue that cash is safe but it is unlikely to get you to your financial goals. However, despite their volatility, shares outperform cash over the long-term. Market data also suggests that the longer you stay invested, the smaller the chance you have of losing money in the stock markets

This is why I'm here to stop you making any decisions which can lead to financial self-destruction. I want you to know that I am here in these difficult times and if you just want to talk about anything even non finance related then please pick up the phone and call.

Stay safe, don't worry and let me take care of your future.

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