HENDERSON STONE ASSET MANAGEMENT

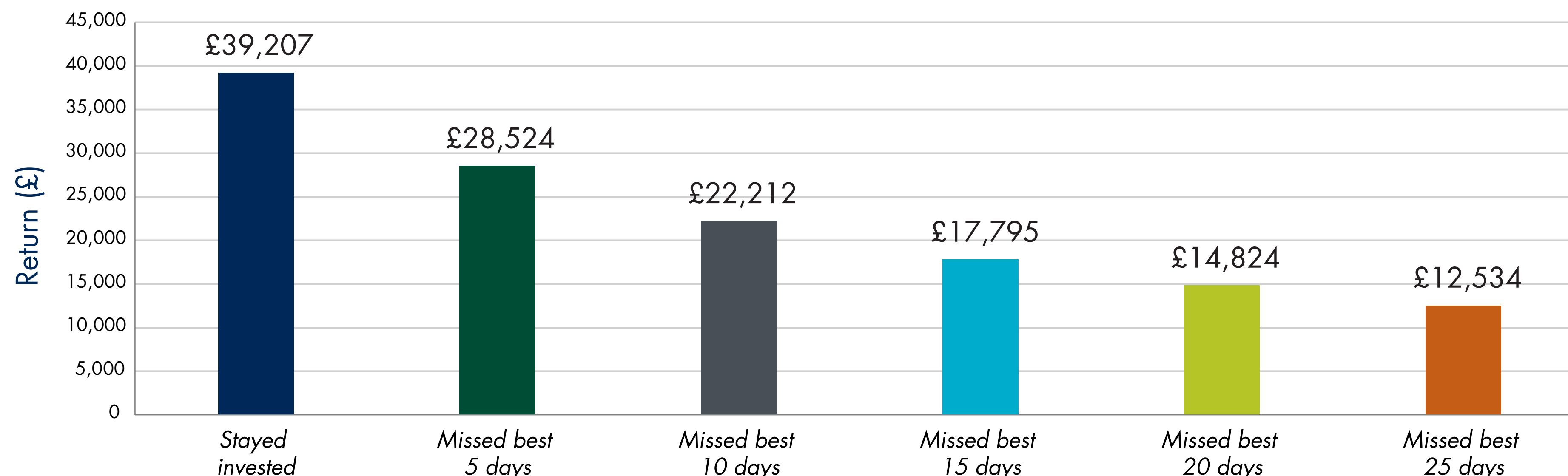
THE IMPORTANCE OF REMAINING INVESTED

THE PERILS OF MISSING THE BEST DAYS.

WHEN MARKETS ARE VOLATILE, IT IS OFTEN TEMPTING TO EXIT THE MARKET OR SWITCH TO CASH IN AN ATTEMPT TO REDUCE FURTHER EXPECTED LOSSES.

However, it is impossible to time these movements correctly as no-one has a crystal ball to predict future movement, so being out of the market for just a few days can have a devastating effect on returns.

Using global equities as an example, the chart below shows how missing just a few of the best days can have a big impact on returns. Over the last 20 years, an investor making an initial investment of £10,000 and staying in the markets throughout that period could have a potential return that was three times greater than that of an investor who missed the best 25 days.



Past performance is not a guide to the future. The value of units may fall as well as rise. *Source: Quilter Investors as at 31 December 2020. Discrete calendar year returns in pounds sterling over the period 31 December 2000 to 31 December 2020. Asia Pacific equities is represented by the MSCI Pacific ex JP index; China equity by the MSCI China index; EM equity (Emerging markets equity) by the MSCI EM index; Europe ex-UK equity by the MSCI Europe ex UK index; Global Corporate Bond by the ICE BofAML Global Corporate index; Global equity by the MSCI World index; Japan equity by the MSCI Japan index; UK equity by the MSCI United Kingdom index; UK Property by the IA UK Direct Property sector average; US equity by the MSCI North America index; and Cash by the ICE BofAML British Pound Overnight Deposit Offered Rate. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

QFP BES.IRI.06/Quilter21_0272/November 2021

Henderson Stone Asset Management Ltd, Suite 3/1, Herbert House, 26 Herbert Street, Glasgow, G20 6NB, Tel: 0141 729 8500, https://www.hendersonstone-am.co.uk