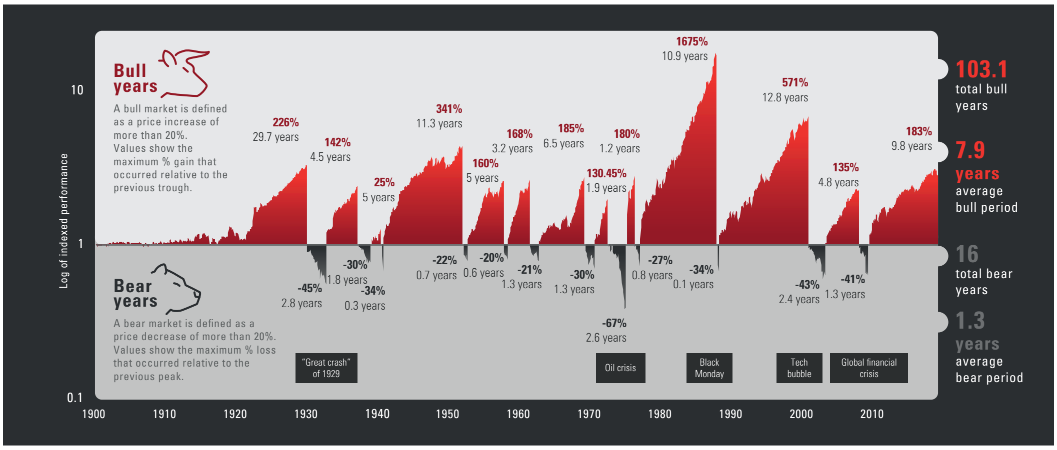
Over the past month, markets have fallen substantially due to the spread of COVID-19 and dramatic falls in the oil price. In these situations, it can be natural to question whether you should be taking some action.

In times like this, it is often better to do nothing, to hold your nerve, especially when investing for the longer term, as history shows markets will recover. Most investment experts agree, that 5 years is the minimum period an investor should expect to hold share or bond-based funds. The value of taking a longer-term approach is well illustrated.

Vanguard

## Bull and Bear Markets




Notes: Calculations are based on FTSE All Share (GBP Total Return). A bear market is defined as a price decrease of more than 20%. A bull market is defined as a price increase of more than 20%. The plotted areas depict the losses/gains ranging from the minimum following a 20% loss to the respective maximum following a 20% appreciation in the underlying index. Time period: 31 January 1900 to 31 December 2018. Calculations based on monthly data. Logarithmic scale on y axis.
Source: Global Financial Data.
**Past performance is n ot a reliable indicator of future results. The value of investments, and the income from them may fall or rise and investors may get back less than they invested.**



Stock markets can rise and fall very quickly. Rebounds can happen quickly, and a small number of days have historically generated a surprisingly large proportion of long term returns. So if you come out of the market, you could miss out on key growth moments.

We would advise not acting on short term news and pay attention to your longer-term investments. Remember;

- Your investment turnover will be lower and so decrease overall costs.
- You can stop worrying about daily changes in your investment values.
- Keep a diversified portfolio, where your investments are spread across different assets that won't all react the same way to sudden economic shocks.
- If you are uncomfortable seeing large movements in the value of your plan, you might want to consider in the future adopting lower risk investments for the longer term.

Disclaimer
The value of your investments and income from them can you down as well as up and you may not get back the full amount that you invested. Past performance is not a reliable indicator of future performance. Investment in shares should be regarded as a long term investment and should fit in with your overall attitude to risk and financial circumstances.