Timing isn't everything!

The temptation to try to time the market by attempting to buy funds or stocks at the bottom of the cycle and selling close to the top can be alluring.

The truth is this is virtually impossible and getting it wrong by just a few days can have a dramatic effect on your returns.

We believe it's a fundamental principle that markets are designed to handle uncertainty, processing information in real-time as it becomes available. We see this happening when markets decline sharply, as they have recently, as well as when they rise. Such declines can be distressing to any investor, but they are also a demonstration that the market is functioning as we would expect.

Research by Fidelity International shows an investor who invested £1,000 in the FTSE All Share index 30 years ago but missed the best 10 days in the market since then would have achieved a return of just under 7% p.a. and ended up with a total fund of around £7,200.

That compares with a return of more than 9.00% p.a. and nearly £13,500 if they had stayed in the market the whole time.

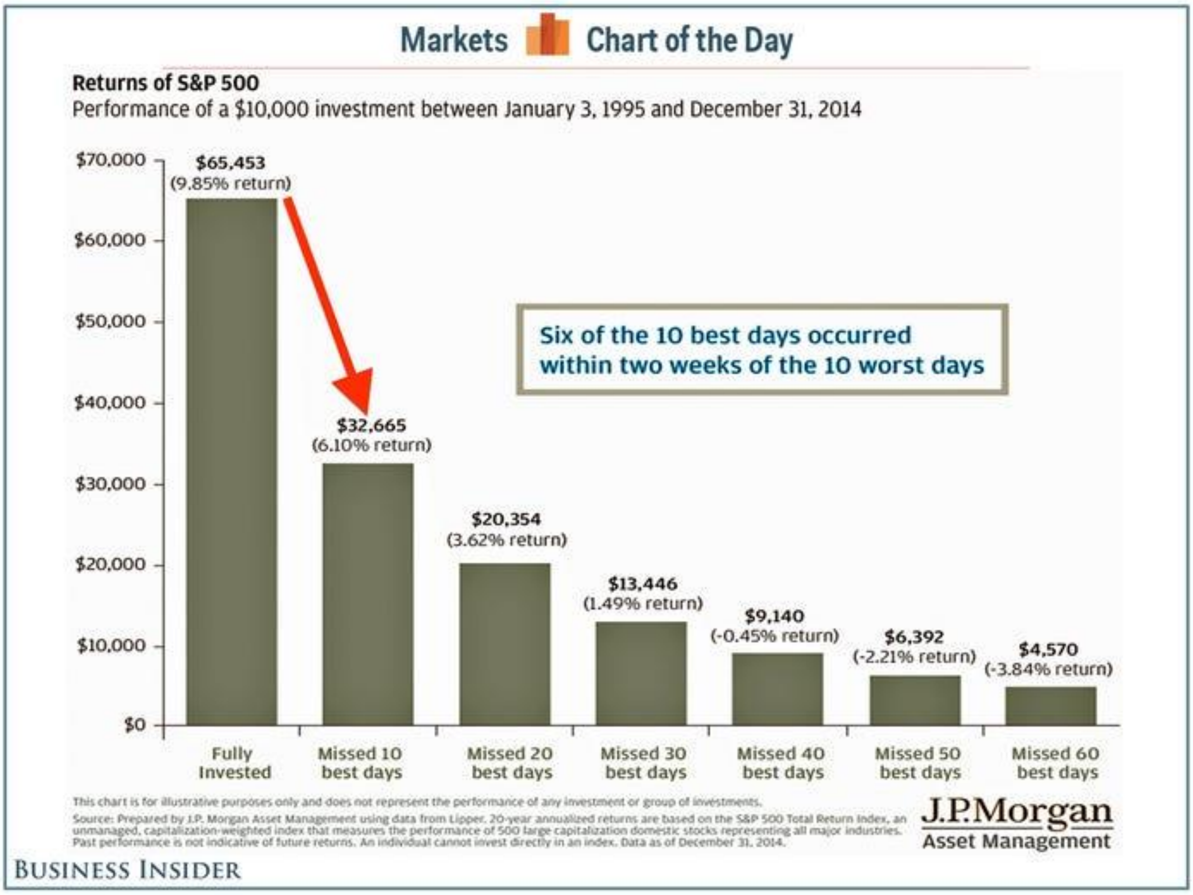
Miss the best 20 days and your return falls to just 5.3% p.a. A return of only £4,700 over the past three decades!

The following charts also highlight the benefit of staying fully invested:

What a £1,000 investment in 1989 could be worth now Schroders

	Invested the whole time	Less 10 best days	Less 20 best days	Less 30 best days
FTSE 100	£13,485	£6,947	£4,400	£2,958
FTSE 250	£26,831	£15,713	£10,665	£7,543
FTSE All-Share	£14,016	£7,496	£4,885	£3,378

Source: Schroders. Refinitive data correct as at 15 Jan 2020. Data is for all indexes displayed is for total returns, which includes price change and dividends. 392684



Source: Fidelity International

Risks

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Past performance is not a guarantee of future results.

Do not act on this information alone! Always seek independent financial advice before taking any action.

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