

Investing through  
volatile times





# Contents

<i>Helping you invest through volatile times</i>	<b>4</b>
<i>Your three-step plan</i>	<b>5</b>
<i>The advantages of investing early</i>	<b>6</b>
<i>The benefits of diversification</i>	<b>7</b>
<i>The importance of investing for the long term</i>	<b>8</b>
<i>The reward of staying invested</i>	<b>9</b>
<i>Next steps</i>	<b>10</b>



# Helping you invest through volatile times

*We're here to help preserve and protect your wealth. To help you we have answered some of the questions you may have and recommended some simple steps for you to follow when markets may appear a little more volatile.*

## *Is it worth getting advice?*

A financial adviser will talk to you about your current situation and what you want to achieve for you and your family. They can then give you advice and a plan that's tailored specifically for you. This plan can help you to stay focused on your long-term aims without being distracted by short-term market changes. In turbulent times, advice provides an objective view, giving you peace of mind, so it may just be the best investment you ever make.

## *When's the best time to invest?*

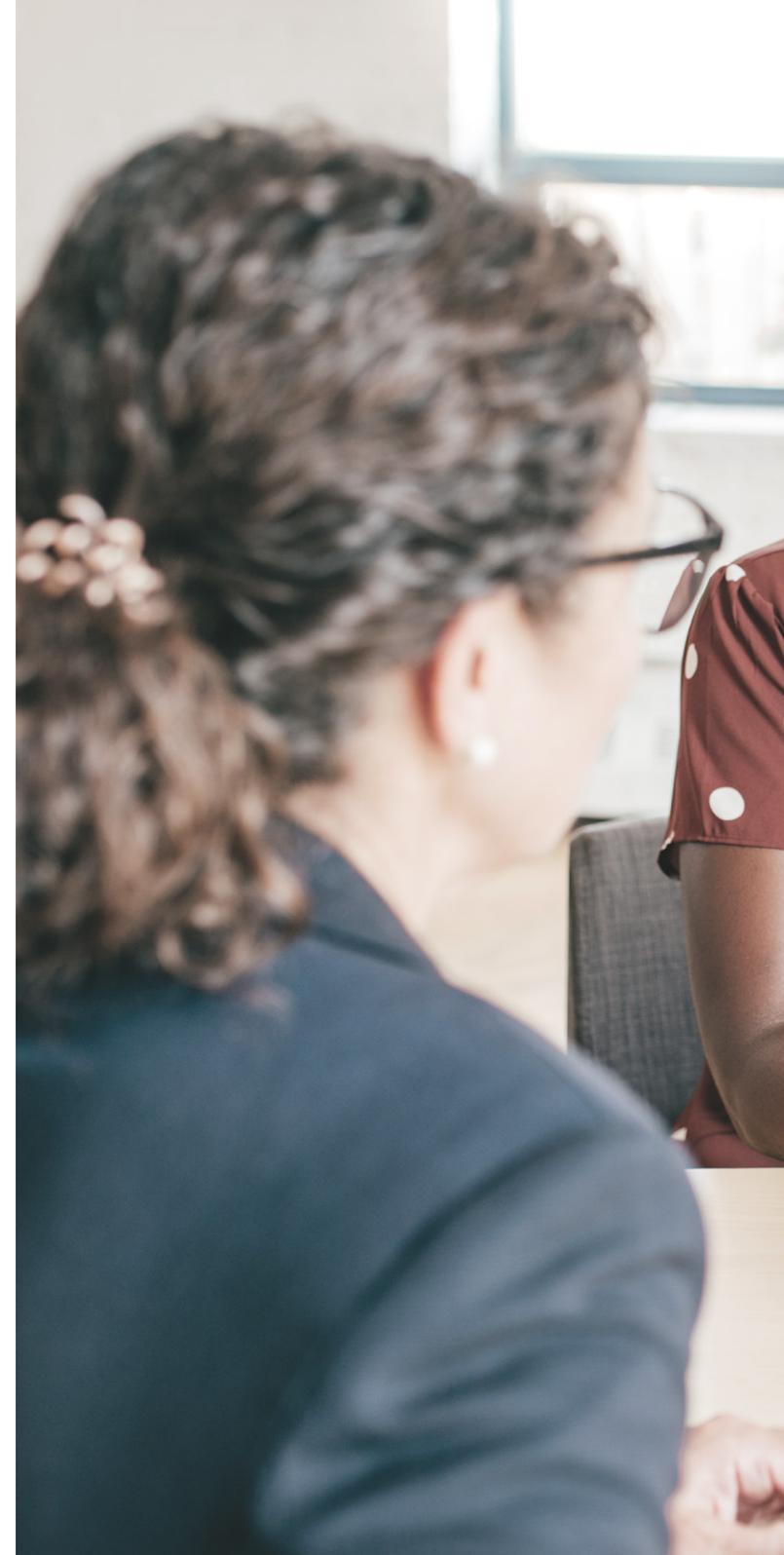
A financial adviser can help you decide when the best time is for you to invest. However, the earlier you invest the better. It's important not to be put off when markets are at a low point because stocks may be cheaper to buy at this time. The magic of compounding – the ability to grow an investment by reinvesting your returns – can help to generate wealth. The difference of just a few years can have a massive impact on the end result, so start early if you can.

## *How long should I invest for?*

Many people believe that knowing when to buy and when to sell is the secret of successful investing. The truth is that no one knows with certainty when markets will rise or fall. Trying to time the market is very seldom successful. It's far better to use time to your advantage. The sooner you can start investing, and the longer you can invest for, the more likely it is for you to achieve your financial goals, regardless of any short-term blips.

## *What should I invest in?*

A diversified portfolio of a range of different assets can help to iron out the ups and downs of stock markets and also help avoid exposing your portfolio to undue risk. When one asset class is performing poorly others may be flourishing, and vice versa, so avoid concentrating your investments in just one area. If you notice that the value of your investments has reduced, take your time, stick to your plan, and avoid making any hasty decisions.





## Your three-step plan

### 1. Get financial advice

Speak to a professional financial adviser and get some expert advice. They can help to put your mind at ease about whether you're doing the right thing. They can also help to take the emotion out of investing and provide an objective view. It may just be the best investment you ever make.

### 2. Take time to think things through

Your money needs to be in the right place to recover in value and make a profit if markets go up, so it's important not to sell an investment as a knee-jerk reaction if its value goes down temporarily. It's vital to make a long-term investment plan, stick to it, and don't try to time the market.

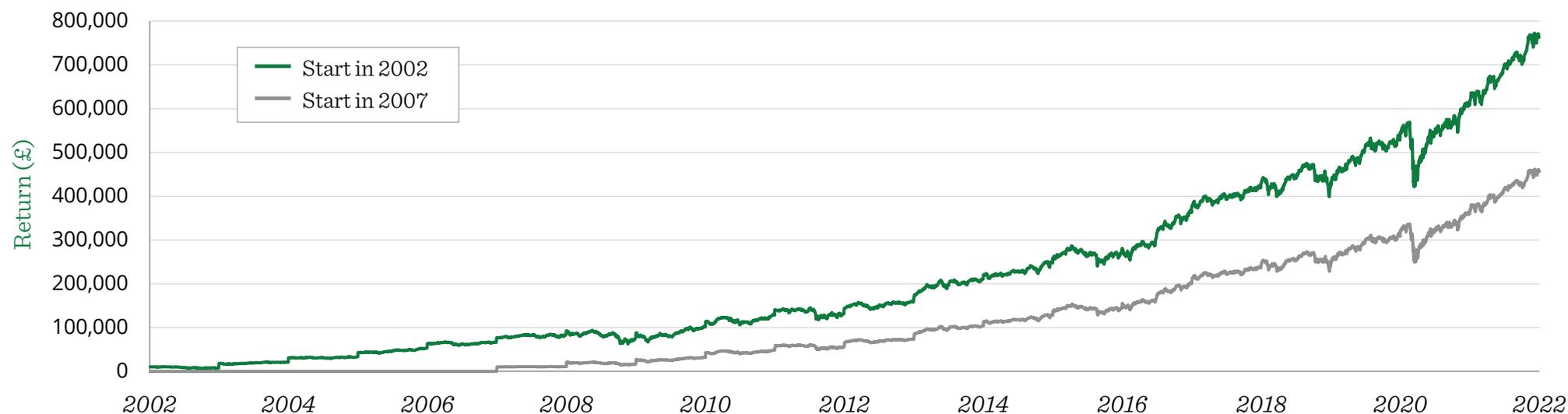
### 3. Make sure your investments are diversified

It's best to invest in a range of different places where your money has a chance to grow. You should always hold some funds in cash in case of an emergency, but other investments offer better growth potential and by spreading investment across different asset types, it is possible to avoid exposing your portfolio to undue risk.

# The advantages of investing early

*Compound interest – earning interest on your interest – can have an incredible effect on an investment portfolio.*

The chart below shows the benefits of investing earlier, as an investor could have accumulated £306,631 more than someone who started investing five years later, even though they have both invested the same £10,000 every year. If the other investor wanted to accumulate the same pot after 20 years, they would need to invest £16,721 each year!



## Key takeaways

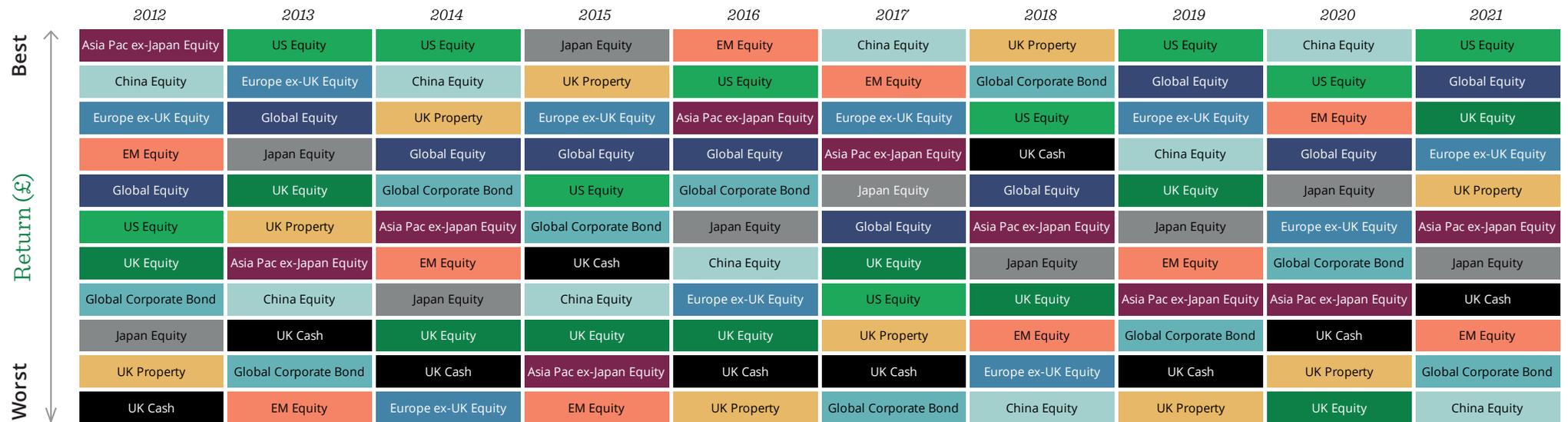
- ▶ Invest as early and as soon as you can.
- ▶ Earn interest on your interest to grow your investments quicker.
- ▶ Avoid withdrawing money to boost the effects of compound interest.

**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 2021. Total return in pounds sterling over period 31 December 2001 to 31 December 2021 based on an initial investment of £10,000 into the MSCI World index. 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.

# The benefits of diversification

*By spreading your investment across different asset types, it is possible to avoid exposing your portfolio to undue risk.*

The jumble of colours below – with each colour representing a different asset class – shows how varied the performance of different investment assets (such as equities, bonds, and property) has been over the last 10 years. There is no guarantee that the sector that is top in one year will perform well the next.



## Key takeaways

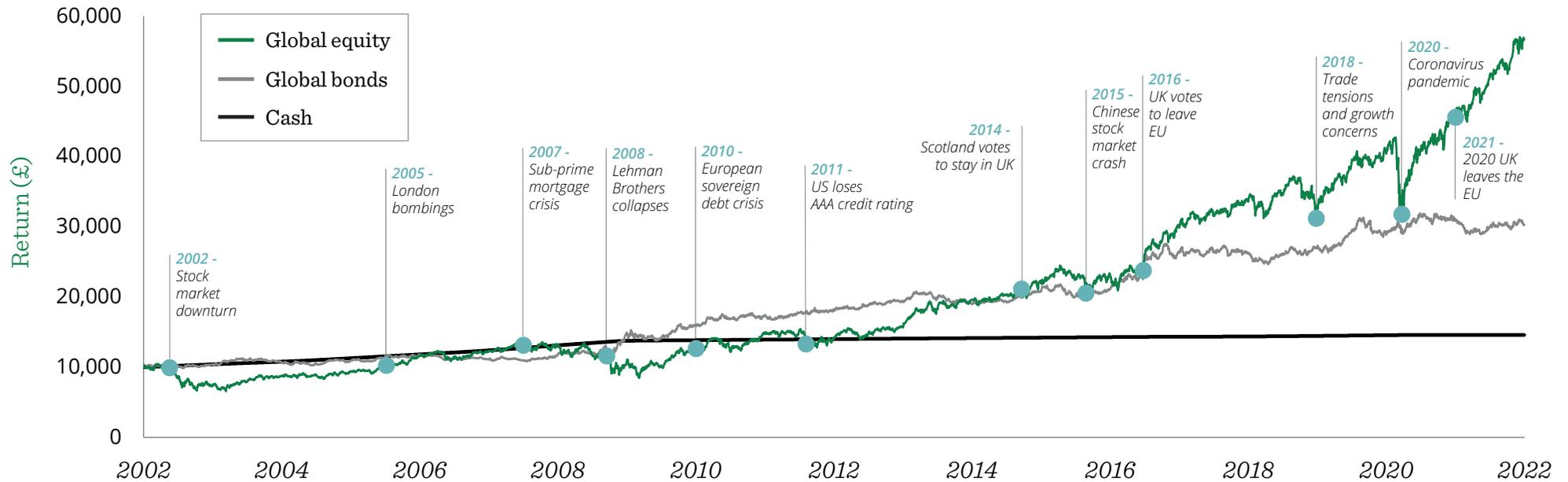
- ▶ Spread your money across a range of different assets and sectors to reduce risk.
- ▶ Don't assume that the past performance of an asset will reflect its future performance.
- ▶ Investing in a range of assets is likely to be more successful than trying to pick just one or two.

**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 2021. Discrete calendar returns over the period 31 December 2011 to 31 December 2021. 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.

# The importance of investing for the long term

*Investing with a long-term outlook is the best way for you to reduce the impact of stock market fluctuations and to grow your investment over time.*

The chart below shows that over the long term, there is an upward trend of returns from equities and bonds, despite the short-term volatility caused by major events. In fact, if you invested £10,000 on 31 December 2000, you could have seen your investment grow by nearly 500% when investing in global equities.



## Key takeaways

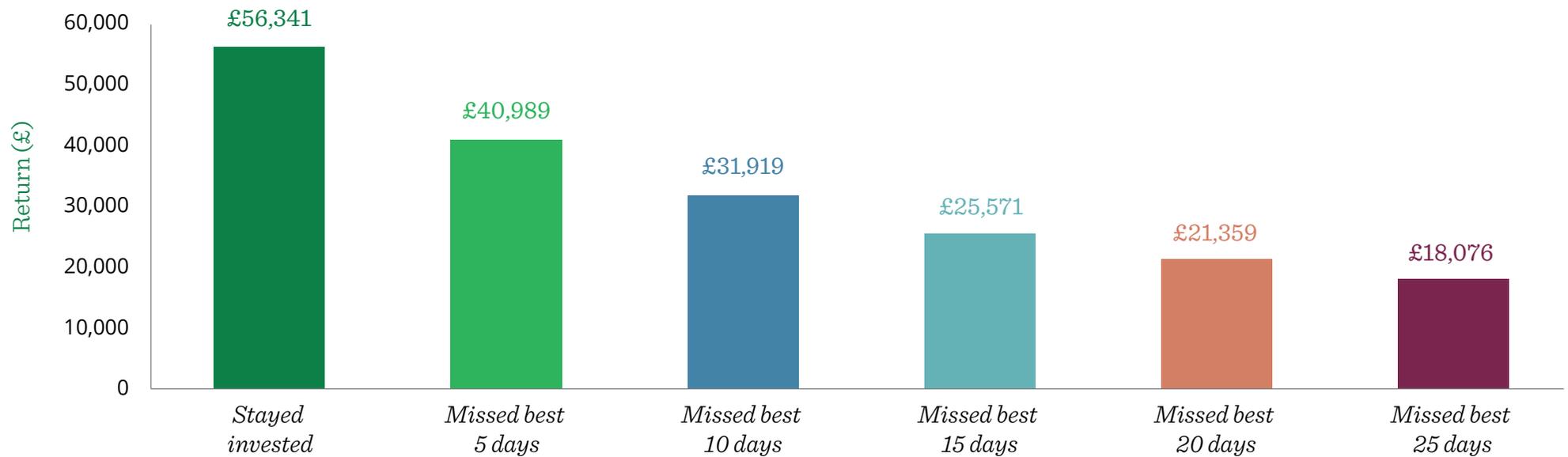
- ▶ Don't let short-term blips distract you from your long-term plan.
- ▶ Investing over the longer term (five years or more) is more likely to be successful.
- ▶ People who stay invested are more likely to see their investments recover.

**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 2021. Total return in pounds sterling over period 31 December 2001 to 31 December 2021 based on an initial investment of £10,000. Global bonds is represented by the ICE BofAML Global Corporate index; global equity by the MSCI World 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.

# The reward of staying invested

*During periods of volatility it can be tempting to exit the market but missing just a few of the best days can have a big impact on your overall return.*

The chart below shows that if you had stayed invested in global equities over the entire period, you could have had a potential return that was three times greater than that of an investor who missed the best 25 days during the same period, based on both of you investing £10,000.



### Key takeaways

- ▶ Time in the market is usually more successful than trying to time the market.
- ▶ Keeping your money invested means you can benefit from any upsides in the market.
- ▶ Missing just a few good days in the stock market can significantly reduce how much your investment grows.

**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 2021. Total return in pounds sterling over period 31 December 2001 to 31 December 2021 based on an initial investment of £10,000 into the MSCI World index. 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.

## Next steps

*At Quilter Investors we specialise in the creation and management of multi-asset investment portfolios. Multi-asset investing, at its simplest, is blending together investments across geographies, asset classes, and sectors into a portfolio. Having exposure to the right asset classes and geographies is central to how multi-asset portfolios generate wealth for investors.*

We understand that customers can have different investment needs over the course of their lifetime, which is why our experienced team have worked closely with financial advisers to design a range of solutions, into which we have incorporated our principles of investing responsibly. Offering a choice of outcomes at different risk, diversification and price levels, our solutions are focused on delivering an investment solution you can trust.

Your financial adviser is responsible for understanding your specific investment objectives and attitude to risk. They will work closely with you to ascertain which portfolio might be appropriate for you. If you have any further questions, please speak to your financial adviser.

If you are a financial adviser and want to find out more about our solutions, please speak to one of our investment directors on +44 (0)207 167 3700, email us at [enquiries@quilterinvestors.com](mailto:enquiries@quilterinvestors.com), or visit our website at [www.quilteinvestors.com](http://www.quilteinvestors.com).







*Quilter Investors:  
expertly designed multi-asset solutions.*

*For more information visit [quilterinvestors.com](https://quilterinvestors.com)*

*Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rates may cause the value of overseas investments to rise or fall.*

*This communication is issued by Quilter Investors Limited and Quilter Investors Portfolio Management Limited which trade as "Quilter Investors" and are part of the Quilter plc group.*

*Quilter Investors Limited and Quilter Investors Portfolio Management Limited are registered in England and Wales under numbers 04227837 and 03056894 respectively. Registered Office at Senator House, 85 Queen Victoria Street, London, EC4V 4AB. Quilter Investors Limited is authorised and regulated by the Financial Conduct Authority (FRN: 208543). Quilter Investors Portfolio Management Limited is authorised and regulated by the Financial Conduct Authority (FRN: 175524).*

*This communication is issued for information purposes only. Quilter Investors uses all reasonable skill and care in compiling the information in this communication which is accurate only on the date of this communication. You should not rely upon the information in this communication in making investment decisions. Nothing in this communication constitutes advice or personal recommendation. This communication should not be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction.*

**Published date:**

March 2022

**Review date:**

March 2023