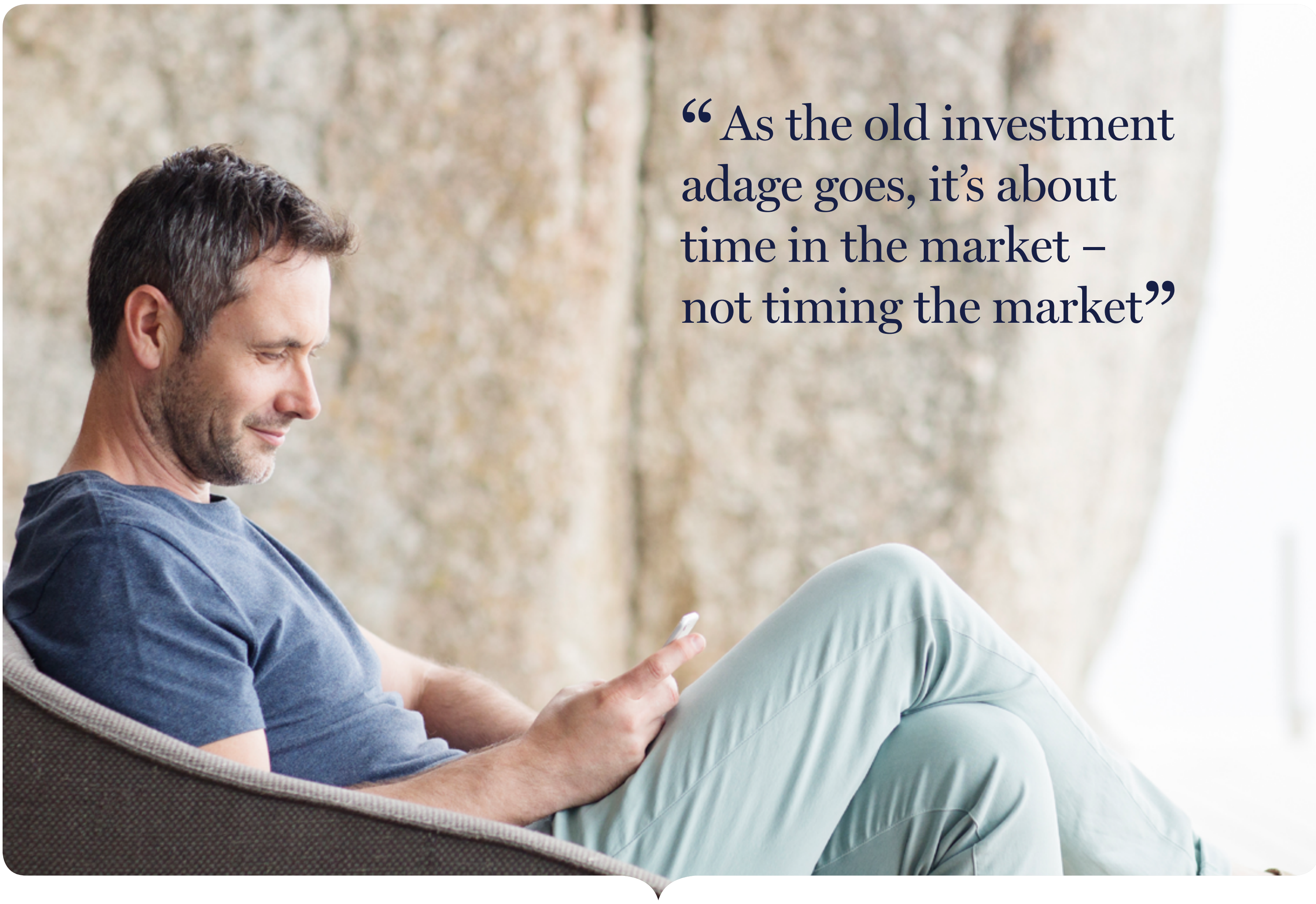
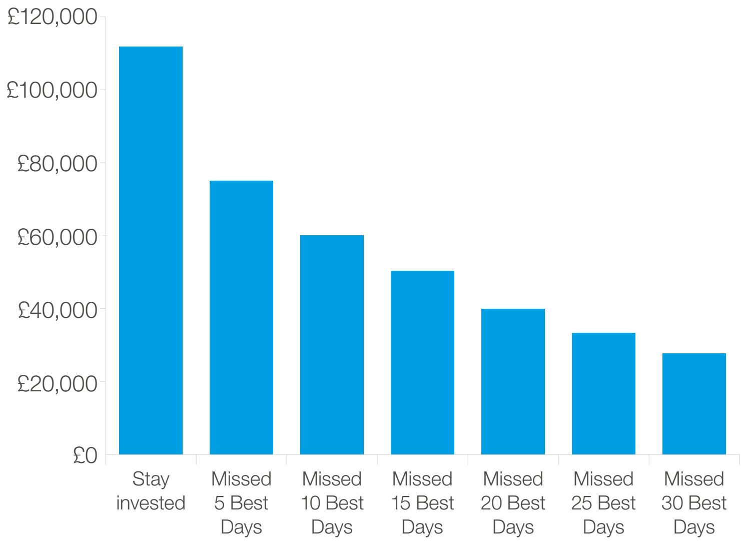


> “As the old investment adage goes, it’s about time in the market – not timing the market”

Is now actually a good time to invest?

Global stock markets have been suffering amid the coronavirus crisis. Yet while a volatile market makes investors nervous, this could present an opportunity for those who continue to stay focused on their long-term investment goals.

Of course, no-one can be certain that there won’t be further falls. Yet history shows that, over the long term, markets will recover.



Data source: Thomson Reuters

Returns are total returns of the FTSE All Share Index over the period 1st May 1989 to 30th April 2019 based on a £10,000 initial investment, with the assumption that all dividends paid out are reinvested.

Holding your nerve

If you're able to look beyond the current volatility, now could potentially be a good time to buy into the market.

The price of investments is influenced by supply and demand. For those in the market, the temptation may be to cash in rather than endure more falls. But while this is a natural inclination, doing so only serves to crystallise losses.

Meanwhile, sell-offs provide an opportunity for others who are willing to hold their nerve and buy into the market. When the market falls, you may buy shares in businesses at cheaper valuations, and the sooner you start investing, the sooner you have time on your side to produce long-term returns.

Time in the market

As the old investment adage goes, it's about time in the market – not timing the market. That means leaving your money invested for at least five years, and ideally, far longer. The longer you invest, the greater your potential for making a profit. So it doesn't typically pay to hold off on an investment decision if you've got time on your side.

After all, it's impossible to know when the bottom of the market will be reached. There are plenty of factors that will impact this, and there may be further short-term pain. Yet trying to time the market or cashing in risks missing out on some of the market's best days.

Managing risk

Your returns will be subject to stock market movements. But you can reduce volatility by placing your money in a broad range of assets in different funds, investing across the globe.

So no matter when you invest, you know that any losses to one investment could be offset by gains to another, as they will not react in the same way to economic shocks. Over time, this reduces the impact of volatile periods on your investments' performance.

Taking action

Periods of extreme uncertainty are undoubtedly unsettling. Yet if you've no immediate need for your spare cash, and some set aside for emergencies, investing for your long-term future may provide a focus. At a time of worldwide turmoil, this could give you some sense of control over your long-term financial future.

The value of investments and any income from them can fall and you may get back less than you invested.

Past performance is not a guide to future performance and performance. Opinions expressed in this document are not necessarily the views held throughout Brewin Dolphin Ltd.