Quilter Investors

Investing through volatile times

UK: Suitable for retail and professional clients

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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.

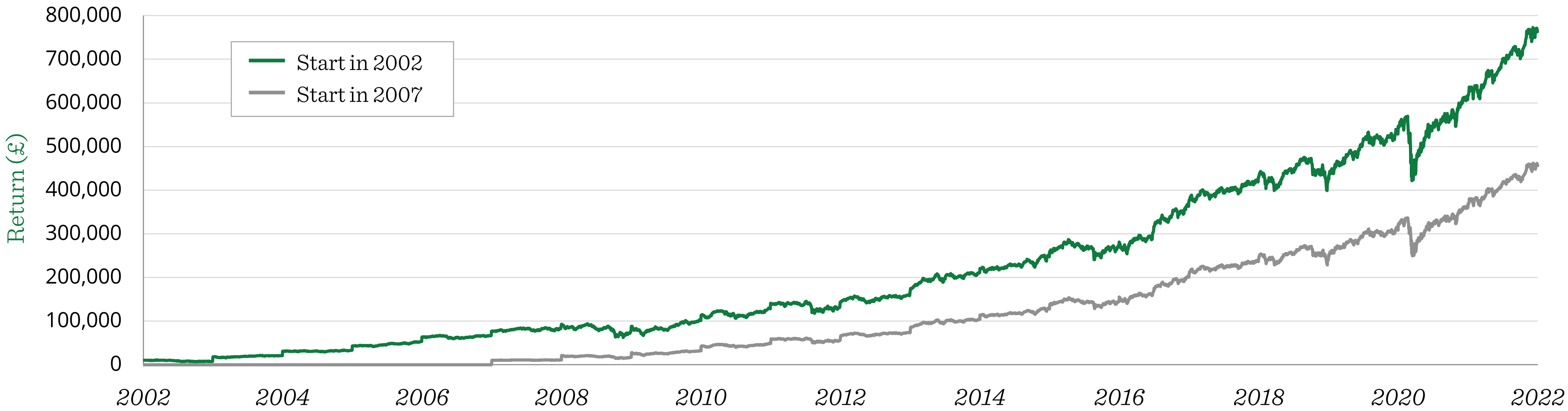
3. Make sure your investments are diversified

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.

Return (£)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Best	Asia Pac ex-Japan Equity	US Equity	US Equity	Japan Equity	EM Equity	China Equity	UK Property	US Equity	China Equity	US Equity
	China Equity	Europe ex-UK Equity	China Equity	UK Property	US Equity	EM Equity	Global Corporate Bond	Global Equity	US Equity	Global Equity
	Europe ex-UK Equity	Global Equity	UK Property	Europe ex-UK Equity	Asia Pac ex-Japan Equity	Europe ex-UK Equity	US Equity	Europe ex-UK Equity	EM Equity	UK Equity
	EM Equity	Japan Equity	Global Equity	Global Equity	Global Equity	Asia Pac ex-Japan Equity	UK Cash	China Equity	Global Equity	Europe ex-UK Equity
	Global Equity	UK Equity	Global Corporate Bond	US Equity	Global Corporate Bond	Japan Equity	Global Equity	UK Equity	Japan Equity	UK Property
	US Equity	UK Property	Asia Pac ex-Japan Equity	Global Corporate Bond	Japan Equity	Global Equity	Asia Pac ex-Japan Equity	Japan Equity	Europe ex-UK Equity	Asia Pac ex-Japan Equity
	UK Equity	Asia Pac ex-Japan Equity	EM Equity	UK Cash	China Equity	UK Equity	Japan Equity	EM Equity	Global Corporate Bond	Japan Equity
	Global Corporate Bond	China Equity	Japan Equity	China Equity	Europe ex-UK Equity	US Equity	UK Equity	Asia Pac ex-Japan Equity	Asia Pac ex-Japan Equity	UK Cash
	Japan Equity	UK Cash	UK Equity	UK Equity	UK Equity	UK Property	EM Equity	Global Corporate Bond	UK Cash	EM Equity
	UK Property	Global Corporate Bond	UK Cash	Asia Pac ex-Japan Equity	UK Cash	UK Cash	Europe ex-UK Equity	UK Cash	UK Property	Global Corporate Bond
Worst	UK Cash	EM Equity	Europe ex-UK Equity	EM Equity	UK Property	Global Corporate Bond	China Equity	UK Property	UK Equity	China Equity

Key takeaways

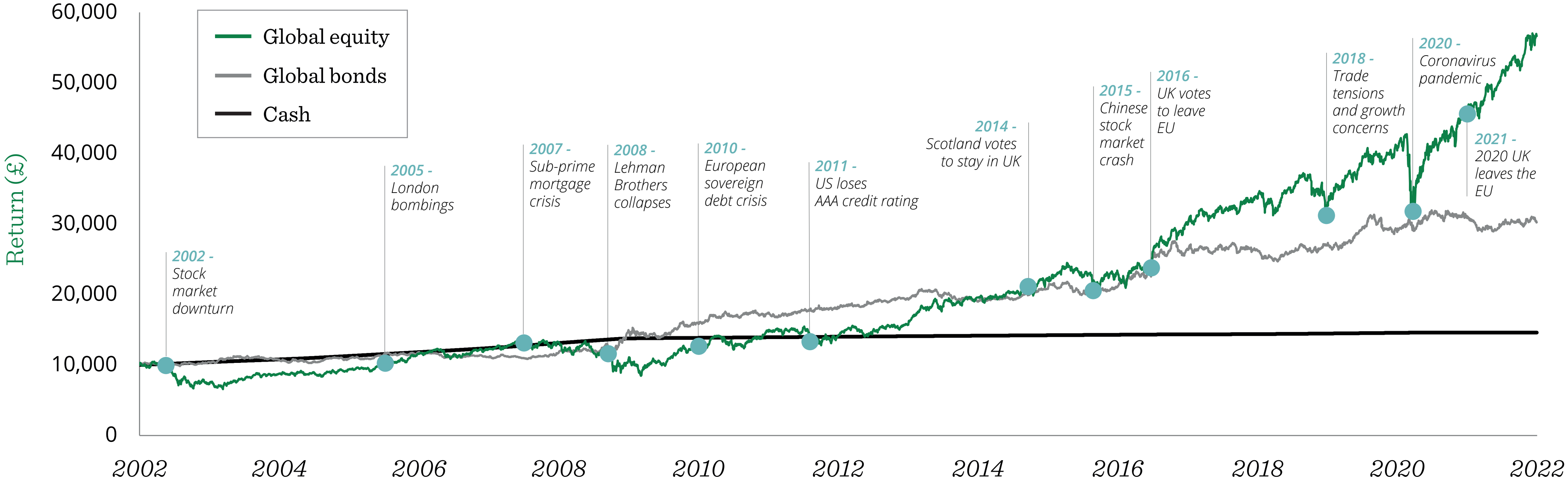
- Spread your money across a range of different assets and sectors to reduce risk.
- Don't assume that the past performance of an asset will reflect its future performance.
- Investing in a range of assets is likely to be more successful than trying to pick just one or two.

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

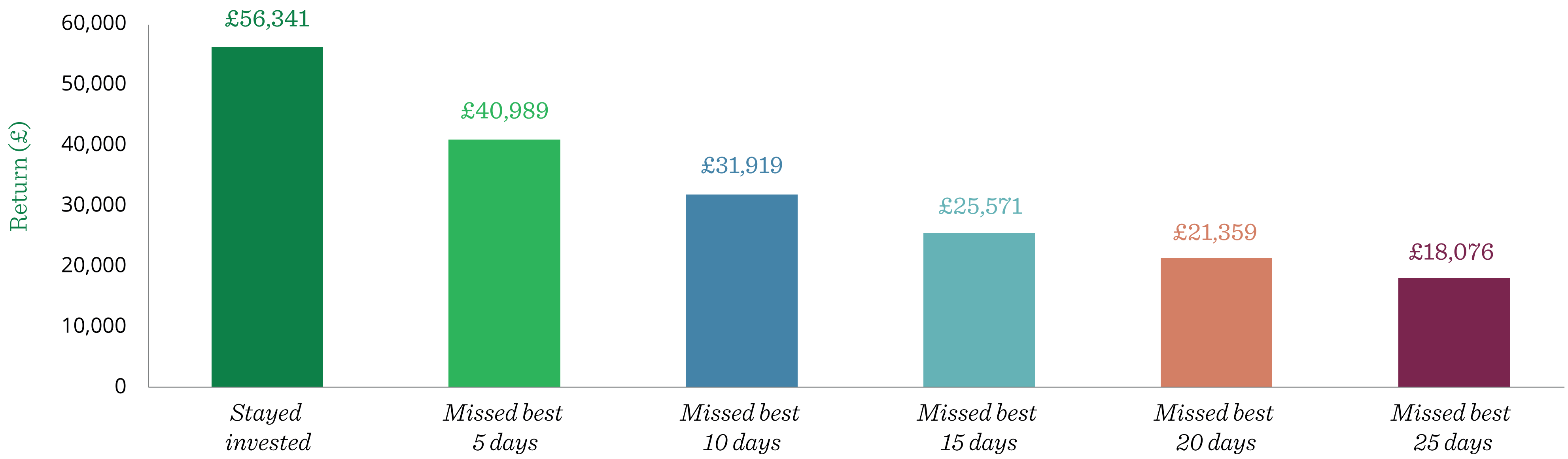
- Don't let short-term blips distract you from your long-term plan.
- Investing over the longer term (five years or more) is more likely to be successful.
- People who stay invested are more likely to see their investments recover.

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.

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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***, or visit or website at ***www.quilteirnvestors.com.***

Quilter Investors:
expertly designed multi-asset solutions.

For more information visit ***quilterinvestors.com***

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