

COVID-19 and Investment Planning;

Investing in times of uncertainty

The past year has seen plenty of turbulence in financial markets, fuelled by the US and China trade war, BREXIT uncertainty and the COVID-19 pandemic, which for many is an on-going concern. This level of volatility is enough for investors to question whether now is a time to make wholesale changes or whether to remain invested or not. Market volatility should always be expected and applying perspective and understanding long term trends is key to a successful investing experience.

The chart below details historical performance of the FTSE100 over it's 36 year existence. Since inception, the index (as well as others all around the world) have experienced several key market shocks and rebounds. Despite this, the long term trend is still positive and highlights the rewards of a patient, long term investment view.

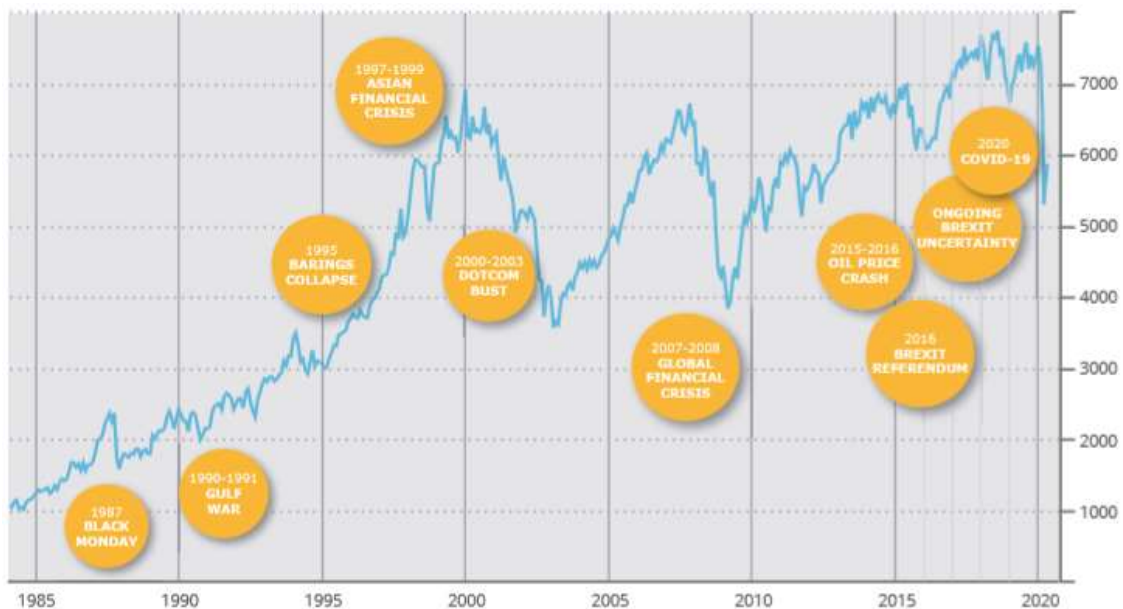


Chart: FTSE 100 since inception to April 5 2020, source Yahoo and Trading Economics

All of you will have been through a detailed financial planning discussion with us, where we have focused on your long term personal needs and how your pensions and investments fit within this narrative. We understand market fluctuations can be concerning, but they should not be unexpected and are part and parcel of your investment journey. Investing requires a levelheadedness and resistance to panic. Experienced long term investors will have lived through periods of heightened volatility and have been rewarded by staying patient and resisting making changes.

It is also important to remember that the stock market is not the economy. Stock markets are forward thinking and have usually priced in the impacts of a recession before the economy has. As such, trying to 'time' the markets is difficult and often futile, as well as detrimental to any investors long term strategy.



The benefits of a Financial Planner

The role of a Financial Planner is essentially to move people to make good long term financial decisions to help enhance their lives, while acting as a guide to ensure they make rational decisions through times of uncertainty.

Remember, the traits of a successful investor are:

- Having a financial plan, focused on your most cherished life goals and how your investments and pensions can help you achieve this
- Having a diversified investment portfolio consisting of a broad range of assets, tailored to your attitude to investment risk and objective timeframe. This is the funding tool of your financial plan
- Being really good at doing 'nothing' through all investment cycles. Almost all investment mistakes are made during market downturns, compounding the issue to detriment of your financial plan

At Hansford Bell, we understand the benefits of having a sound financial plan in place. The world is full of surprises, designed to test our commitment to these plans and we temper this by helping you to make calm, calculated decisions. Tailoring specific, stress tested financial plans designed to help you achieve your life goals are not only central to our service proposition, but are the reason we do what we do.

Remember, whether you are 1, 5 or 10 years from your goals, your plan and the underlying portfolio has been set up to deal with the current situation exactly how you need it to.

The mainstream media may not care about your financial plan, but we do! Please note we are working at normal capacities despite restrictions so please do not hesitate to contact us if you need us.

Stay safe, stay in touch and we hope to see you soon.

Hansford Bell

The value of your investments can go down as well as up and you may not get back the full amount you invested. Past performance is not a guide for future performance.

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