

Things to consider

if you're concerned about the impact of Coronavirus on the financial markets and your investment portfolio



Staying focused on your goals

It's impossible to predict how widely Coronavirus will spread or what economic impact it will have. With this uncertainty and the associated negative impact on the financial markets, it's natural for investors to consider selling their investments because they perceive this will protect the value of their portfolio.

However, getting the timing right of when to get out of and back in to the market is extremely difficult, even for professional investment managers. With this in mind, it makes sense to stay focused on your long-term investment goals rather than reacting in haste to the short-term situation.

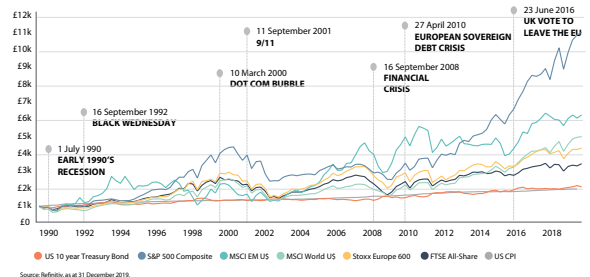


Keeping the bigger picture in mind

Over the years, many events have had a significant impact on financial markets. However, **the long-term trend for market performance has continued to remain positive**. This overall upward trend is shown in the chart opposite.

As with all investments though, you should note that this is not a guarantee, as past performance is not a reliable indicator of future performance.

When investing for the long-term, you will inevitably experience market dips and volatility from time to time, but history has shown us that these events are relatively short-term when we look at the overall picture. It's important to keep this history of market recovery in mind during this time of volatility.



Avoiding locking in losses

Selling as the financial market is falling is a form of 'behavioural bias' that can have a negative effect on your financial health.

by selling their funds and exiting the market during a downturn. Investors who take this approach are very likely to miss out on any potential gains if and when the markets rebound.

A fall in investment value is, in reality, only on paper until action is taken. All too often losses are locked in, or 'crystallised', and opportunities for future gains are lost. As we have mentioned, this is because investors often try to protect their capital

Statistics show that staying invested in a diversified portfolio is often the best approach to making profit in the long-term.



We're here to help

Remember, we're on hand to answer any questions you have, or to provide you with reassurance if you need it. Getting the right information is the best way to avoid taking a path that might not be of benefit to you.

Please don't hesitate to get in touch by phone on 01454 772690 or email at enquiries@brightonwilliams.com