

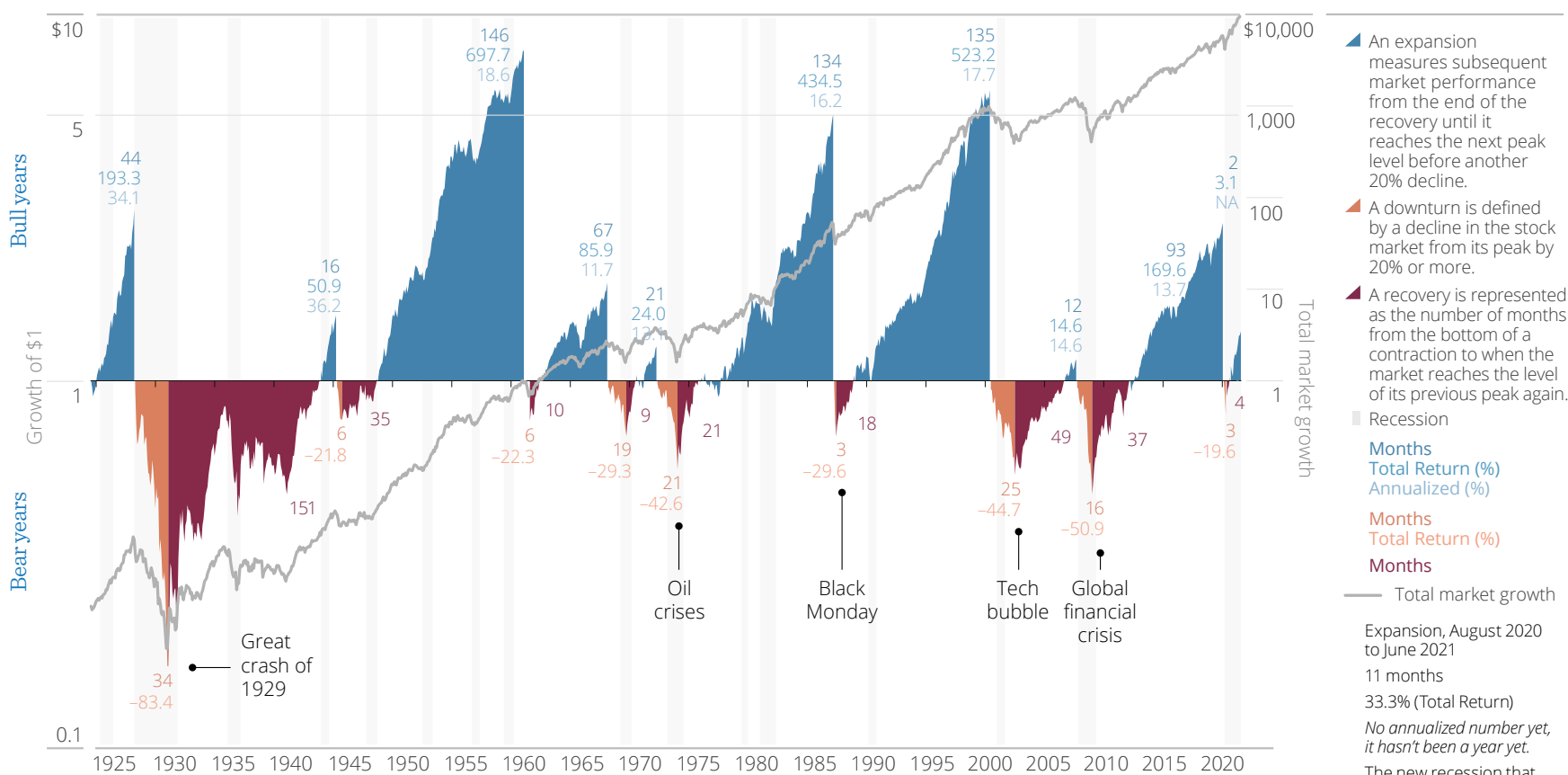
# It pays to invest for the long term

*When markets are volatile, it is tempting to exit the market or switch to cash in an attempt to avoid further losses.*

Though short term volatility in the markets can be disturbing, we should remember investing always involves an element of risk, which is heightened during periods of turbulence and economic uncertainty. During these times, as we've seen in previous periods of volatility, one of the most important things to do is remain focused on your long term plans.

Historically, investors who stayed true to their long term plans through periods of decline have seen their investments go on to recover and then prosper.

U.S. Market downturns, recoveries, and expansions



- ▲ An expansion measures subsequent market performance from the end of the recovery until it reaches the next peak level before another 20% decline.
  - ▲ A downturn is defined by a decline in the stock market from its peak by 20% or more.
  - ▲ A recovery is represented as the number of months from the bottom of a contraction to when the market reaches the level of its previous peak again.
  - Recession
  - Months Total Return (%) Annualized (%)
  - Months Total Return (%)
  - Months
  - Total market growth
- Expansion, August 2020 to June 2021  
11 months  
33.3% (Total Return)  
*No annualized number yet, it hasn't been a year yet.*  
The new recession that started in February 2020 continues through June 2021.

**Past performance is not a guide to the future. The value of units may fall as well as rise.**

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Source: Ibbotson Associates SBBI U.S. Large Stock Index. © 2020 Morningstar as at 30 September 2021. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment