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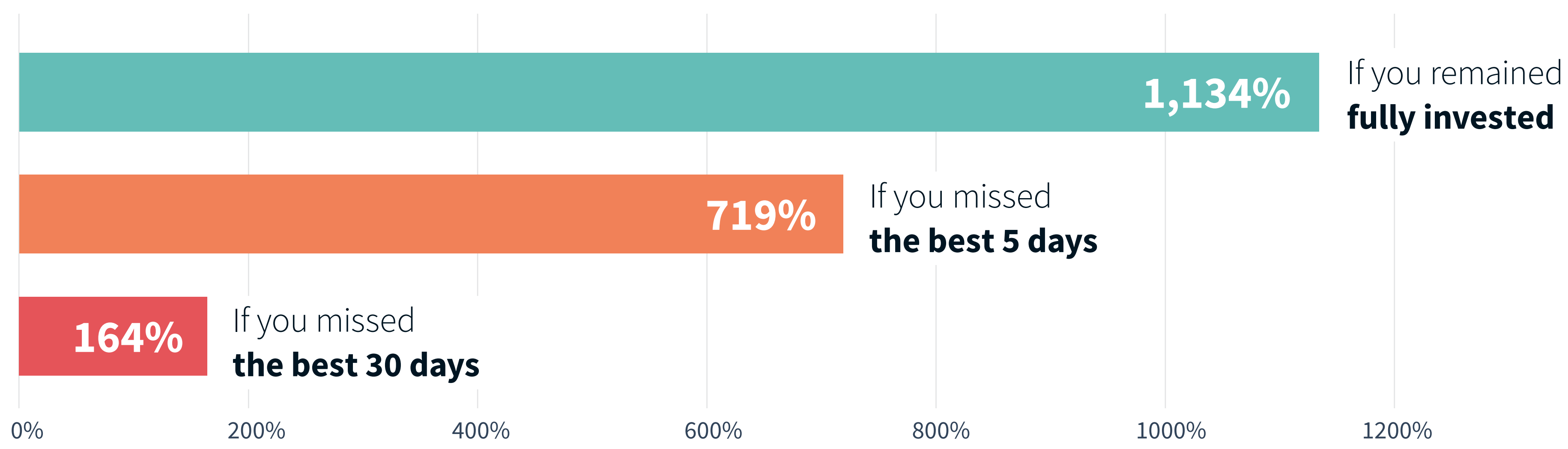
THE COST OF MISSING OUT **ON A MARKET RECOVERY**

With so much volatility in the markets at the moment, it's understandable that investors are concerned about their portfolios and are considering selling their holdings. However, taking your money out when you see a downturn in markets means you don't benefit from any increase in prices if the market starts to recover.

As you can see from the chart below, missing out on just the five best days of market performance from 1992 to 2019 reduces your total returns from 1,134% to just 719%. And the results get even worse when we look at what would happen if you missed the best 30 days over the same period.

Some of the best single day market performances we have seen in history have come shortly after major downturns. The best performing single-day return for the S&P 500 since 1992 came less than one month after the collapse of Lehman Brothers, returning 11.58% on 13 September 2008.

This chart highlights the importance of taking a long-term view when investing and supports the old adage; it's about time in the markets, not timing the markets.



Source: Datastream, S&P 500 total return data from 31.12.1992 - 31.12.2019, as at 31.12.2019. Past performance is not a guide to future performance.
The value of investments, and any income, can go down as well as up and your client may not get back the amount they invested.

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