

The Importance of Remaining Invested

There is no shortage of information and opinion provided by the media when it comes to investments and the financial markets. Sometimes, the sheer weight of information can make you feel like it's not the right time to be invested.

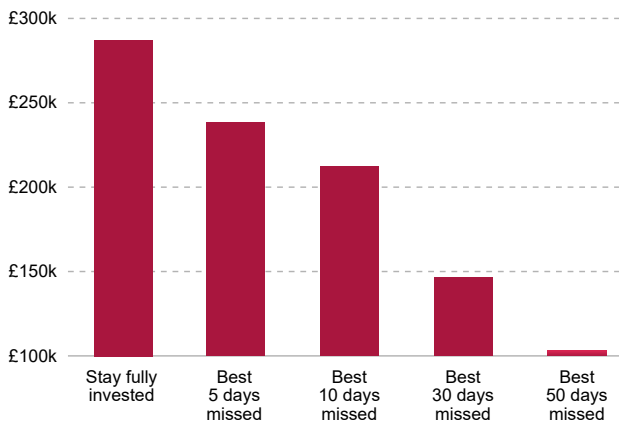
It can be tempting to try and time the market. The benefits of getting it right are obvious, but it's very difficult to predict with any certainty when is the best time to buy or sell.

With the speed that markets move, the risk of getting it wrong is very high and can have significantly negative consequences on your investment. There's a significant risk that by trying to time your entry, or exit, you could end up selling low or buying high.

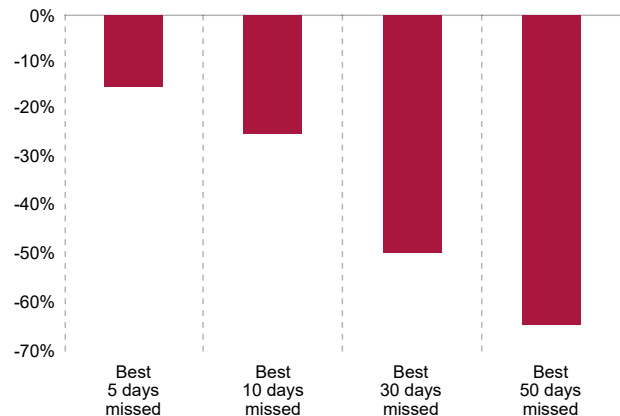
That means you risk not only suffering the losses you are trying to avoid, but you compound them by missing out on the highest periods of growth that often follow a fall.

To test this point, we have below looked at the MSCI Dynamic Planner 5 index since its launch, a period of 4281 days that covers a number of significant market falls. It shows the returns for investors who stayed invested throughout, compared to the returns of those investors who felt they should sell and missed out on the subsequent best periods, from as short as the best five days to the best 50 days.

£100k invested in Dynamic Planner 5 benchmark since launch to end Feb 2022



% Worse off vs. staying fully invested



Time in the market, not timing the market

Ultimately, the above shows that if you try to time the market and get it wrong, you would be significantly worse off than if you stayed invested for the duration.

Fortunately, because users of Dynamic Planner recommend investments that their clients understand and suit them, the majority have remained invested and enjoyed the full rewards.

IMPORTANT INFORMATION: PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. THE VALUE OF INVESTMENTS, AND THE INCOME FROM THEM CAN FALL AS WELL AS RISE. ©2022 Dynamic Planner [Trading name of Distribution Technology Ltd].

You should not rely on this information in making an investment decision and it does not constitute a recommendation or advice in the selection of a specific investment or class of investments. For the avoidance of doubt, the provision of the Dynamic Planner [Trading name of Distribution Technology Ltd] services shall not be construed or interpreted to mean the provision of Financial Advice from Dynamic Planner [Trading name of Distribution Technology Ltd] to their users. The outputs represent a range of possible indications of volatility and returns for various collections of asset classes. Dynamic Planner [Trading name of Distribution Technology Ltd] is not liable for the data in respect of direct or consequential loss attaching to the use of or reliance upon this information. Dynamic Planner [Trading name of Distribution Technology Ltd] does not warrant or claim that the information in this document or any associated form is compliant with obligations governing the provision of advice or the promotion of products as defined by the Financial Services Act. Dynamic Planner [Trading name of Distribution Technology Ltd] reserves the right to amend these Terms and Conditions of use from time to time. The website will provide the most current version, which can be found at: <https://legal.distribution-technology.com/terms/>