Long-Term or Short-Term?

CRAFTING YOUR IDEAL INVESTMENT PLAN

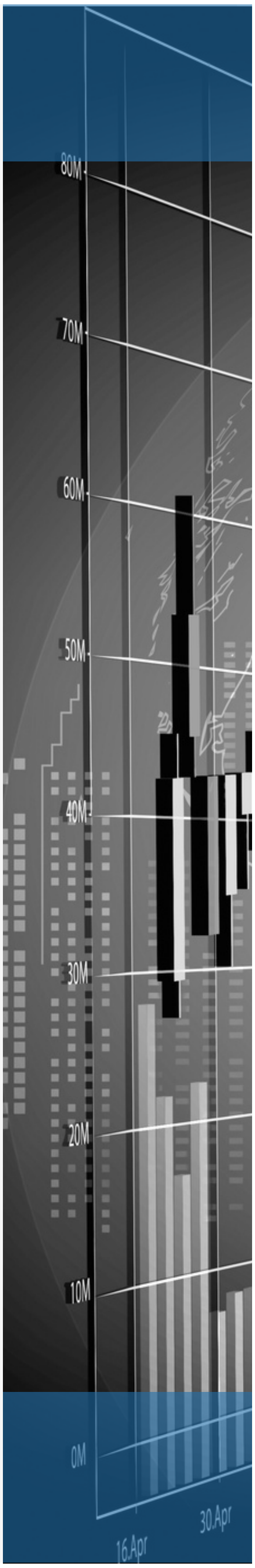
REEVES
INVESTMENT SERVICES

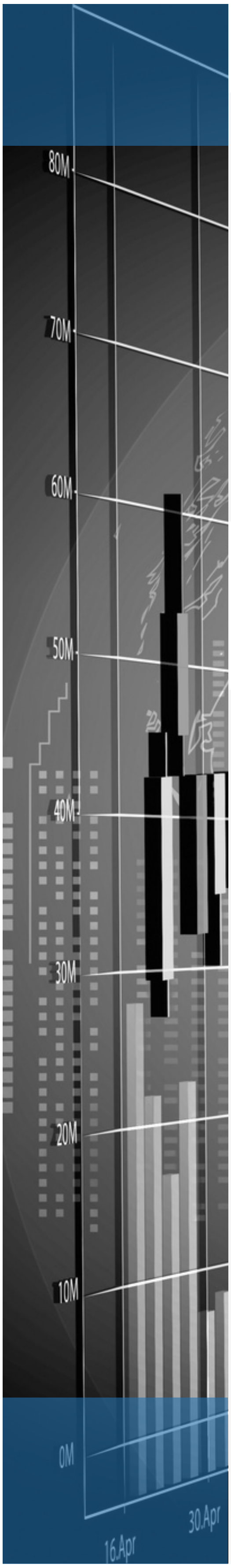
Are you invested for the long-term? One of the tenets of successful investors is to look past short-term noise, keeping sight of goals that are often decades into the future.

This may feel increasingly challenging. We all live in a fast-paced on-demand environment, where the culture of impulse is amplified through instant media and technology. Rolling 24-hour news flow can influence the perception of the world lurching from one geo-political, Governmental or over sensationalised crisis to another in recent years.

Stock markets around the world Markets haven’t been immune. Increased Volatility has been a challenge for markets in recent years and it isn’t surprising that some investors may feel concern when they see the values of their investments fluctuating.

During times of increased market volatility, nervous investors may be tempted to move their assets into perceived safer assets such as cash. Contrastingly, some investors will look at sudden dips in the markets as buying opportunities, a quick profit to be made by getting in low and riding subsequent growth upwards. In reality, those emotional reactions to investments value probably aren’t going to have the best outcomes.





Mind Over Money

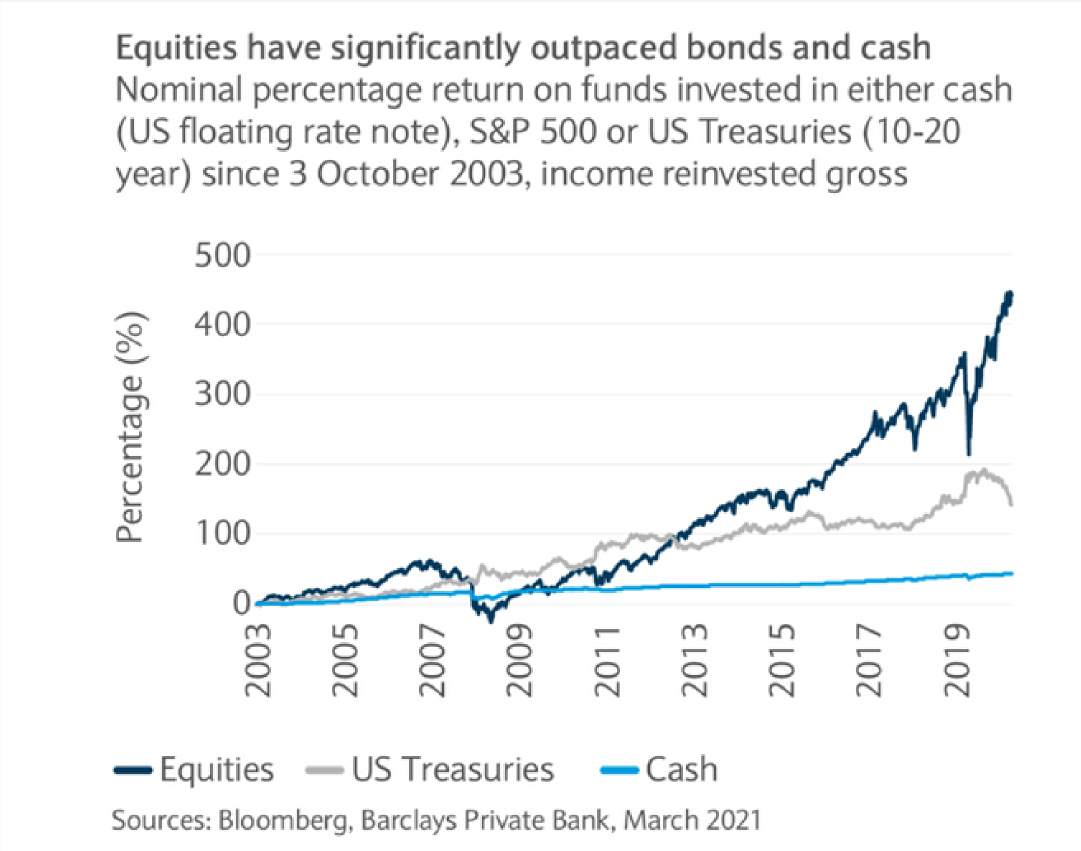
It’s natural to experience some sense of elation when your investments are up, or disappointment when you see a decline. Our message is always to remain resolute by remembering the intended goals and remain invested. Taking chances by attempting to navigate short term moves might feel good in the moment, but we firmly believe that taking a long-term approach to investment will deliver more productive outcomes.

Time in the Market:

A Smarter Approach to Investing

Money market funds have seen a big rise in people putting money in because interest rates are currently at their highest in many years. These funds are affected by changes in interest rates. Although they can be handy for short-term goals, the effects of inflation and eroded purchasing power means that they may not be the best choice for those wanting to keep the actual value of their investments over the long term.

During periods of heightened financial market volatility, and increased levels of uncertainty, it can be tempting to try and time the market by selling assets and then buying them back at a later stage. However, timing the market requires considerable skill and an information advantage which usually only professional investors possess. This is why it's often said that time in the market is more important than timing the market. The graph below illustrates the natural ebb and flow of market movements – the inevitable dips followed by resilient recoveries.



Attempting to predict the perfect moment to enter or exit the market can be a daunting task. Instead, focusing on the duration of your investments allows you to benefit from the market's overall growth over time. As the graph demonstrates, while there are downturns, the market has historically demonstrated a remarkable ability to rebound.

By staying committed to your long-term investment strategy, you position yourself to weather market fluctuations and capitalise on the upward trajectory over time. As an investor and wealth builder you should embrace the journey, understanding that markets can remain irrational for periods of time and that patience, and a measured approach is required to generate incremental returns. Time in the market often outshines the pursuit of perfectly timing every peak and trough. It's not about predicting every move; it's about participating and enduring for lasting financial success.

Our 5 steps to investment success

The importance of effective investment strategies cannot be overstated. To help and support equip you with the knowledge you need, we've pulled together our 5 essential tips. These insights are tailored to enhance investments, allowing you to make sound financial decisions that can pave the way for a secure future.

1. Start Early

Kickstarting your retirement savings journey early is essential. The longer you are active in the market, the longer your investments have to grow. Small contributions early on can translate into significant growth over the long haul. Think of it as a head start for your retirement funds, building a solid foundation for the future.

2. Invest Long-Term

Investing with a long-term perspective offers the potential for greater returns, reduced risk, and the opportunity to achieve your financial goals while minimising the stress and pitfalls associated with short-term trading. It aligns well with building wealth steadily and responsibly over time.

3. Diversify

Diversification means distributing your investments across various assets. This strategy helps minimise the impact of losses and maximises your opportunities for gains. At Reeves we make sure your investments are spread across many different asset classes, fund managers and regions to make sure your portfolio is suitably diversified in line with your risk profile.

4. Review Regularly

Regularly reviewing your investments offers the potential for better financial outcomes as it gives the opportunity to stay on track with your financial goals while minimising the risks associated with neglecting your portfolio. As a Reeves client, our Investment Services Team will do this on your behalf, recommending changes to enhance your performance.

5. Expert Investment Management

Financial markets are ever-changing landscapes. Keeping up with the reasons why stock markets move around daily can be very time consuming and this is where Reeves comes in, we have a team dedicated to analysing market trends, so you don’t need to.

During market turbulence, remember this **key takeaway: a long-term approach to investing is usually the optimal stance to adopt.** Rather than following crowd emotions when fear or greed strikes, prioritise patience over panic.

History shows that economic ups and downs are inevitable. No journey happens in a straight line. When gloomy headlines dominate, keep sight of the larger picture.

Your investments hold greater significance than mere numbers; they're crucial for your family's future and your goals.

Important information

The value of investments (and any income from this) can fall or rise and you might not get back the full amount you invest. Past performance is not a reliable indicator of future results. We always recommend you talk to a qualified financial adviser before making any investment decisions.

Pensions are a long-term commitment, you may not be able to access your pension funds until the age of 55 (currently). Any decisions made on your pension funds can have long-term impacts on your financial future. Pension and tax legislation can and does change, which could impact your financial planning.

Reeves do not advise on mortgages and no decisions on mortgages should be made without consulting a professional.

Please note: The Financial Conduct Authority does not regulate tax planning.

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