

## *Mid-March Update*

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In a world that now consumes 24 hour news, the weekend media has articles ranging from mass hospitalisation, to the belief that the virus is already widespread but not as dangerous as thought, with patients who are barely showing symptoms. What this actually tells us is that there is a lot of uncertainty out there and the truth as ever will be somewhere in the middle.

This uncertainty is what is causing markets to react badly and, a bit like a game of pass the parcel, they do not want to be holding the wrong package when the music stops. But the co-ordinated intervention of Central Banks and Governments show that they have no intention of stopping the music. However, markets are falling so sharply at times that, as we saw briefly last week, when they do turn and recover, the reset to a normal position will be so fast that if you are out of the market, you will miss it. There are a good number of studies that evidence the risk of being out of the market as an investor. In summary they show that over the last twenty years, being out of the market for the 'best' 10 days as opposed to staying fully invested, would have reduced your return over the period by two thirds. Being out of the market for the 'best' 20 days would have given basically no return over twenty years. Any longer and you would have lost money. None of us know when the best days for investment are going to be so to be out of the market is a big gamble.

On a personal level, this is the 11th 'crash' I have advised through since 1987. On every occasion markets have recovered albeit on some occasions quicker than others. It is hard to stay sanguine when you are looking at portfolio falls but many underlying fundamentals have not changed and most commentators firmly believe that we are witnessing a short term market reaction which will correct itself in due course.

Whilst past performance is no guarantee of the future, we hope to reassure investors that the best course of action for the immediate future is to sit tight.