

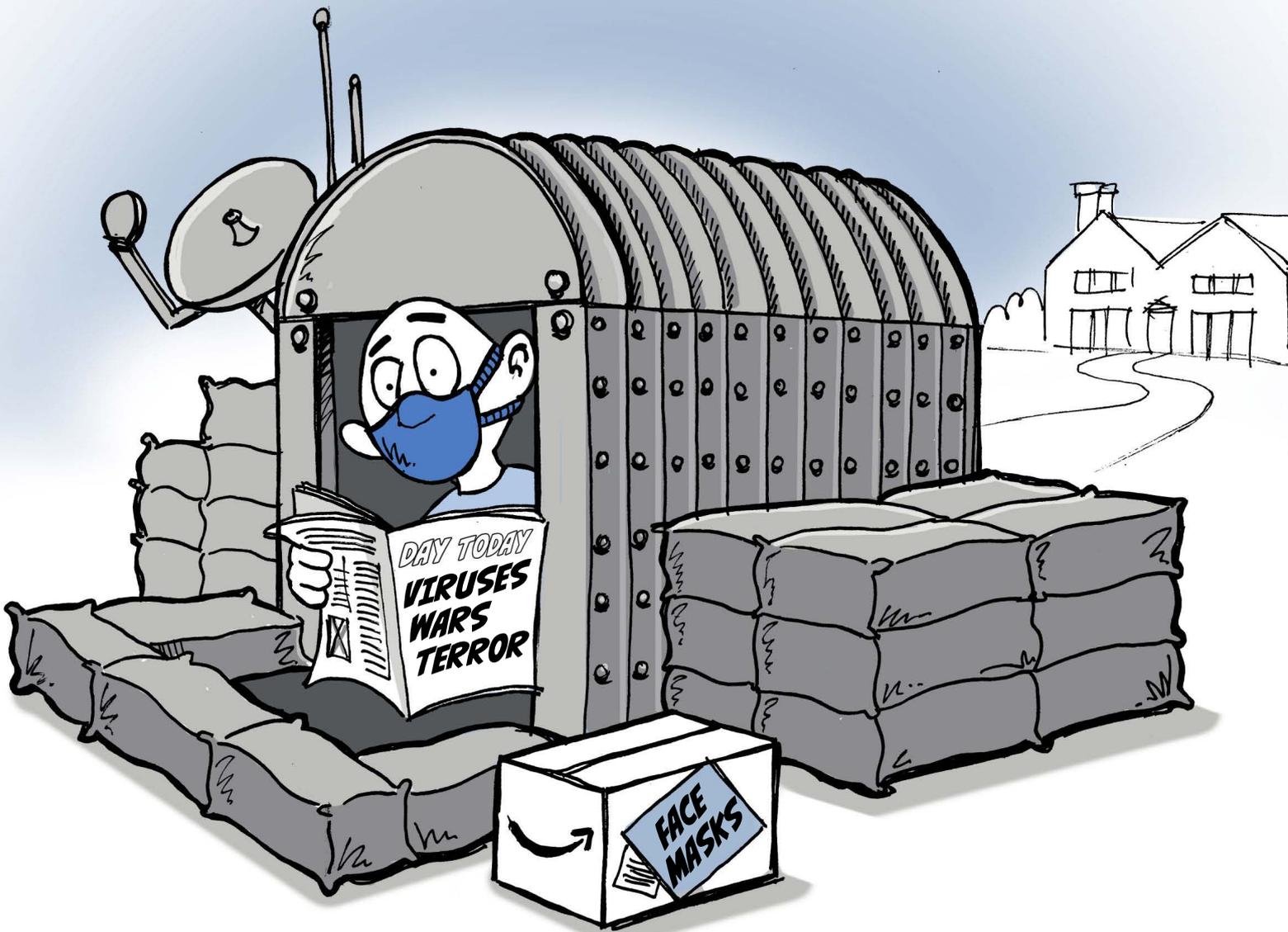
INSIGHT



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The greatest wealth is **your peace of mind...**

Coronavirus – keep things in perspective



Coronavirus – keep things in perspective

In the modern era, we have far greater access to world news at just the click of a button, or from flash news alerts on our phones. This is not always a good thing as newspapers and websites publish news stories that will attract readers. It can be all too easy to focus on these stories and get gloomy, disheartened or uncomfortable about the reported danger to life, society or wealth of these threats, the latest being the coronavirus.

However, these world and health events have happened throughout history. Over the past 20 years alone, there have been many material events that we may have felt uneasy about at the time. During such times – at least from a market perspective - it can help to look at the past to ease our concerns. The past may not, of course, repeat itself but markets have been remarkably resilient, as you can see from the chart below.

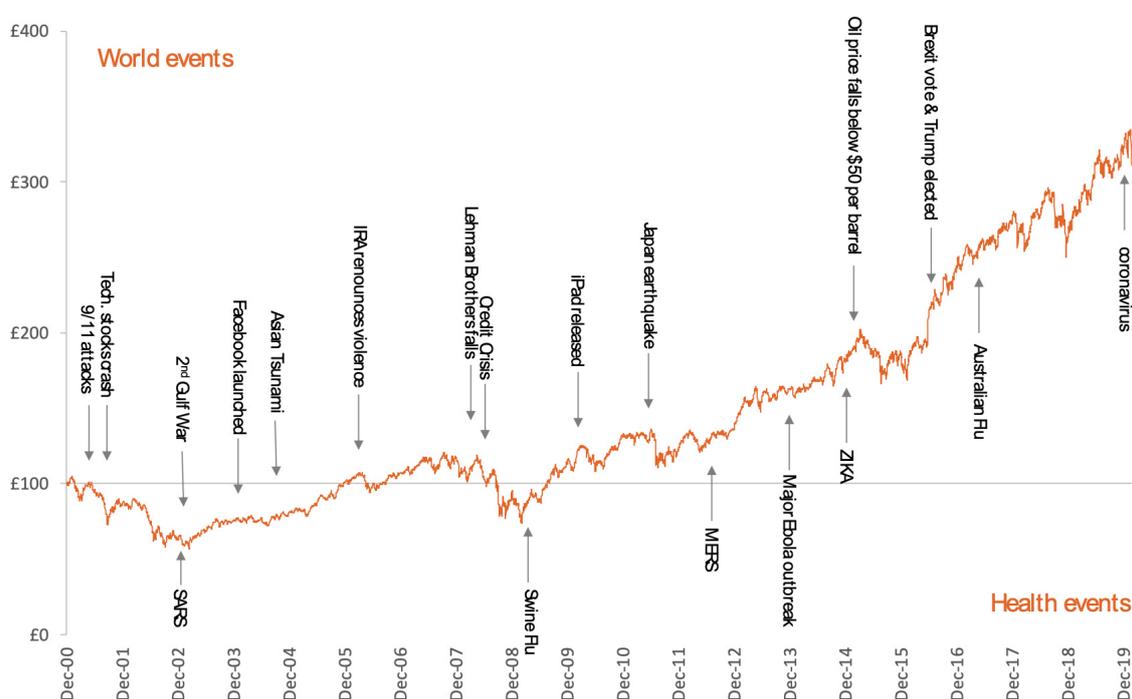


Figure 1: The relentless rise of markets over time, despite world events

Data source: Morningstar Direct © All rights reserved. MSCI ACWI NR USD in GBP (developed and emerging markets)

It is important to remember that in an efficient market current world events and investors' views are already factored into share prices. As hard as it can be, we need to remember to keep our emotions in check, believe in the robustness of our portfolios and continue on our investment journey with a long-term view. Future news may make the outlook brighter or gloomier. No-one knows.

From a personal perspective these things are worrying, but we live day to day with many higher risks such as driving to work or catching the flu, which infects 1 billion people worldwide every year.

'This too shall pass' as the legendary investor John Bogle used to say.

Other notes and risk warnings

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