Investing in uncertain times

Quilter

Suitable for retail clients.

Contents

Helping you invest in uncertain times

The current economic conditions present financial challenges. However, history shows that getting financial advice and investing with a long-term outlook is key to achieving your financial goals. Here is your three-step plan.

1. Get financial advice

Speak to a financial adviser and get some expert advice. They can help to put your mind at ease about whether you are doing the right thing. They can also help to take the emotion out of investing and provide an objective view. It may just be the best investment you ever make.

2. Have a long-term financial plan

Your money needs to be in the right place to recover in value and make a profit if markets go up, so it is important not to sell an investment as a knee-jerk reaction if its value goes down temporarily. It is vital to make a long-term investment plan, stick to it, and do not try to time the market.

3. Make sure your investments are diversified

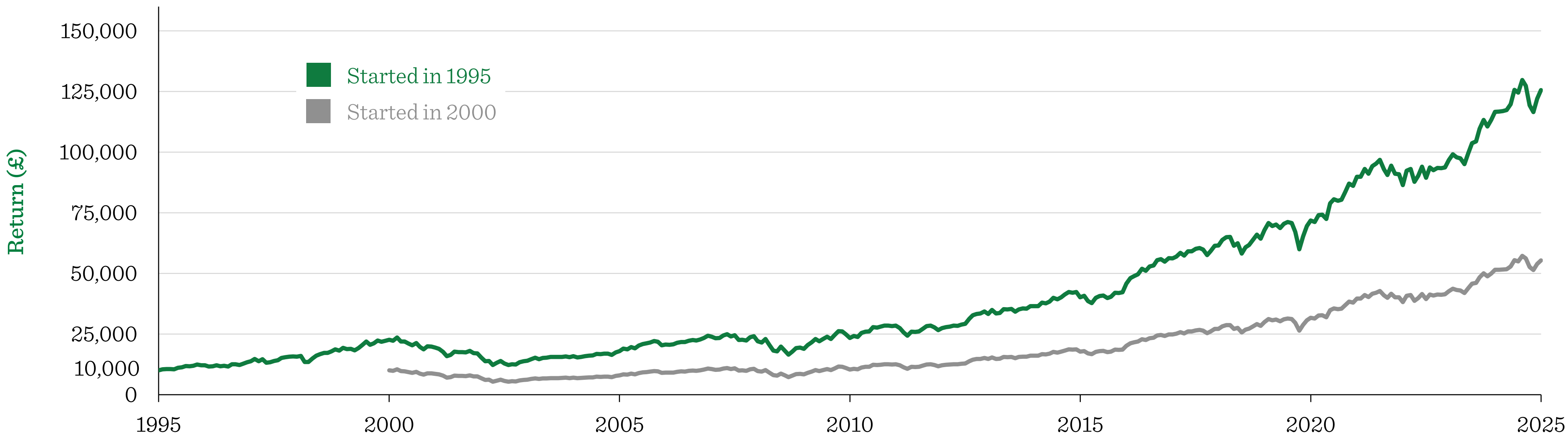
It is best to invest in a range of different places where your money has a chance to grow. You should always hold some funds in cash in case of an emergency, but other investments offer better growth potential. By spreading money across different investment types, it is possible to avoid exposing your portfolio to undue risk.

Over the following pages we have put together some helpful charts and diagrams that demonstrate the benefits and advantages of a long-term, diversified approach to investing.

Invest early

Compound interest – earning interest on your interest – can have an incredible effect on your investments.

The chart below shows the benefits of investing as early as possible. Over the past 30 years, an investor could have accumulated £70,186 more than someone who started investing five years later, even though they both invested £10,000. If the other investor wanted to accumulate the same amount they would have needed to make an initial investment of £22,665.



Key takeaways

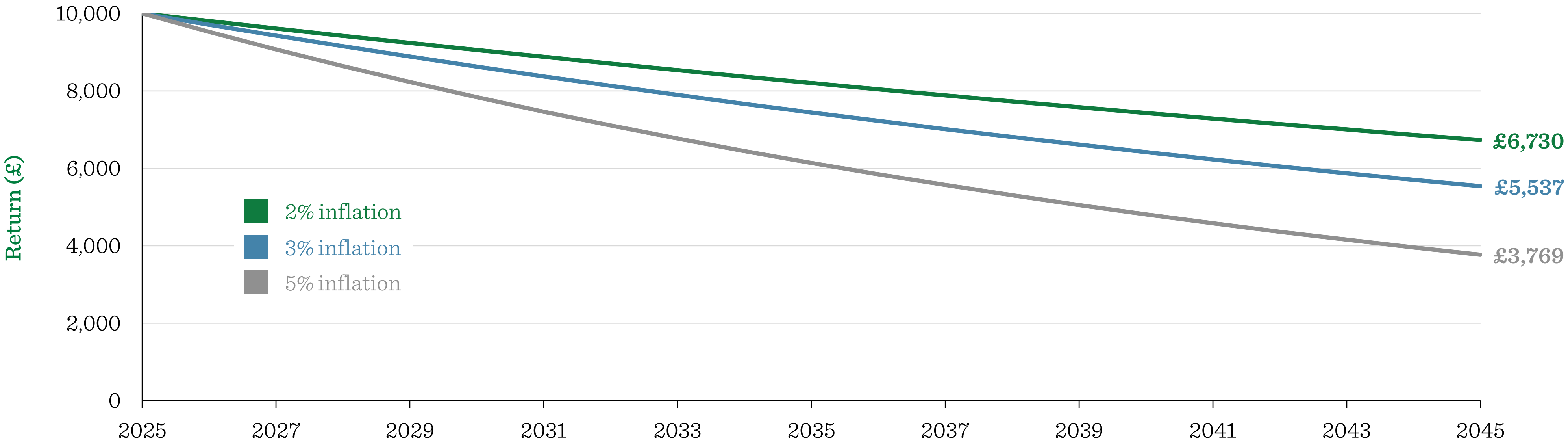
- Invest as early and as soon as you can.
- Grow your investments quicker by earning interest on your interest.
- Avoid withdrawing money to boost the effects of compound interest.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Total return, percentage growth over period 1 July 1995 to 30 June 2025. Based on an initial investment of £10,000 into the MSCI All Country World Index. This information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

Beware of inflation

It is tempting to see cash as a safe haven against market volatility, but inflation can be very damaging to your investments.

The chart below demonstrates how inflation of just three percent can reduce the value of cash by almost half over a twenty year period. Inflation can be incredibly corrosive to any savings held in cash.



Key takeaways

- Inflation can be devastating to your savings over the long term.
- Holding your investments in cash does not provide any protection against inflation.
- Cash should only be held for an emergency or for short- to medium-term income purposes.

Source: *Quilter Investors and Morningstar as at 30 June 2025. This information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment.*

Diversify your investments

By spreading your money across different types of assets, it is possible to avoid exposing your investments to undue risk.

The jumble of colours below – with each colour representing a different type of asset – shows how varied the performance of equities (company shares), bonds, and property has been over the past 10 years. There is no guarantee that the investment that is top in one year will perform well in the next.

Return (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Best	Japanese equities	US equities	Emerging markets equities	UK property	US equities	US equities	Commodities	Commodities	US equities	US equities
	UK property	Commodities	Asia Pacific equities	US equities	Europe ex UK equities	Asia Pacific equities	US equities	Cash	Europe ex UK equities	Asia Pacific equities
	Europe ex UK equities	Emerging markets equities	Europe ex UK equities	Cash	UK equities	Emerging markets equities	UK equities	UK equities	Japanese equities	Japanese equities
	US equities	Asia Pacific equities	Japanese equities	UK gilts	Japanese equities	Japanese equities	Europe ex UK equities	Japanese equities	UK equities	Emerging markets equities
	Asia Pacific equities	Japanese equities	UK equities	Global bonds	Asia Pacific equities	UK gilts	UK property	Asia Pacific equities	Global bonds	UK equities
	Global bonds	Europe ex UK equities	US equities	Commodities	Emerging markets equities	Europe ex UK equities	Japanese equities	Europe ex UK equities	Asia Pacific equities	Commodities
	Cash	UK equities	UK property	Japanese equities	UK gilts	Global bonds	Cash	UK property	Cash	Cash
	UK gilts	UK gilts	Global bonds	Asia Pacific equities	Global bonds	Cash	Asia Pacific equities	US equities	Emerging markets equities	Global bonds
	UK equities	Global bonds	UK gilts	Emerging markets equities	Commodities	UK property	Emerging markets equities	Emerging markets equities	UK gilts	Europe ex UK equities
	Emerging markets equities	Cash	Cash	Europe ex UK equities	Cash	Commodities	Global bonds	Global bonds	UK property	UK property
Worst	Commodities	UK property	Commodities	UK equities	UK property	UK equities	UK gilts	UK gilts	Commodities	UK gilts

Key takeaways

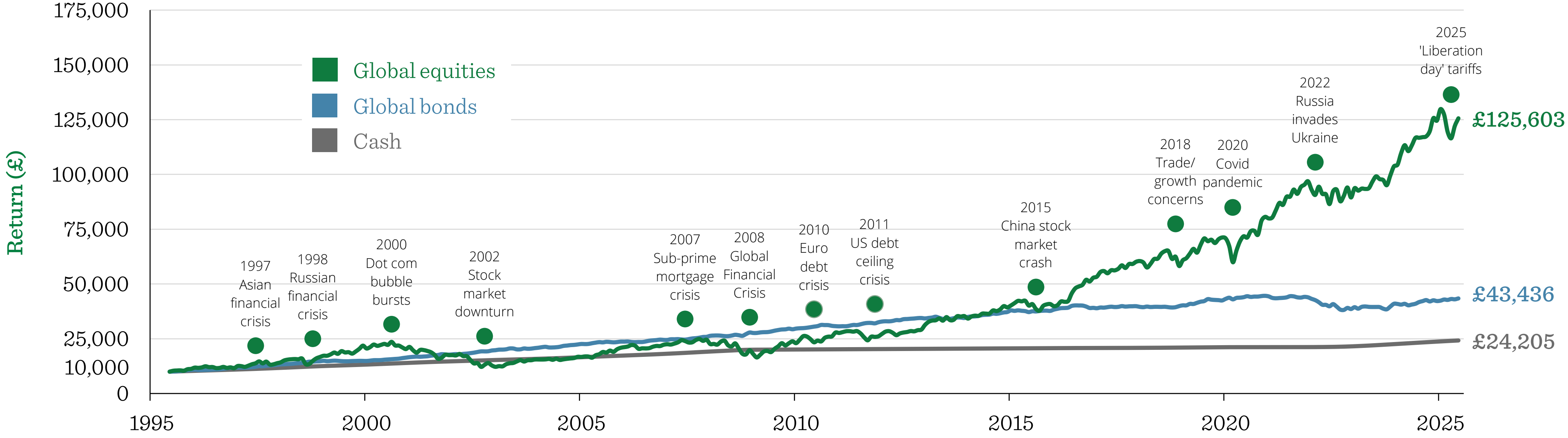
- Spread your money across a range of different investments to reduce risk.
- Do not assume that the past performance of an investment will reflect its future performance.
- Investing in a range of assets is likely to be more successful than trying to pick just one or two.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Discrete annual return, percentage growth over period 1 January 2015 to 31 December 2024. Asia Pacific equities is represented by the MSCI AC Asia Pacific Index, cash by the Bank of England Base Rate commodities, by the Bloomberg Commodity Index, emerging markets equities by the MSCI EM (Emerging Markets) Index, Europe ex UK equities by the MSCI Europe Ex UK Index, global bonds by the Bloomberg Global Aggregate Index, Japanese equities by the MSCI Japan Index, UK equities by the MSCI United Kingdom All Cap Index, UK gilts by the ICE BofA UK Gilt Index, UK property by the IA UK Direct Property sector average, and US equities by the MSCI North America Index. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

Invest for the long term (growth)

Investing with a long-term outlook is the best way for you to reduce the impact of stock market fluctuations and to grow your investments over time.

The chart below shows that over the long term, there is an upward trend of returns from equities and bonds, despite the short-term volatility caused by major events. In fact, an investment into global equities could have grown to be worth more than 12 times its original value over the past 30 years.



Key takeaways

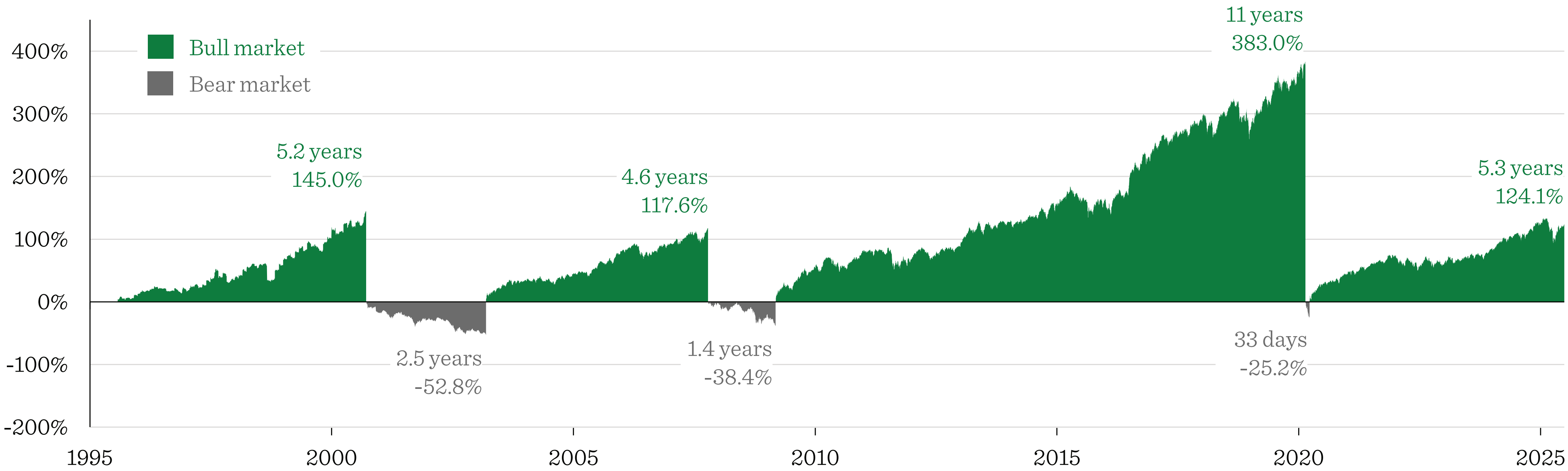
- Do not let short-term blips distract you from your long-term plan.
- People who stay invested are more likely to see their investments recover.
- Investing over the longer term (five years or more) is more likely to be successful.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Total return, percentage growth over period 1 July 1995 to 30 June 2025. Based on an initial investment of £10,000. Global equities are represented by the MSCI All Country World Index, global bonds are represented by the Bloomberg Global Aggregate Index, and cash is represented by the Bank of England Base Rate. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

Invest for the long term (bull and bear)

Bull and bear markets are a feature of investing, but bull markets have typically lasted longer and returned more.

The chart below shows that over the past 30 years global equity bull markets (when an index rises by 20% or more from a recent low) have historically gone on for longer and delivered higher returns than bear markets (when an index falls by 20% or more from a recent high).



Key takeaways

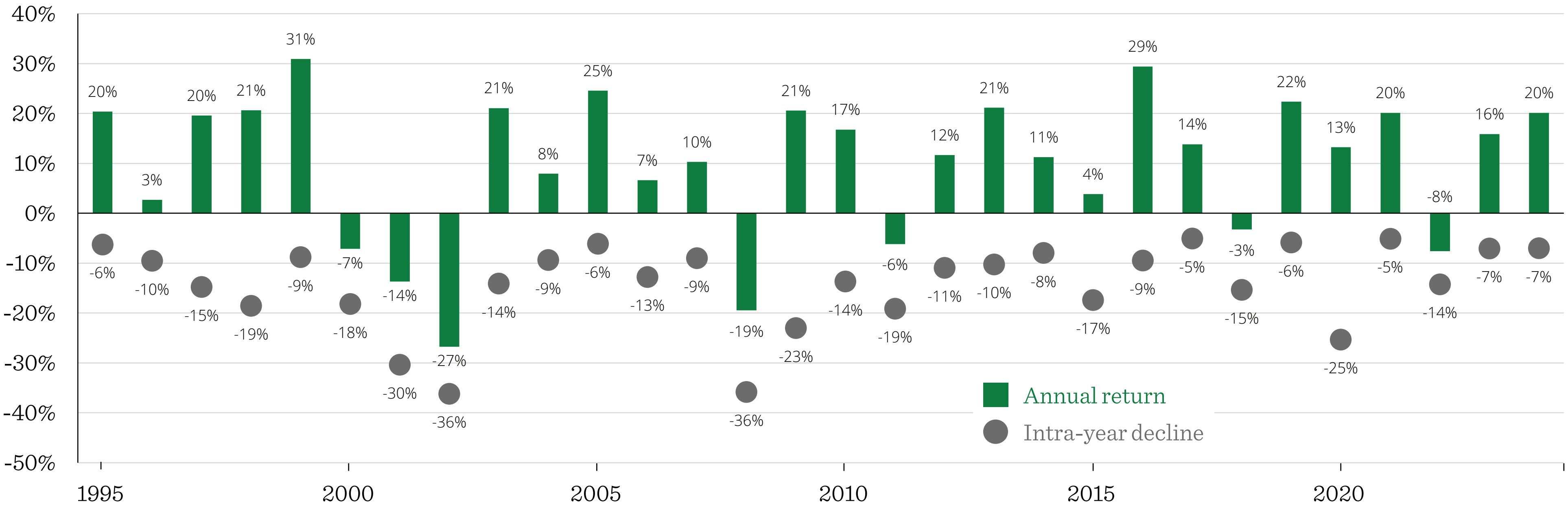
- Bull and bear markets are a normal feature of investing.
- Bull markets have historically gone on for longer and delivered higher returns.
- A long-term approach to investing is the best strategy to achieve financial growth.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Total return, percentage growth over period 1 July 1995 to 30 June 2025. Global equities are represnted by the MSCI All Country World Index. This information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

Invest for the long term (market drawdowns)

Markets often fall, and can do so sharply, but this does not mean they will return a loss for the entire year.

The chart below shows that while markets often have periods where they decline, the overall picture is far better. Over the past 30 years, an investment into global equities would have experienced a decline at some point each year, but would have ended the year down on just seven occasions.



Key takeaways

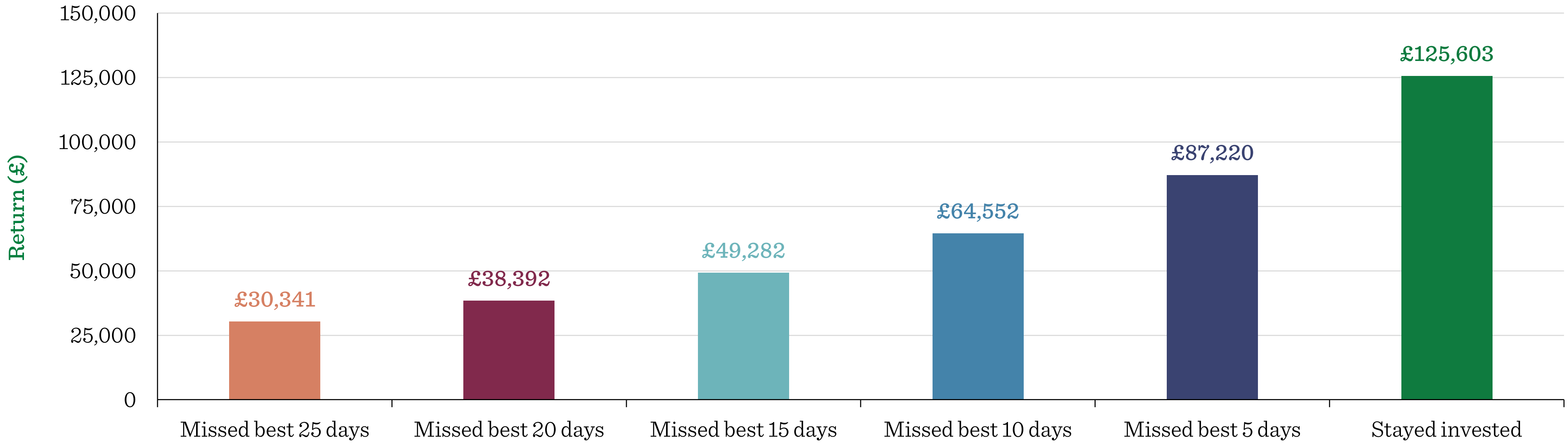
- Investment markets often see blips throughout the year.
- Overall, global equities end the year up far more than they end it down.
- Staying invested is the best strategy for achieving long-term financial growth.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Discrete annual return and maximum annual drawdown, percentage growth over period 1 January 1995 to 31 December 2024. Global equities are represented by the MSCI All Country World Index. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

Stay invested

During periods of volatility it can be tempting to exit the market, but missing just a few of the best days can have a big impact on your overall return.

The chart below shows that someone who stayed invested in global equities over the past 30 years, could have received a potential return more than four times greater than someone who missed the best 25 days.



Key takeaways

- Time in the market is usually more successful than trying to time the market.
- Keeping your money invested means you can benefit from any upsides or bounces.
- Missing just a few good days can significantly reduce how much your investment grows.

Past performance is not a guide to future performance and may not be repeated. *Source: Quilter and Morningstar as at 30 June 2025. Total return in pounds sterling over period 1 July 1995 to 30 June 2025. Based on an initial investment of £10,000 into the MSCI All Country World Index. The information provided is for illustrative purposes only and doesn't represent the past performance of any particular investment. It is not possible to invest directly into an index.*

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Published: July 2025
QI 26736/28/12361/SK14084