

# Staying calm during periods of market volatility



Helping you stay on track in uncertain times

## Market ups and downs are normal – and expected

Whether it's rising interest rates, inflation, political unrest or global events, uncertainty can cause short-term volatility in financial markets. It's completely natural to feel uneasy when you see negative headlines or a dip in your portfolio's value.

But here's an important reminder: this isn't new. Markets have experienced – and recovered from – all kinds of shocks in the past.

It's also worth remembering that investing always carries risk. Markets go up as well as down, and the value of your investments can fall as well as rise. Past performance is not a reliable guide to future returns, but history shows that markets have recovered from many different challenges over time.



In each of these cases, markets eventually rebounded – often sooner than expected.

### Financial Crisis (2007/08)

The most severe financial crisis since the Great Depression causing the failure of numerous financial institutions due to exposure of securities of packaged subprime loans.

T = c.5 years

### Russia/Ukraine and Mini-budget (2022)

Uncertainty caused by Russia's invasion of Ukraine and concern over economic stability following mini-budget.

T = c.0.67 years

### Co-VID19 (2020)

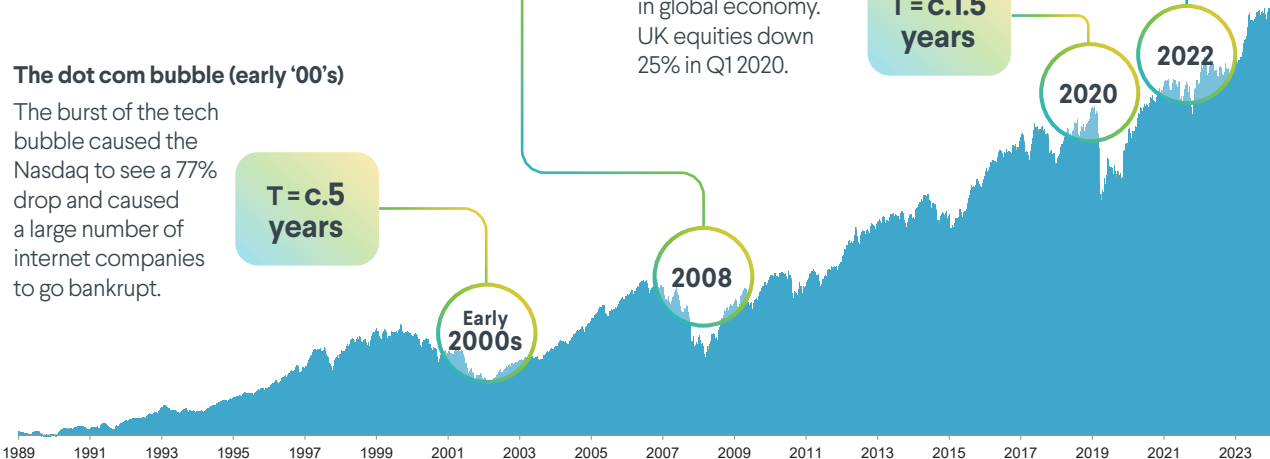
Concerns over impact of global pandemic in global economy. UK equities down 25% in Q1 2020.

T = c.1.5 years

### The dot com bubble (early '00's)

The burst of the tech bubble caused the Nasdaq to see a 77% drop and caused a large number of internet companies to go bankrupt.

T = c.5 years



Source: Morningstar.

T = Time to get back to previous high.

## Why acting on emotion can be costly

It's tempting to take action when markets fall, especially if it feels like doing nothing means losing money. But making changes out of fear can often do more harm than good.

Reacting in the moment may lock in losses that would have been temporary if left untouched. You also risk missing the market's recovery – and many of the strongest days for investment returns tend to come soon after the worst.

By selling during a dip, you're turning a short-term decline into a permanent loss. By staying invested, you give your portfolio the chance to recover and benefit from future growth.

## Focus on what you can control

We can't control the markets, headlines, or global events – but we can control our approach:

- ➔ Stick to your long-term goals
- ➔ Ensure your investments remain well diversified
- ➔ Review your financial plan – not the daily news cycle

If your portfolio is aligned to your goals, time horizon, and risk tolerance, it's likely still doing exactly what it's designed to do.

## A good plan is built for times like these

Volatility is not a flaw in your financial plan – it's an expected part of long-term investing. Markets rise and fall, but historically they've trended upwards over time.

The key question to ask isn't:

What will markets do next?

BUT

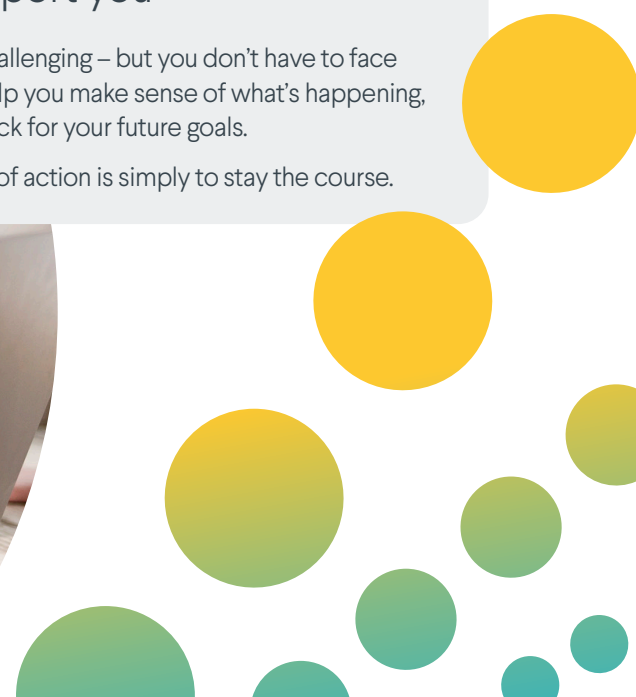
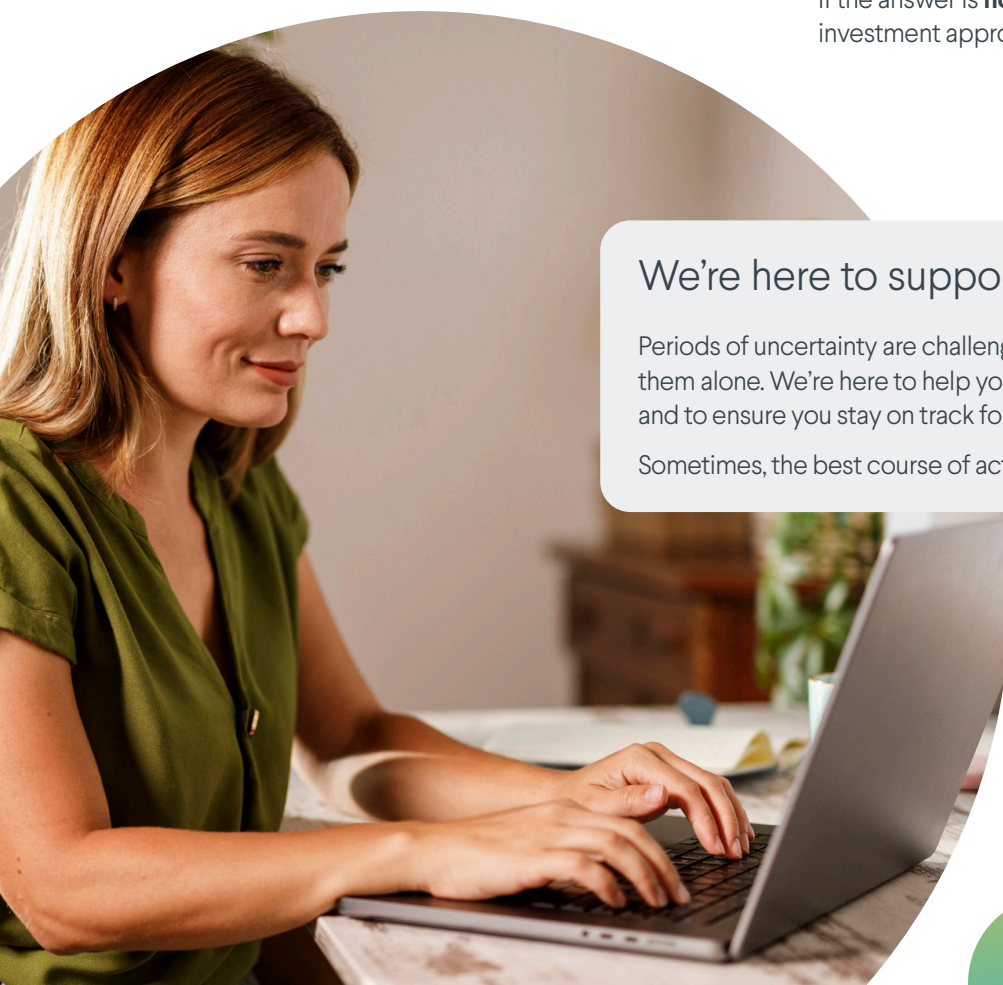
Has anything changed in my personal circumstances?

If the answer is **no**, there may be no need to change your investment approach either.

## We're here to support you

Periods of uncertainty are challenging – but you don't have to face them alone. We're here to help you make sense of what's happening, and to ensure you stay on track for your future goals.

Sometimes, the best course of action is simply to stay the course.





Capital is at risk. Investment returns are not guaranteed, and past performance is not a guide to future returns. The value of your investment may fall as well as rise, and you may not get back your initial investment. The information here is for general information purposes only and should not be regarded as financial advice. It should not be considered a substitute for regulated advice on specific circumstances and objectives.

This information is for guidance purposes only and should not be considered a substitute for regulated advice on specific circumstances and objectives. It is based on our understanding of tax legislation at July 2025. The Financial Conduct Authority does not regulate taxation advice, estate planning, inheritance tax planning or wills.