

# invest for the long term

Wise investors know that stock market investment is a marathon, not a sprint.

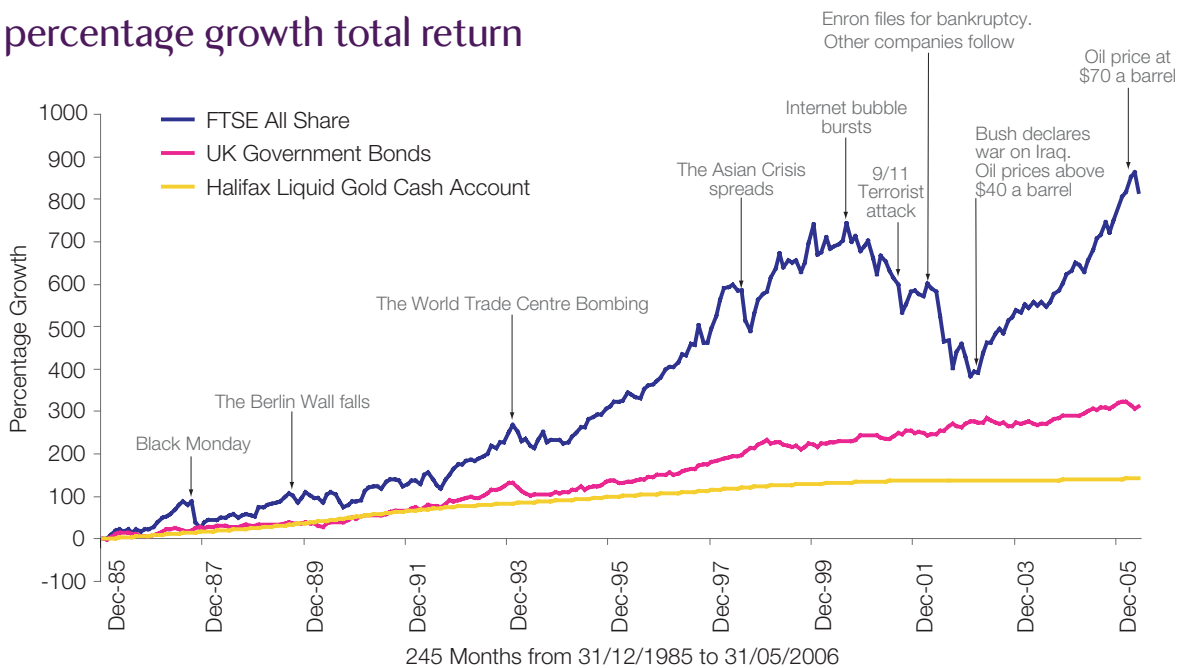
Over a long period of time, the stock market has delivered better returns than any other investment assets. Historically, investors who have been able and willing to ride out the periods of decline have always seen their investments recover.

Investing with a long-term outlook and with long-term goals is the best way to beat stock market fluctuations.

The graph below shows that, historically, investments in shares have been associated with more volatility, and therefore a greater potential for capital loss, than government bonds or deposit accounts.

Remember, investing for the long term means at least five to ten years or more and that past performance is not a guide to future performance.

## percentage growth total return



Source: Hindsight, as at 31 May 2006. Past performance is not a guide to future performance.

The Halifax Liquid Gold is used as it represents an average deposit account. This is based on a £10,000 investment.

# taking a long-term view

- The stock market has historically outperformed investments in bonds and cash.
- Over 20 years the stock market (FTSE All Share) has returned 863%, while UK government bonds have returned 307%.
- Shares are cheaper during a bear market. This presents a buying opportunity for investors with a long-term outlook.
- Consider that before the 'dot.com crash' of December 1999, the FTSE All Share had never before experienced three consecutive years of negative returns.
- Predicting when the stock market will rise and fall is extremely difficult – investing for the long term should see investors through periods of market volatility.

Past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up. You may not get back as much as you invested.

## bull and bear

**A bull market** is a prolonged period of time in which investments rise faster than their historical average.

**A bear market** is a market characterised by continued falls in share prices.

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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