Investing in Context

Time in the market, NOT timing the market

Why trying to time the market rarely works

It is tempting to think you could buy just before every market rally and sell just before every dip. If only it were that easy. The reality is that no one can consistently predict the best days to be in or out of the market.

The problem with predicting the market

The best days and worst days in the market often happen close together. If you miss just a handful of the strongest days because you were out of the market, your long-term returns can be reduced dramatically.

Wanting to move assets out of the market during uncertainty is completely natural. The challenge is that markets often recover before it feels safe to re-enter.

10 years of evidence

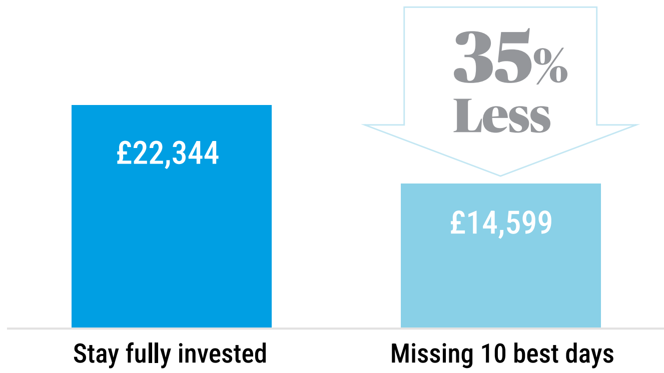
Same money invested, same period – Very different outcomes

Looking back over the last decade, the numbers speak for themselves:

- An investor who stayed fully invested the FTSE All Share from January 2016 to December 2025, saw their initial investment of £10,000 grow to **£22,344**
- Missing just the 10 best days over that period reduced the value to £**14,599**

That is £7,745 less, or a reduction of 35%!

FTSE All Share Index – January 2016 to December 2025



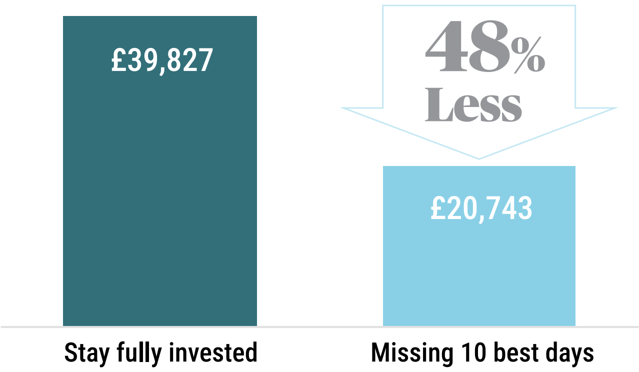
Source: Bloomberg, as at 31/12/2025

It is the same story in the US:

- An investor in the S&P 500 who stayed invested saw £10,000 grow to **£39,827**
- Missing just the 10 best days dropped the value to **£20,743**

That is £19,084 less, or a reduction of 48%!

S&P 500 Index – January 2016 to December 2025



Source: Bloomberg, as at 31/12/2025

Market	Stay fully invested	Miss 10 best days	Difference (£)	Reduced by (%)
UK – FTSE All Share	£22,344	£14,599	£7,745	35%
US – S&P 500	£39,827	£20,743	£19,084	48%

Why does 'time in the market' matter to you as an investor?

- **You cannot predict the best days (or the worst)** – They often happen during turbulent periods when many investors are selling
- **Missing out can be costly** – Just missing a few days of significant % growth, can make a big difference to long-term results
- **Patience pays off** – Staying invested through the ups and downs has historically been one of the most reliable ways to build wealth

Key points

- Accept that the best and worst days in the market often happen close together and are impossible to predict
- Stay invested to avoid missing the sharp rebounds that can drive long-term returns
- Focus on long-term participation in the market as your best route to building wealth

This is why having a long-term plan and sticking to it during uncertainty is central to successful investing.

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