



**STRAIGHTENING OUT WEALTH MANAGEMENT™**

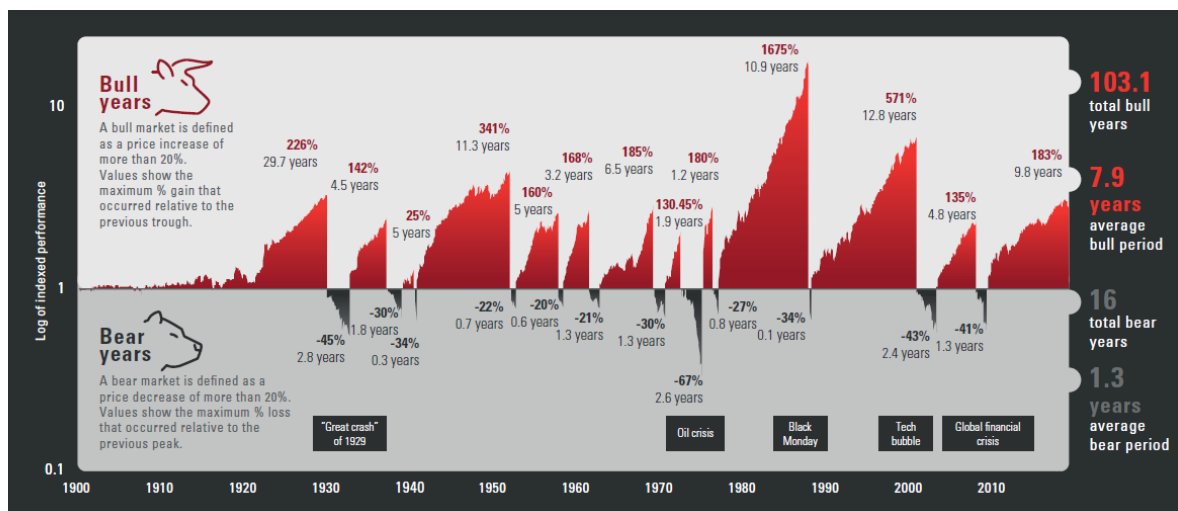
**Markets go up the escalator and down the elevator**

As if a global health pandemic wasn't scary enough, we also have to process a ferocious decline in global stock markets, many of which are now classed as 'bear markets' having fallen over -20% from their historic highs just four weeks ago.

We harp on about this a lot...investing is a long-term game and the truth is without the pain there would be no gain. So, in order to enjoy the returns offered by bull markets, we must endure the bear markets, and survival takes strong nerves and big picture thinking. Remember your long-term goals, your financial plan and ultimately the reasons why you're investing - which have not changed given recent events. Try to remain calm, don't look at your portfolio daily and do not make emotionally driven decisions with your investments - a fall only becomes a loss if you sell.

We've been in this situation before, many times, albeit for different reasons. Some bear markets are worse than others, but there is a common theme...the bear markets are shorter than the bull markets and if you stay calm and invested, you will be ok.

The chart below shows the bull and bear markets over the last 100 years. The average bear market lasted 1.3 years vs. 7.9 years for the average bull market. The global financial crisis starting in 2007 saw markets fall by -41%, but this was recovered within 1.3 years, and those who remained invested saw returns of 183% across the next 9.8 years.



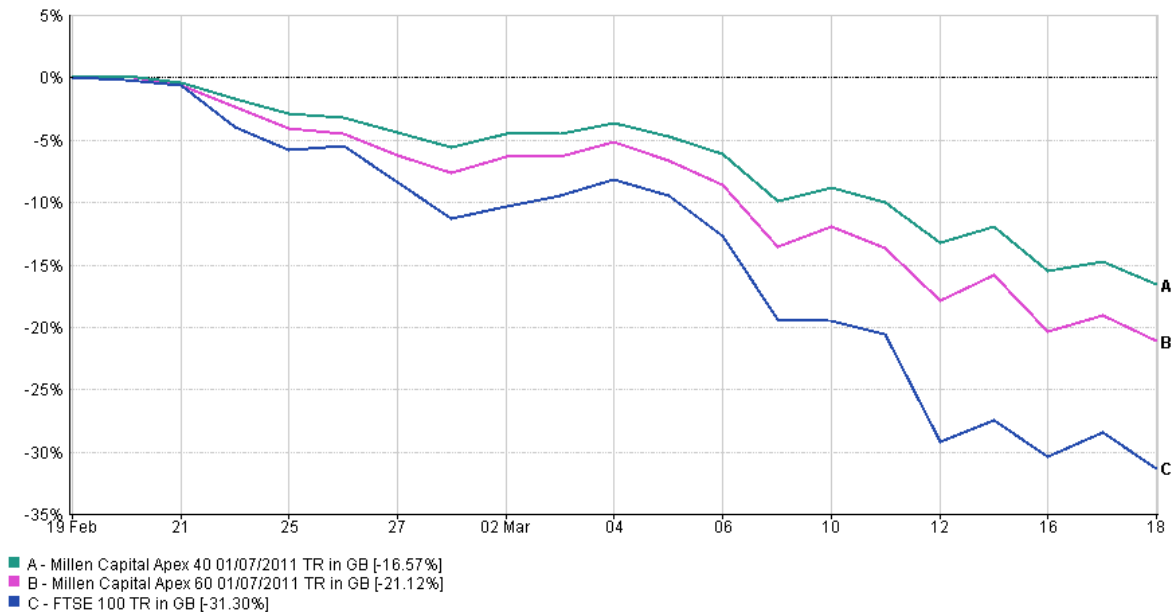
Source: Vanguard

Unfortunately, we have no idea when stock markets will hit their bottom – beware of anyone who says they do. What we do know from history is that those who invested at any point during bear markets were rewarded, and the lower the markets fall now the higher the expected returns will be. If you have the investment horizon and the stomach to deal with more potential losses in the short-term – could this be a good time to be investing?

***"Be fearful when others are greedy and be greedy only when others are fearful."***

Warren Buffett

The majority of our clients are invested in Apex 40 or Apex 60. The chart below shows how both Apex Portfolios™ have performed vs. the FTSE 100 index since the market peak on 19/02. As you can see the losses are less severe than the UK stock market, which is the result of owning high quality defensive assets, that are less volatile than equities and act as shock absorbers during stock market distress.



19/02/2020 - 18/03/2020 Data from FEfundinfo2020

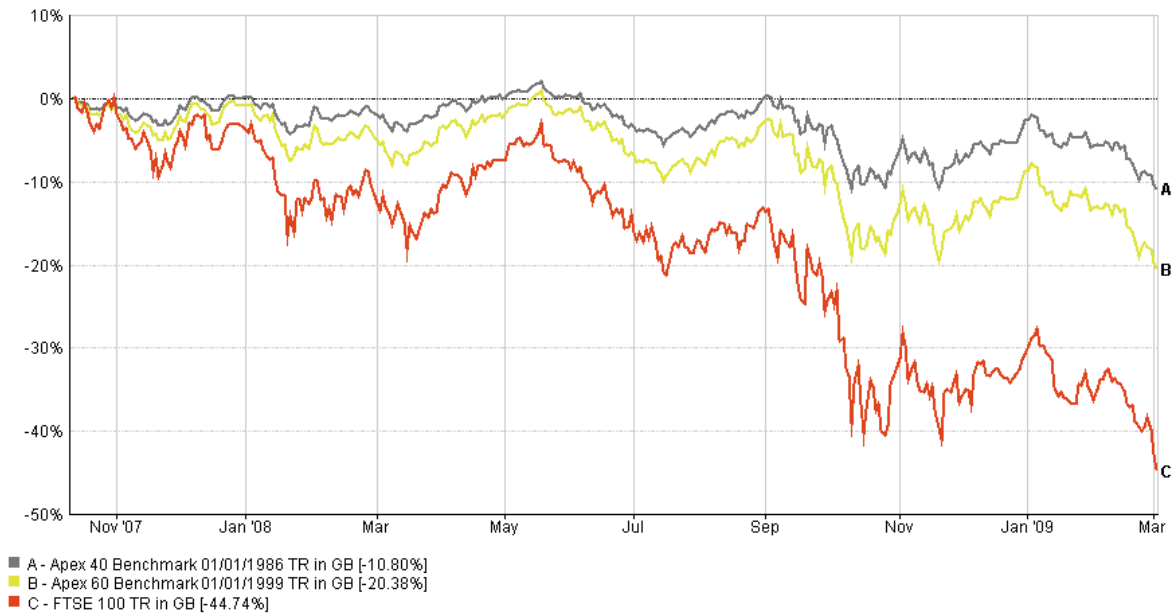
The charts below show Apex 40 and 60 Benchmark portfolios (made up of global developed equities and global government bonds) vs. the FTSE 100 index during the last financial crisis starting in 2007.

**Chart 1: returns if you stayed invested during the crisis**

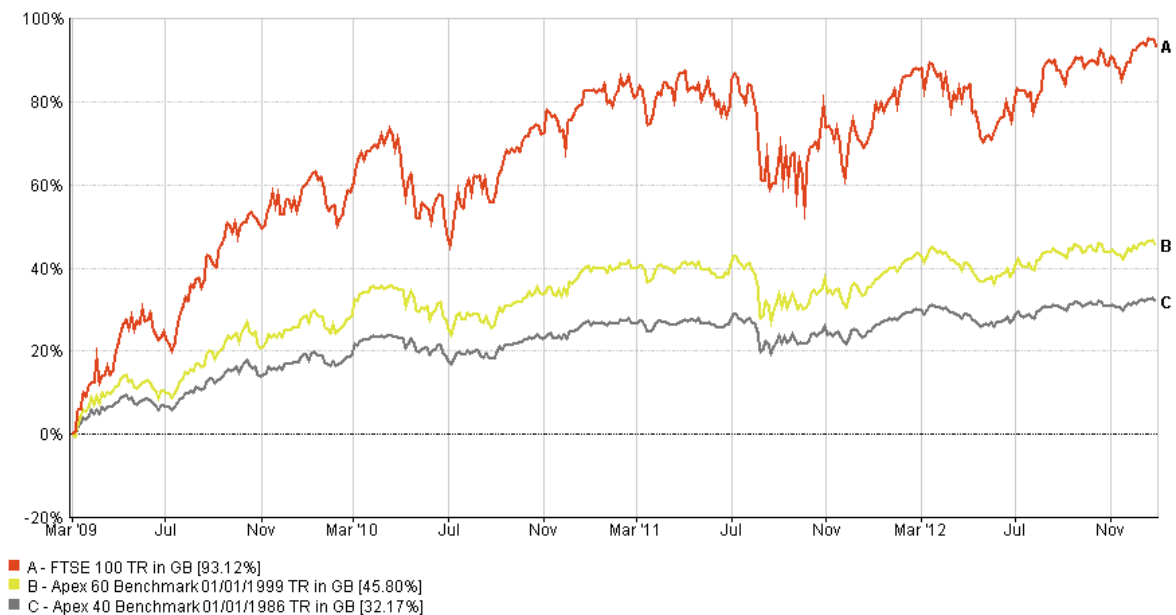


11/10/2007 - 31/12/2012 Data from FEfundinfo2020

**Chart 2: returns if you panic sold at the bottom of the market during the crisis**



**Chart 3: returns if you invested at the bottom of the market during the crisis**



Investing at the bottom of the market is impossible and anyone who manages to do it is lucky not skillful. The charts above are simply to illustrate the impact of staying calm and invested vs. emotionally driven panic selling vs. having the nerve and investment horizon to invest more funds when others are fearful.

We don't know if the worst is behind us or still to come, but we do know it will pass and we will get through it, we always do. We are here to help you and are happy to answer any questions you may have.

## Other notes and risk warnings

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Errors and omissions excepted.

## About us

Millen Capital Partners LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA) (FRN: 518934), is registered in England and Wales under Company No. (OC351596).

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