

# Seven Principles for successful long-term investing

Tried and tested techniques to  
achieve your financial goals



The key to successful investing isn't predicting the future, it's learning from the past and understanding the present.

We present seven time-tested strategies to help you navigate today's challenging markets and achieve tomorrow's goals.

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## Plan on living a long time

With people living longer lives, your money may need to take you further than you think.

For a couple aged 65...



80  
years

90  
years

92% chance that at least one of the couple will live to 80.<sup>1</sup>

50% chance that at least one of the couple will live to 90.<sup>1</sup>

Starting to invest early helps to prevent your savings running out while you still need them.

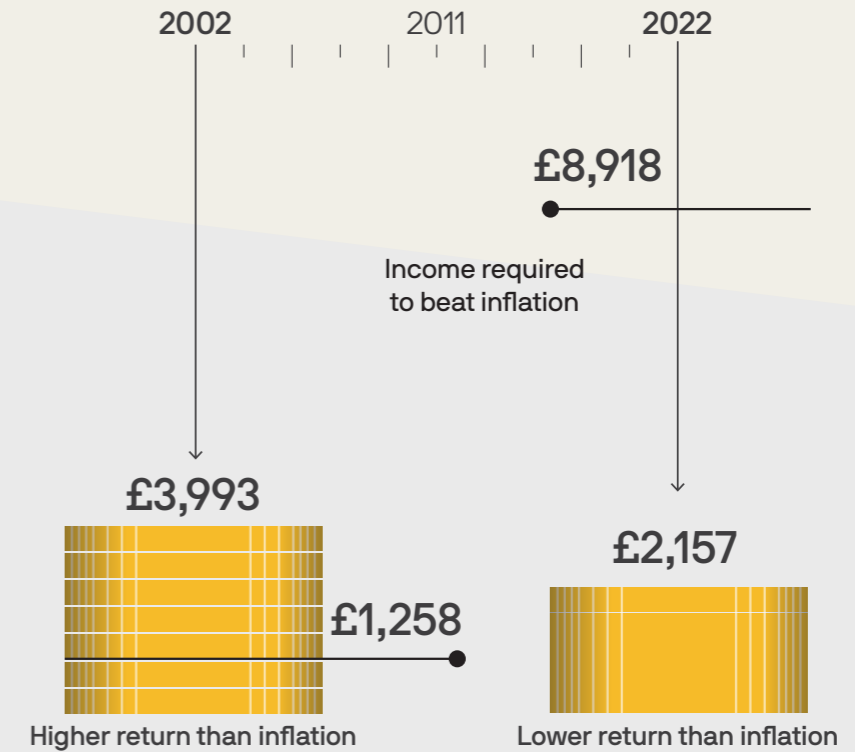
# 2

## Cash is rarely king

Even with increased interest rates, inflation continues to erode returns on cash.



Interest earned from £100k of savings in a UK bank deposit account over a 12-month period.<sup>2</sup>



Investing can help the value of your savings outpace inflation.

Forecasts are not a reliable indicator of future performance.

# 3 Start early and reinvest income

Starting early gives your investments more time to grow...

...and if you reinvest the income you earn, you may be able to reach greater heights.

£5,000 invested annually, starting at 25, with 5% growth per year and income reinvested.<sup>3</sup>



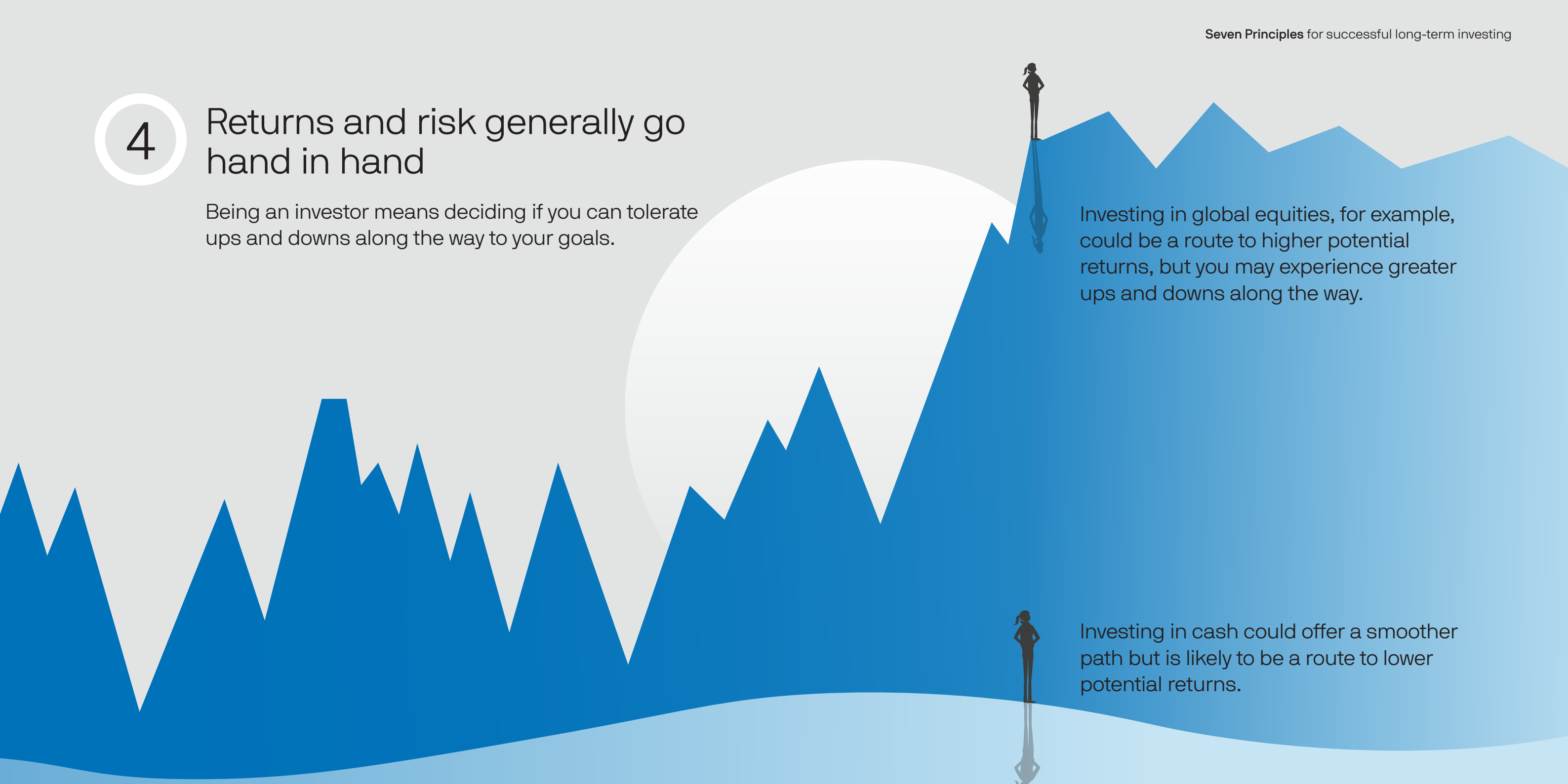
£5,000 invested annually, starting at 35, with 5% growth per year but without income reinvested.<sup>3</sup>



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## Returns and risk generally go hand in hand

Being an investor means deciding if you can tolerate ups and downs along the way to your goals.



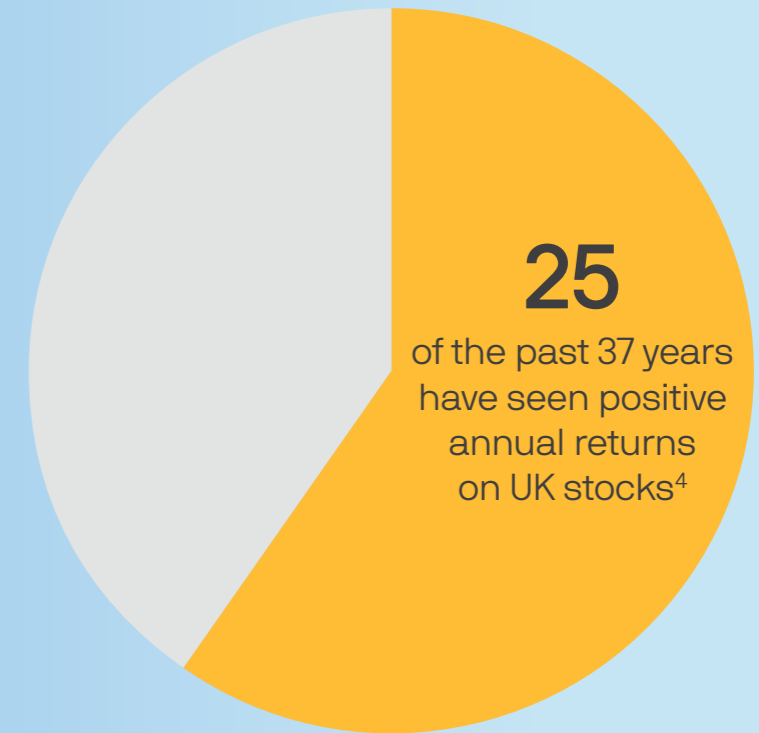
Investing in global equities, for example, could be a route to higher potential returns, but you may experience greater ups and downs along the way.

Investing in cash could offer a smoother path but is likely to be a route to lower potential returns.

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## Volatility is normal

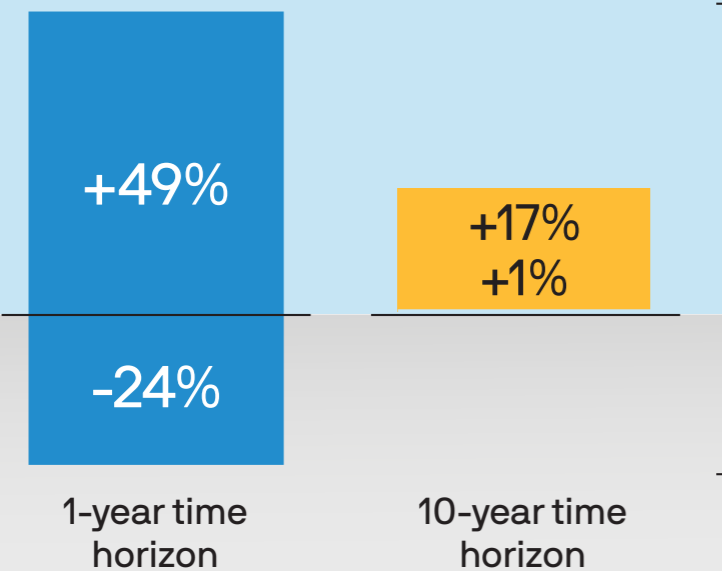
When market conditions are changeable, it can be tempting to alter your route. But if you've made a good plan for your journey, it's often best to stay the course.



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## Timing the market is difficult

It's notoriously tricky to buy at the bottom of the market and sell at the top.



Range of historical returns on a 50:50 stock / bond portfolio<sup>5</sup>



Getting the timing right is notoriously difficult - and staying invested has often proved to be a better way of achieving a brighter future.

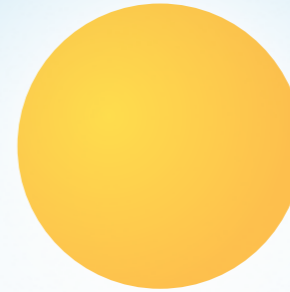
Past performance is not a reliable indicator of future results.



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## Diversification works

Volatile conditions can hit individual asset classes hard, risking a poor harvest if you only grow one crop.



Throughout history, a diversified portfolio of stocks, bonds and other asset classes has helped to limit sharp swings in returns.



Diversification does not guarantee positive returns and does not eliminate the risk of loss.



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