

As I sit and write this blog the world is looking like a very different place. I'm sitting on my balcony on a Saturday afternoon and stillness and calm fill the air. The sense of purpose and noise has been replaced by a different pace/beat of life.

This got me thinking - whilst I feel very calm and at peace right now, this may not be the case for many of you. Now I am going to keep the content of this blog around financial worry, as to touch on the health considerations just now would be an altogether different article. I hope nevertheless by the end of this blog that I may have helped to reduce some of the worry you may be feeling right now.

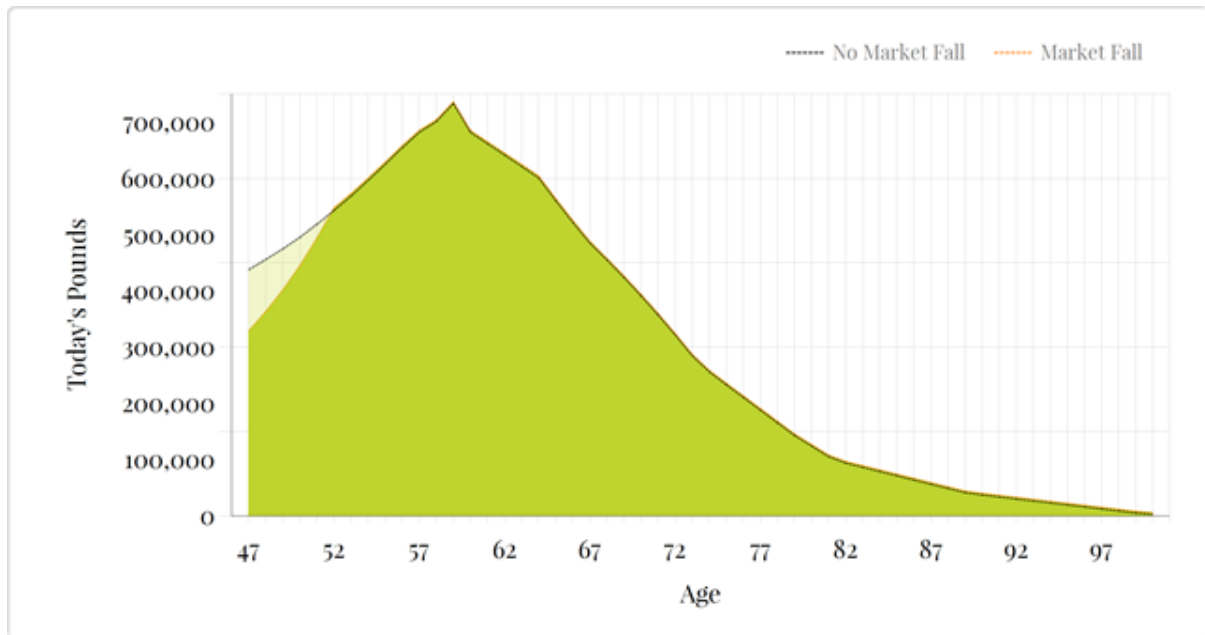
OK let me start by telling you about a book I read last year, called *The Worry Trick* by David Carbonell. I purchased the book last year as I often thought that I worried needlessly about some of the small things in life: had I accidentally hurt someone with a comment I made or by my actions? So, with the thought of worrying less, I embarked on the book and I quickly realised after a few chapters that I perhaps don't worry as much as others. I have an ability to get things into perspective within a day or two, whilst it appears that for many their symptoms are much worse and in some cases can actually have a debilitating impact on their lives.

So with the stock markets in disarray, and every time you turn on the news or read an article you are faced with headlines announcing that the stock market has fallen by x% today, it would be understandable for people to worry. You have worked hard to accumulate your wealth, and you are reliant on it to provide income in retirement, so what does this all mean for your future?

The first thing the book taught me was to assess, is it real, or is the problem simply in your head? OK on this occasion the problem is real, so you would be right to worry, yes?

Well here I hope is the context part. I myself have lost a considerable amount of money over the past few weeks - am I worried? Not particularly and this is simply because I can't touch my pension funds for at least eight years, and I hope not to do so for at least 13 years. Whilst I've lost money on paper, it won't affect my lifestyle at present.

Let's look at an example of a client with a pension funds of £450,000 and the impact of a 25% stock market crash occurring today with a five year recovery period:



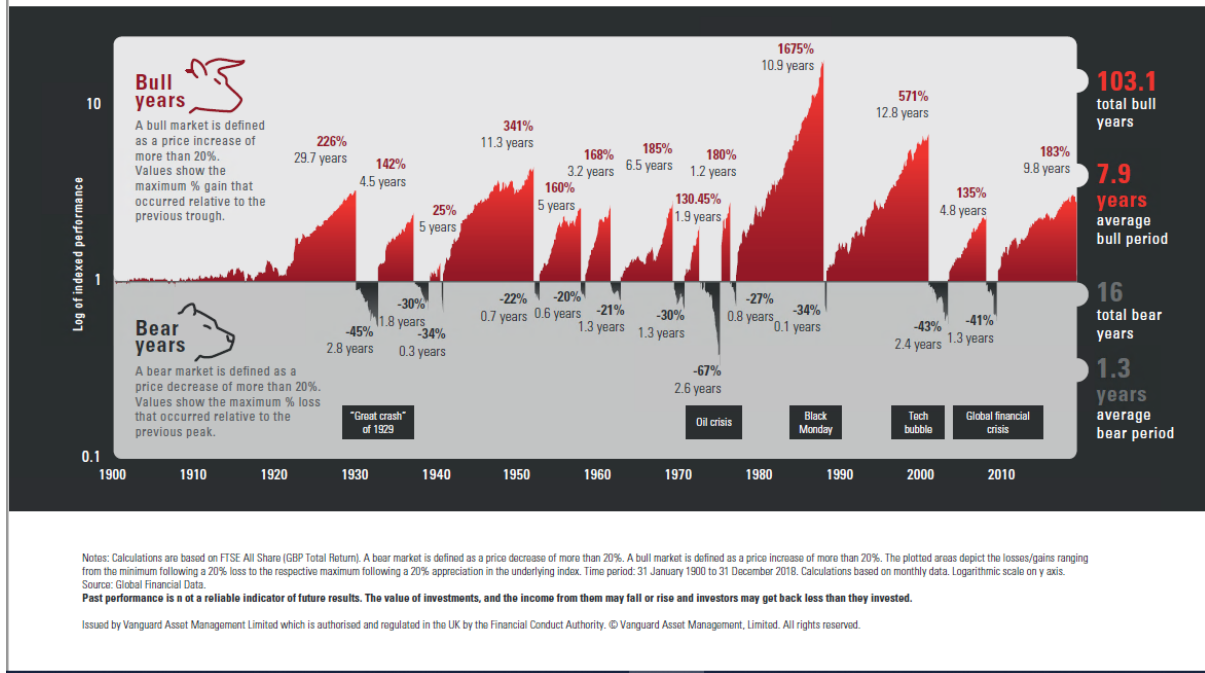
***For illustrative purposes only*

Sometimes a picture can paint a thousand words - annoying most certainly, catastrophic perhaps not quite?

Now as at Friday's date (27/3/2020) our inhouse medium risk portfolio had fallen by around 17% so we are not yet at the levels stated above.

Inevitably the stock market will always move in cycles and the chart below demonstrates this beautifully -with over 120 years of data, who am I to argue with the findings?

Bull and Bear Markets



As you can see from the above graph, we have experienced similar stock market crashes many times before, but for me the interesting part is how long the markets stay in negative territory and quite often the speed of the recovery.

Yes, you may have experienced losses, but how will they impact you, both now and in the longer term? If this has helped, perhaps speak to your Financial Adviser who should be able to chart your own circumstances in a simple graph format to consider the impact the current stock market falls may have on your own affairs.

Now I hope this may have helped put the financial worry in perspective for some of you. I shall go back to putting my feet up with a good book whilst I enjoy the peace and tranquillity that a pandemic shutdown brings. And, if the shutdown lasts longer than anticipated, I need to find some inspiration for some additional blogs. But for now, I simply wish to say take care, stay safe and I am always available should anyone want to chat about their own circumstances.