

invest for the long term

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

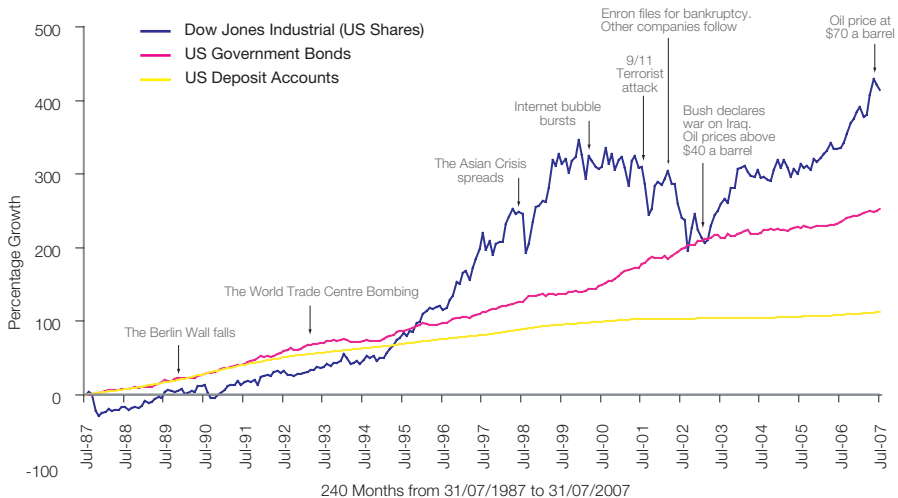
Over a long period of time, the US stock market (Dow Jones Industrial) has delivered better returns than any other investment assets. Historically, investors who have been able and willing to ride out the periods of decline have always seen their investments recover.

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

Taking the example of conditions in the United States, the graph below shows that short term volatility is a characteristic of investing in the stock market; but over the long term the trend is a rising one. Although bonds and cash are more stable, historically they have produced lower returns.

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 for Dow Jones: Morningstar Micropal as at 31/07/2007. Source for US Government Bonds: Morningstar Micropal as at 31/07/2007. Based upon Lehman 1-5 year holdings. Source for US Deposit Account: Lipper Hindsight (31/07/1987 - 31/05/2006) and simulated performance between 31/05/2006 - 31/07/2007 using an assumption of 3.42% growth per annum.

taking a long-term view

- The US stock market has outperformed investments in bonds and cash to the end July 2007.
- Over 20 years the US stock market (Dow Jones Industrial) has returned 413%, while US government bonds have returned 252%.
- Shares are cheaper during a bear market. This presents a buying opportunity for investors with a long-term outlook.
- 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.

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