

FINANCE

with Stefan Wissenbach, chairman of
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Time is key to success

There may be trouble ahead for the finance markets but stay calm and ride the storm

The recent turmoil in the world's financial markets has sent the media into a state of high excitement and has unsettled large numbers of investors. History shows us, however, that there is little point in getting distressed or into a state of panic.

It's a bit like going on a cruise and suddenly finding the ship is hit by rough seas. You don't panic and jump overboard. Instead, you batten down the hatches and ride out the storm until some calm is restored.

The approach to investment should be treated in the same way. When planning an investment strategy, there are really only two prices that matter – the price that you buy at and the price that you sell at. What happens in between really doesn't matter. It is the time in the market that counts, not timing the market.

Running an investment portfolio on the basis of getting your timing right rarely works. The key tactic is to make sure you get the money into funds that will be managed for your benefit over the longer term. And then forget about them.

Whatever you do, you should not take rushed decisions. Because we all know that share prices can move about at times, if you can persuade yourself not to look daily at the value of your investments, then don't. Review them annually



instead. Regard your investments as long-term commitments, and don't be disconcerted by any short-term fluctuations.

Even the very best investment manager does not have a crystal ball. Fund managers have no way of knowing exactly when stock markets will turn up or down. What good investment managers do have, though, is the ability to distinguish between

companies that are better managed than others and that are in sectors that can be expected to do better according to trends.

We all know from experience that stock markets can be volatile in the short term. Investing regularly, however, means that you can benefit from their various ups and downs. And although a drop in the markets could mean more conservative growth, it should also be seen as a great opportunity to invest. A slump is an ideal opportunity to get in cheaply as well as review your investment strategy and take a cool look.

In any economic environment, spreading your assets while focussing on long-term returns is generally a recipe for stock market success. It's not a case of ploughing large sums of money in one go, but investing wisely and consistently. If you follow these simple rules – and seek specialist advice from a wealth expert – you could build up a substantial portfolio of investments. ■

Stefan Wissenbach is Chairman of the Meriden-based Wissenbach Group, a wealth management and investment specialist consultancy which offers innovative financial strategies and advice to high net worth clients. For further information, tel: 01676 522333 or visit www.wissenbach.co.uk

