

Investing at all-time highs



Scared of investing when the stock market is at an all-time high? You shouldn't be!

Global equities have had a good run so far in 2025 despite some tariff-related wobbles earlier in the year, geopolitical tensions and concerns over the high cost of equities. In fact, many equity markets are trading at, or near, all-time highs.¹

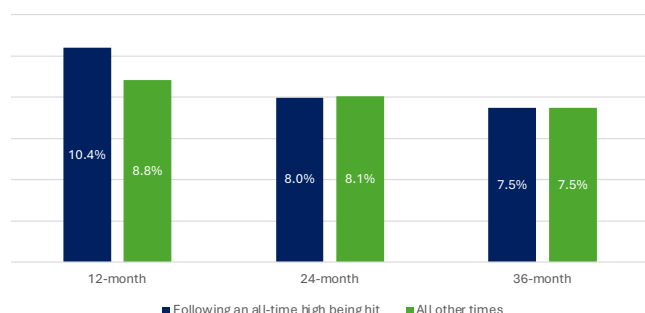
The thought of investing in a stock market at an all-time high can be daunting, but should it be? Fortunately, the team at Schroders – one of Omnis' key investment partners – has pored through 100 years of US market data and concluded that investing at an all-time high isn't always a bad thing.

The market reaches an all-time high more often than you might think. Of the 1,187 months since January 1926, the market was at an all-time high in 363 (31%) of them.²

Schroders' calculations show that, on average, 12-month returns following an all-time high were better than returns when the market wasn't at an all-time high (see Figure 1 below). Returns on a two or three-year horizon were similar, regardless of whether the market was at an all-time high or not.

Figure 1: Returns were higher following an all-time high compared to all other times

Average inflation-adjusted returns for US large cap equities, p.a.



Data January 1926-December 2024. Stocks represented by Ibbotson® SBBI® US Large-Cap Stocks, Cash by Ibbotson® US (30-day) Treasury Bills. Source: Morningstar Direct, accessed via CFA Institute and Schroders.

Past performance is not a guide to future performance and may not be repeated.

¹ Source: Bloomberg. Example equity indices at or near all-time highs as at 27 August 2025 include S&P 500, FTSE 100, Nikkei 225, MSCI ACWI

² Source: Schroders

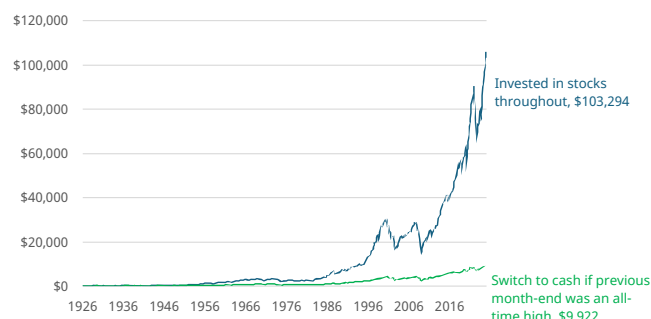
Impact of compounding returns

A \$100 investment in the US stock market in January 1926 would've been worth \$103,294 at the end of 2024. That suggests growth of 7.3%, even accounting for inflation.³

Conversely, the same investment coupled with a strategy that sold stocks each time the market reached an all-time high and shifted the proceeds into cash for the next month before reinvesting once stocks dipped below a record high would only be worth \$9,922 (Figure 2). That's 90% lower.⁴

Figure 2: Selling stocks when the market reached an all-time high would have destroyed 90% of your wealth in the very long term.

Growth of \$100, inflation-adjusted terms.



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Source: Schroders. Data January 1926-December 2024. Y-axis is a logarithmic scale. Switching strategy moves into cash for the next month whenever the previous month-end was an all-time high and is invested in stocks whenever it wasn't. Results exclude transaction costs. Stocks represented by Ibbotson® SBBI® US Large-Cap Stocks, Cash by Ibbotson® US (30-day) Treasury Bills. Source: Morningstar Direct, accessed via CFA Institute and Schroders.

^{3,4} Source: Schroders

This analysis covers almost a century which is far longer than most people plan for. Even over shorter horizons, investors would have missed out on significant wealth growth if they'd attempted to sell at the top of the market.

Figure 3: Selling stocks when the market reached an all-time high would have destroyed 90% of your wealth in the very long term.

Growth of \$100, inflation-adjusted terms.

Growth of \$100 invested X years ago	Invested in stocks throughout	Switch to cash if previous month-end was an all-time high	Wealth lost by switching
10 years	\$255	\$185	-27%
20 years	\$433	\$268	-38%
30 years	\$1,064	\$449	-58%
50 years	\$5,627	\$2,035	-64%
Since 1926	\$103,294	\$9,922	-90%

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Source: Schroders. Data January 1926–December 2024. Y-axis is a logarithmic scale. Switching strategy moves into cash for the next month whenever the previous month-end was an all-time high and is invested in stocks whenever it wasn't. Results exclude transaction costs. Stocks represented by Ibbotson® SBB1® US Large-Cap Stocks, Cash by Ibbotson® US (30-day) Treasury Bills. Source: Morningstar Direct, accessed via CFA Institute and Schroders.

Don't fret over all-time highs

The idea of investing during all-time highs can be daunting, but this data shows that average multi-year performance following a record high has been historically attractive. Timing the market is risky, as shown by the long-term impact of compounding returns. The current outlook for markets might have you feeling uneasy, but we want to reassure you that all-time highs might not be something you need to worry about.

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