

The challenges of trying to time the market



When financial markets are rising or falling, it's difficult to know when to buy and sell. We look at three investment strategies to see which delivers the best returns.

As performance trends come and go, investors may wonder whether they should invest in asset classes that have done well or those that have struggled. Should you invest when prices dip in the hope they go back up? Conversely, when they rise should you buy in the hope this trend continues?

We test three different investment approaches over the past decade to see which has delivered the best returns.



Buy the rise

100% of the portfolio was invested in the best-performing asset class from the previous year.



Buy the dip

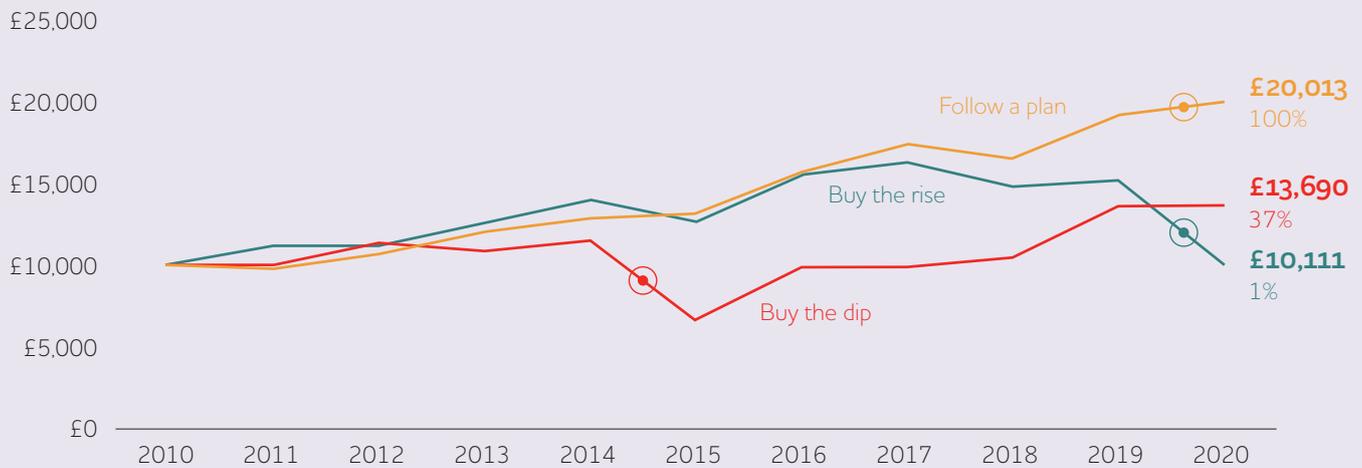
100% of the portfolio was invested in the worst-performing asset class from the previous year.



Follow a plan

A well-diversified balanced portfolio.*

How an investment of £10,000 would have performed between 2010 to 2020



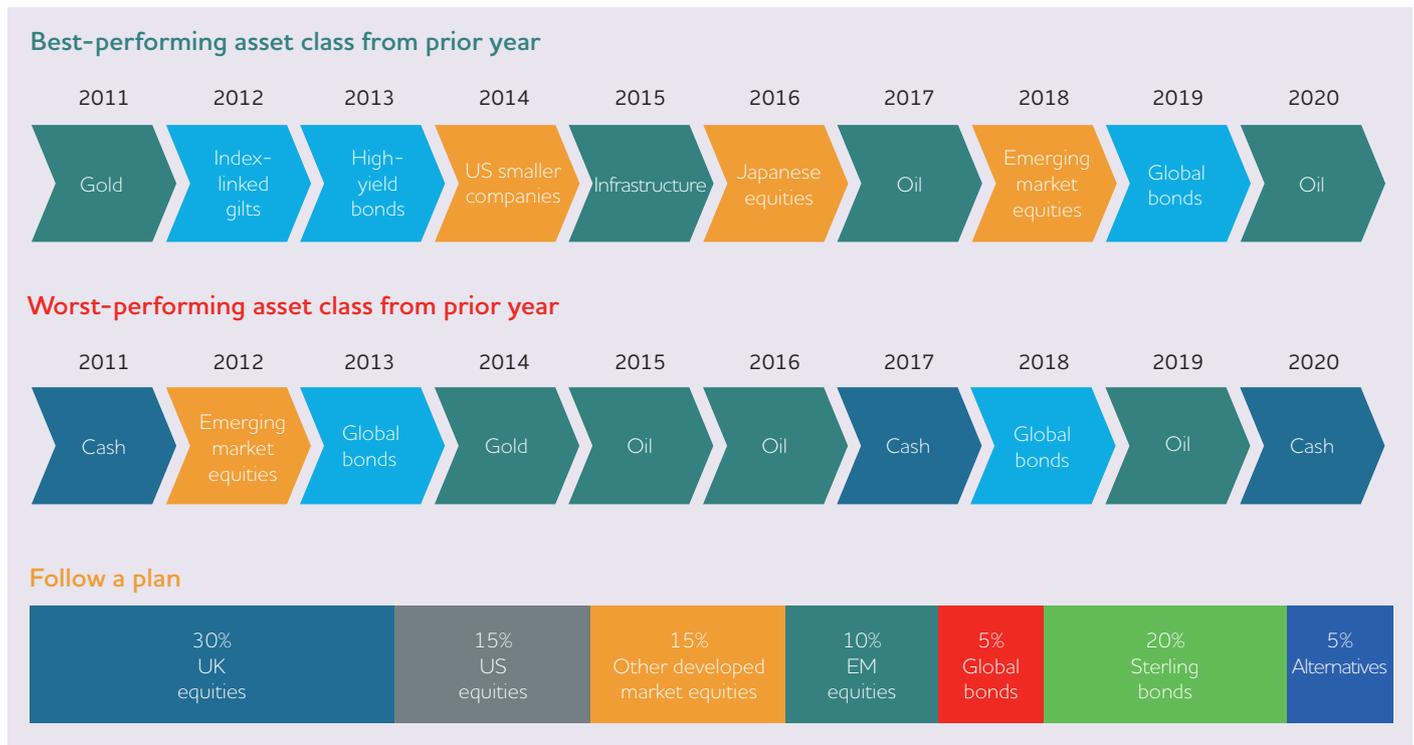
● Oil was the best performing asset class in 2019 delivering 30% returns, but crashed in 2020, falling 34%.

● Oil was the worst-performing asset class in 2014, delivering -44% returns. It delivered -43% in 2015, and then bounced back in 2016 with 50% but that would not have been enough to bring the portfolio back to previous levels.

● Strong performance in equity markets in 2019 and 2020 despite the Covid-19 pandemic helped enhance returns in a balanced portfolio. The diversification to lower-risk asset classes would have reduced the volatility, particularly in times of market stress such as March 2020.

*A balanced portfolio of 30% UK equities, 15% US equities, 15% other developed market equities, 10% emerging market equities, 5% global bonds, 20% sterling bonds and 5% alternatives.

Portfolio composition



The ups and downs of the market can be worrying for even the most seasoned investors. We believe a well-diversified portfolio in line with your attitude to risk will deliver better outcomes for you. A financial adviser can help you work out what your risk tolerance is and choose the right mix of assets for you based on this.

Your adviser can not only help protect and grow your assets, but will also be there to hold your hand during challenging market conditions. Always remember to stick to the plan put together by your adviser and don't go chasing any short-term gains or the latest investment fad.

If you'd like to find out more information about our funds or have any questions about your investment portfolio, please visit our [website](#) or contact your financial adviser.

www.omnisinvestments.com

Source: FE fund info as at end 2020. Past performance should not be considered as a guide to future performance. The data is for information purposes only as it is not possible to invest directly in an index. For a fair comparison, indices were used for all calculations. To determine the best and worst performing asset class each year we considered 16 asset classes: UK Equities (FTSE All Share), UK Smaller Companies (FTSE Small Cap), US Equities (S&P 500), US Smaller Companies (Russell 2000), European Equities (FTSE World Europe ex UK), Japanese Equities (TSE Topix), Emerging Market Equities (MSCI Emerging Markets), Gilts (FTSE Actuaries UK Conventional Gilts All Stocks), Index-linked Gilts (FTSE Actuaries Index Linked All Stocks), Sterling Corporate Bond (ICE BofAML Sterling Corporate), Sterling High Yield (ICE BofAML Sterling High Yield), Global Bonds (ICE BofAML Global Broad Market), Emerging Market Bonds (JPM GBIEM Global Composite), Infrastructure (Dow Jones Brookfield Global Infrastructure), Oil (Bloomberg Brent Crude sub GTR) and Gold (LBMA Gold Bullion LPMA Sterling/Troy Ounce). The balanced portfolio used for the "Follow the plan" illustration uses the composite benchmark of the Omnis Managed Balanced Fund, rebalanced monthly. All indices show total returns in GBP used for all calculations.

Issued by Omnis Investments Limited. This update reflects the views of Omnis at the time of writing and is subject to change. The document is for informational purposes only and is not investment advice. We recommend you discuss any investment decisions with your financial adviser. Omnis is unable to provide investment advice. Every effort is made to ensure the accuracy of the information but no assurance or warranties are given.

The Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC are authorised Investment Companies with Variable Capital. The authorised corporate director of the Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC is Omnis Investments Limited (Registered Address: Washington House, Lydiard Fields, Swindon SN5 8UB) which is authorised and regulated by the Financial Conduct Authority.