



Investing vs. Speculating

The importance of long-term thinking in volatile markets

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Schroders

Warren Buffett

What would the sage of Omaha say?

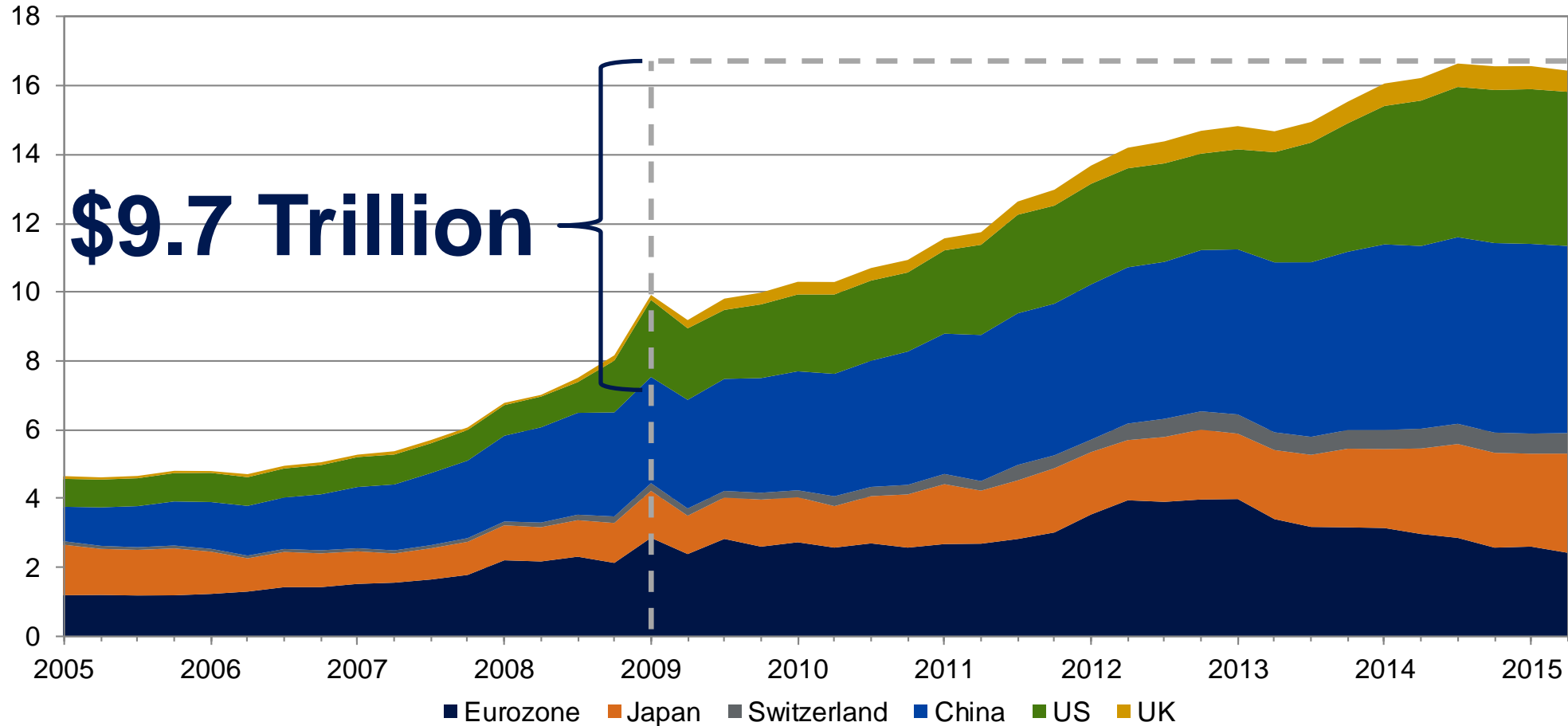


**"Nothing sedates rationality
like large doses of effortless
money."**

One of the key drivers of the volatility we see

How much money has been printed?

Value of assets in central banks' balance sheets (Trillions of USD)

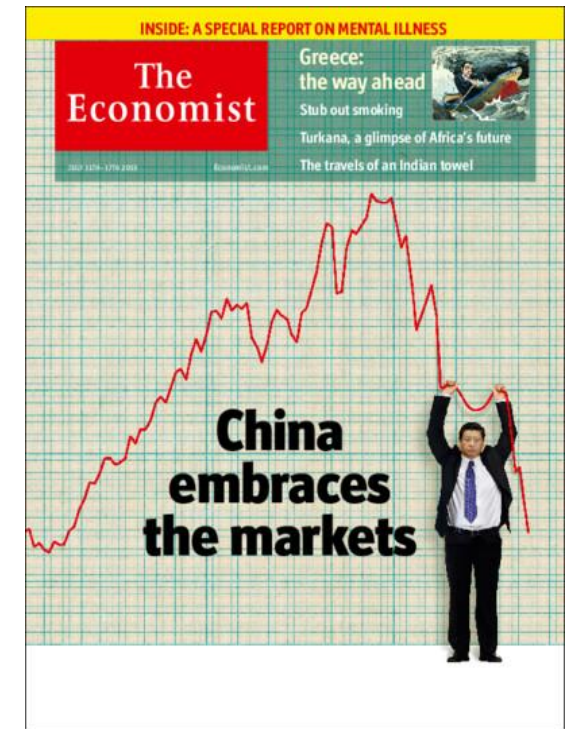


Source: Thomson Datastream, Schroders. Updated 27 August 2015.

Headlines that can drive markets

Panic can lead investors to make BAD decisions

Economist headlines over the last few months



Source: Economist

Past performance is not a guide to future returns

Often investors get market timing wrong



Source: Morningstar and Thompsons Reuters (Data as at 31 October 2015)

Warren Buffett

What would the sage of Omaha say?

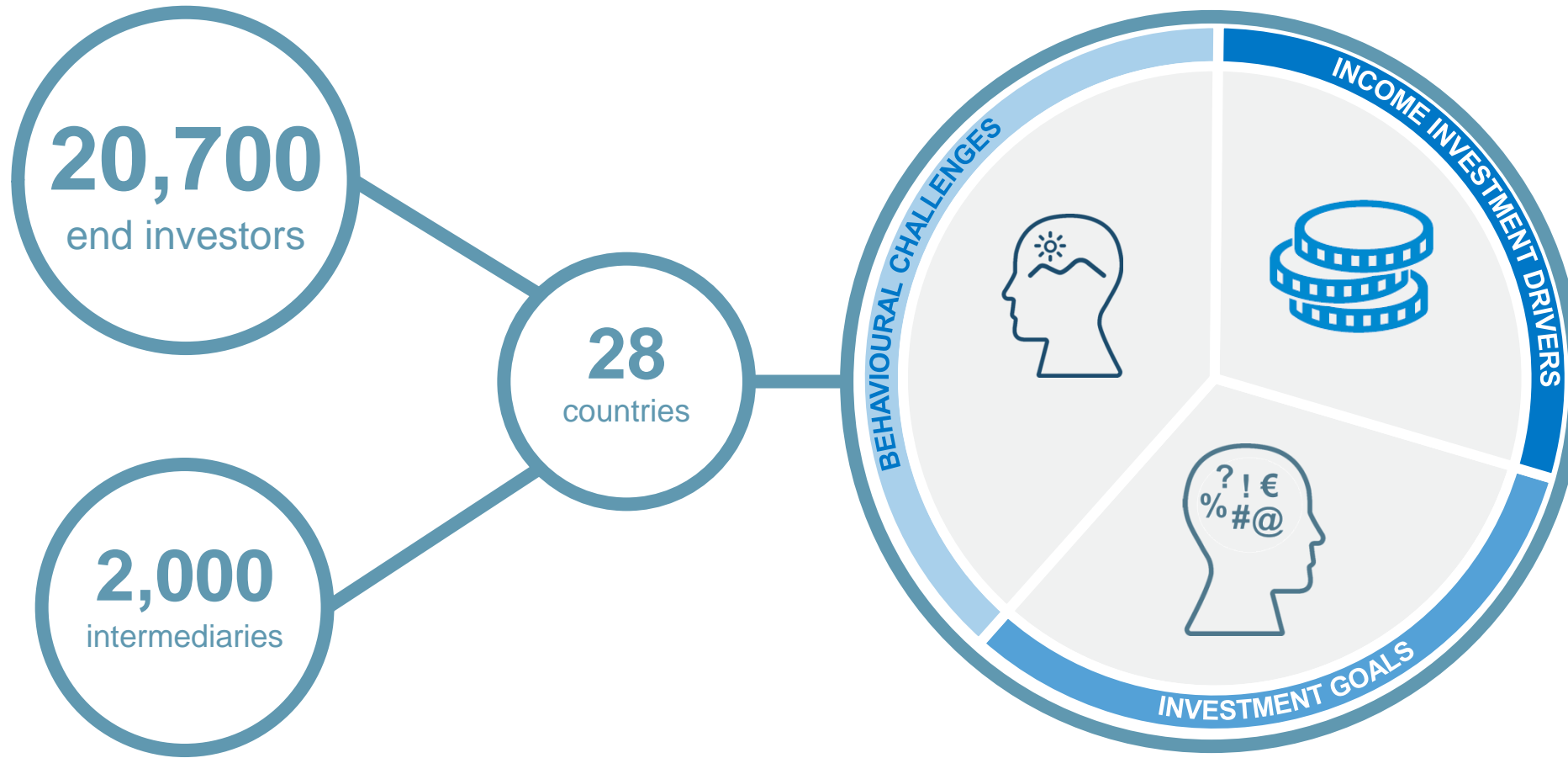


**“Be Fearful When Others
Are Greedy and Greedy
When Others Are Fearful”**

Source: ["Warren Buffett: I Haven't Seen As Much Economic Fear In My Adult Lifetime - Charlie Rose Interview" at CNBC \(1 October 2008\)](#)

What are people's expectations when investing?

Schroders' Global Investment Trends Survey



Source: Schroders, Global Investment Trends Survey, as at May 2015

It is important to have realistic expectations

You need to take some risk to get a healthy return

Some of the results

Investors Expect a

12% Return

Over the next 12 months!

But

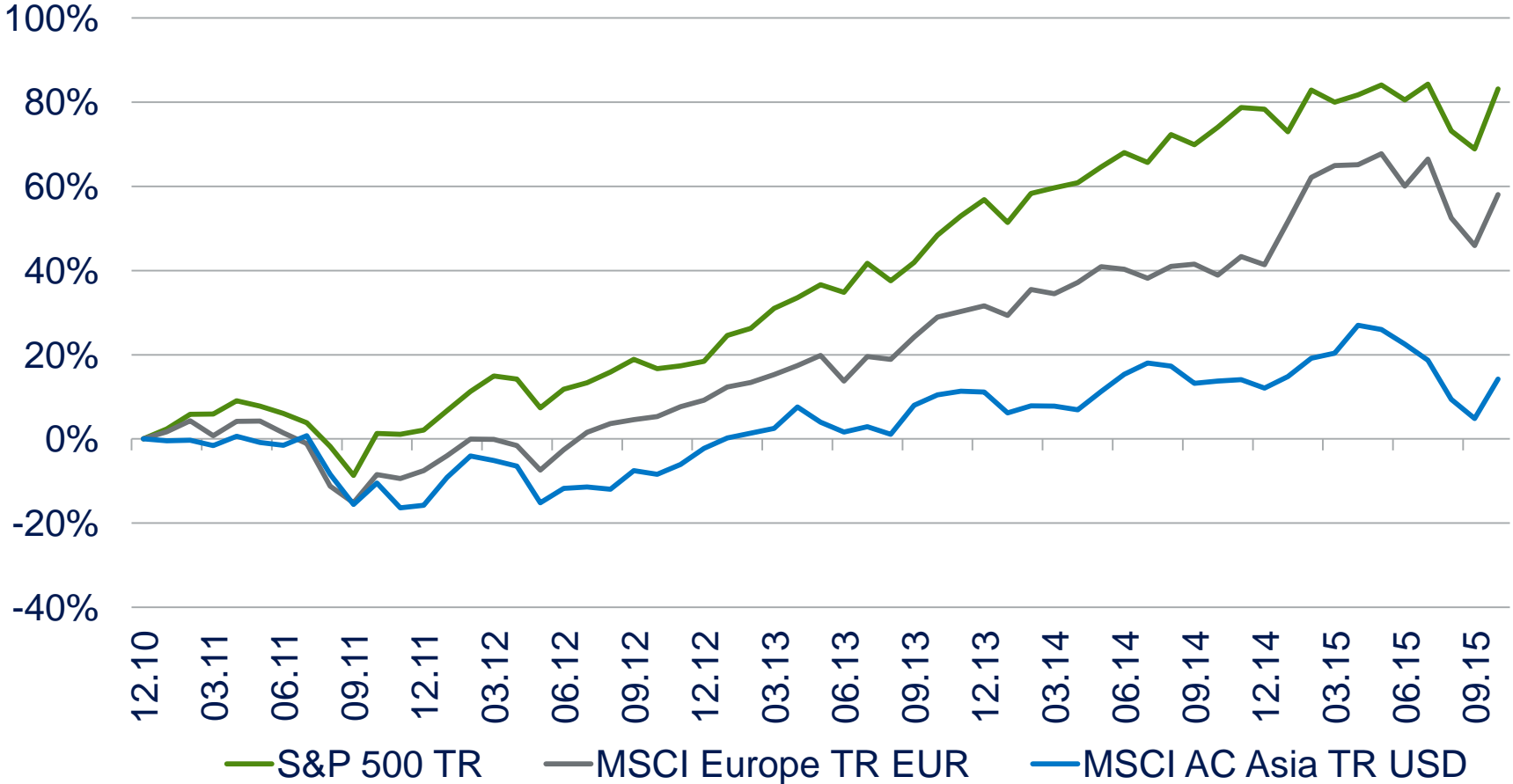
45% of investors

Plan on investing in low risk assets

Patience is a virtue!

Investing for the long-term gives you a better chance of making positive returns

Equity Performance (2010 to Present)



5 Years (nearly)

S&P 500
53.91%

MSCI Europe
39.05%

MSCI Asia
19.25%

Source: Thompsons Reuters, data as at 31 October 2015

Warren Buffett

A good thing to remember



“Successful Investing takes time, discipline and patience. No matter how great the talent or effort, some things just take time: You can't produce a baby in one month by getting nine women pregnant.”

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