The Financial Services Club

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Immunising Your Investments

Sensible Investing Through A Global Pandemic (And Everything Else Besides)

Webinar

Wednesday 13 May 2020

A Word From Our Chairman

The Financial Services Club

Professor Michael Mainelli
Executive Chairman
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Agenda

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12:00 – 12:05	Chairman Introduction
12:05 – 12:35	Keynote Address
12:35 – 13:00	Questions & Answers

The Financial Services Club

News Events Partnerships

Immunising Your Investments

Sensible Investing Through A Global Pandemic (And Everything Else Besides)

Andrew Craig

Founder & Investment Manager

Plain English Finance

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Introduction: Two quotes…

…one of my favourite quotes of the last few years:

"There are many roads to ruin in the markets – some of them longer than others – but one sure-fire way is to set out as a buy-and-hold investor and then attempt to turn into a market timer during a bout of market panic. This will do more damage to your portfolio than following one approach or the other…"

John Stepek
MoneyWeek

"I believe that I can arrange my financial affairs such that I am comfortable that whether there is a massive crash or whether stock markets power ahead, my ability to meet my longer-run financial goals will be largely unaffected. You should feel the same way too…"

Andrew Craig
Harriman's "New book of investing rules…"

- That chapter was called: "How to invest so that crashes don't matter."
- Essentially the same ideas as "Immunising your investments…" and what I wanted to speak about today.

What I am going to cover today

This presentation comes in two parts:

PART 1. Big picture stuff:

- What our end goal is here.
- How brilliant financial markets are.
- Why most people are doomed to fail at investment.
- The single most important investment theme in human history.

PART 2. Putting in place an investment strategy having taking account of those big picture themes….

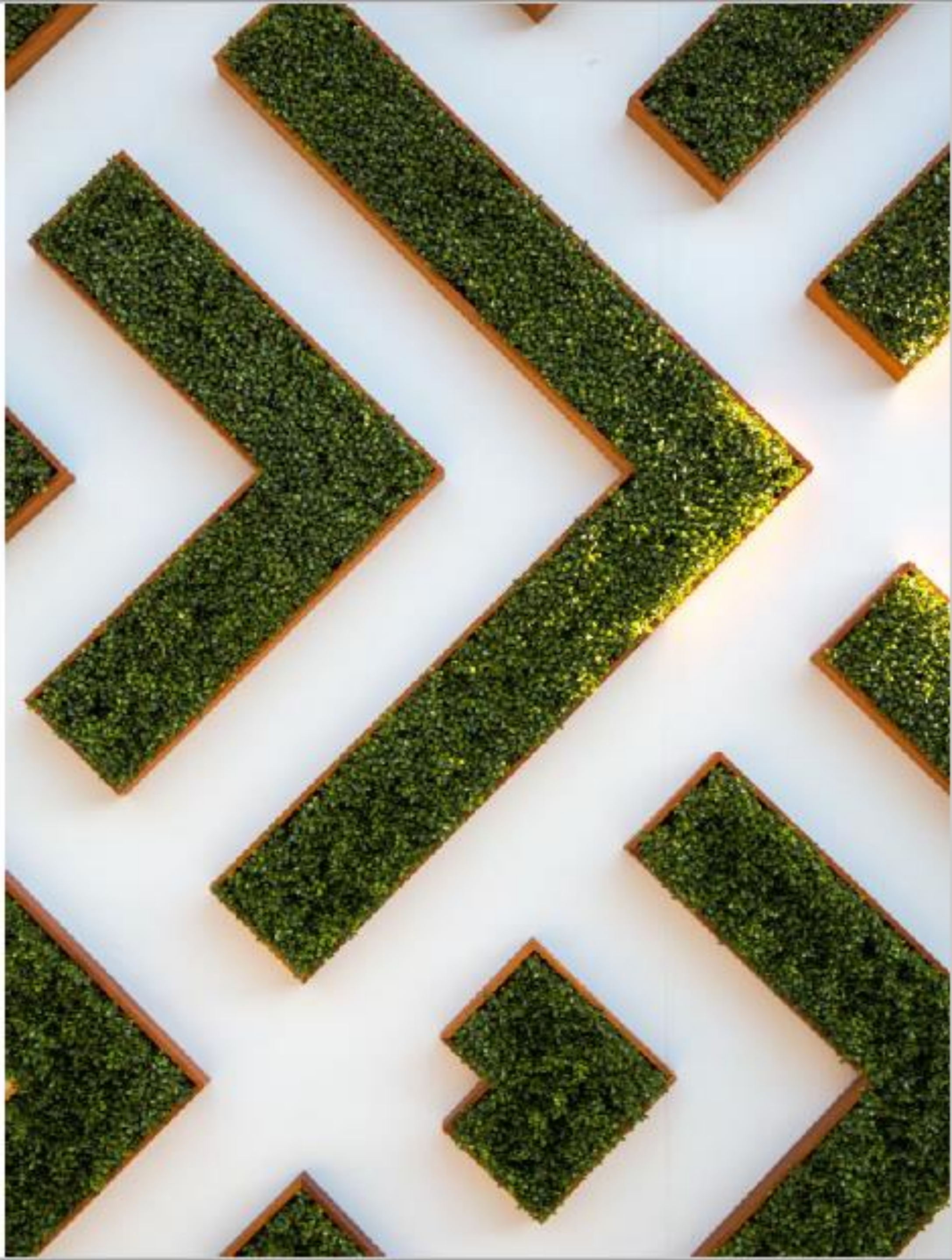
- INVESTING not TRADING.
- Asset allocation based on your age.
- Aggressive vs. defensive assets.


PART 1
Big picture stuff

BIG PICTURE 1

Start with the end in mind....

- First – let's be clear about what our "big picture" goal is here:
  - *To get to a point where you can live well on the returns generated by your money.*
  - *You can live on your CAPITAL, not on your LABOUR.*
- One of the most empowering ideas of the modern age is that this is even possible.
- It wasn't for almost all of the rest of human history. 99.9% of people ever born couldn't even dream of this being an option for them...
- Thomas Hobbes – "...solitary, poor, nasty, brutish and short."



BIG PICTURE 2

Financial markets – one of the "killer apps" of modernity:

- Harvard Professor Niall Ferguson has described "property rights" as one of the foundational "killer apps" that underpin modern society. Financial markets deliver two amazing things:
  - First: The ability to syndicate risk and pool capital. This has delivered incredible outcomes for humanity, truly:
    - Buildings, planes, ships, cars, computers, healthcare, smart phones, entertainment & leisure, even tooth paste & toilet roll – NONE of these could exist without financial markets...
  - Second: For billions of people to realistically expect to accrue sufficient wealth to be able to live without having to work for decades of their lives (the "basic version" of this is called "a pension").
- I would argue that coronavirus is just the latest in a long line of things which categorically do not affect the fundamental underlying "technology" that is financial markets, nor what they can deliver for us.
- The problem is that too few understand this and too few people are taking advantage as a result...

BIG PICTURE 2

The greatest tragedy of our time?

- Most people are scared of investing.
- This is because most people think investment is far riskier and harder than it actually is.
- This is partly because:
  - ...most people never learn anything about it!
  - ...but also in large part due to the way modern media works.

"Whether or not the world really is getting worse, the nature of news will interact with the nature of cognition to make us think that it is."

Stephen Pinker
Harvard

BIG PICTURE 2

The nature of news...

- "The availability heuristic."
  - News is about things that happen, not things that don't happen.
  - No-one ever reports the fact that there has NOT been a stock market crash.
  - In the last few weeks there has been massive coverage of the impact of CV-19 on financial markets.
  - But where were the headlines earlier in the year that said e.g.?
    - "UK stock market has created nearly £1 trillion of value since 2009…"
    - …or "World economy as a whole has grown from $32 trillion to $85 trillion in fifteen years!"?

- Our media focusses 99.9% of its attention on the 0.1% of bad things that happen.
- This is very relevant to investment because when most people think about "the stock market" – their first thought about that is "stock market crashes".
- This is particularly powerful again in 2020 for obvious reasons.

BIG PICTURE 2

The nature of cognition

- So - the news gives us all a massively false sense of how risky investment is.
- But - the situation is actually even worse than this because human beings are fundamentally illogical and irrational creatures.
- Not only do we have very low-quality information from a perennially misleading press...
- ...we are also psychologically hard-wired to be dreadful investors because of a raft of cognitive biases. The CISI identifies 46 of them in its examination materials.
    - Loss aversion. The surgery example:
        - 90% chance of surviving.
        - Vs. a 10% chance of death.
    - Money illusion.
    - Endowment effect.
    - Confirmation bias.
    - Information bias
    - Anchoring.
- The broad point here:
    - Humans are pack animals, doomed to fall foul of fear and greed, sell at bottoms and buy at tops.

BIG PICTURE 2

What this means for investment performance

- The S&P from January 1872 to September 2019 has made average annual returns of just over 9%.
- This rises to 11% with the sort of basic trend following that we use in our fund.
- Most *investors* are lucky to make 5%.
- Most *people*, however, are "making" as little as 1%!
  - ...they are (wrongly) so fearful of investment that they only ever hold cash / cash ISAs.
- Any cash product *guarantees* the destruction of wealth because REAL interest rates are negative.
- Most people are LOSING REAL WEALTH EVERY YEAR and have no chance of making any REAL forward progress if in cash...
- It is a scandal how many of our mainstream journalists don't seem to understand this (naming no names).

BIG PICTURE 2

The solution

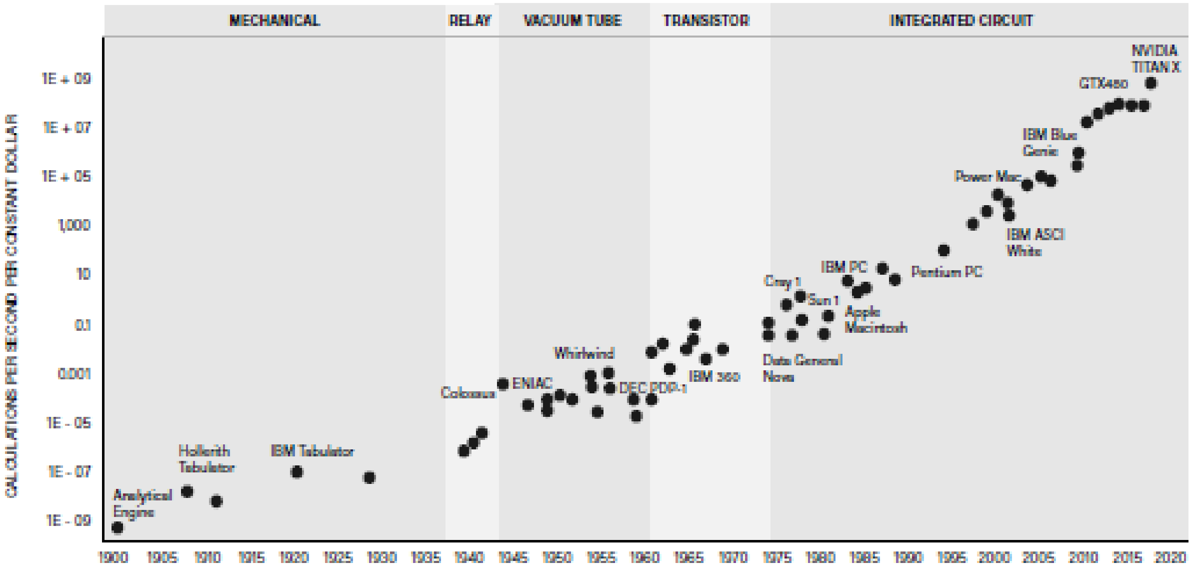
- So - “News” interacts with cognition to deliver a terrible result for the vast majority.
- We need to “immunise” ourselves against this reality. How…? I think the answer comes in two parts:
  - 1. Learn enough about financial markets to be able to put in place a strategy that gives you confidence and real peace of mind.
  - 2. Take you and your cognitive biases out of the equation:
    - Ignore the news.
    - Automate.
- Before we look at some specifics on how to do this, I want to take a moment to look at another extremely important big picture idea: Human progress…

BIG PICTURE 3

The most important chart (and investment theme) in human history...

- Moore's law is the idea that processing power per dollar or pound spent doubles every 18 months.
- Top US VC investor, Steve Jurvetson, has described it as "...the most important chart in human history."
- I would 100% agree with him. This is THE single most important chart and, by extension, investment theme – beyond everything else...
- NB: From **10** calculations per second per dollar the year I was born to well over a **billion** today (1E+9 = 'giga' = billion).

120 Years of Moore's Law



BIG PICTURE 3

The most important chart in human history...

"In 1919 the average American had to work 1,800 hours to earn enough to buy a fridge; by 2014 it took less than 24 hours' labour and the product would be far superior."

– Nick Train, Fund Manager.

- That is REAL WEALTH creation...
- ...and this is why the S&P has delivered 9% annualised returns for more than a century.
- It is all about human progress.
- Today – most of us carry a device which is vastly more powerful than the computer that put a man on the moon only a few years before I was born.

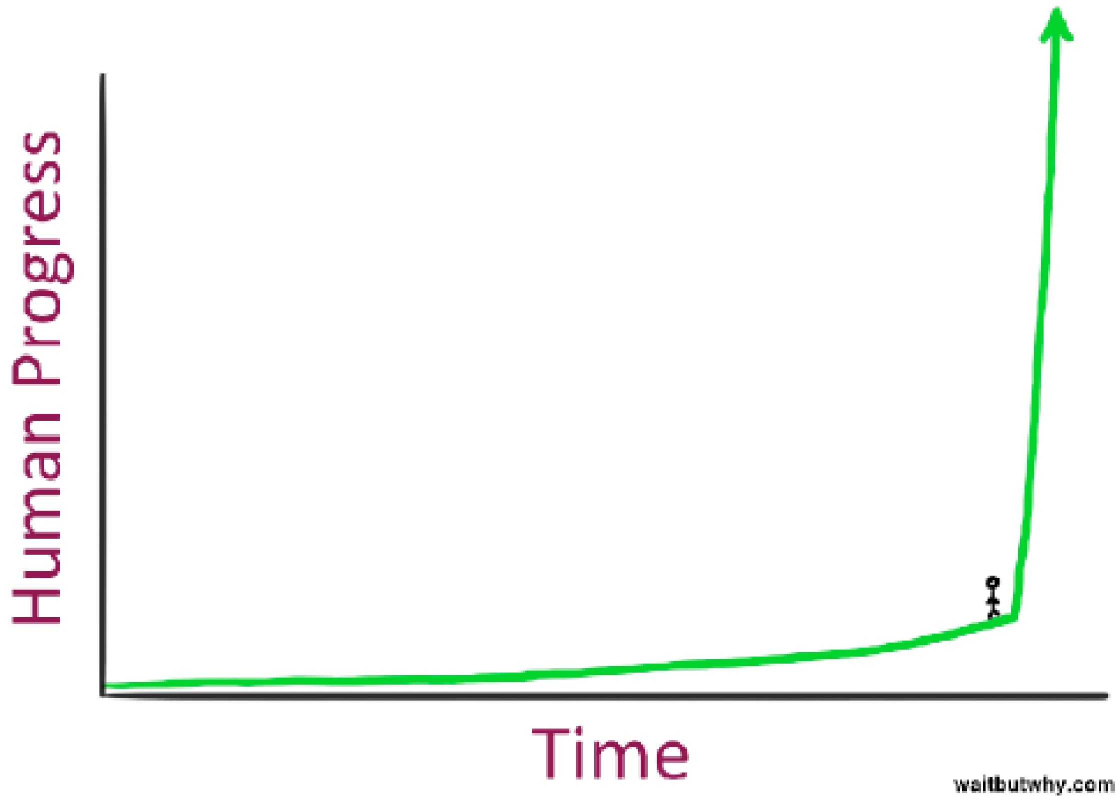
"Any sufficiently advanced technology is indistinguishable from magic."

– Sir Arthur C. Clarke (the British author who wrote "2001: A Space Odyssey").

- If you showed an iPhone or Samsung Galaxy to someone from even the late 1990s (let alone the 1940s or 1800s) – it would look like utterly incredible magic to them – like something out of Star Trek.
- The "magic" embedded in that device has created several trillion dollars, pounds, euros etc... of real economic value.

“Blue sky”

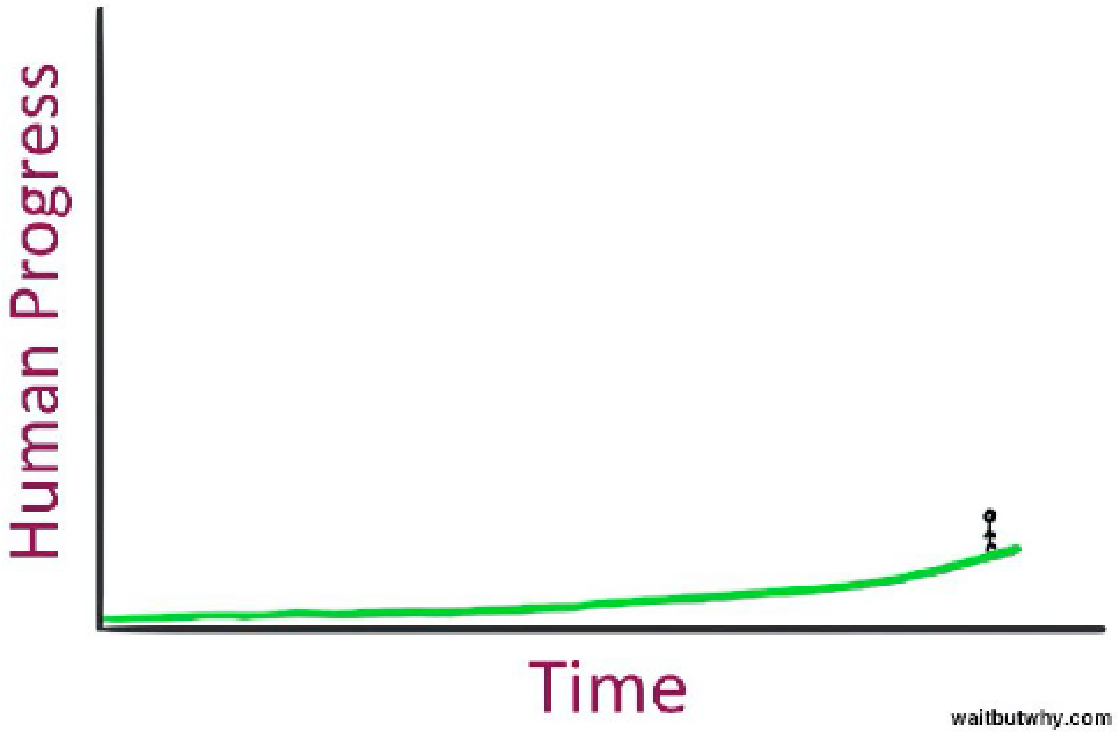
Given the nature of exponentials, there is a good chance that we are currently here:



BIG PICTURE 3

"Blue sky"

- But... because we can't "see to the right" - it feels like we are here.
- ...particularly when our press is utterly dominated by "coronavirus" – and essentially nothing else...



BIG PICTURE 4

In summary - Believe in human progress!

- Whether you agree with the last two slides – in terms of us being on the cusp of a massive leap forward - I would suggest that you find a way to believe in human progress, nonetheless.
- We have more than a century of astonishing evidence for EXPONENTIAL PROGRESS – even if our mainstream press spends so little time focussing on that reality.
- Another of my favourite quotes is:

"By what principle is it that when we see nothing but improvement behind us, we are to expect nothing but deterioration before us?"

– Thomas Babington Macaulay.

- He said this in 1830 when Moore's law was in its infancy.
- I would argue that belief in human progress is one of THE most important ideas for investment success...


PART 2
Putting a sensible
strategy in place

Putting a sensible strategy in place

- Armed with a big-picture appreciation:
    1. For what financial markets can deliver and…
    2. …a firm belief in human progress…
- …all you need do now is set up "something sensible" to capture "human progress" with your investments.
- We saw earlier that the S&P has delivered an average of 9% a year since 1872.
    - A couple maximising their ISA contributions could get to over £1m in just over 12 years with that rate of return.
    - They'd have nearly £2.5 million after 20 years of 9% returns and more than £6m if they managed to do this for 30 years (35 to 65 perhaps)?
- So - why not just invest in the S&P?
- This is a great question – and my answer comes in two parts.
    - Volatility and sequencing risk.
    - A shot at making more than 9% (from time to time at least).
- Before we get into that, however, there is an important distinction to make.

But first – INVESTING vs. TRADING

"There are many roads to ruin in the markets – some of them longer than others – but one sure-fire way is to set out as a buy-and-hold investor and then attempt to turn into a market timer during a bout of market panic. This will do more damage to your portfolio than following one approach or the other..."

– John Stepek, MoneyWeek.

- I want to be very clear that the approach here is one of INVESTING, not TRADING.
- Specifically - regular monthly investment by direct debit.
- I spend a disproportionate amount of my time explaining the difference to people.

- **Trading** is:
  - Extremely hard.
  - Takes years to become any good.
  - ...and many hours a week to implement.
  - Generally pretty pointless unless you already have a lot of capital.
  - Biggest rookie mistake is someone with £2k spending £1k of it "learning how to trade." (or on some crypto 'guru').
- **Investing** is:
  - Much simpler.
  - Has a MUCH higher probability of success.
  - Possibly as much as 90% admin and only 10% fund selection (ish).
- ...now let's look at that admin.

Volatility & Sequencing risk

- Arguably the most important consideration here is asset allocation based on your age…
- Taking consideration of your age is critical because of something called "sequencing risk".
- This is the idea that as you get older, the return OF your money becomes more important than the return ON your money.
- The S&P ***has*** averaged 9% per annum over many decades – but every few years it falls a long way.
- From March 2007 to March 2009, it fell more than 56%.
  - If you were 30 in 2007 and saw your £10,000 "pot" fall to about £4,500 – that was certainly annoying.
  - Imagine, however, that you were 60 and saw the £1 million you had spent a life-time building, fall to £450,000! Rather more problematic!
- The solution to this is to roughly **optimise your asset-allocation based on your age**.

PART 2 - STRATEGY

"100 minus your age..."

- This idea has been around for decades to help people work out the percentage they should hold in "low risk" bonds vs. "high risk" equities.
- The idea is that you should own "100 minus your age" in equities.
- Or – put another way – you should *"...own your age in bonds..."* (John Bogle).
- If you're 30...
- If you're 70...
- This is one of the great investing rules of thumb.
- However: There are a couple of problems with this idea in the year 2020.

1. Bond rates are too low

- "100 minus your age" is quite an old idea.
- It obviously works better with bond rates at 6, 8 or 10% than at 1%!
- £1m pot at 6% = £60,000 a year. Now it is £10,000 a year if you're lucky (0.63%!)

10 Year Treasury Rate - 54 Year Historical Chart

Source: https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart

2. Bonds and equities are only two possible investment vehicles

- Chapter 7 of my book covers 10 "investment vehicles" that someone might consider using to build and / or preserve wealth:
  1. *Cash.*
  2. *Property (real estate).*
  3. *Bonds.*
  4. *Shares (AKA stocks or equities).*
  5. *Commodities (and precious metals in particular).*
  6. *Funds.*
  7. *Insurance products.*
  8. *Foreign exchange (i.e. FX or currency).*
  9. *Derivatives (e.g. futures and options) and, nowadays…*
  10. *Crypto (bitcoin etc.).*
- Financial services are the best they've ever been… Using ONLY bonds and equities from an era when they were far less developed.

PART 2 - STRATEGY

"100 minus your age" for 2020 – Aggressive vs. defensive...

- Given where interest (bond) rates are and the fact that there are types of investment you might use beyond just bonds and shares...
- ...rather than think about equities vs. bonds – I think a more elegant idea is "aggressive" vs. "defensive".
- Use "100 minus your age" to work out roughly what percentage of your investments you are going to allocate to "defensive" vs. "aggressive" assets.
- What could these be?

"Aggressive" assets

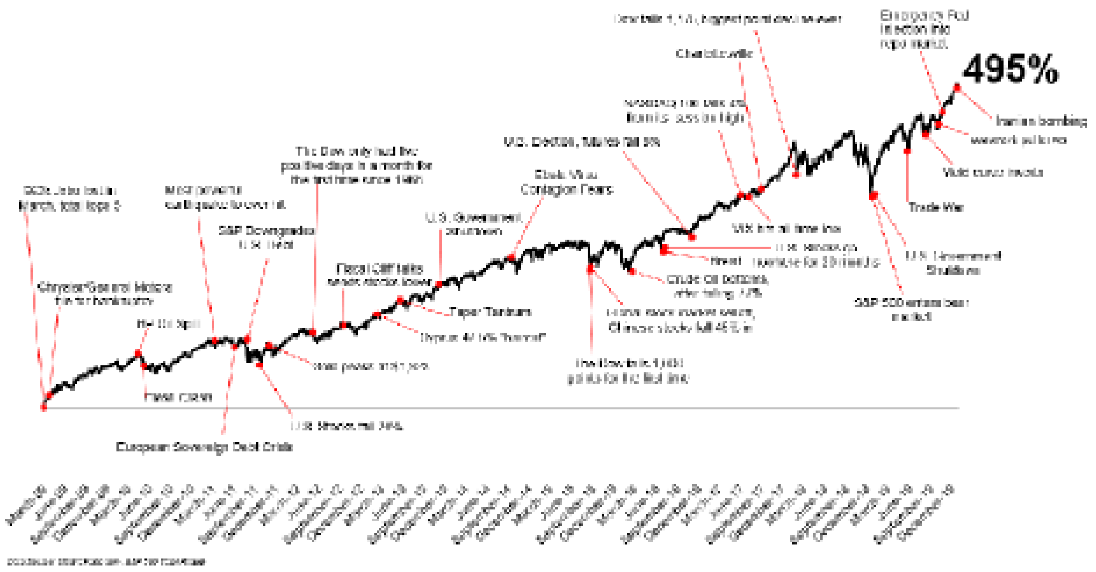
- The aggressive ones are more fun, so let's look at them first.
- To be clear – there are no hard and fast rules here, this is a matter of personal choice and these are categorically not specific investment recommendations… but you might consider e.g.
  - A big stock market index: S&P 500 or MSCI World.
  - Smaller companies.
  - Biotech or tech ("human progress").
- There are lots of other things you might consider, but let's just look at these three examples.

“Aggressive” assets

A big stock market index

- The S&P 500 – see chart.
- The value of zooming out.
- The MSCI World – another potential option:
  - 1,600 companies from all over the world.
  - Will US exceptionalism continue?
    - Beijing Genomics Institute has more NGS machines than the US.
    - Chinese R&D and STEM education has left the west in the dust.
    - Chinese patents exceeded US since 2014.
    - 3 billion Asians, 300 million Americans.

Reasons to sell...?



"Aggressive" assets

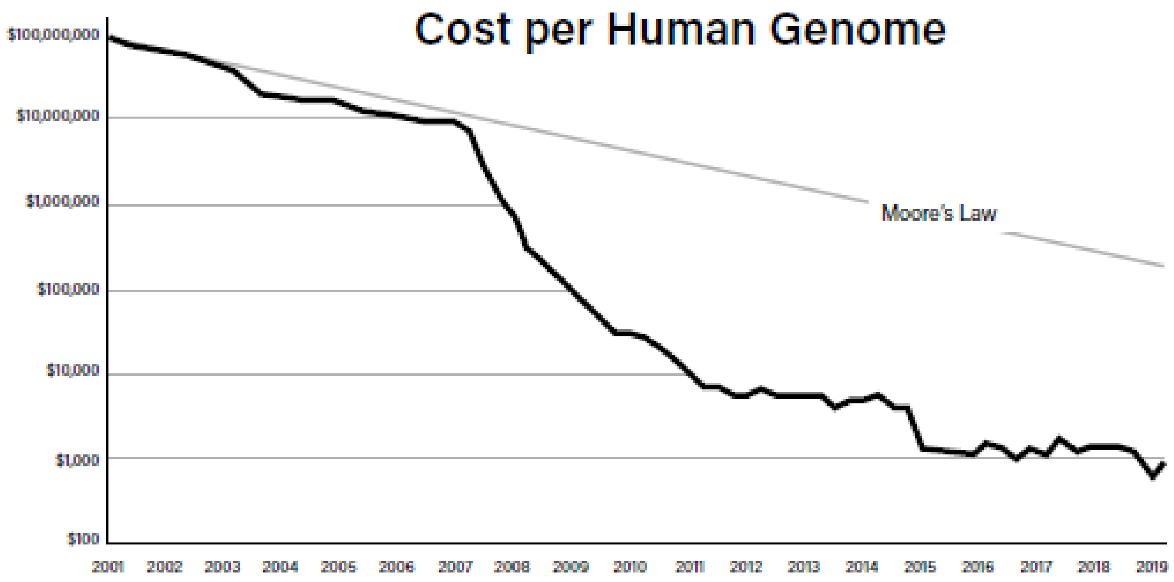
Smaller Companies (AKA "small caps")

- Elroy Dimson and Paul Marsh – 15.3% from 1955 to 2015.
- 10 years to become a millionaire for a couple maxing ISA contributions.
- Secular growth ("your" economy, not "the" economy).
- 1,000 true fans.
- Games Workshop, Fever Tree, ASOS, Just Eat.
- Active vs. passive:
  - Microcaps are not great for indices.
  - More "qualitative" than "quantitative".
  - Meeting management teams etc...
- Don't forget they're VOLATILE – which is where "100 minus your age" comes in!

"Aggressive" assets

Biotech / Healthcare

- The Nasdaq biotech has averaged about 14% per annum for the last ten years.
- This is about 300% cumulative.
- HUMAN PROGRESS!



- The cost of sequencing a human genome: From $5bn to $200 in twenty years.
- Pretty much the only thing in the world beating even Moore's law.
- Demographics: The world is:
  - ...aging (75% of cancer in over 50s),
  - ...getting more obese (diabetes, NASH).
  - ...and getting wealthier.
- CV-19 has really shown this!
  - Several companies up 5-10x this year.
  - Technology and improving regulatory situation.

"Defensive" assets

- ...lots of other "aggressive" assets. But keep it simple to begin with!
- Now let's look at some defensive assets.
- In a world of 1% bond rates, this is a fair bit harder IMO. My ideas would be:
  - Gold...
  - Property with a decent rental yield...
  - Our fund...

"Defensive" assets

Gold

- The other big theme I write about a lot:
  - "Owning inflation" in a world of TRILLIONS of new currency units.
  - RELATIVE SCARCITY: 500, 1,600 companies or a few hundred tonnes of gold.

Gold Price Performance: % Annual Change

	USD	AUD	CAD	CHF	CNY	EUR	GBP	INR	JPY
2005	+20.0%	+28.9%	+15.4%	+37.8%	+17.0%	+36.8%	+33.0%	+24.2%	+37.6%
2006	+23.0%	+13.7%	+23.0%	+14.1%	+19.1%	+10.6%	+8.1%	+20.9%	+24.3%
2007	+30.9%	+18.3%	+12.1%	+21.7%	+22.3%	+18.4%	+29.2%	+16.5%	+22.9%
2008	+5.6%	+31.3%	+30.1%	-0.1%	-2.4%	+10.5%	+43.2%	+28.8%	-14.4%
2009	+23.4%	-3.0%	+5.9%	+20.1%	+23.6%	+20.7%	+12.7%	+19.3%	+26.8%
2010	+29.5%	+13.5%	+22.3%	+16.7%	+24.9%	+38.8%	+34.3%	+23.7%	+13.0%
2011	+10.1%	+10.2%	+13.5%	+11.2%	+5.9%	+14.2%	+10.5%	+31.1%	+4.5%
2012	+7.0%	+5.4%	+4.3%	+4.2%	+6.2%	+4.9%	+2.2%	+10.3%	+20.7%
2013	-28.3%	-16.2%	-23.0%	-30.1%	-30.2%	-31.2%	-29.4%	-18.7%	-12.8%
2014	-1.5%	+7.7%	+7.9%	+9.9%	+1.2%	+12.1%	+5.0%	+0.8%	+12.3%
2015	-10.4%	+0.4%	+7.5%	-9.9%	-6.2%	-0.3%	-5.2%	-5.9%	-10.1%
2016	+9.1%	+10.5%	+5.9%	+10.8%	+16.8%	+12.4%	+30.2%	+11.9%	+5.8%
2017	+13.6%	+4.6%	+6.0%	+8.1%	+6.4%	-1.0%	+3.2%	+6.4%	+8.9%
2018	-2.1%	+8.5%	+6.3%	-1.2%	+3.5%	+2.7%	+3.8%	+6.6%	-4.7%
2019	+18.9%	+19.3%	+13.0%	+17.1%	+20.3%	+22.7%	+14.2%	+21.6%	+17.7%
2020	+12.2%	+20.4%	+20.1%	+12.4%	+14.0%	+16.0%	+19.7%	+19.1%	+10.1%
Average	10.1%	10.8%	10.6%	8.9%	8.9%	11.8%	13.4%	13.5%	10.2%

Source: https://goldprice.org/

"Defensive" assets

Property

- People who have followed me for a while might be surprised to see me include this.
- I'm not an out-and-out bear on property – I just think too few people do all the sums.
- This also benefits from the "own inflation" theme – which is why nominal property prices have done so "well" in the last few decades.
- A good property investment can give you a "total return" (rental yield + capital appreciation) that is some way above current interest rates.
- Just be sure to account for ALL the costs (including voids, upkeep, the cost of money and the cost of your time).
- This last one is why I personally really don't like property – it is such a huge administrative pain.

"Defensive" assets

Our fund

Disclaimer: Simulated past performance is not necessarily a reliable indication of future performance.

- Don't want to be too "salesy" – but ultimately, this is the reason we launched our fund.
- With bond rates at 1% and equities as volatile as they are - is there a way to be defensive but return much better than 1%?
- Table on the right shows the back-tested performance from January 2001 to August 2017.
- 7.52% annualised with a Sortino of 1.1. Not far off market returns (this is AFTER costs) with much lower volatility and risk of loss.
  - The S&P actually 8% in the last 20 years,
  - The FTSE's long run return is about 7.5% - i.e we are about the same but with much lower volatility.
- ...and how "defensive" is it? (Our compliance folk worry about me saying this publicly!).
  - Of 143 funds in our category (Investment Association "Flexible") - we have the 6th lowest FE Trustnet Risk score - of 34.
  - 100 = the same as the FTSE 100. The lower the better. I think that qualifies as defensive - putting it mildly. (Source: https://www2.trustnet.com/learn/learnaboutinvesting/FE-Risk-Scores.html)
- BUT - The performance numbers here are "simulated" (the risk score is real, to be clear). What about performance in the real world?

Source:
Professors Andrew Clare, Steven Thomas & Dr. James Seaton

January 2001 - August 2017	Result
Annualized Return (%)	7.52
Annualized Volatility (%)	7.46
Sharpe Ratio	0.69
Sortino Ratio	1.10
Maximum Monthly Return (%)	9.68
Minimum Monthly Return (%)	-5.71
Percentage of Positive Months (%)	66.50
Percentage of Negative Months (%)	33.50
Maximum Drawdown (%)*	10.41
Transactions Cost (%)	0.12
Annual Management Charge (%)	0.90

**Maximum peak-trough movement in the fund. i.e. if you had purchased shares in the fund at at the highest high, vs. at the lowest low.*

Our fund - cont'd...

- Here you can see our monthly performance since launch and then the back-tested performance before that.
- We are currently being beaten up on two fronts:
  - 1. We are down since launch.
  - 2. We are "expensive".
- On 1. - I would simply say that we only need one strong up year to validate the thesis.
  - Compare the real performance to the simulated. We have seen weak periods before in "ranging" markets.
  - The strategy protected the downside in the real world as it did in the backtesting - we see no reason it won't capture upside when markets trend.
- This is the "Geoff Boycott" or "Aesop's Tortoise" of funds. It should be judged on what it delivers over a life-time of investing.
- On 2. - I would point out:
  - 1. ...that performance numbers are always AFTER those costs.
  - 2. ...the the cost of ownership will come down as we grow (£50,000 of fixed cost = 0.5% on £10m and 0.05% on £100m).
- We think it "...does what it says on the tin".
- For people who seek higher returns and higher volatility - that's fine too of course, and that's why I've written 20,000 words on "100 minus your age" this year.

Disclaimer: Simulated past performance is not necessarily a reliable indication of future performance.

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
2017	-	-	-	-	-	-	-	-	-0.6*	1.6	-0.8	0.4	0.7
2018	1.2	-1.5	-1.9	0.4	0.1	-0.7	0.2	-0.4	-0.5	-1.8	-0.4	-1.3	-0.4
2019	0.5	-1.1	1.2	0.8	0.2	3.8	3.0	-1.3	-0.2	-2.2	0.2	-0.8	4.4
2020	-1.3	-3.2	-1.9	0.3									-6.0

*September 2017 was only a partial month, as the fund was launched on the 25th September 2017. Past performance is not necessarily a guide to future performance. Sources: Vala-Tis Investment Management Limited

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2001	1.4	-0.7	-1.3	0.4	0.5	0.1	-0.6	0.5	-0.9	0.9	0.6	0.1	0.9%
2002	2.6	0.5	1.5	-0.8	0.3	-5.7	-1.5	0.8	0.2	-0.1	0.3	0.7	-1.4%
2003	0.7	1.9	-0.6	2.6	3.2	0.5	2.0	3.9	-1.4	1.7	0.6	2.2	19.0%
2004	0.0	1.3	2.1	-1.6	-2.3	1.2	-0.3	2.0	2.7	1.4	1.0	2.6	10.4%
2005	0.4	1.9	-1.3	-2.0	4.6	3.3	4.6	0.2	5.3	-3.6	5.1	3.5	23.7%
2006	2.4	1.9	1.7	-0.2	-5.0	0.6	1.0	0.3	1.0	1.0	1.1	2.3	8.2%
2007	-0.1	0.1	1.7	0.7	2.0	-1.6	-0.4	-0.3	3.8	2.9	-1.7	2.7	10.1%
2008	-4.0	1.4	-0.9	1.3	1.6	-4.0	-1.7	1.0	-3.6	-1.7	0.9	3.7	-6.5%
2009	-1.1	-0.2	0.3	0.9	1.6	-1.9	5.1	5.2	6.8	-2.2	3.2	2.5	21.5%
2010	-2.5	5.0	4.9	-0.0	-3.0	-2.0	0.1	1.1	2.9	1.6	-1.7	4.4	9.2%
2011	-1.3	0.0	2.1	0.4	-0.6	0.3	-1.5	-2.5	-0.7	0.1	0.1	0.6	-2.8%
2012	0.2	1.6	-0.8	-1.4	-0.9	0.7	2.0	-0.1	0.3	0.4	1.2	0.7	3.9%
2013	3.7	3.1	0.3	0.6	-0.6	-3.2	1.9	-2.2	-0.2	1.3	-1.4	0.0	3.0%
2014	-0.5	0.8	-0.1	0.6	1.0	-0.6	0.6	2.5	-2.1	1.9	1.2	-1.2	4.1%
2015	3.2	-0.4	2.0	-0.5	-0.9	-4.5	-0.1	-1.1	0.0	0.1	0.2	0.2	-1.8%
2016	0.8	1.2	1.4	0.1	-1.3	9.7	5.7	1.8	1.6	4.2	-4.6	2.8	22.4%
2017	0.4	2.4	0.2	-1.4	1.6	-0.6	1.2	3.0					6.9%

Sources:
Professors Andrew Clare,
Steven Thomas & Dr. James
Seaton

Fund launch.
See next page for actual performance.

In conclusion

- Celebrate the existence of financial markets and believe in human progress.
- Use "100 minus your age…" to work out what you might allocate to "aggressive" vs. "defensive" assets.
- Pick your defensive and aggressive assets. There is no hurry here and best to keep it simple.
- Save and invest 10% or more of your monthly income into those assets each month – AUTOMATICALLY by direct debit.
- Ignore the news completely! No matter what:
  - Whether it is coronavirus, Trump, Brexit, Iran, Libya, Fukushima – you name it.
  - Human progress and using "100 minus your age" means you really need not care about any of this.
- Periodically Review your defensive and aggressive assets – I would say about once every 5 years – when you turn 30, 35, 40, 45, 50 and so on.
- It is HIGHLY likely that you will have a very significant sum after 20-30 years.
- Arguably even better – you will have enjoyed massive peace of mind along the way.

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andrew.craig@plainenglishfinance.com

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Questions, Comments & Answer(s)?

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15 May 2020 (12:30) Financial Centres Of The World 2020: Focus on Xi'an

15 May 2020 (14:30) Enterprise Management Incentives (EMIs) – Powerful Lessons From Five Practical Case Studies

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