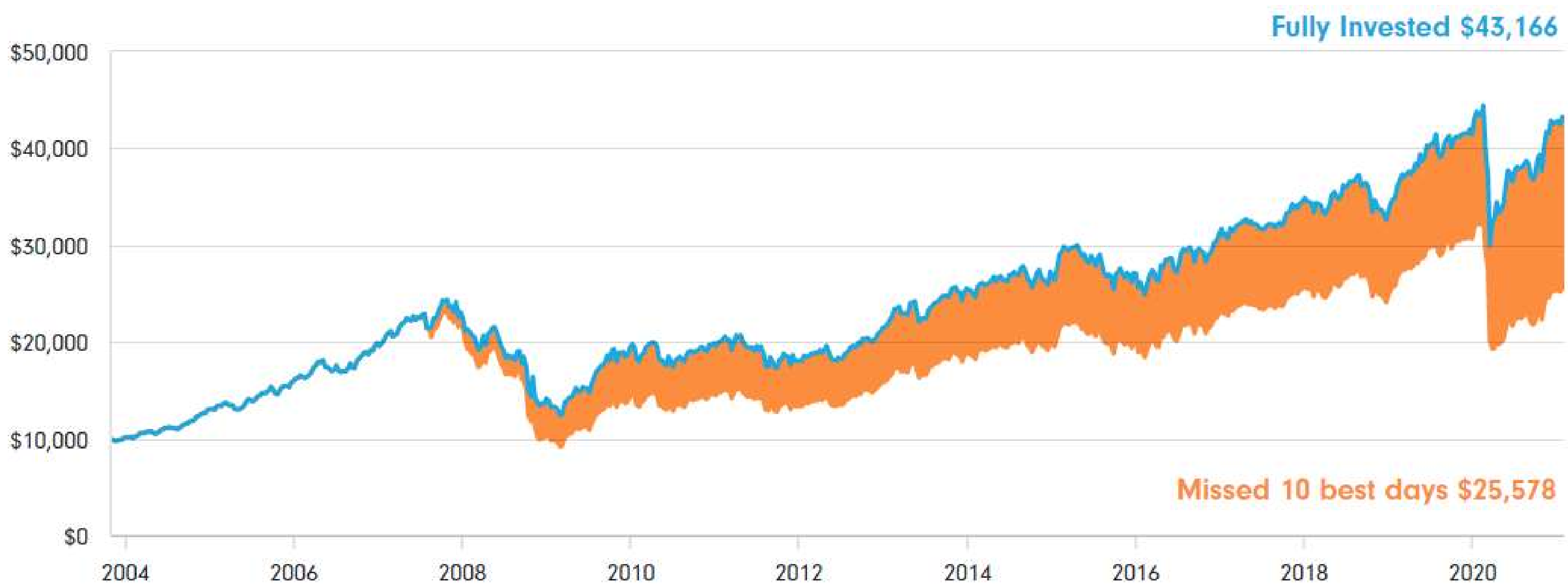
Avoid the perils of market timing

Missing just a handful of the markets best days can have a significantly adverse impact on your portfolio



Daily returns of the ASX/S&P 200 Accumulation index (Source: Datastream) for the calculations, from 31 Oct 2003 to 04 Feb 2021.

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The Cost of Trying to Time the Market

S&P/ASX 300 INDEX (TOTAL RETURN)[1]

The impact of being out of the market for a short time can be profound, as shown by this hypothetical investment in the stocks that make up the S&P/ASX 300 Index, a broad Australian stock market benchmark. Staying invested and focused on the long term helps to ensure that you're in position to capture what the market has to offer.

- A hypothetical $1,000 investment made in 2000 turns into $4,932 for the 22-year period ending 30 June 2022.
- Over that 22-year period, miss the S&P/ASX 300's best week, which ended 30 March 2020, and the value shrinks to $4,328. Miss the best three months, which ended 23 June 2020, and the total return falls to $3,742.
- There's no proven way to time the market—targeting the best days or moving to the sidelines to avoid the worst—so the evidence suggests staying put through good times and bad.

Missing only a brief period of strong returns can drastically impact overall performance.