

# Keep calm and focus on long term

## INVESTMENT

BY BARRY O'NEILL

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Many private investors are justifiably concerned about how the current euro crisis will unfold and what impact it will have on their savings, investments and pensions.

Although the vast majority of the commentary on this topic is negative in nature, there is a lack of any real consensus among politicians and economists regarding the solution to the crisis.

There are even some

high-profile names starting to see the recent falls in equity prices as a buying opportunity.

One thing for certain is that anyone trying to gain an advantage by timing the market – selling now with a view to buying back in when things are cheaper – will invariably end up losing out.

Long-term research shows that missing even the best five days on the market can significantly reduce the returns you enjoy.

Some of the best advice I've had in life is to focus on

the things you can control and not lose sleep over the things you can't. Investing is no different.

You can't control what happens on the world's equity and bond markets, so focus your efforts on:

- Making sure that you have an appropriate level of exposure to these asset classes given your investment time horizon and tolerance of risk.

- Being as diversified as possible, so you are not overly exposed to any single company, sector or country.

- Paying as little as possible to access the asset classes you are invested in to make sure you get to keep more of any gains, or that losses are not compounded by excessive charges.

It is difficult to keep your head when all around you are losing theirs, but maintaining your long-term perspective and staying disciplined are crucial when investing.

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