



Another investment quarter passes

The first quarter of the year is over. For all the excitement over the last three months, from end to end, not much happened.

Do you remember back to the first half of February, when markets were full of doom and gloom and the FTSE was threatening to drop below 5,500 and the Dow Jones below 15,000? It has been a rollercoaster of a quarter, but the overall movement in the UK and US markets has been small, as the table below shows.

Index	Q1 2016 Change
FTSE 100	- 1.1%
FTSE All-Share	- 1.4%
Dow Jones Industrial	- 2.2%
Standard & Poor's 500	- 0.7%
Nikkei 225	-12.0%
Euro Stoxx 50 (€)	- 8.0%
Hang Seng	- 5.2%
MSCI Emerging Markets (£)	+8.1%

For UK investors, the performance of the overseas markets is better than it might appear because sterling has had a bad quarter, reducing losses or increasing gains. The pound's effective exchange rate fell by nearly 5% across the first three months of 2016 as Brexit fears took their toll. This year's summer holiday is likely to be costlier than it looked to be at the start of 2016.

The first quarter has once again served as a reminder that markets go up and down and the long term investor should avoid being distracted by short term gyrations: if you had sold out in the gloom of early February, you might now be feeling a little bruised.

The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance. Investing in shares should be regarded as a long-term investment and should fit in with your overall attitude to risk and financial circumstances.