

7 Lessons in long-term investing



“

The stock market is a device for transferring money from the impatient to the patient. ”

Warren Buffett

Lesson

1

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7 Lessons in
Long-term Investing

Think
Long-Term

AVIVA

Long term equity market returns

At a 7.5% p.a. rate of return, your money doubles in value every 10 years!

8.5%

**MSCI World Index
annualised return
over 20 Years**

8.2%

**MSCI World Index
annualised return
over 30 Years**

9.6%

**MSCI World Index
annualised return
over 50 Years**

Warning: Past performance is not a reliable guide to future performance.

Lesson

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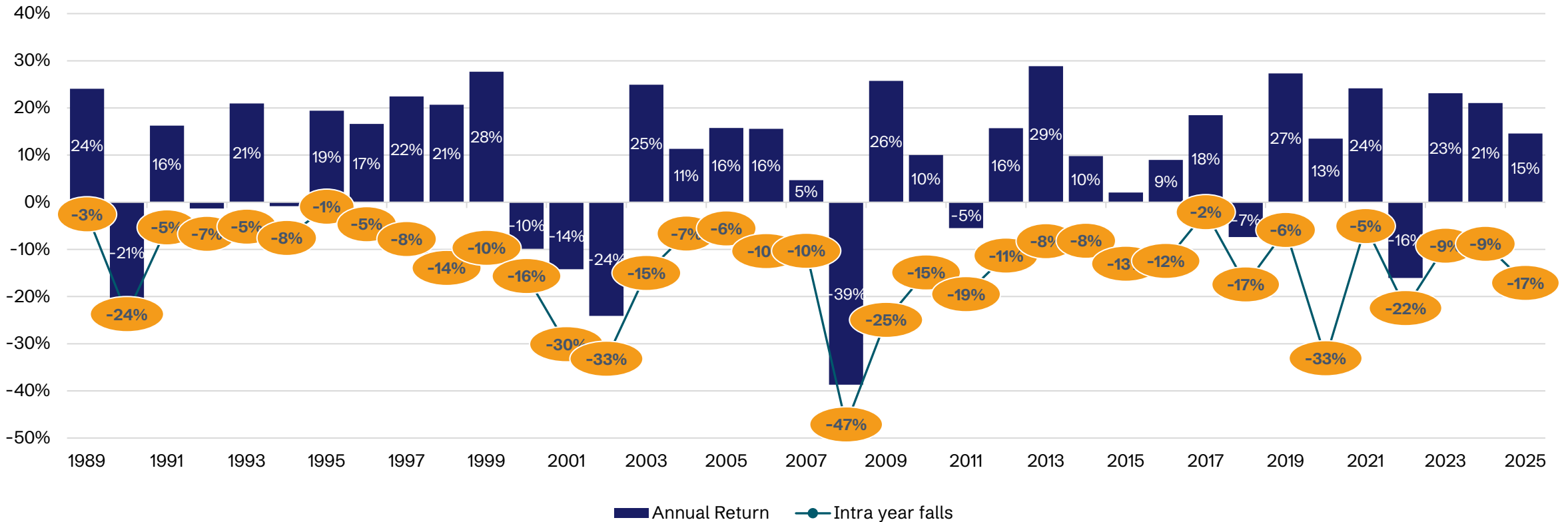
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Market Dips
Happen

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Markets go up more than they go down

At some point in every calendar year the market falls, but markets go up more than they go down



Warning: Past performance is not a guide to future performance.

Source: Aviva Investors & Bloomberg, as at 31 December 2025. Data used MSCI World (TR local).

UK pension funds lost £425bn in year of bond market crisis

Market 'Mega-Bubble' Set To Pop, Says Top Economist Who Called 2008 Crash

The last two scenarios when U.S. stocks went up this quickly? During the dot-com bubble and after recessions

Coronavirus: FTSE 100, Dow, S&P 500 in worst day since 1987

US bank stocks sink to all-time low against S&P 500

S&P 500 Hits Record High Buoyed by Economic Hopes Markets Wrap

S&P 500 counts on final 'Mag 7' push for best year this century

French stock market on track for worst showing since Eurozone crisis

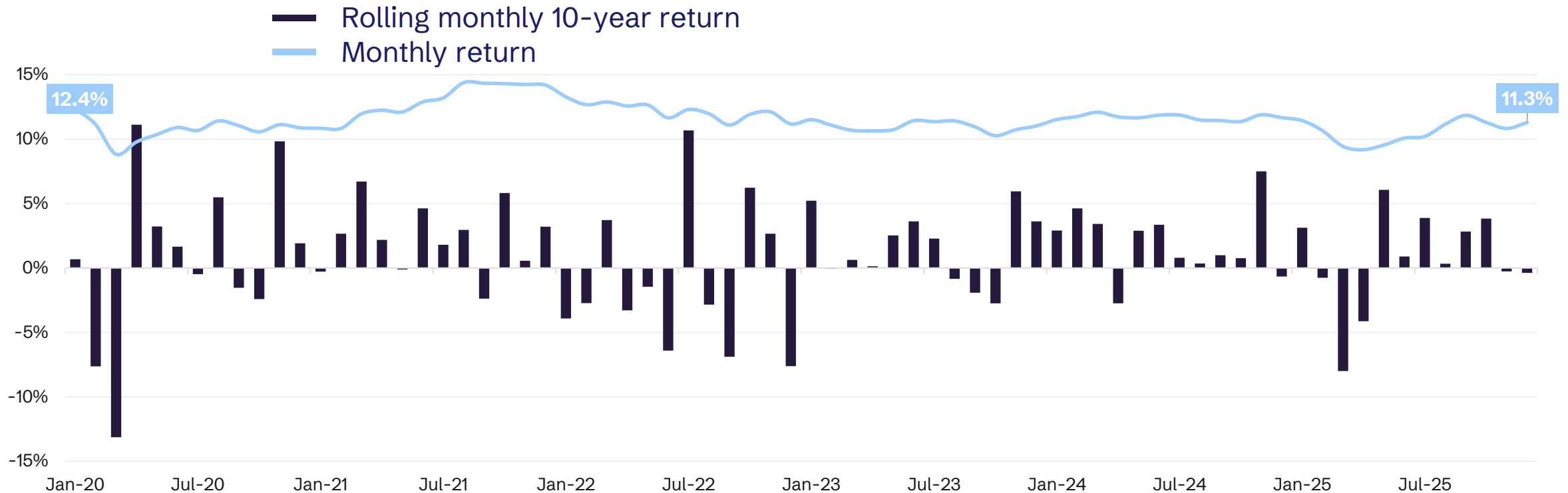
Stocks fall to end Wall Street's worst year since 2008, S&P 500 finishes 2022 down nearly 20%

Bitcoin hits new record high of more than \$106,000

Source: UK pension funds lost £425bn in year of bond market crisis (Feb 2024), The last two scenarios when U.S. stocks went up this quickly? During the dot-com bubble and after recessions. (March 2024), Market 'Mega-Bubble' Set To Pop, Says Top Economist Who Called 2008 Crash (Nov 2024), Coronavirus: FTSE 100, Dow, S&P 500 in worst day since 1987 - BBC News (March 2020), US bank stocks sink to all-time low against S&P 500 (Nov 2023), French stock market on track for worst showing since Eurozone crisis (Dec 2024), S&P 500 Hits Record High Buoyed by Economic Hopes: Markets Wrap (Sept 2024), S&P 500 counts on final 'Mag 7' push for best year this century: McGeever By Reuters (Oct 2024), Stock Market News: S&P 500 Finishes 2022 Down 20%, Worst Year Since 2008 - Markets Insider (Dec 2022), Bitcoin jumps to new record high of more than \$106,000 - BBC News (Dec 2024)

The short term can be noisy

It's important not to focus too much on the monthly ups and downs



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Source: Aviva Investors & Bloomberg, as at 31 December 2024. Data used MSCI World NR EUR

Lesson

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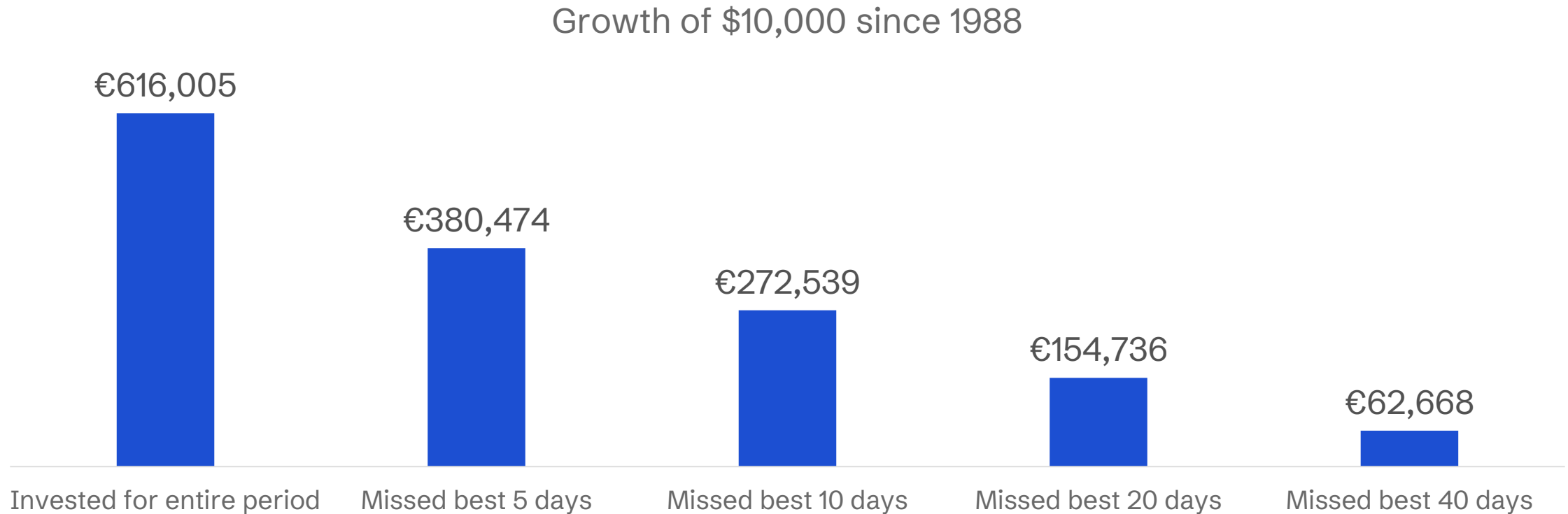
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Timing the
Market Costs

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The danger of being out of the market: 1988 to 2024

S&P 500 - Growth of €10,000 since 1988 to 2025 & effect of missing the best days



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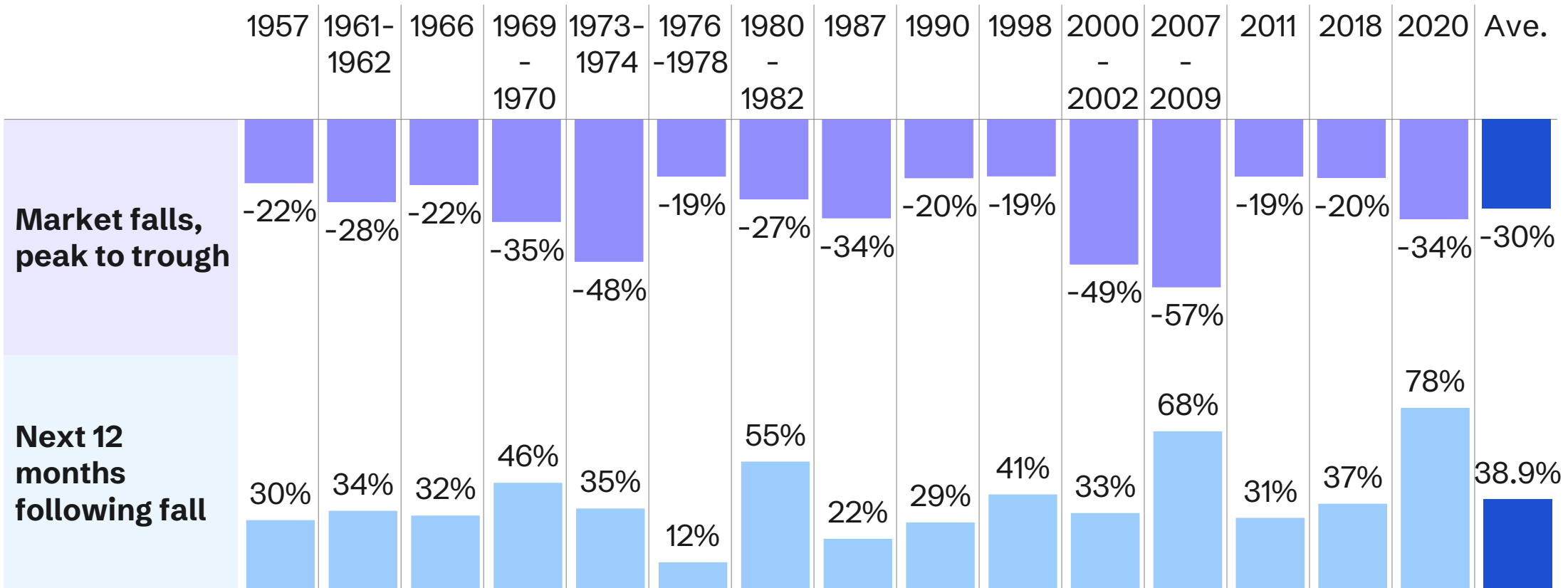
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**Markets
Recover Early**

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Markets recover from crises

Crisis and recovery: how the S&P 500 index has performed during and after historic events

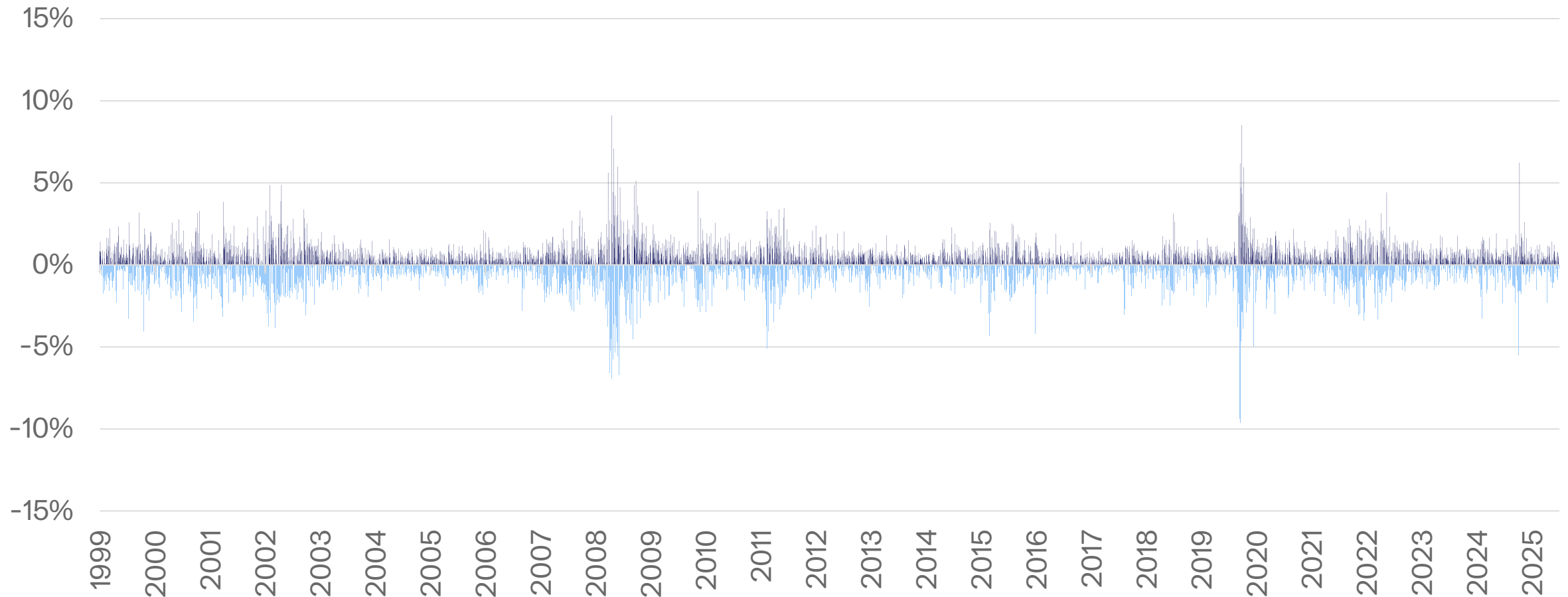


Warning: Past performance is not a reliable guide to future performance.

Source: Aviva Investors, Lipper, a Thomson Reuters company, as at 31 December 2024. Data used S&P 500 TR USD.

Bad days are often followed by good days

Daily moves of MSCI World TR from 1988 to 2025



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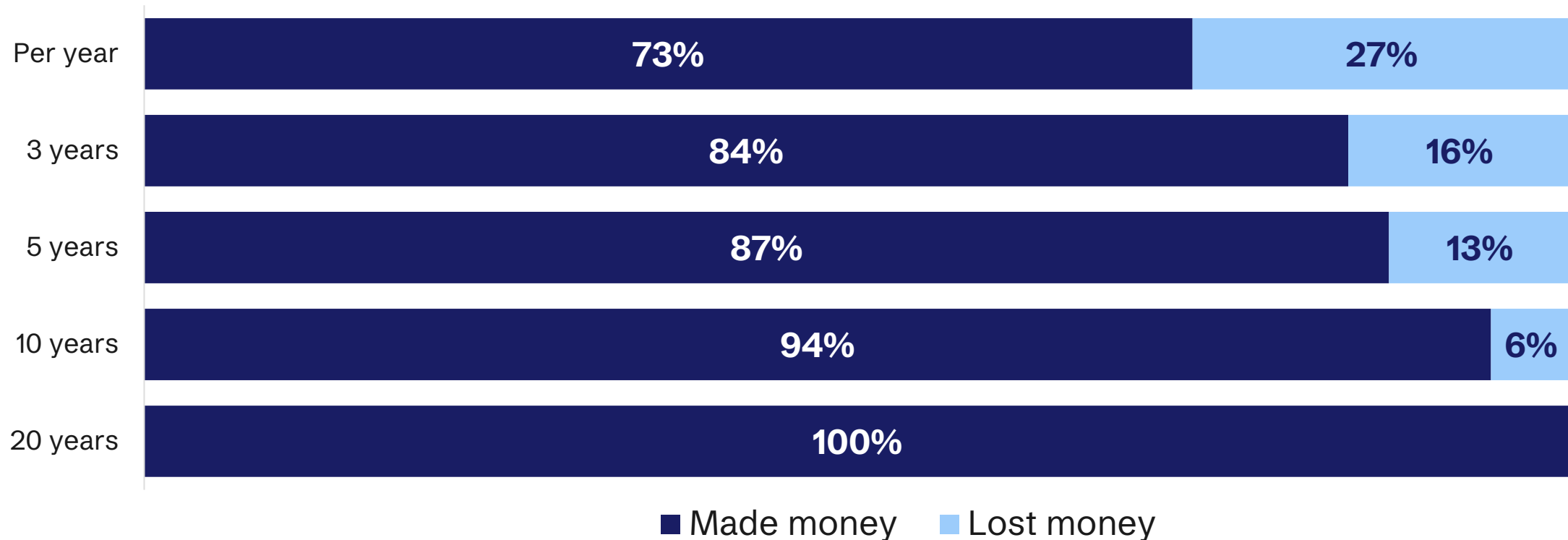
**The Odds
Favour Investors**

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How long do I need to invest?

S&P 500 (CR,USD) 1928 to 2025

Rolling periods S&P 500 from 1928 to 2025
% of time made/lost money



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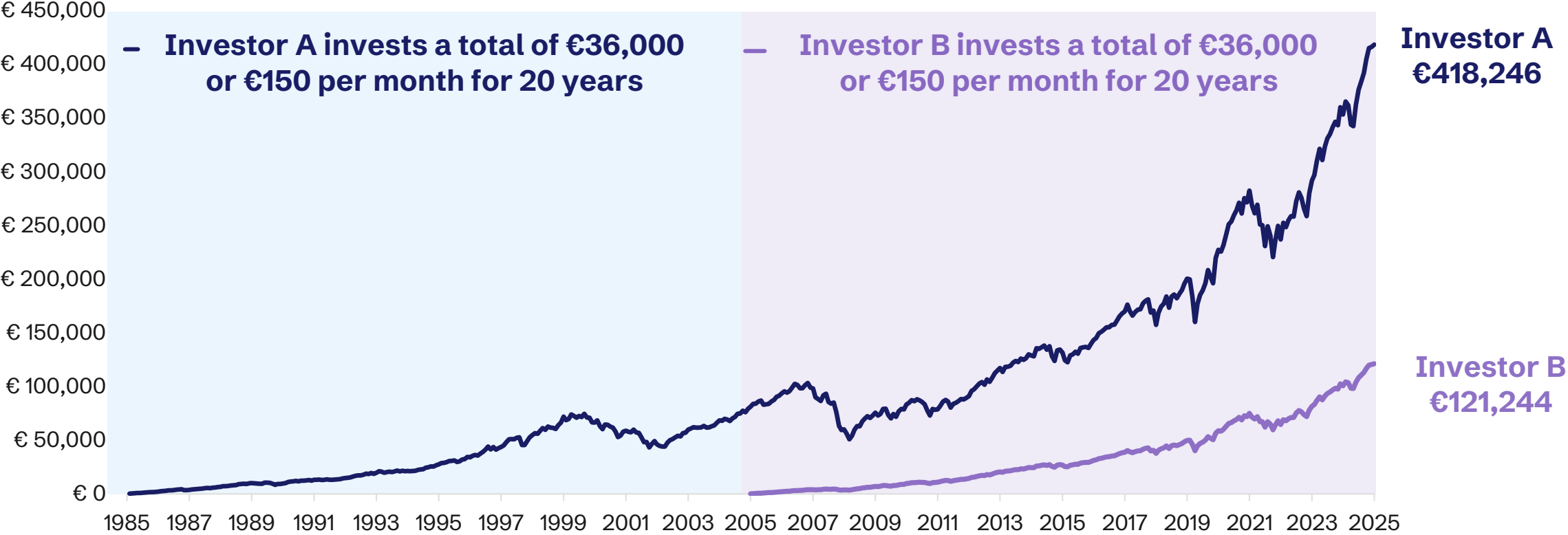
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Start Early,
Grow More

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Start early – the power of compounding returns

Global Equities - MSCI World Index



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Source: Aviva Investors & Bloomberg , as at 31 December 2025, MSCI World Index (TR, Local).



Lesson

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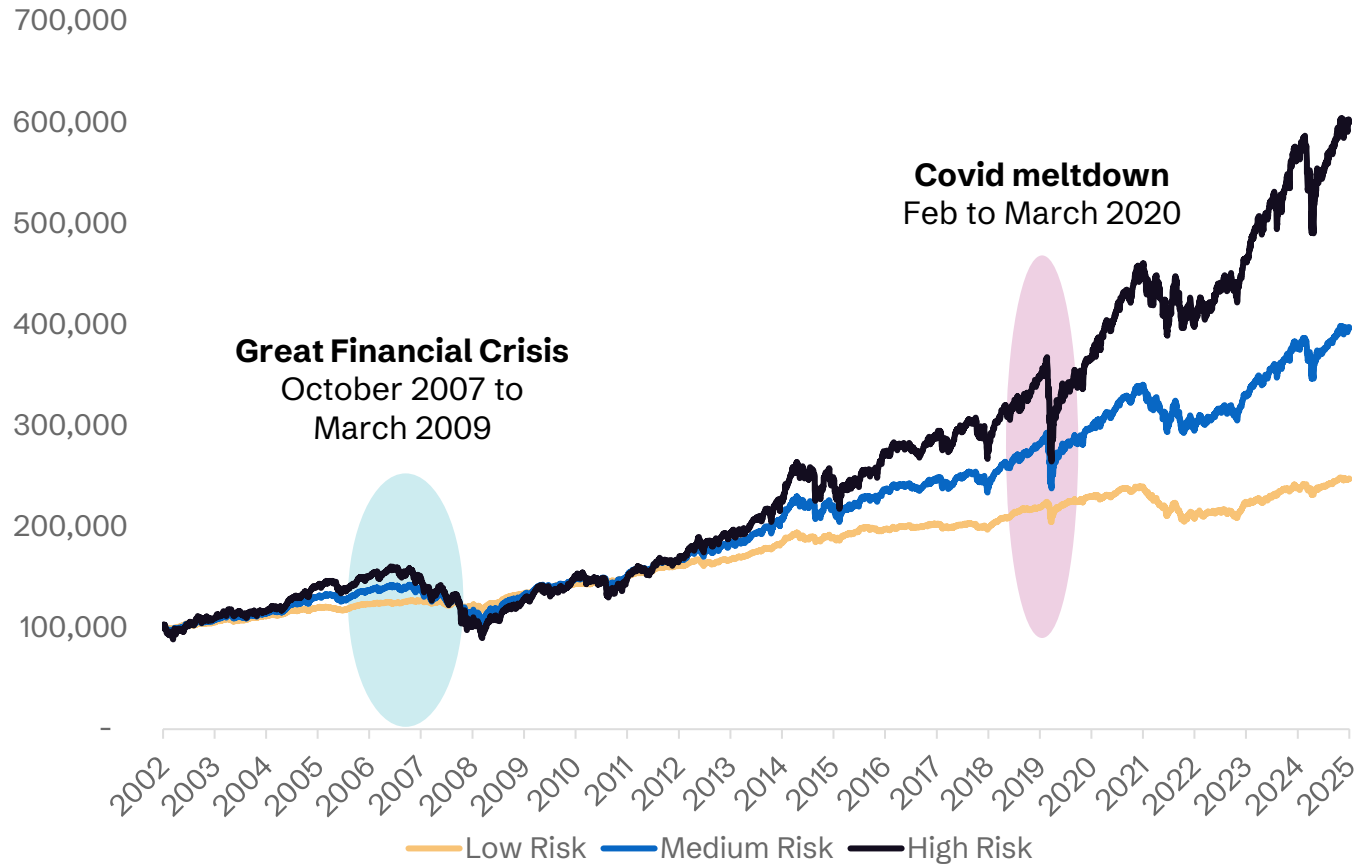
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**Risk Drives
Returns**

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What is risk?



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Source; Aviva Investors, as at 31 December 2025.

Low Risk is 20% Global Equities/80% Global Bonds (hedged) in euro.

Medium Risk is 50% Global Equities/50% Global Bonds (hedged) in euro.

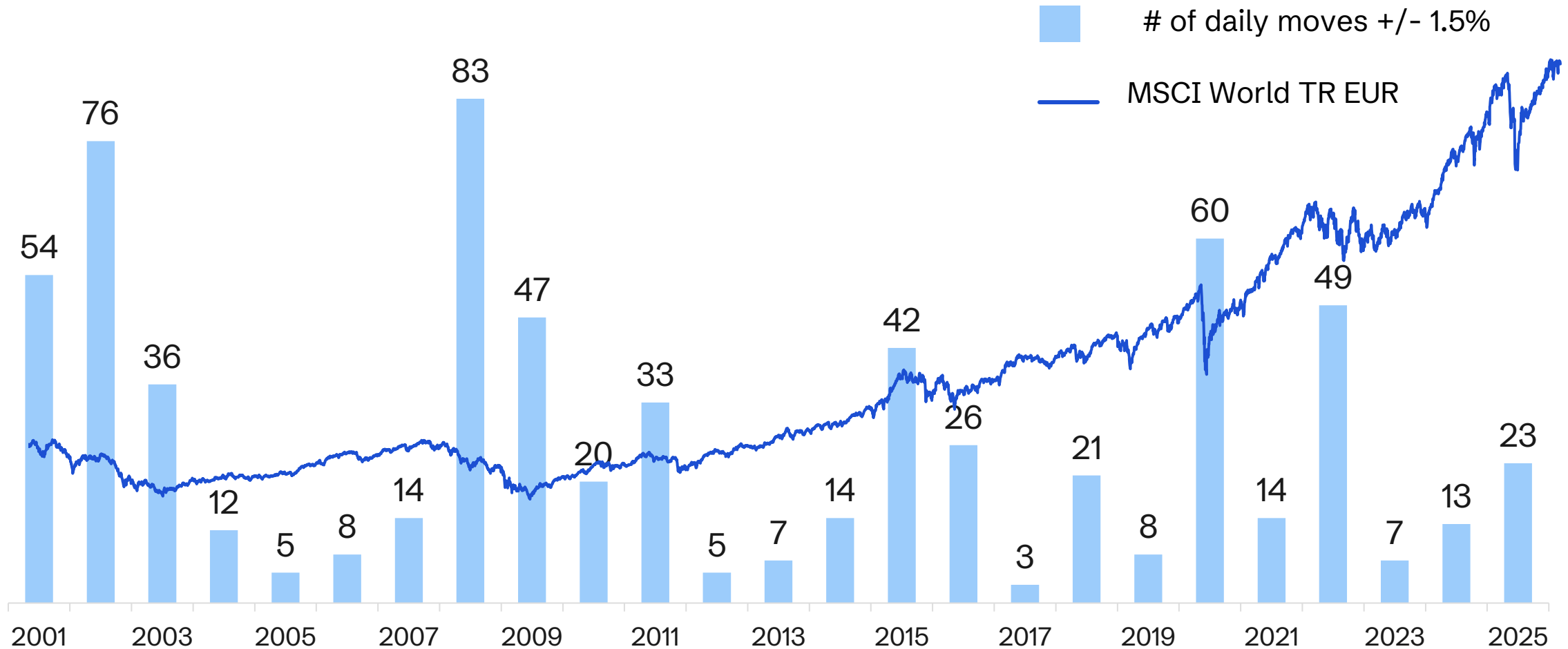
Higher Risk is 80% Global Equities/20% Global Bonds (hedged) in euro.

All rebalanced daily, based on index returns, gross of fees and costs.

	Low Risk (3)	Medium Risk (4)	Higher Risk (5)
Investment Jan 2003	€100,000	€100,000	€100,000
October 2007 (peak)	€127,750	€142,366	€159,378
Loss	-€ 10,430	-€ 38,559	-€ 69,339
March 2009	€117,320	€103,807	€90,039
19 Feb 2020 (peak)	€224,861	€293,418	€367,931
Loss	-€ 19,906	-€ 55,283	-€ 103,202
23 March 2020	€204,955	€238,135	€264,729
Investment Dec 2025	€247,507	€396,464	€599,820

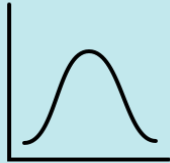
S&P 500 daily moves each year +/- 1.5%

Volatility often means falling markets

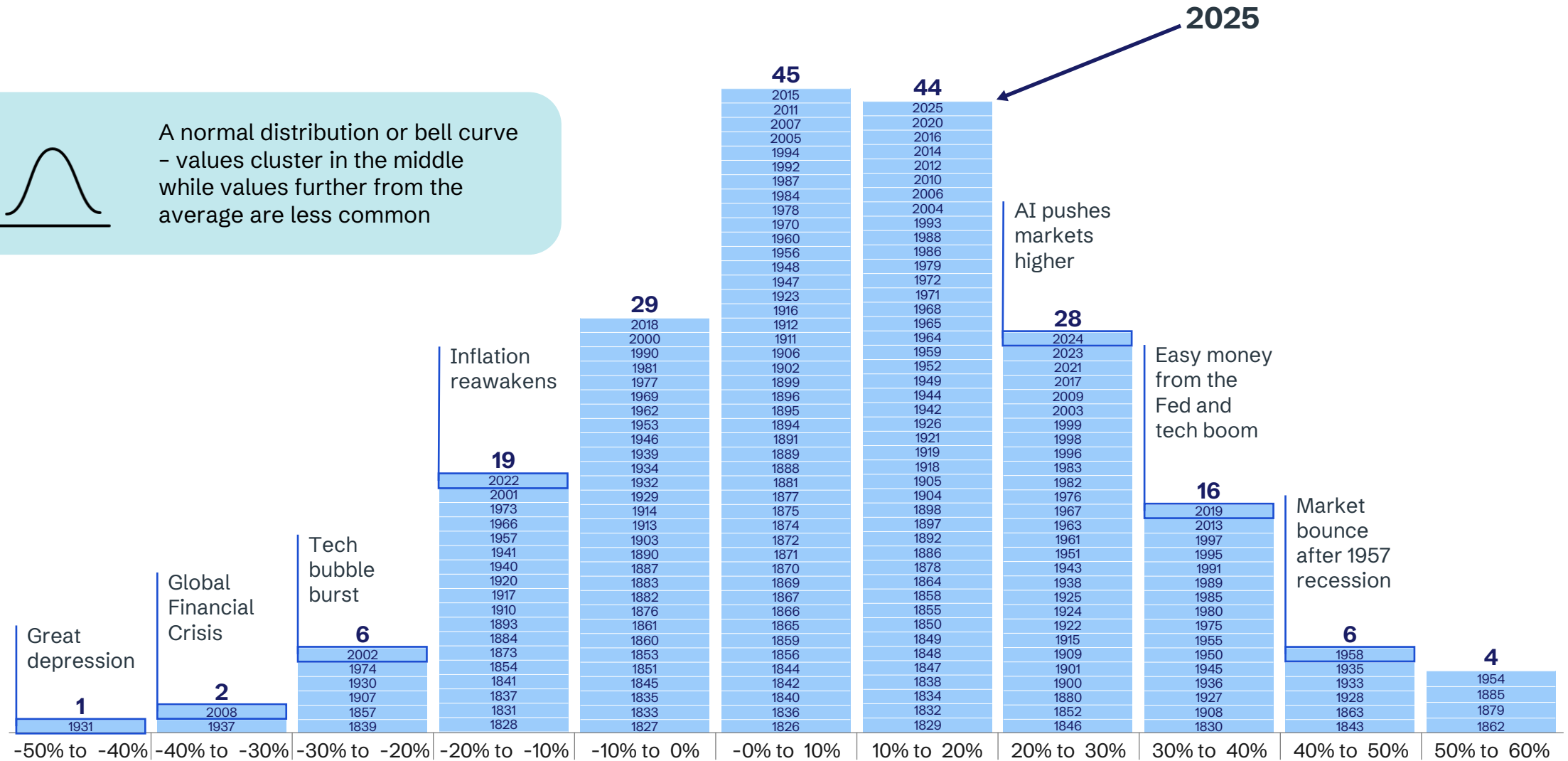


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Almost 200 years of US markets*



A normal distribution or bell curve – values cluster in the middle while values further from the average are less common



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Source: Aviva Investors, Lipper Refinitiv, Bloomberg as at 31 December 2025.

* US Market is S&P 500 from 1926 to 2021 and NYSE from 1815 to 1925 (A New Historical Database for the NYSE 1815 to 1925: Performance and Predictability – William N. Goetzmann*, Roger G. Ibbotson, and Liang Peng).

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