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“I am a citizen of the world, and also a citizen of Ukraine” – Victor Pinchuk

Events in Eastern Europe over the last week have correctly dominated TV, radio, newspaper and online news. It also meant that almost all equity or bond investors made losses during February, many for the second consecutive month unless - like the U.K. equity market - there was high proportional exposure to commodity sector shares.

The world is rarely straightforward as shown by events of the last week, the COVID-19 challenges over the last couple of years and many other sources of financial market volatility over recent decades. As with many matters in life, the most important element is how you respond to challenges, uncertainties and sources of volatility. To this end, it has been noteworthy over recent days that the economic restrictions on Russia have been applied more quickly and more thoroughly than in other historic geopolitical crises. Unfortunately, it has not yet stopped the invasion of Ukraine, but it has significantly heightened the rationale for a return to peace.

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There are many reasons why the average pension fund has made a good return over the last thirty years. A combination of improved trade interactions, heightened general education, improved health care and general democratic progress is the best combination to make a country richer and its citizens happier. This is why the world

- on average - has seen far fewer wars and coups compared to a few decades ago, but sadly not yet zero. Fortunately, the rationale for change continues to build in an ageing population world, aided by education and technology. Of course - as shown by many equity and bond market moves in January - this does not mean that investment markets will only go up. Government debt burdens - especially in the developed country world - have risen materially over the past couple of decades.

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Meanwhile heightened inflationary burdens have caused the Bank of England to increase interest rates twice over the past few months, a policy that is not only set to continue but also occur at the Federal Reserve in the United States, among other major global central banks. However, that does not mean the economic background is inevitably challenging for all investors. The global economy is continuing to recover from the COVID-19 challenges seen since 2020, with the scope for improvement in global emerging markets highlighting a source of material progress and improvement - just as our own economy has shown over the past thirty years.

As we enter the third month of 2022, there are still many uncertainties and concerns, but there are also reasons for investors not to be so concerned as to put all their savings into cash and hide it under the bed. 2022 still has the scope to

provide plenty of positive surprises. Whilst the average investor has been spoilt over the past thirty years, there are lessons and insights too for both continuing and new investors. The rationale for positive change can quickly become apparent, so do not worry too much, especially if your retirement or your investment plans are a little while into the future.

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