

## How can investors deal with a volatile investment market?

10 March 2020

Recently we have seen some volatile markets which have impacted the values of the investments held by the unit-linked funds. Uncertainties over global events such as the Coronavirus can cause markets to behave in a more volatile manner. Obviously, our first thoughts are with those impacted by this illness. However, we also need to consider that volatility in investment markets can be unsettling for our customers.

By way of a reminder, unit-linked funds that invest in assets such as equities are designed to be used for longer term investments. Whilst it may be tempting to sell when markets fall, deciding the right time to sell is difficult and, for many, continuing to hold for the long term may well be the right answer. Over the short term funds may fall, especially equity funds which are directly impacted by market volatility. However, historically, investing for the long term in funds that are spread across different types of investment or a range of funds has outperformed less volatile forms of investment, such as cash.

It is also advisable to be on the lookout for fraudulent activity - unfortunately there can be an increased risk of scams during times of market uncertainty.

### **Former Equitable Life with-profits customers**

Irish customers invested in with-profits who transferred to unit-linked funds on 1 January 2020, are invested in the Secure Cash fund, unless an investment-choice has been made.

The unit price of the Secure Cash fund is guaranteed to not fall below the value of the initial investment at 1 January 2020, although its future value would be unlikely to keep pace with inflation. Those policyholders who have not made an investment choice will remain in the Secure Cash fund until 30 June 2020. After that date a gradual move into our automatic investment option will happen over the second half of 2020. This approach has been designed to help minimise the impact of market fluctuations.

For German with-profits customers the Asset Share may be impacted by the market conditions although the guarantee will not.