

Successful Investing in Pictures

YOUR JOURNEY TO DIGNITY & INDEPENDENCE



SOLOMON'S
FINANCIAL PLANNING FOR LIFE

1 Fight the worry

2 Know the enemy

3 Choose your game

4 Own, not loan

5 Pay the price

6 Stay the course

7 Turn off the noise

The investing world is full of people looking for shortcuts to quick riches, and there's no shortage of professionals willing to sell you a cure that doesn't exist.

Rather than short-term tactics that may or may not lead you to success, I believe that a proper understanding of a few key fundamental principles will stand you in good stead on your journey towards financial independence.

Guiding families on this journey is my reason for being.



Dominic Thomas
Solomon's founder

Fight the worry



On any given day there are countless reasons to be pessimistic about the world, and the mainstream media delights in bringing these to your attention.

While it's easy for this negativity to affect our perception, we encourage you to remember that the world has never been a better place, despite our current problems.

Despite wars, recessions, stock market declines and a pandemic, the market continues to climb a Wall of Worry. If history is a guide, optimism is the only realism.

When the next crisis arrives, fight the worry.



1993

2022

Know the enemy

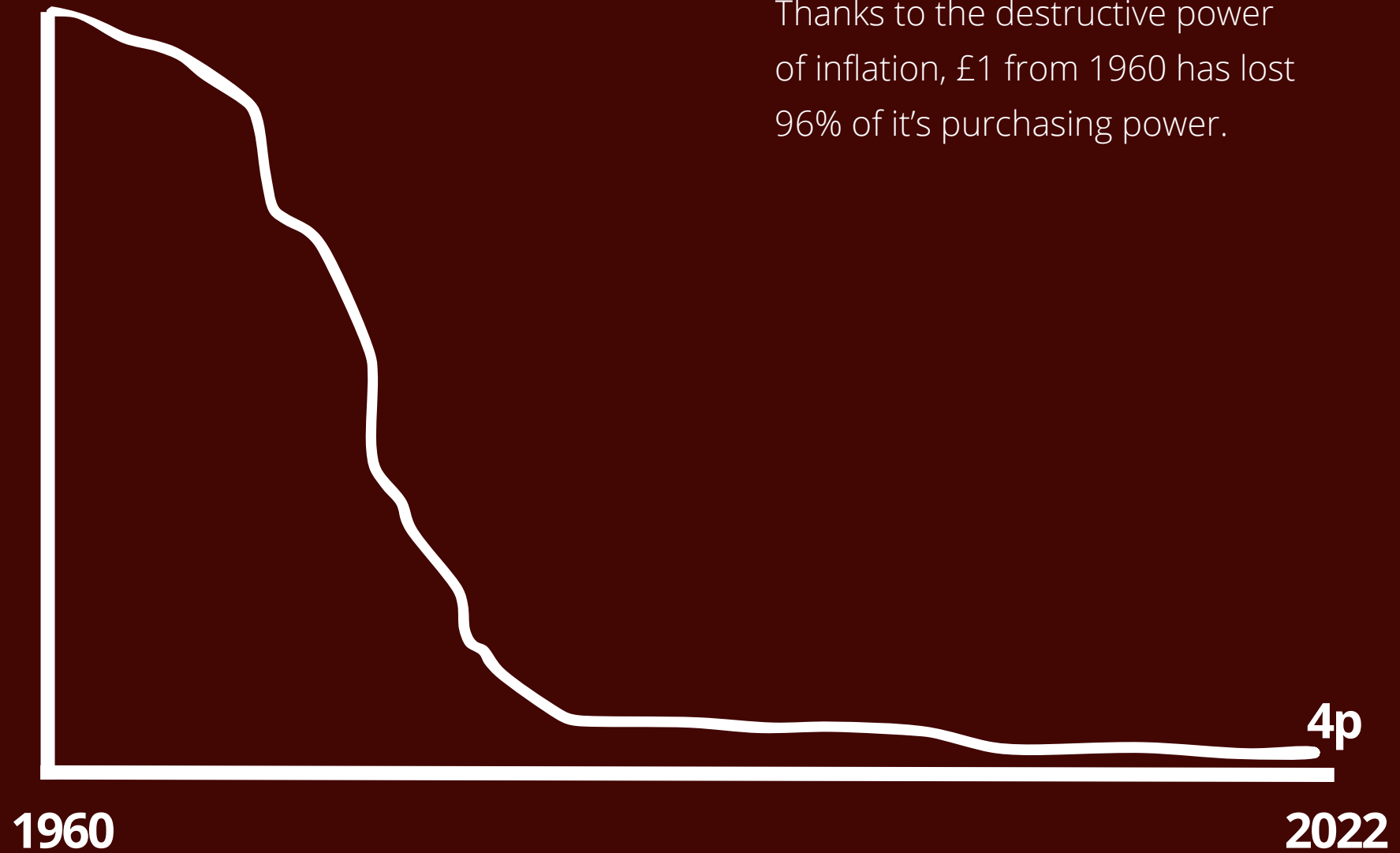
The only sane definition of money is purchasing power, the ability to buy the same amount of goods in the future as you can today.

The number one enemy on your financial journey is the financial dragon called inflation - the silent but steady increase of prices over time.

Is your money invested in assets that will defeat this enemy?



£1



Thanks to the destructive power of inflation, £1 from 1960 has lost 96% of it's purchasing power.

1960

2022

4p

Choose your game

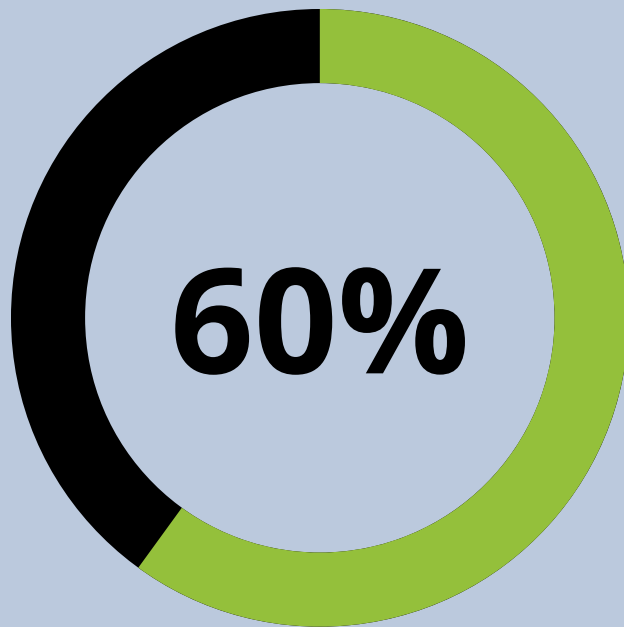
The financial markets consist of millions of participants, and they're all playing a different game.

The professional short-term trader with hopes of a year-end bonus does not have the same goals as a long-term investor investing for their financial independence.

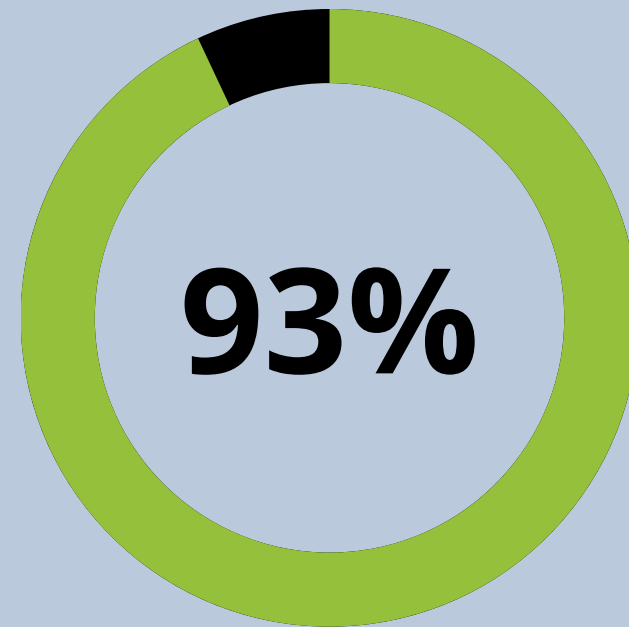
Carefully decide what game you are playing and then ruthlessly eliminate all information that does not apply to you.



Historical probability of a positive return



One month



Ten years

Own, not loan

If you define risk as the probability of running out of money rather than the chance of short-term market volatility, you will approach your investment strategy differently.

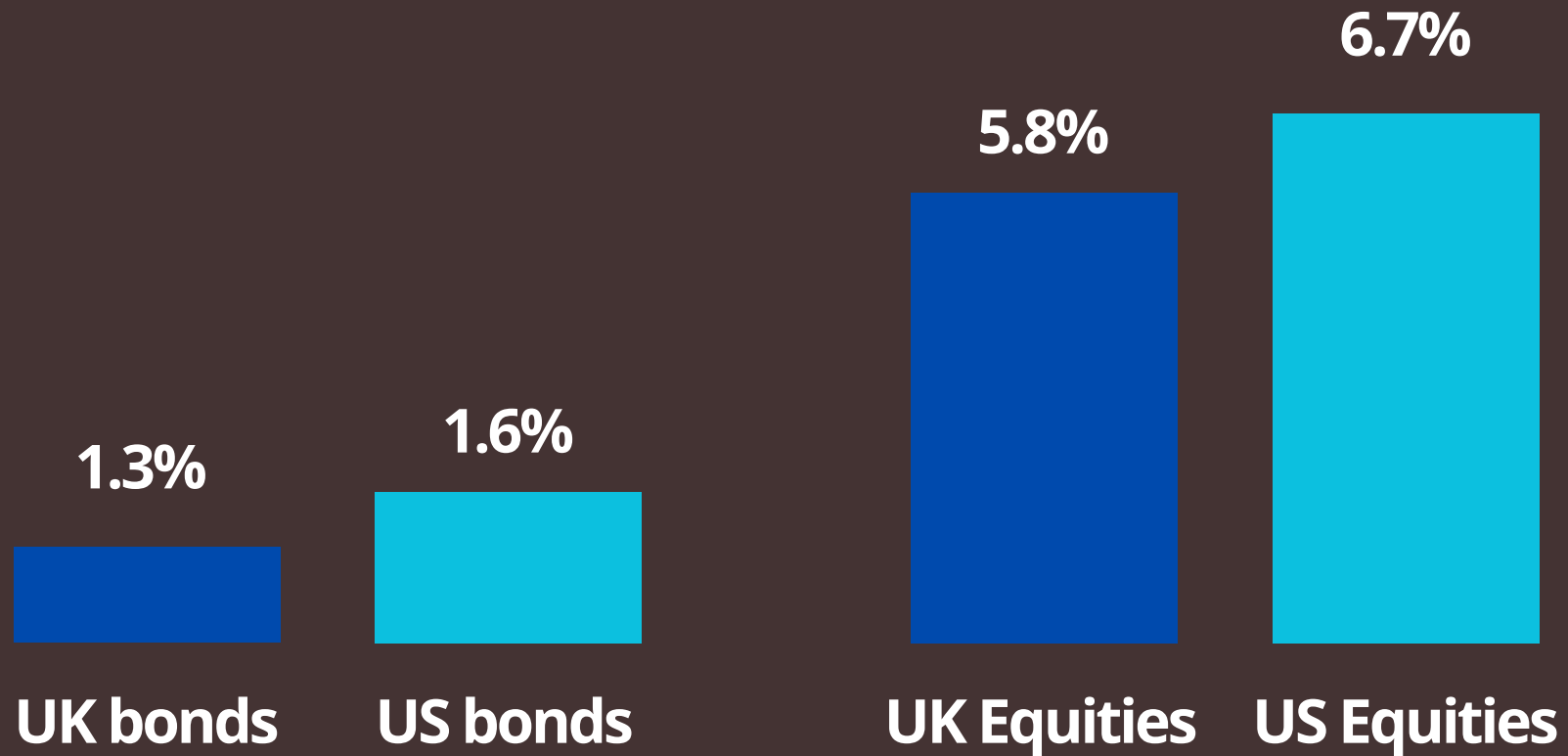
Understand how different asset classes perform over time and make sure to include those that will help you to secure a lasting retirement income.

The monthly market returns are irrelevant - do not let them distract you from the wonders of long-term investing.

Investing in equities (participating in the fortunes of companies listed on the world stock markets) will make you the owner of a share in great businesses, leading to rising dividends and rising capital values.

Investing in bonds will make you a lender to governments and corporations, earning a fixed income and no increase in capital.

Annualised Real Returns from 1900 - 2000



Pay the price

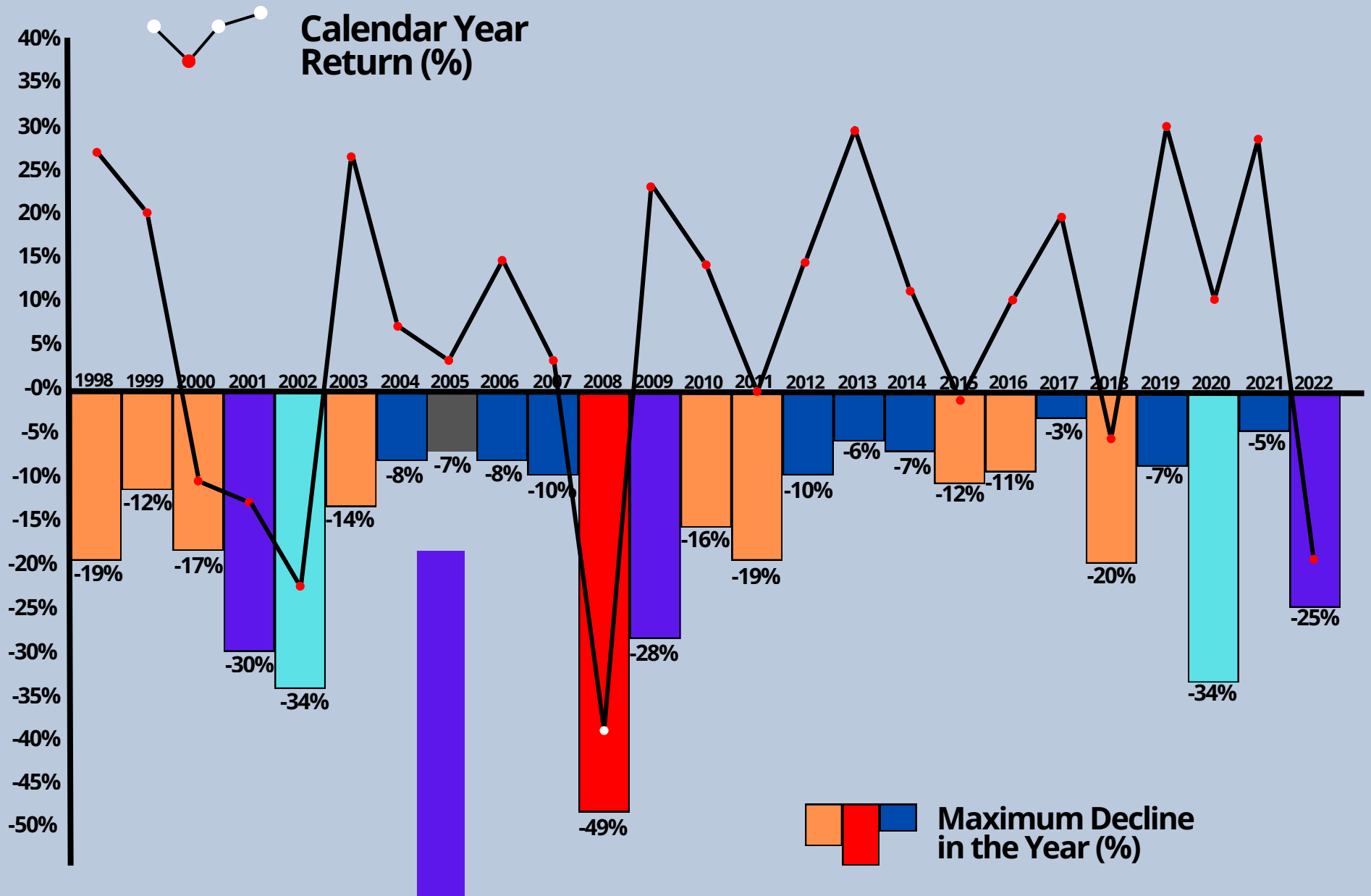
Being a mature long-term investor comes at a price.

Not a financial price, but an emotional one. You will be forced to endure frequent, but temporary, declines in the market value of your assets.

Your reward? The life-changing returns of being an owner of the successful companies of the World.

Can you pay the price?





This graph shows that the market falls every year. However, despite this the calendar year performance of the market is positive in all but 7 in the last 25 years.

Turn off the noise

During times of financial uncertainty, you may feel overwhelmed by the mainstream media trying to derail your long-term financial plan.

The risk is that you abandon your perfectly-crafted globally-allocated, highly diversified portfolio for the comfort of short-term “safety”.

Do everything you can to ignore the media noise. The companies you own are continually innovating, finding ways to navigate the challenges of the day. Those that don't are replaced by those that do.



Stay the course!

The only way we know to capture the full returns of the equity markets is to stay invested.

There will be many obstacles on your journey, but it is a journey worth taking. Your discipline and patience will be rewarded.

In a world obsessed with instant results, you will have the last laugh. Enjoy the ride!

You're an investor, not a speculator.



63

1962

61x

2022

The stock market
(S&P 500 Index Value)

3,840

22

1962

31x

2022

The stock market dividends
(S&P 500 Dividend Income)

68.34

30.4

1962

10x

2022

Inflation
(US Consumer Price Index)

298.4

SOURCES:

The visuals shown in this guide are intended to communicate general investing principles. They are for illustrative purposes only, with no guarantee that future results will reflect past results.

1. MSCI, Humans Under Management. Returns are based on the MSCI World price index from 1993 and do not include dividends.
2. World Bank, Humans Under Management. Based on the United Kingdom Consumer Price Index (CPI).
3. Koyfin, Humans Under Management. Returns are based on the FTSE All Share price index from 1980 and do not include dividends. Month-end closing prices were used to calculate returns for 370 consecutive rolling periods.
4. Triumph of the Optimists: 101 Years of Global Investment Returns. Dimson, Marsh, Staunton.
5. Fund Analytics, Humans Under Management. Returns are based on the S&P 500 price index from 1998, excluding dividends.
6. Time Magazine, MSCI, Humans Under Management. Chart is based on the MSCI World price index from November 1992 to November 2022.
7. U.S. Bureau of Labor Statistics, Stern School of Business at New York University, Humans Under Management.

SOLOMON'S
FINANCIAL PLANNING FOR LIFE



Tel: 020 8542 8084

Email: info@solomonsifa.co.uk

Website: www.solomonsifa.co.uk

Address: [The Old Mill, Cobham Park Road, Cobham KT11 3NE](#)

SOLOMON'S is a firm of Independent Financial Advisers. We advise individuals, businesses and charities.
We are directly authorised and regulated by the Financial Conduct Authority (FCA No.190062). VAT registration: 731 6092 50

- 1 Fight the worry
- 2 Know the enemy
- 3 Choose your game
- 4 Own, not loan
- 5 Pay the price
- 6 Stay the course
- 7 Turn off the noise

The investing world is full of people looking for shortcuts to quick riches, and there's no shortage of professionals willing to sell you a cure that doesn't exist.

Rather than short-term tactics that may or may not lead you to success, I believe that a proper understanding of a few key fundamental principles will stand you in good stead on your journey towards financial independence.

Guiding families on this journey is my reason for being.



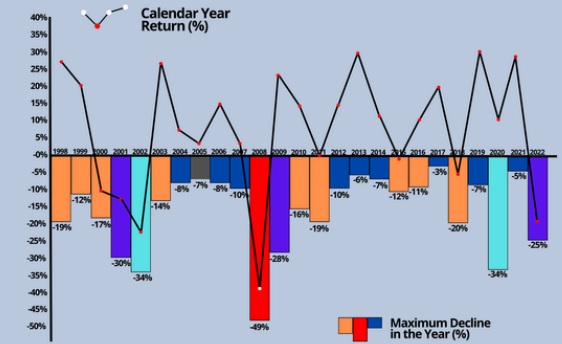
Dominic Thomas
Solomon's founder

Know the enemy

The only sane definition of money is purchasing power, the ability to buy the same amount of goods in the future as you can today.

The number one enemy on your financial journey is the financial dragon called inflation: the silent but steady increase of prices over time.

Is your money invested in assets that will defeat this enemy?



This graph shows that the market falls every year. However, despite this the calendar year performance of the market is positive in all but 7 in the last 25 years.

Fight the worry

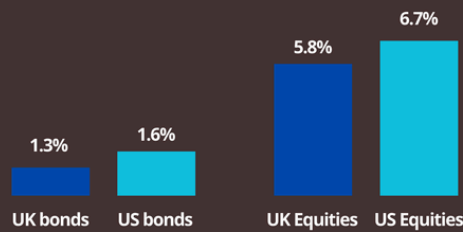
On any given day there are countless reasons to be pessimistic about the world, and the mainstream media delights in bringing these to your attention.

While it's easy for this negativity to affect our perception, we encourage you to remember that the world has never had a better time than it has in our current problems.

Despite wars, recessions, stock market declines and a pandemic, the market continues to climb a Wall of Worry. If history is a guide, optimism is the only realism.

When the next crisis arrives, fight the worry.

Annualised Real Returns from 1900 - 2000



Stay the course!

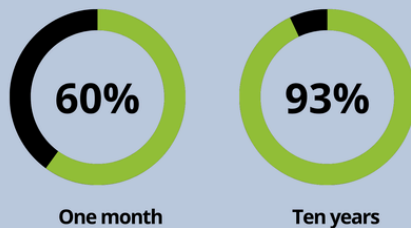
The only way we know to capture the full returns of the equity markets is to stay invested.

There will be many obstacles on your journey, but it is a journey worth taking. Your discipline and patience will be rewarded.

In a world obsessed with instant results, you will have the last laugh. Enjoy the ride!

You're an investor, not a speculator.

Historical probability of a positive return



Choose your game

The financial markets consist of millions of participants, and they're all playing a different game.

The professional short-term trader with hopes of a year-end bonus does not have the same goals as a long-term investor investing for their financial independence.

Carefully decide what game you are playing and then ruthlessly eliminate all information that does not apply to you.

Turn off the noise

During times of financial uncertainty, you may feel overwhelmed by the mainstream media trying to derail your long-term financial plan.

The risk is that you abandon your perfectly-crafted globally-allocated, highly diversified portfolio for the comfort of short-term "safety".

Do everything you can to ignore the media noise. The companies you own are continually innovating, finding ways to navigate the challenges of the day. Those that don't are replaced by those that do.

