



SHINFIELD

Financial Planning Ltd

FEBRUARY 2025 INVESTMENT NEWSLETTER

Enjoy this month's instalment of our newsletter. As always, it is packed with links that you may find interesting.

The Stock Markets

JANUARY 2025

The key benchmark you should care about is achieving all of your financial and life goals, and not running out of money

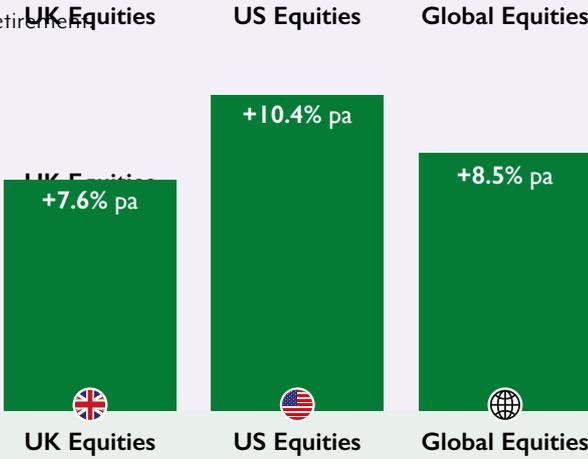
The Unimportant Numbers 1 MONTH

Monthly figures are a distraction from your long term goals.



The Important Numbers 30 YEARS

Investing in the Great Companies of the World has produced life-changing returns for the disciplined and patient investor over the last 30 years, the average length of a two-person retirement.



Source: FE Analytics, Humans Under Management. Returns are based on the total return of the respective indices, which assures all dividends are re-invested. Returns are in local currencies.

Inflation THE REAL ENEMY

JANUARY 2025

The number one enemy of the long-term investor is the financial dragon called inflation (the silent but steady increase of prices over time).

An investment in the global share market has consistently provided protection from this enemy. To earn this return, you had to be willing to see your investment value temporarily decline by about -15% on average every year without being panicked into selling.



Sources: FE Analytics, Humans Under Management. For illustrative purposes only.



Watch

Retirement: The Best Years of Your Life?

[View](#)

Listen

The 100-Year Mirror

[4 minutes].

Reflections on how our spending and time use reveal our true values.

[Listen](#)



What's The Money For?

As financial advisers, one of the biggest mistakes we see investors making is asking the wrong questions.

While the reason for asking them is understandable, too often, an investor's first question is, "Which investment will provide the best returns?" or "How can I keep my money safe?" These questions make the investment journey unnecessarily complex and emotionally taxing.

Asking better questions is the first step to simplifying the investment decision. In our experience, the question that provides the most clarity is: "What's the money for?"

A simple question, yes, but this question defines the purpose of your money and lays the foundation for smart financial planning.

The Pitfalls of Aimless Investing

Investing without a clear goal is like embarking on a road trip without a destination in mind. You might encounter some interesting sights along the way, but you'll likely waste time, money, and energy making haphazard turns.

When you don't know the purpose of your money, your investment approach can quickly devolve into a jumble of impulsive decisions, trend-chasing, and knee-jerk reactions to market noise.

If you're saving for retirement decades down the line, should you really be concerned about daily market fluctuations? Your long-term horizon allows plenty of time for growth. On the flip side, if you're investing money you need for a known expense next year, a portfolio designed for long-term investors could derail your plans.

Skipping the crucial step of defining your money's purpose often leads to emotional decision-making. The consequences? Missed opportunities, undue stress, and a lack of confidence in your financial future.

Aligning Investments With Your "Why"

The solution to this predicament is as profound as it is simple: always begin by identifying your goals.

When you ask yourself, "What's the money for?" you create a framework for making informed, purposeful decisions. You are forced to grapple with the "why" behind your investments, which helps you understand your investment time frames. Clarifying your goals

upfront establishes a clear direction for your investment strategy.

This goal-oriented approach does more than just guide your investment selection. It also bolsters your resilience in the face of market uncertainty. When you know your investments align with your objectives, staying the course during temporary downturns is easier. You have the confidence to rely on a clear plan.

Your Trusted Guide on the Journey

Successful investing doesn't have to be complicated. It begins with asking the right questions. So, whenever you evaluate an investment, we encourage you to ask yourself, "What's the money for?"

We understand that translating goals into an investment strategy can seem daunting, especially with the complexities of today's financial markets. That's where a competent and caring financial adviser comes in.

By acting as your trusted guide, we help you refine your goals and craft a tailored investment plan to achieve them. We aim to bring clarity and expertise to the process so you can focus on what matters most.

Investing is not about chasing the latest trends or finding some elusive "perfect" strategy. It's about leveraging your money as a tool to build the future you desire. And it all starts with one powerful question: "What's the money for?" Your future self will thank you.

ASKING BETTER QUESTIONS



CLARITY COMES FROM UNDERSTANDING YOUR "WHY"

Read



Why You Should Pursue the “Unnecessary” Things in Life *[11 minutes]*.

Money can support purpose but cannot create it.

[Read the full article](#)

Situational spending *[2 minutes]*.

The urge to prioritise immediate desires over long-term needs and values.

[Read the full article](#)

Minimum Levels of Stress *[3 minutes]*.

Why humans will always live in a state of stress and dissatisfaction.

[Read the full article](#)

If you want to live a quiet life, live a quiet life

[2 minutes]. The benefits of ignoring societal pressures.

[Read the full article](#)



The Mindset Shift Inspired by C.S. Lewis That Could Improve Your Finances *[4 minutes]*.

You can't change the beginning, but you can start from where you are.

[Read the full article](#)

Why We Struggle *[4 minutes]*.

The struggle to understand ourselves.

[Read the full article](#)

Rational Optimism

The media is not a friend of the disciplined and patient investor. Ignoring the key determinants of lifetime investor returns, the media focuses on short-term returns, market predictions, and negative news. We present the following as an antidote to the onslaught of negative news:



In a First, Surgical Robots Learned Tasks by Watching Videos

“They don't get fruitcakes or Christmas cards from grateful patients, but for decades robots have been helping doctors perform gallbladder removals, hysterectomies, hernia repairs, prostate surgeries and more. While patients lie unconscious on the operating table, robotic arms and grippers work on their bodies at certain stages in these procedures.

[Read the full article](#)

21st Century Progress

It's been 25 years since the turn of the millennium – a quarter century of wars, crises, and a pandemic. Yet, thanks to human creativity and innovations that helped us navigate hardships, these 25 years can also be considered among the greatest.

[Read the full article](#)



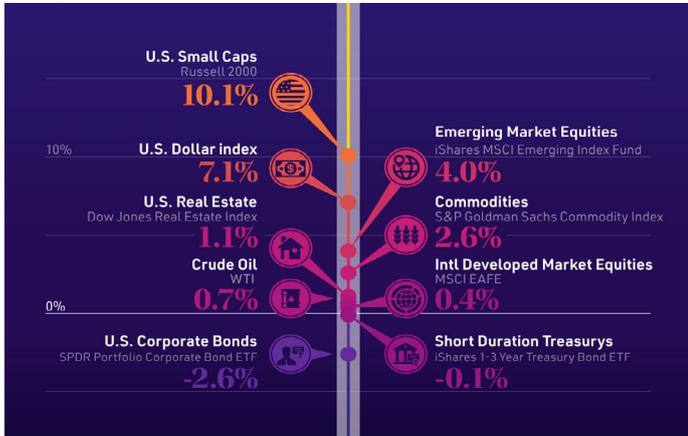
Seventy Really May Be the New Sixty for English Baby Boomers

A study examined trends in intrinsic capacity, a comprehensive measure of cognitive, locomotor, psychological and sensory capacities that was recently developed by the World Health Organization. The results indicate that older adults in England today seem to be experiencing far higher levels of physical and mental functioning than did previous generations at the same age.

[Read the full article](#)

Visuals

Visualising Major Asset Class Returns in 2024



For a handful of asset classes, 2024 was a banner year. Bitcoin surged to all-time highs, gold saw its best performance in 14 years, and the U.S. dollar rallied thanks to a strong U.S. economy. Meanwhile, the S&P 500 saw its best two-year run in over 25 years. On the flip side, bonds experienced lackluster performance amid reflationary concerns.

[Read the full article](#)

The Pyramid of Historic Returns

