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Financial Planning Ltd

APRIL 2025 INVESTMENT NEWSLETTER

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

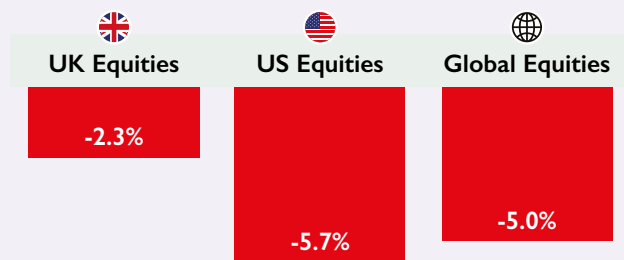
The Stock Markets

MARCH 2025

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

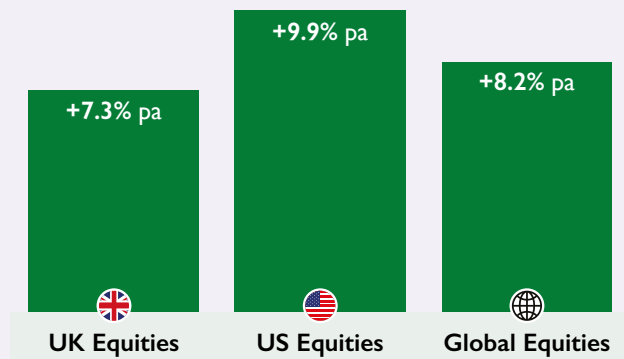
The Unimportant Numbers 1 MONTH

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

MARCH 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

5 Steps to Designing the Life You Want

[View](#)

Listen

Fees vs. Fines: The Cost of Admission in Investing

[12 minutes].

Exploring the psychological impact of uncertainty in investing, comparing it to the anticipation of a reward.

[Listen](#)



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The Return to Normal



DISCIPLINED INVESTORS BEHAVE THEIR WAY TO WEALTH

After two remarkable years in the financial markets, February and March brought a return to a more familiar pattern.

The US market (which drives global sentiment) declined by approximately 10% in four weeks, driven primarily by the uncertainty surrounding Donald Trump's proposed trade tariffs and concerns about their potential impact on corporate earnings.

Naturally, news headlines turned dramatic, market commentary took a decidedly negative tone, and some investors felt uneasy.

But here's the reality check we all needed: After two years of very little volatility, this is the market behaving precisely as we should expect it to.

The Reality of Market Rhythms

The relatively smooth sailing of 2023 and 2024 was the exception, not the rule. The financial markets have historically moved in a pattern that includes regular periods of decline interspersed with longer periods of growth.

Since the turn of the century, the average annual market decline has been approximately 16%. So, while the recent decline happened very quickly, what we're experiencing now is milder than what history suggests we should expect in a typical year.

The real outlier wasn't this decline; it was the previous two years of extraordinary returns with minimal volatility. While those returns were certainly welcome, they may have created an unrealistic expectation of normal market behaviour.

The Innovation Response

One concern driving the current decline is uncertainty about how new tariffs might affect corporate earnings. It's worth remembering that throughout history, companies have consistently demonstrated remarkable adaptability.

In the short term, yes, earnings reports may reflect some turbulence. But in the long run, the great companies of the world that make up

your portfolio have a proven track record of innovating their way around new challenges. They adjust supply chains, develop new markets, improve efficiencies, and find ways to continue growing despite obstacles.

This adaptability is precisely why equity investments have outperformed other asset classes over time: not because they're immune to challenges but because they repeatedly overcome them.

Discipline: The True Wealth Builder

The path to financial success isn't paved with perfect market timing or selecting next year's winning stocks. It's built through consistent, disciplined behaviour during periods precisely like this one.

Lifetime investment success comes from continuously following your financial plan. Likewise, substandard returns and even lifetime investment failure come from reacting to current events. This principle is being tested now, and it is the perfect opportunity to demonstrate its truth.

Every market decline throughout history has eventually reversed, and successful investors understand that these temporary downturns are simply the "price of admission" for the long-term growth that often follows.

For those still in the saving stage (when you're investing every month), the current period represents genuine opportunities. Each contribution you make during down markets purchases more units of the great companies of the world at discounted prices.

This Too Shall Pass

The financial media thrives on creating anxiety about short-term market movements. Their business model depends on keeping you glued to headlines and market updates. However, successful investors understand that daily market news is merely noise that distracts from the signal of long-term growth.

Our advice remains unchanged: ignore the short-term noise. Focus instead on the aspects of your financial life that you can control: your savings rate, your spending habits, and most importantly, your behaviour during market declines. If there's been no change to your circumstances and goals, your financial plan should not change. If there's been no change to your financial plan, your portfolio should not change.

While we do not know what positive or negative news awaits us in the coming weeks, we urge you to stay patient, remain disciplined, and continue behaving your way to wealth.

Read



Why Financial Planning Is More Personal Than Finance

[5 minutes]. Financial planning is deeply personal and requires an understanding of the unique stories and perspectives that shape how people view money.

[Read the full article](#)

Letter to A Young Investor: Beware the Money Trap

[5 minutes]. Money can become a trap that leads to dissatisfaction and emptiness.

[Read the full article](#)

Beautiful vs. Practical Advice [4 minutes].

Always prioritise practical advice over beautifully presented but ineffective solutions.

[Read the full article](#)

Good news: Happiness isn't everything [3 minutes].

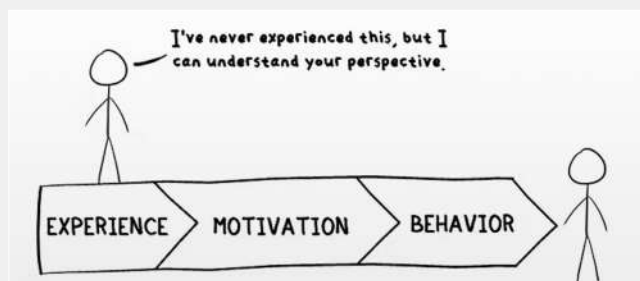
Exploring a more balanced approach to well-being.

[Read the full article](#)

Make Holding On for the Long Term Easy

[3 minutes]. Sentence.

[Read the full article](#)



Empathy: Understanding Your Partner's Perspective

[5 minutes]. An essential ingredient for building stronger relationships.

[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:



Vast Undersea Tunnel Will Change the Road and Rail Map of Europe

The Fehmarnbelt tunnel may not have grabbed the popular imagination in the same way as the Channel Tunnel between Britain and France did more than 30 years ago, but this structure is just as impressive, if not more so.

[Read the full article](#)

Acts of Kindness 10 Percent Higher than Before 2020

The world experienced a 'benevolence bump' of kindness during the Covid-19 pandemic that has remained, with generous acts more than 10% above pre-pandemic levels. The annual World Happiness Report found that in 2024, acts such as donating and volunteering were more frequent than in 2017-19.

[Read the full article](#)



Groundbreaking Map Made of Human Brain Mitochondria

Scientists have created the first map of the crucial structures called mitochondria throughout the entire brain - a feat that could help to unravel age-related brain disorders.

[Read the full article](#)

Visuals

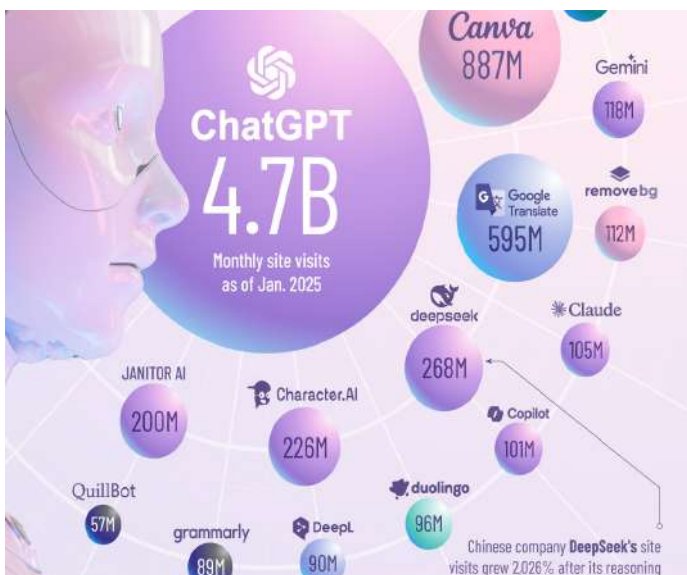
Mapped: The Most Walkable Cities in the World



Research shows that walkable communities encourage more physical activity, lower obesity rates, and reduced body mass index (BMI), while also boosting happiness by fostering more social connections. This map visualizes the 20 most walkable cities in the world, and their average time to walk to key amenities in each city.

[Read the full article](#)

Ranked: Most Popular AI Tools by Monthly Site Visits



OpenAI's ChatGPT continues its reign as the internet's artificial intelligence tool of choice, not only among generative AI models but across all AI tools. As ChatGPT's sees a slight dip in its monthly site visits, competitors like China's DeepSeek are rapidly gaining traction.

[Read the full article](#)

Visualizing the Global Stock Market by Sector



Today, the world's three largest sectors by market cap are information technology, financials, and industrials, together making up 50% of the global stock market. Across many countries including the U.S., China, Taiwan, and Germany, big tech companies stand as the most valuable firms. Meanwhile, financial firms also command a large presence in America and China, while industrial giants lead in Japan.

With a \$25.7 trillion market capitalization, the information technology sector covers more than a fifth of global financial markets. Today, tech companies make up six of the top 10 most valuable firms in America as of February 10, 2025. In China, Tencent and Alibaba stand among the 10 largest firms by market cap. A similar trend is seen in Europe, where business software firm, SAP closes off the top three with a \$333 billion market cap.

[Read the full article](#)

We hope you enjoyed this month's newsletter.
Please let us know what you enjoyed, or write back with any of your own news.

As always, we're here for you. See you next month.