



[INVESTMENTS](#)

[MORTGAGES](#)

[PENSIONS](#)

[PROTECTION](#)

**JUST LIKE THE MAN IN THE MOON!**



**PERFORMANCE OF THE FTSE 100 OVER THE LAST THREE YEARS**

The FT100, the index of the UK biggest companies has recently broken through the 8000 mark. This is the highest point in its history since 1984 when it started at the 1000 mark.

Investors who held investments on this day 3 years ago must be pretty happy and relieved that the markets have at long last recovered. On the 16th February 2020 the FT100 index stood at 7400 but then at the start of the covid pandemic, the index suffered a huge fall of 30% in just over a one month period. It has taken the index just over 3 years to reach its previous level and now to go even higher.

But the investors who are the happiest at this time are those that made their investments 3 years ago just after the 30% fall. Since the low point of the index on 20th March 2021 the value of shares on the index has increased by a staggering 54%. These investors must be very happy with their decision and are now enjoying a most satisfactory gain in their investments. However, we are not all so lucky or brave enough to make investments when the bottom has just fallen out of the market.

There is another group of investors who have enjoyed the high performance in the markets, and it is those investors who have simply plodded on investing on a monthly basis. Yes, they suffered like all of us from the 30% fall in the FT100 index, and all the other international markets, but their monthly contributions have been buying up investments at the low prices. Those low share prices have now increased in value over that past 3 years and now stand at an all-time high.

**FTSE 100 - The figures below show the dips over the last three years since March 2020 and the % increase to date - Feb 2023**

#### **FT100 Low point**

23 March 2020  
30 October 2020  
29 January 2021  
20 July 2021  
7 March 2022  
16 June 2022  
13 October 2022



#### **Rise since that date**

55%  
39.5%  
21.45%  
13.09%  
11.85%  
10.5%  
13.64%

When you invest monthly, you catch all the high points but you also catch all the low points of the markets which increase in value when the markets go higher, especially at this time when the markets are at their highest. This is called pound cost averaging and the table shows some examples. Monthly contributions to investments into the FT100 made on the

dates in the lefthand column would now have increased in value by the percentages in the righthand column. The secret is to keep investing, what you can afford, on a monthly basis. If you are considering investing in an ISA for this current tax year before 5<sup>th</sup> April then my recommendation is to invest up to the maximum allowance of £20,000 and thereafter to start investing on a monthly basis. Just like the Man in the Moon.

Keep Safe! Spring is just around the corner.

Ray

---

---

### **[What is the Windfall tax on oil and gas companies?](#)**

**[click the button below to read the article](#)**

**[BBC Business News](#)**