

UNCOMMON SENSE

DECEMBER 2024 INVESTMENT NEWSLETTER

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

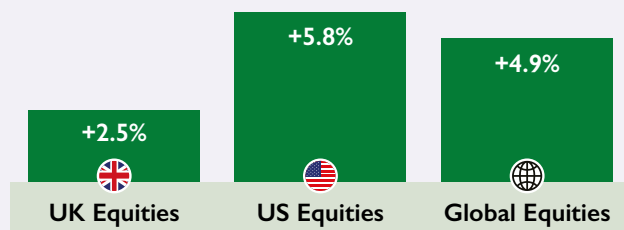
The Stock Markets

NOVEMBER 2024

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

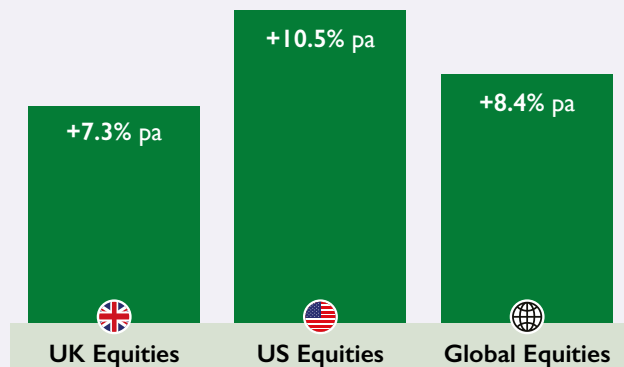
The Unimportant Numbers **1 MONTH**

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

NOVEMBER 2024

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

A Family Tradition

[View](#)

Listen

The Collective Delusion

[4 minutes].

Explores the powerful beliefs society attaches to money, and how these narratives can mislead us.

[Listen](#)

BEHAVIOUR GAP
RADIO

2024 In Review

As we reach the end of 2024, investors have much to reflect on and deliberate.

Global equity markets (year-to-date) have delivered returns far above average, with below-average volatility (fluctuations in price).

However, at the start of the year, none of this was easy to forecast. From ongoing wars to numerous elections that led to regime change, 2024 has been a year that served up plenty of uncertainty.

As we wind down to a time that will, for many, be filled with family, special celebrations, and rest, let us reflect on a few lessons we've taken from 2024.

#1 – Ignoring The Noise Is Rewarded

After great market returns in 2023 and looming uncertainty, investors could have been forgiven for feeling anxious about the short-term impact on markets. Inflation and interest rates had not yet returned to their previous levels, and in some economies, the risk of recession was ever-present.

Yet, once again, the stock market (the great companies we use every day) has reminded us that it operates independently of the daily noise. The market is made up of real companies, selling real things, to real people.

As we leave this year behind, let us resolve to carry this message with us and remember that if we have a long-term plan, we can safely ignore most of the noise we regularly encounter, as hard as this is to do in practice.

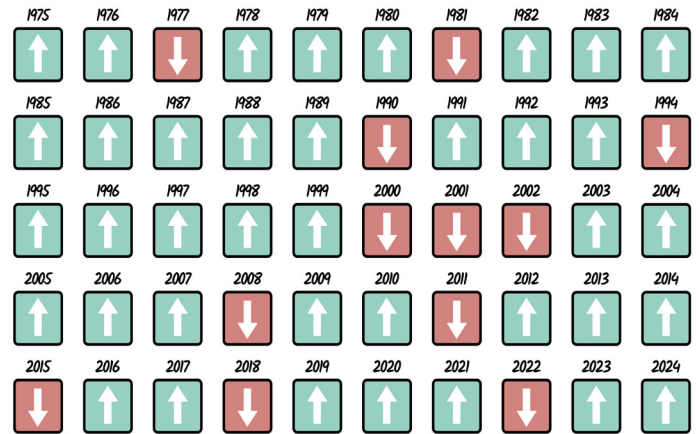
#2 – Inflation Is the Investor's Number One Enemy

Now that inflation is largely under control, it's worth reflecting on its impact.

Often a silent threat that compounds over time, it reared its ugly head in a big way over the last three years. For a short period, its impact became obvious to all.

Skyrocketing living expenses have highlighted the importance of investing for longer-term growth rather than short-term preservation. With this lesson fresh in our memories, let us remember its dangers as we plan for the future.

Fortunately for the long-term investor, an investment in the global share market has consistently provided protection from this enemy.



#3 – Good Times Do Not Last Forever

After two excellent years for global markets, it's precisely at this time that we should remind ourselves that good times do not last forever.

Stock market history shows that, on average, one out of every four years produces negative returns. While we do not know when the next negative year will arrive, we know it will.

We will never forecast markets, but we will always advocate for maintaining realistic expectations and being prepared for temporary market declines. Let us resolve never to be surprised when the market does what it has always done.

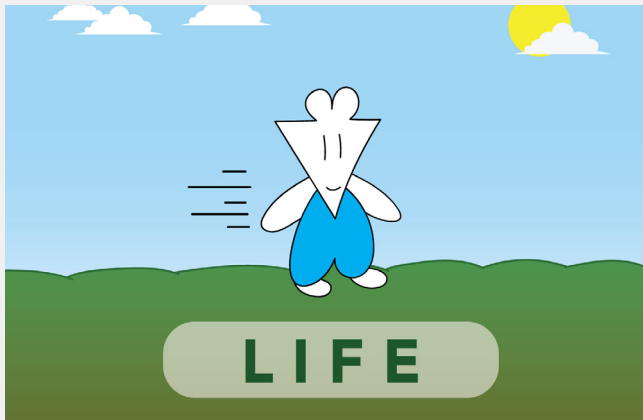
Thank You

In summary, 2024 has been a year in which investors' ability to anchor themselves to a well-thought-out, long-term plan has been crucial and richly rewarded.

As we head into a new year, let's continue to focus on what we can control—maintaining robust financial plans and practising patient and disciplined investing. Most importantly, let's resolve to stay in our seats when we next encounter market turbulence because it will come.

We thank you for the opportunity to guide you and your family. It is a privilege to serve you, and we look forward to working with you for many more years.

Read



How to Be Thankful for Your Life with One Simple Reset

[4 minutes]. What would it be like to lose everything you currently have?

[Read the full article](#)

The Things You Can't Buy *[3 minutes]*.

Are the tradeoffs you are making today appropriate for you?

[Read the full article](#)

The Gifts We Give Our Kids *[10 minutes]*.

The best things you'll ever give your kids won't cost a cent.

[Read the full article](#)



Don't Give In To That First Desire *[3 minutes]*.

Peace and satisfaction far outweigh the fleeting pleasure of immediate gratification.

[Read the full article](#)

When To Do What You Love *[4 minutes]*.

"Follow your passion" is not the right advice for everyone.

[Read the full article](#)

The Perennial Regret: "I've been too Timid"

[3 minutes]. Still more audacity!

[Read the full article](#)

Rational Optimism

The Many Reasons to Feel Thankful in 2024



This Thanksgiving comes in the wake of an emotional election that left some celebrating and others mourning. In such a charged political moment, it can be hard to focus on the big picture. Amid the continued effects of pandemic-era inflation, the ravages of natural disasters such as Hurricane Helene, intensifying culture wars, not to mention ongoing actual wars in the Middle East and Ukraine, some may find it hard to feel thankful even during a holiday devoted to thankfulness.

[Read the full article](#)

How mines control driverless trucks

It doesn't get much more remote than this. I'm in inland Western Australia, at Rio Tinto's Greater Nammuldi iron ore mine. It's about a two-hour flight north from Perth in a region called the Pilbara. No-one lives permanently here. Around 400 workers are on the site at any one time, and they are flown in, working between four and eight days, depending on their shift pattern, before flying home.

[Read the full article](#)



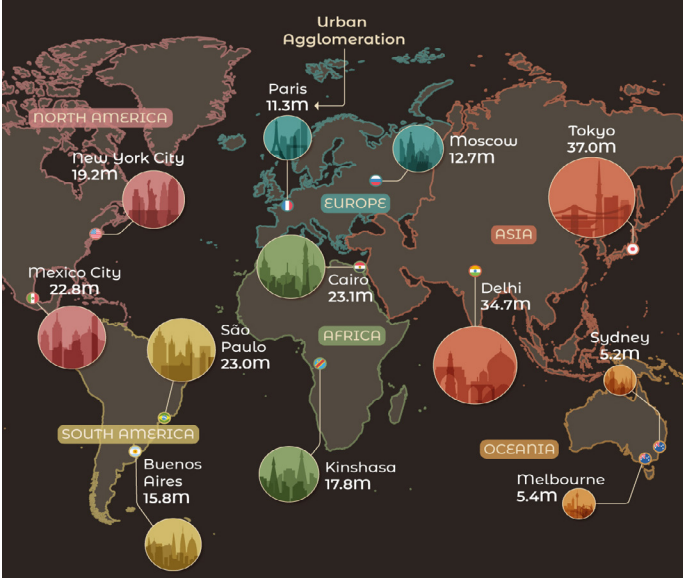
Scientists Discover World's Largest Coral in the Solomon Islands

Scientists discovered the largest known coral in the world on a National Geographic Pristine Seas expedition to study ocean health in the Solomon Islands.

[Read the full article](#)

Visuals

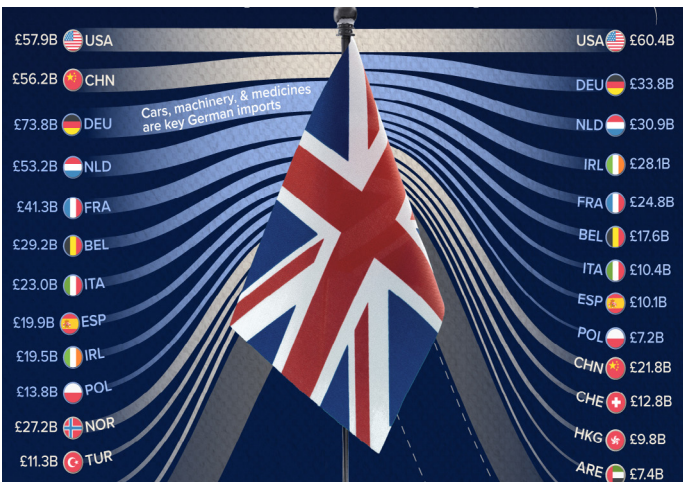
The Two Largest Cities on Every Continent by Population



This graphic visualizes the two largest cities on every continent, by 2025 estimates for their population. Data is sourced from the UN's World Urbanization Prospects. Population figures are measured for urban agglomerations, which is a continuous urban area that may not follow local administrative boundaries.

[Read the full article](#)

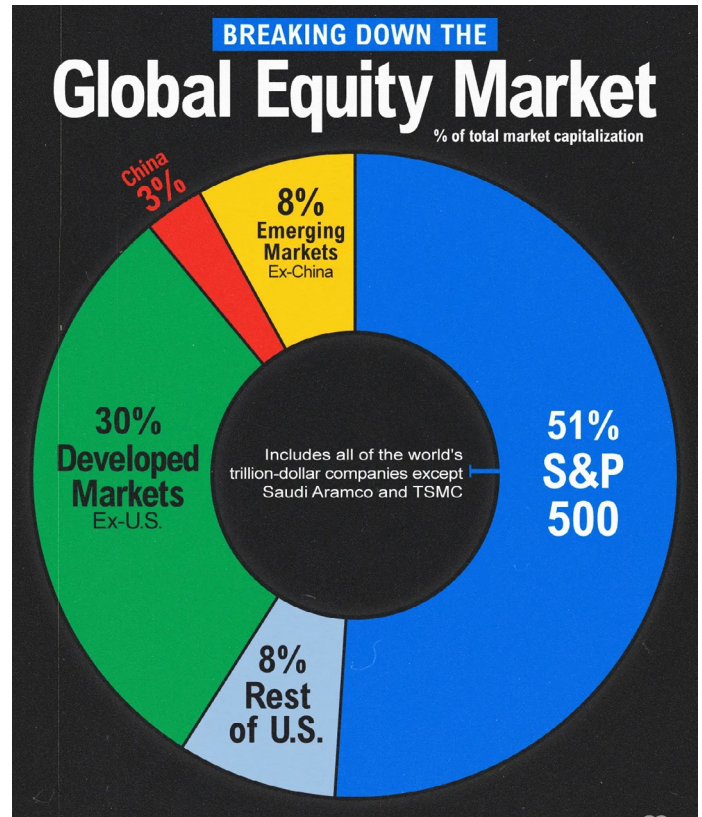
The UK's Major Trade Partners in One Chart



The UK's \$3.6 trillion economy is sixth largest in the world and is a key trade partner for many countries around the world. But who is the UK trading with, exactly? We rank and visualize the country's key import and export partners according to 2023 data sourced from the Office for National Statistics.

[Read the full article](#)

Breaking Down The Global Equity Market



This graphic breaks down the global equity market into five major pieces as of Dec. 31, 2023, using data from S&P Dow Jones Indices. It highlights the massive share of market capitalization that is located in the U.S., particularly within the S&P 500 index.

As of the end of 2023, companies listed in the U.S. accounted for 59% of global stock market value. Most of this value is in the S&P 500 index, which consists of the 500 largest publicly traded companies in the country. Nearly all of the world's trillion-dollar companies belong in the S&P 500: Apple, Nvidia, Microsoft, Alphabet, Amazon, and Meta (also known as the Magnificent Seven).

After U.S. markets, Developed Markets ex-U.S. account for the next biggest share. Shown as the green segment in the chart, developed markets are economies with established financial systems and high levels of income.

[Read the full article](#)

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

**Please forward to a friend, relative, or colleague.
As always, we're here for you. See you next month.**