

## Is your investment glass half full or half empty?

We live increasingly in a world that often feels full of doom and gloom, amplified by the endless news cycle, echoed in social media comments, and exacerbated by a tendency to doomscroll on our mobiles. This geopolitical, economic and social noise risks become deafening and unsettling. What will Trump do or say next? Will the West be able to contain Putin's imperialistic ambitions? Are taxes going to rise? Is the economy heading for a slump?

As investors, this immediate, loud and relentless noise can begin to chip away at our fortitude and confidence in the markets. 'What if' scenarios race through our heads. Unfortunately, the reality of being an investor is that it always feels a little uncomfortable. We cannot predict the future and our outcomes are uncertain, particularly in the short term.

When markets have risen strongly (as they have over the past 5 years e.g. developed and emerging equity markets have risen by 75% cumulatively to the end of August 2025<sup>1</sup>), and the negative noise is loud, it is easy to begin to feel that markets may well fall. Likewise, when markets have fallen, the news and outlook often feel grim. Putting more money into the markets feels like the wrong thing to do. The temptation is to get rid of this negative emotional pressure and take money out of the markets. That is rarely, if ever, a good solution.

Where doom suggests that the worst is coming and nothing can stop it, its opposite, hope, is the belief that something better is possible, even in the face of uncertainty. It is forward-looking, energising, and often the emotional fuel behind resilience and action. As such, adopting a glass-half-full attitude can make all the difference as an investor. Ponder on the chart below that celebrates all of the great things that have happened in the world over the past century. It is a great counterweight to what feels like a troubled world. For all the doom, there is a lot of hope and optimism, driven in part by free, open economies operating within a capitalist framework. Markets are resilient. Despite the doom and gloom, markets have risen relentlessly over time.

Figure 1: Good stuff happens too



Data sources: Albion World Stock Market Index © <https://smartersuccess.net/indices> Period: Jul-26 – Jul-25. Returns in USD.

Adopting a glass-half-full attitude to markets is not just motivational; it's grounded in economic history. Capitalism is a dynamic engine of value creation that rewards those who provide capital in exchange for a share of ownership in a business (owning equities) or lending them money (via owning bonds) allowing companies to build, scale, and solve real-world problems. In aggregate, they do a good job as the chart illustrates.

Despite wars, recessions, pandemics, and political upheaval, capitalist economies have consistently delivered long-term wealth to investors who stay the course, harnessing the power of human ingenuity and enterprise to turn capital into opportunity. Global developed markets have, for example, averaged around 5% above inflation since the turn of the last century. That's not luck, it is the result of thousands of companies competing, innovating, and growing under a capitalist framework and overcoming the shorter-term doom and gloom that the world has always and will always continue to suffer.

Raise your (half-full) investment glass to hope, optimism and the power of capitalism. Cheers!

## **Important notes**

This is a purely educational document to discuss some general investment related issues. It does not in any way constitute investment advice or arranging investments. It is for information purposes only; any information contained within them is the opinion of the authors, which can change without notice. Past financial performance is no guarantee of future results.

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