



# Touchbutton

No: 61, April 2018

## Slow cooking

One of Mr Warren Buffett's most well-known investment words of wisdom are that his favourite holding period for a stock is forever. He did not say this in jest; however, we now live in a world of much shorter time horizons for all manner of things, be they mastering a new hobby, going on a crash diet, or even simply microwaving food.

This desire for instant fulfilment has also crept into the investment world over the last few years, which for nearly all investors is plain wrong. The vast majority of investors, day traders perhaps aside, are seeking to create or preserve wealth over very long periods, often decades, and often to ensure a financially comfortable retirement. Prudent investment management therefore should do much more than pay lip service to this; it should be at the heart of the investment process, ensuring the protection of hard won gains in periods of apparent over-exuberance, and being correctly positioned to take advantage of valuable opportunities in periods of market stress and weakness, often when it seems like the last thing any sensible investor would do.

Equally, the assessment of returns should be measured over sensible, generally quite long, periods of time. It makes little sense to form opinions about investment performance solely during the upward leg of a cycle, when your investment manager is trying to curate a portfolio for both the uptick and the inevitable downtick. It must be judged over both the fat and the lean years. Mr Buffett would agree: Newfound Research in the US analysed his track record and found that Berkshire Hathaway typically underperforms the broad US market index once every three years. Investors who dumped Mr Buffett because of this at pretty much any point from 1962 onwards have probably lived to regret their decision.

---

**Bordier & Cie (UK) PLC | Private Wealth Management since 1844**

23 King Street | St James's | London SW1Y 6QY | t : +44 (0)20 7667 6600 | [bordieruk.com](http://bordieruk.com)

**bordier** | 1844

This email is not intended as an offer to acquire or dispose of any security or interest in any security. Potential investors should take their own independent advice to assess the suitability of investments. Whilst every effort has been made to ensure that the information contained in this email is correct, the directors of Bordier & Cie (UK) PLC can take no responsibility for any action taken (or not taken) as a result of the matters discussed within it.

Bordier & Cie (UK) PLC is a specialist investment manager dedicated to providing portfolio management services. We offer Restricted advice as defined by the FCA, which means that if we make a personal recommendation of an investment solution to you, it will be from Bordier

UK's range of investment propositions, and will reflect your needs and your approach to risk.

If you no longer wish to receive Touchbutton please [click here](#). Alternatively, you can write to us at: Bordier & Cie (UK) PLC, 23 King Street, St James's, London, SW1Y 6QY, United Kingdom or email [unsubscribe@bordieruk.com](mailto:unsubscribe@bordieruk.com).

© 2018 Bordier & Cie (UK) PLC. All rights reserved.