Vanguard

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Proof you don't need perfect timing to outperform cash

Even if you invested right before every major stock market shock of the past 30 years, you'd still be better off than if you'd left your money in cash.

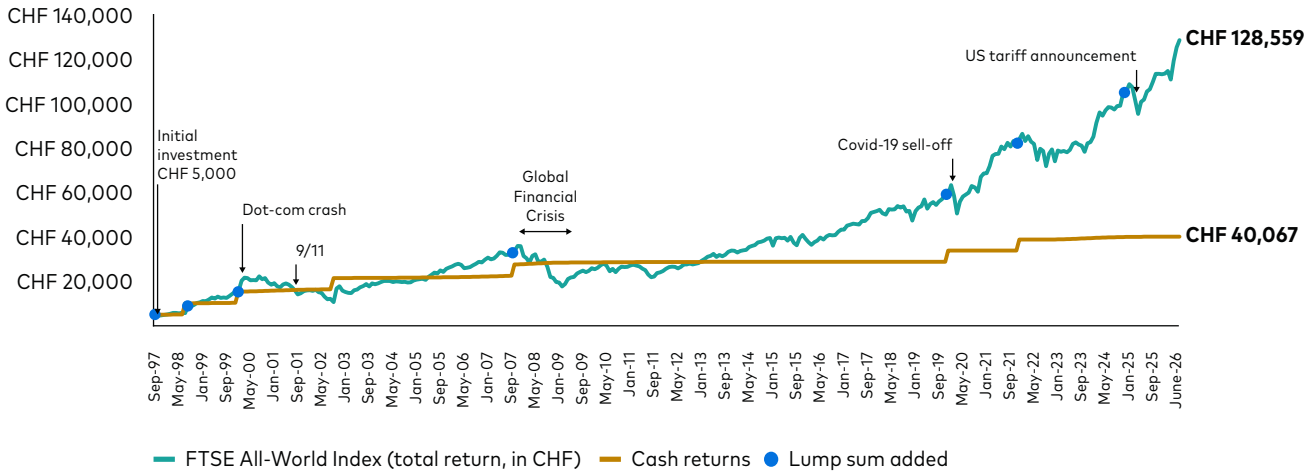
Staying invested over the long-term matters more than trying to predict market movements, as our new analysis shows.

The 'unluckiest investor'

To help illustrate the value of long-term investing, we conducted a hypothetical analysis of the world's unluckiest investor. Unlucky Jim, as we call him, has truly dreadful market timing. He managed to invest right before every major market downturn over the last 30 years. Jim put seven lump sums of CHF 5,000 each into the market just ahead of the dot-com crash, the Global Financial Crisis, the Covid-19 sell-off and other major market declines.

In total, he invested CHF 35,000 at the worst possible times – and only at those times – over the last 30 years. *Just perfectly awful timing*. Despite all of that, Jim's CHF 35,000 of contributions grew to CHF 128,559 by 30 June 2026 – a 267% return. If he'd saved his cash in the bank, it would have only grown to CHF 40,067. It's important to note these results are hypothetical total returns over a 30-year period and may not represent an investor's actual experience.

Investing at the worst possible times still beats saving your cash



Past simulated performance is not a reliable indicator of future results. An index is not a direct investment, as it is not possible to invest directly in an index.

The chart compares the FTSE All-World Index (CHF) with interest earned on cash from September 1997 to the end of June 2026. The hypothetical scenario assumes that an investor made seven lump-sum investments of CHF 5,000 each during this period, representing a total investment of CHF 35,000. The calculations do not take into account any fees, charges or tax implications.

Note on cash returns: From August 1997 to December 1999, a constant interest rate of 1.75% was assumed, as no official data were available for this period. From January 2000 to May 2019, the average 3-month CHF LIBOR rate for the relevant period was used, as the Swiss National Bank (SNB) policy rate did not yet exist. Negative interest rates were generally assumed to be 0% for the purpose of these calculations.

Source: Vanguard calculations in CHF, using data from the SNB and Bloomberg, as at 30 June 2026.

So even the unluckiest investor beat the saver – not through genius or timing, but through patience, diversification and staying the course.

The importance of investing over the long term

Despite the investor's gains, our hypothetical scenario was a particularly 'bad' one, with Jim making all of his investments at the worst possible times. Most investors will likely have better luck in timing their investments, resulting in materially higher returns over the same period.

Why staying invested beats market timing

So how can Unlucky Jim, who invested right before every market downturn, still see his money grow? It's because successful investing isn't about predicting what markets will do next – it's about discipline, focusing on the long-term and resisting the urge to react to short-term shocks.

Despite facing one market shock after another, our hypothetical investor Jim *stayed invested*. If he had panicked and sold out when the market dropped, he would have locked in losses and missed out on the subsequent rebounds.

While markets inevitably rise and fall, shares have historically delivered much stronger returns than cash over long periods.

Although downturns can feel unsettling, it's important to remember that markets usually recover and continue to grow over time.

Speak to your adviser for more information about investing during periods of uncertainty and the power of investing over the long term.

Notes on our *Unlucky Jim* analysis

The analysis assumes a hypothetical scenario where our investor, Jim, makes seven unfortunately-timed contributions of CHF 5,000 each to the FTSE All World Index, an index of global shares, as follows:

September 1997: Jim makes his first CHF 5,000 investment right before the Asian financial crisis, sending the portfolio down 9% in the first month.

July 1998: Jim invested CHF 5,000 shortly before Russia's debt default and the collapse of Long-Term Capital Management, leaving Jim down 11% a month later.

January 2000: Jim invests CHF 5,000 at the top of the dot com bubble; followed by the tech bust, 9/11 and the war in Afghanistan that left Jim down 29% by September 2002. A recovery followed, and by October 2007 Jim's total contributions of CHF 15,000 were worth CHF 33,628.

October 2007: Jim added CHF 5,000 on the eve of the Global Financial Crisis. Despite the sharp downturn, the rebound that followed meant that by the end of November 2019, Jim's investments of CHF 20,000 were worth CHF 59,111.

December 2019: CHF 5,000 was added shortly before the Covid-19 downturn (when the market declined sharply in Feb/March 2020 before rebounding in April 2020 through December 2021).

December 2021: After the strong market rebound, Jim invested CHF 5,000 right before the Russia-Ukraine conflict, rising inflation[1] and rapid interest rate hikes.

December 2024: Jim invested his final CHF 5,000, shortly before the US tariff announcements in early April 2025 caused the market to drop sharply. It quickly recovered and was heading higher by May 2025.

How it added up for Jim:

- **Total contributions:** Seven investment contributions of CHF 5,000 each (total CHF 35,000) over approximately 30 years
- **Portfolio value (as at 30 June 2026):** CHF 128,559
- **Total investment return:** 267% – despite consistently investing at the worst moments

1 Inflation is the rise in prices for goods and services over time, meaning your money buys less than it used to.

Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Simulated past performance is not a reliable indicator of future results.

Important information

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