

Investment as a test of faith

As a former infantryman, I am wearily accustomed to a hard slog. In my experience, the challenge of marching great distances can be every bit as psychological as it is physical. Your mind often starts begging for mercy long before your legs wave the white flag.



I have recently reacquainted myself with this phenomenon by walking the Via Francigena, a historic route of pilgrimage from Canterbury to Rome. Stretching for nearly 2,000 kilometres, it encompasses everything from tree-lined country roads to desolate mule tracks and gruelling mountain paths.

The parallels with the military excursions of my relative youth have been manifest. Maybe the most striking connection between yomping along with a full load of kit and plodding ever onwards to St Peter's Square is that both can be seen as a test of faith.

Crucially, the same might be said of investing. For example, it seems reasonable to suggest many investors have had cause for doubt – and perhaps even for desperation or despair – in light of the economic tensions and market turmoil of the past few months.

As I have rediscovered on my travels, though, pessimism and fear are seldom productive. Moreover, they are rarely a fully justified reflection of reality.

They are instead more likely to stem from misguided thinking. They are the unhelpful consequences of our misperceptions, our irrational interpretations of the bigger picture and our unhealthy obsession with the short term.

Let me quickly regale you with a couple of tales from my trek across Europe and explain how they might relate to the quest to build a secure financial future. I believe there are some useful lessons for investors, particularly at a time of continued uncertainty.

The importance of staying the course

The origins of the Via Francigena date back to the 7th century, but its status as a route of pilgrimage was arguably cemented towards the end of the 10th. In 990, having been ordained



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by Pope John XV, the Archbishop of Canterbury, Sigeric, made a detailed record of his journey home from Rome through Italy, Switzerland, France and England¹.

My wife, my sister-and-law and I have been retracing Sigeric's itinerary in reverse. While he stayed in around 80 mansions during his trip, we have been resting at a variety of churches, monasteries, convents and Airbnb properties – not to mention the homes of locals keen to accommodate pilgrims, even those of us who are not especially religious (the kindness of strangers is still a wonder to me).

We knew from the outset that we would encounter hardship from time to time. Even so, the first mini-crisis came as a shock that instantly sapped our collective will.

Having endured a pretty tough day, we arrived in a hilltop village in France. Exhausted, we pulled off our rucksacks and glanced around for the church where we were due to spend the night – only to gradually realise it was several miles further away.

We were crushed. We felt we had nothing left in the tank, and the thought of ploughing on was utterly dispiriting. Yet we eventually scooped up our bags and pressed ahead – and our doom and gloom began to dissipate within a few hundred yards.

Why? Emotions like these usually turn out to be short-lived – if not wholly unnecessary – which is why giving up is rarely wise. Remaining calm and waiting for a sunnier mood to emerge, as it almost always will, is normally the most sensible response to trying circumstances.

This very much taps into the notion of investor anxiety. Some investors are so panic-stricken in the face of volatility that they convince themselves they should exit the market. While it is only natural to be concerned, all the evidence indicates it is best to hold firm and concentrate on the long term. Indeed, that recent retiree, Warren Buffett, had a pet maxim: "Our favourite holding period is forever."

Patience and pragmatism

Volatility is the stuff of ups and downs, of course, which brings us to the Great St Bernard Pass – the entry point to Italy and Napoleon's route to Milan to be crowned Emperor of Italy (no such accolades for us!). With a maximum change in elevation of more than 8,000 feet, this is the Via Francigena's most renowned section. Since it is closed to those on foot from autumn to spring, we had the alleged pleasure of tackling it last summer.

The lesson here is simple: on a lengthy journey, at some stage, peaks and troughs are inevitable. As such, they have to be accepted. They should at the very least balance out, and you are likely to find the positives significantly outweigh the negatives in the end.

But what should you do in the midst of such a rollercoaster ride? Again, you should resist the temptation to be overwhelmed. You should try to step back, pause and catch your breath. You should remember that it is the destination that matters.

You should also be patient and pragmatic. I hope I have at no point during this article given the impression that my wife, my sister-in-law and I have somehow swept across the continent in one fell swoop, for the truth is that we have been undertaking this odyssey incrementally over the course of three years.

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1. Much of the Via Francigena also follows the route of Julius Caesar as he made his way to invade Britain, as well as the route to Rome of the newbies of the Swiss Guard (no EasyJet flights available in 16th Century Geneva!).

This is because we appreciate what is possible – and, just as importantly, what is not. It is possible for a trio of 60-somethings to walk nearly 2,000 kilometres in reasonably manageable bursts. It is *not* possible for folk of our vintage to thrash from Canterbury to Rome over the span of a fortnight's holiday.

Equally, it is eminently possible for a successful *investment* journey to unfold over time, despite the tests of faith which might punctuate it. Barring exceptional circumstances, it is *not* possible to complete such a journey in conspicuously short order.

We will finally reach the Eternal City in August, whereupon we will be able to look back on a genuinely epic adventure – one that was occasionally tricky, sometimes troubled but ultimately deeply rewarding. As an investor with a long-term focus, all being well, you should one day find yourself in a similarly enviable position.

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