

Liquidity

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When discussing investment strategies with a client recently, we were asked an important question: why does Tacit value liquidity so highly when many of our peers use alternative investments such as private credit and private equity that promise diversification and higher returns in exchange for tying up your money? It's a fair question, and the answer lies at the heart of our investment philosophy.

For Tacit Investment Management, liquidity isn't simply a preference: it's one of our fundamental principles shaped by real-world experience navigating turbulent markets. Over the years, we have guided clients through challenging periods, most notably the 2008 financial crisis, when liquidity across global markets dried up almost overnight. That difficult environment taught us two invaluable lessons. First, when assets become illiquid, you cannot sell existing holdings to reinvest in compelling new opportunities that emerge during market dislocations. Second, and perhaps more importantly, you lose the ability to provide clients with cash when they need it most, whether for immediate personal needs or to seize attractive opportunities such as property investments arising from market turmoil.

For individual investors, liquidity means something quite straightforward: having access to your funds when you need them, without being forced to accept poor prices. Assets such as publicly quoted equities, sovereign bonds and cash allow swift transactions, ensuring you have the flexibility to meet unexpected costs or to adapt when your personal circumstances change. By contrast, less liquid assets like real estate or private equity can take considerable time to sell. During volatile periods especially, sellers often have to accept lower valuations simply to access their capital.

Our approach prioritises liquidity because it reduces financial stress and provides our clients with genuine agility. This means you can act quickly to protect capital during downturns and respond decisively to new investment opportunities. Of course, we recognise that maintaining balance is essential. Striking a balance between liquid assets for flexibility and illiquid assets for long-term growth is a key tenet of the diversified strategies we tailor for each client.

Liquidity remains central to Tacit's disciplined, client-first investment philosophy. By keeping a keen focus on the accessibility of assets and flexibility of response, we position our clients to weather market stresses and capitalise on opportunities as they arise, thus helping to preserve and grow wealth with confidence and peace of mind.

Our track record over fifteen years demonstrates that the ability to take advantage of market opportunities has added significant value. Equally important, though less visible in performance figures, is that this approach means we can be flexible in helping clients meet their needs as their personal circumstances evolve unexpectedly.

After all, we manage money for people, not spreadsheets.

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