

Staying Invested

Solutions

A woman jumps onto the couch and turns on the TV.

It can be difficult to stay invested during volatile markets, especially when headline news and pundits forecast a wild ride for financial markets.

The female character looks at the TV as financial market screens blink and flash. The couch rumbles and crashes out of screen.

In fact, when things look bleak and markets appear to be trending unpredictably, some investors lose their nerve and rush to sell their assets.

The female character hits the “Sell” button and flies into a stack of cash. Bills fly everywhere. She wipes sweat from her brow.

However, cash by itself has a tough time building value, and what value it does gain is often eroded by inflation. Simply pulling out of the markets may ultimately take investors further away from their long-term financial goals.

She looks up from the cash pile to see an illustration of cash being eroded by inflation. She takes the remote and turns off the TV. The “click” brings us back to the living room.

Fortunately, there are better strategies to help cope with market volatility.

The female character moves over to the fish tank and drops in some food.

For example, diversification can offer some downside protection. Speak to your advisor about investment options across the globe. Gains in international markets could offset losses at home, for example.

Three of the same fish swim around in a corner of the tank. As the camera pulls back, we see lots small ornaments sitting at the bottom of the tank. A globe, the Eiffel tower and the Sydney opera house are all at the bottom of the tank.

Another strategy is to take advantage of guaranteed investments. Segregated fund contracts can provide some protection while offering important exposure to the financial markets.

The female character moves to the kitchen where she looks inside the oven and a red-hot pot steams and boils. She moves to pick it up then thinks twice. She puts on oven mitts and grabs it.

It may seem counter-intuitive but there are ways to proactively invest when markets get choppy. Dollar cost averaging allows you to invest a small amount on a regular basis to help average out the cost of an investment over time.

The character grabs the food from the oven and walks by a giant graph. This graph illustrates dollar cost averaging. Or investing a smaller amount on a regular basis.

Stay focused on your long-term financial goals. A disciplined approach to investing gives you the opportunity to achieve them. Work with your advisor on making small adjustments to your portfolio, like rebalancing. This will serve your long-term goals better than trying to time the markets.

The female character relaxes on the couch with a drink. She looks up at the image of a beach vacation spot. Zoom into the image and a glass appears. The icecubes turn into portfolios.
If you are worried about volatile markets, speak to your advisor about your long-term plan.

The female character appears on the beach. Slowly sipping on her drink.

Manulife Securities

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