



# Tips for dealing with market volatility

When markets go down, our instincts tell us we should do something. We may feel like we should sell our investments or stop contributing altogether – which is an emotional response, and not usually a rational one. What is the best approach?

**Here are some tips to help you deal with market volatility. These tips are for informational purposes only – contact a licensed advisor for advice about your specific situation.**

## Do

- Remain calm and focus on your long-term goals.
- Make sure your investment strategy matches your time horizon. Your “time horizon” is how long you plan to hold your investments before withdrawing your funds. If your strategy matches your time horizon, and your time horizon hasn’t changed, then your strategy shouldn’t either.
- Evaluate your portfolio. Sometimes market fluctuations can affect your asset mix. It’s important to make sure that your mix of investments still matches your risk tolerance.
- Think about the returns on your investments since you started - even though markets may have dropped significantly, your returns over the long run may still be positive.
- Try to continue your contributions - instead of selling assets, contributions during down markets means you are buying more units at a lower cost.

## Don’t

- Don’t try to predict the market - it can be very risky. You will most likely end up selling at a lower price and buying at a higher price later when you re-invest.
- Don’t take a short-term view. Staying focused on your long-term plan is key so that you don’t waver in uncertain times.
- Don’t make decisions based on emotion. If the value of your home went down 20%, would you sell it? Absolutely not. Now is likely the time to stay on track with your investment plan and continue contributing.

**To help you stay the course, follow your long-term strategy, not necessarily your instincts. When in doubt, speak to your advisor.**

The information contained in this article is of a general nature only and should not be considered as personal investment or financial advice. For advice about your specific situation, please consult with your advisor.