

Tips for Staying Invested during Volatile Markets

April 8, 2020

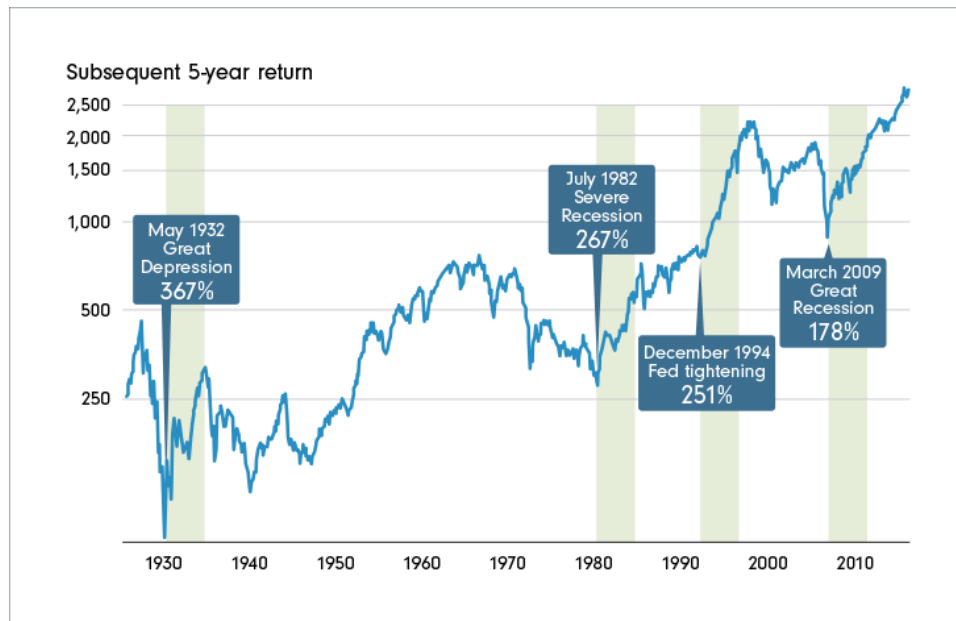
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The current COVID-19 pandemic and sharp decrease in oil prices has created significant market volatility. Here are some key insights to remember as an investor.

Market volatility and market downturns are a natural part of investing and, time after time, we have seen markets recover and then some. This happened after the financial crisis in 2008/09, where the market decline was followed by one of the longest bull markets (periods of market appreciation) on record, ending this year.

This graph from Fidelity Investments shows how the US markets have rebounded after significant downturns, as indicated by the S&P 500 Index.



US stock market returns represented by total return of S&P 500® Index. Past performance is no guarantee of future results. It is not possible to invest in an index. The first three dates were determined by best five-year market return subsequent to the month shown. Sources: Ibbotson, Factset, FMRCo, Asset Allocation Research Team as of July 1, 2018.



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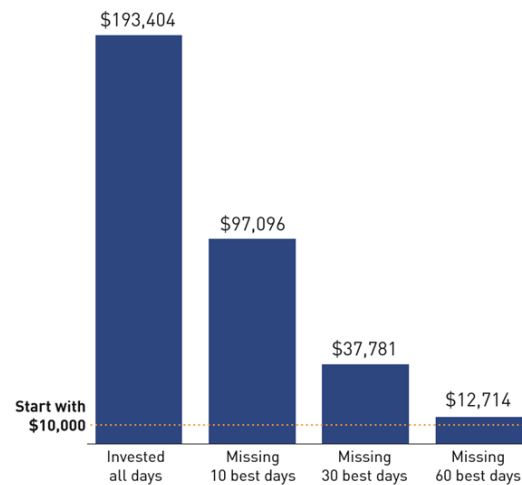
As an investor, you may be uncomfortable with the current market fluctuations and may be considering selling your investments. While this is always an option, it is important to recognize you will not experience market losses (or gains) until you sell your investments. Your current diversified investment portfolio is likely part of an overall long-term plan. The plan is long-term to allow for short-term market volatility. The long-term results are of primary importance to your plan. If you are considering changing your investment portfolio, ask yourself, “What has changed with my long-term plan and goals?” If these have not changed, it is likely best to stay with your plan and keep your well-diversified investments. We would also recommend discussing your concerns and reviewing your plan with your G&F Credential Investment Professional to make sure you are still on track.

Our members often ask, “Should I should take money out now and get back in when the market starts to go up?”

The problem with this approach is it is very difficult to time the markets. Markets recover quickly and, if you miss the best days of recovery, you will decrease the overall return of your investments. This graph from NEI Investments shows the impact of missing the top days of recovery and the impact on your portfolio. It pays to stay invested.

GROWTH OF \$10,000

U.S. stocks from January 1990 to December 2019



Source: NEI Investments

US stocks: S&P 500. “Best days” are defined as individual days over the period with the highest percent return on that day.

Current market volatility may represent an opportunity. As prices fall, you are able to buy more units or shares. They are on sale! This gives you greater potential to grow your wealth in the future. One strategy that builds on this idea, while helping you lower the risk of your portfolio, is the concept of dollar cost averaging. That is, adding a set dollar amount to your portfolio at a regular interval, whether the markets are down or up. When markets are experiencing falling prices, you are able to purchase more of your investment and lower your average cost. When markets are going up, purchasing regularly allows you to participate in the up-market. Check with your G&F Credential Investment Professional to see if this strategy makes sense for you and your long-term plan.

Would you like more information on investing?

There are many, many options to think about and choices to make around investing. You want to determine the best place you should invest your money. You may also be concerned with choosing investments that are good for others—socially responsible investing choices. G&F's investment specialists can help you make a good investment.

Smart investing begins with sound financial advice. Start by sitting down with a G&F investment specialist and talking about your goals.

Call our Member Hub to set up an appointment with a G&F advisor: 604-419-8888

Learn more on our website: <https://www.gffg.com/services/get-investment-advice>

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