

Outlook

How to handle stock market volatility

The stock markets hit a few rough patches in the fourth quarter of 2018, fuelling concerns among many investors. The markets regained steam in early 2019, but they remain volatile and further dips may be on the horizon. Here are a few points to keep in mind during those times, for both your own well-being and that of your portfolio!



Evaluate your investment strategy

It isn't enough to analyze your portfolio's return to determine whether your investment strategy is still appropriate. You need to get a clear picture of what you're investing in and ensure that the asset allocation is in line with your investor profile. And remember, it's preferable to think about your investments over the long term.

Stay the course and remain invested in the markets

In times of high volatility, it's better to stay focused on your investment objectives rather than on portfolio returns. Remaining invested during those periods will allow you to better manage risk and seize potential opportunities. Remind yourself to think twice before selling your investments after a market drop. Sometimes, the best days follow the worst ones.

Opt for diversification

When it comes to investing, diversification is key as it allows you to participate in all markets. You can therefore rest easy, as different types of investments rarely all follow the same trend, thus minimizing the likelihood of a simultaneous drop.

Take changes to your situation into account

Periods of increased volatility are a good time to assess whether your portfolio still reflects your risk tolerance, which can vary over time. By the same token, changes in your personal situation (e.g., illness, marriage, the birth of a child, a new job or a move) could justify an adjustment to your weighting of stocks, bonds or other assets.



Take advantage of your representative's expertise

It's normal for certain situations to make you feel more uncertain about your investments and to spur you to make sure they are still right for you. If this is the case, it's a good idea to see whether you should consider rebalancing or making a change to your portfolio. To take emotion out of the process, ask for your representative's assistance in making the necessary adjustments. If you have investments elsewhere, your representative can explain the advantages of having them all under one roof in order to consolidate and simplify your affairs.

Make an appointment with your representative for more information!

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