

Stay focused during market downturns



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Too often, investors, trying to predict the market, act on what they think might happen. It's critical you invest using sound investment principles that stand the test of time and are in line with your overall financial security goals.

If you are anxious or worried, here are some things to consider.

Ignore the media hype

When newspaper headlines and TV news anchors talk of economic turmoil, it's important to remember bad news is of more interest to the media than good news. And media outlets tend not to focus on long-term trends. So while a sharp drop in the markets could make headlines on Monday, a steady rebound over the next four days may not. Relying solely on the media means you could make a decision with incomplete information.

Leave emotions out of investing

Worrying about investments during tough economic times is natural. But when your concern becomes panic, there's a chance you could make a hasty decision with long-term consequences. Remember, selling when the market is down means you lose money on your investments. Given the cyclical nature of equity markets, by selling today you may miss out on earning potential when markets recover.

Sitting on the sidelines equals lost potential

Many investors hold cash or cash-like investments, waiting for the market to go up. In 2008, Investor Economics suggested this cash was close to \$1 trillion. However, no one knows when the market will turn around. Trying to predict the market can lead to frustration and lost opportunity when it comes to long-term investment growth.

Get another perspective

Talk to your financial security advisor if you have concerns. Your financial security advisor has the experience and resources to answer your questions and help select the right option for you. Here are some things you may want to discuss:

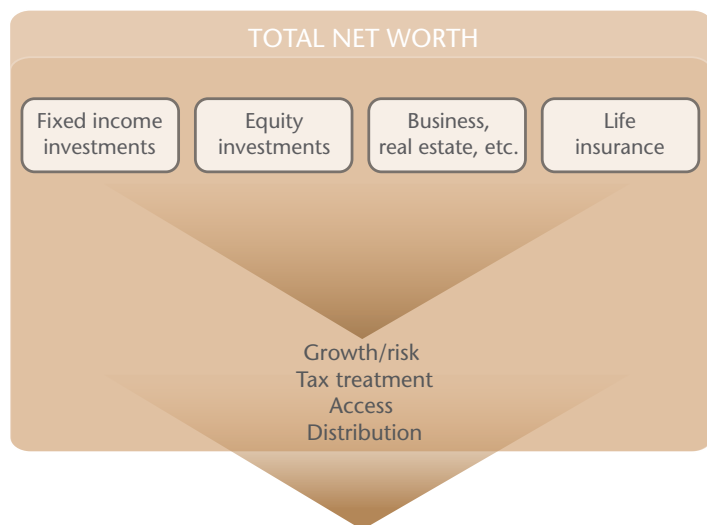
- **Review the foundation of your financial security plan:** Now is a good time to go back and look at the principles of your financial security plan. This is where your financial security advisor can help. Your advisor will show you how long-term planning, and staying invested can help you achieve your financial security goals regardless of the market condition.
- **Are you on track?** If you're nervous about investing, talk to your financial security advisor about a process designed to help set, and follow your financial security goals. It can help you re-affirm your risk, re-align your expectations, rebalance your portfolio and re-invest in your plan.

Product diversification important too

Asset class diversification is often identified as a foundational investment philosophy because each asset class presents different opportunities for investment growth and risks within an investment portfolio. However, it's also important to consider a strategy which incorporates diversification among different products with potential growth attributes.

A closer look at diversified products

You can take diversification one-step further to include diversification by product types, which have some component of potential growth. The differences between each product can be used to your advantage when creating a financial security plan specific to your needs.



While life insurance is first and foremost protection in the event of premature death, many Canadians are buying participating life insurance as part of their overall portfolio because they recognize its advantages.

Benefits of participating life insurance include:

- Combines the option of a retirement income supplement with life insurance protection
- The policy's death benefit can help protect savings and your estate at death.
- Tax-advantaged growth within the policy, important if you are concerned about money you'll have to pay in taxes on non-registered investments.

It's also worth remembering since it's a life insurance product, you will need to qualify medically before coverage can be offered. In addition, there may be limits on how much insurance you can obtain.

Contact your financial security advisor and tax advisor to discuss how the benefits of participating life insurance can be incorporated into your financial security plan.



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