

## Market Moves

from Adrian Mastracci, *Fee-Only Portfolio Manager*

### "Investing amid jittery markets"

#### What's an investor to do during turmoil?

##### *For Immediate Release*

Vancouver, BC (Monday, June 06, 2011):

Investors can be forgiven for feeling nervous. Particularly, as markets remain under pressure.

At this stage, the US should be delivering GDP growth near 4% to 5% – instead, it's under 2%. Plenty of worries surface when investing amid jittery markets.

Experienced investors know that discipline helps steward both rallies and selloffs. The goal is to keep doing things that work and stop those that don't.

Investors are best served with a clear perspective for the long-term. Especially, when markets are giving back ground.

We highlight a few classic strategies to navigate an abundance of investing jitters:

- **Risk management is your priority one.** It's always in fashion. Let it be your best investing friend. Wise investors care about incurring risks. Novice investors shop for returns.
- **Decide whether you're stewarding the "serious" or "speculative" money.** The serious part provides for your long-term retirement needs. Speculation aims for home runs.
- **Resolve which is more important: preserve or grow your capital.** The answer affects your portfolio design. If your desire is to participate in long-term returns you can't avoid short-term fluctuations. It's taking risks that delivers your returns.
- **Investing is usually logical, not emotional.** Avoid knee-jerk reactions and decisions. Opportunities rise from the ashes of market selloffs. Be ready for both downside and upside market moves.

- **Stick to basics.** Skip the glittery moves. Focus on areas that you control. Such as risk tolerance, time horizon, broad diversification and asset mix. Simple has many virtues.
- **Invest in stages.** Invest your money in three or four instalments, say over a year. Hopefully, when markets tumble. Some rebalancing also helps.
- **Be confident in your approach to investing.** Resist your temptations to second guess. Focus on buying quality. Emphasize dividend income that may increase while you wait.
- **Adopt your sensible capital loss agenda.** Incurring a loss is painful. Don't cling to troubled stocks. Resist averaging down on your losers. Take the awful medicine early. Such as selling one-third of your position if it drops 20%.

These time-tested strategies have proved themselves over and over. They make investing less scary with all the market jitters milling about.

It's about having your disciplined roadmap in place. Before you invest.

Is it time to revisit and rethink your strategies?

Talk soon,

**Adrian**

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