

# Navigate Bear Markets with Professional Advice

If you're like most investors, emotions tend to creep into your investing decisions.

When markets are strong and your investments are rising in value, you may become overconfident and less careful, investing money in the next "sure thing" without thoroughly researching the potential risks involved. On the other hand, when markets decline and your investments start losing value, your initial response might be to panic and sell before you lose even more money.



It's human nature to bring emotions into investing, but it's also a likely way to fall short of your longer-term financial goals. That's where an Investment Advisor's steadying influence and expert advice can help.

## Guiding you through the tough times

An Investment Advisor is trained to approach the markets rationally and with a long-term perspective. They understand that markets are volatile, rising and falling in response to macroeconomics, geopolitics and, yes, the emotions of other investors.

Let's say we're in a bear market, which is commonly defined as a prolonged decline where investment prices have dropped by 20% or more from recent market highs. Would you have the confidence and resolve to stick with your financial plan and long-term investment strategy? Most people wouldn't.

However, Investment Advisors aren't like most people. A key part of their role is to help you invest methodically and without emotions so you can remain focused on your long-term goals. They know bear markets don't last forever. In fact, history shows that bear markets are typically much shorter in duration and less pronounced than bull markets (i.e., when overall prices have risen at least 20% above recent market lows). It's just that most people feel more pain when they lose money than happiness when their investments gain.

## Strategies to weather the storm

An Investment Advisor will help you stay the course and continue investing through short-term market turbulence. Bear markets may even be a good time to buy, as they often create opportunities to invest in attractive companies trading at undervalued prices. A strategy of "buying low" may lead to significant gains once the markets recover.

If you're hesitant about investing a large lump sum when markets are challenging, consider a "dollar-cost-averaging" (DCA) strategy where you invest a set dollar amount at regular intervals. For instance, you may choose to invest \$250 per month in a particular mutual fund. That way, if the unit value of this fund declines, your \$250 will allow you to buy more units. As values rise, you'll buy fewer of the higher-priced units. A pre-authorized contribution plan, often referred to as a "PAC," pairs well with a DCA strategy because it provides the convenience of investing automatically without emotions getting in the way.

Not only can an Investment Advisor help you stay invested and potentially profit from "oversold" markets, but they also review your investment portfolio regularly. They will work to keep your portfolio tax efficient and well diversified, allocating to investments that suit your specific circumstances, risk tolerance, time horizon and financial objectives. If required, they'll make adjustments to your portfolio.

While it's dangerous to be greedy when markets are performing well, it's equally risky to let fear cloud your judgement when markets are declining. Without proper guidance, you might not stay on track to meet your goals and secure the financial future you want. A trusted Investment Advisor will offer the advice and direction you need, especially during bear markets when you're probably most vulnerable to investing emotionally.

## INVESTED IN YOU.

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