DON'T NECESSARILY **FOLLOW YOUR INSTINCTS**

When markets go down, our instincts tell us we should do something. We are inclined to panic and sell our investments or stop contributing altogether. But is that the best approach?

Here are some Do's and Don'ts to help you deal with market volatility.

Do's

- Consider that your goals are probably primarily long-term
- Align your investment strategy with your time frame - if your time frame has not changed then your strategy shouldn't either
- Consider the returns on your investments since you started - even though markets may have dropped significantly, your returns over the long run may still be positive
- Strive to continue contributions - instead of selling assets, continuing contributions during down markets means you are purchasing more units at a lower cost
- Consider evaluating your portfolio - market fluctuations may have caused your portfolio to shift from how you originally invested

Don't

- Try to time the market - It can be a gamble to move all your assets to safer investments because it is hard to time perfectly. You will most likely end up selling at a lower price and buying at a higher price later when you re-invest
- Take a short-term view - staying focused on your long-term plan is key so that you do not waver under uncertain circumstances
- Panic - Acting in fear is rarely a good decision. Moving all your assets without thinking it through may only hurt you in the long run

To help you stay the course, follow your long-term strategy, not necessarily your instincts. When in doubt, speak to your advisor.

Manulife