

CHEAPER ≠ CHEAP



When the markets decline and we look at our portfolio and gawk because we are "down" 10%, 15%, or 20% you might be shocked when your advisor calls you asking if you have access to other money to invest in those very products that are down.

It might seem counter intuitive to put more money into a product that appears to just have lost a whole lot of value, but let me illustrate why your advisor is calling...

You are doing your weekly grocery shopping when you find your favourite brand of toilet paper, (you know, the super soft one), on sale for 50% off. It wasn't on your grocery list this week, what do you do? Do you question the brand? Do you question the quality? Do you wait to see if it discounts even further? Do you run home and list your toilet paper for sale? No way! You scoop up that deal, because it isn't every day that this opportunity comes around! You might even pick up two or three more packages at that price.

So, yes, I did. I just illustrated investing using toilet paper. The fact of the matter is that markets decline. You can call it a loss in value, a correction, or pull back, but anyway you look at it, the prices drop, like any other sale or mark down we are familiar with.

Does it mean the investments you have are now worthless?? No! Depending what you are invested in, how you selected your investments, and whether or not you are receiving advice from a professional, will all be a factor. Investing is not an "eenie, meenie, miney, moe" situation. Your advisor develops relationships with the companies who manage these investments. The experts who manage these investments are doing so to get the best returns possible, with a lot of research and analysis. They know hard working people like you and I have put our money into their trust. And guess what? When the markets turn to a decline, they typically have experience in how to reduce the losses while taking advantage of them too.

Why do we want to buy more when the prices are down? Not just because we get more for our money, but because every decline in history has been followed by growth that has exceeded the previous high.(1) And that's what we are here for... growth!

Contact your advisor to see if purchasing more is right for your situation. If you are managing your own portfolio, we welcome a scheduled visit for a complimentary consultation.

Questions? Do you have something you'd like simplified and/or put into perspective? Contact our office today! Come and experience the Lewkowitz difference!

(1) <https://www.morningstar.com/features/what-prior-market-crashes-can-teach-us-in-2020>

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