A SIMPLE PERSPECTIVE

VOLATILITY

By Shari Hall

The markets are down! It's so easy to lose sight that the markets are always moving up and down, by the minute, like a yo-yo. Some days it is a big swing up or a big swing down. At other times it slowly creeps up a little, or slowly creeps down a little. This movement is called volatility. High volatility for the big swings and low volatility for the small ones.

When markets are down it's easy to think that we are losing money. Hopefully, your financial advisor has prepared you for these events as they are inevitable. I trust he or she has explained that having a plan over the long term includes the expectations of markets being up and down. That even though a recent investment of $100 may decline to a value of $83.67, it doesn't necessarily mean you've lost money.

If you panic at seeing the value drop and pull your money out for fear of it declining further, that is when you will experience a loss. If your advisor has you invested in quality products and you hold onto them... there is a good likelihood the value will recover and exceed your original investment. (1) As long as you have a plan and stick with it. We even have a saying about it: "Time in the market beats timing the market".

An investor who can weather the volatility tends to come out ahead in the long run.(1)

Speak to your financial advisor to ensure the ups and downs are all part of your long term plan. If you are managing your own portfolio, we welcome a scheduled visit for a complimentary consultation.

Contact our office today! Come and experience the Lewkowitz difference!

(1) https://www.investopedia.com/articles/stocks/08/passive-active-investing.asp

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