

Don't give in to emotion

Every investor dreams of buying low and selling high. Yet through the different market cycles, many investors do just the opposite: They tend to buy when the market is near its peak and sell when the markets are struggling.

This kind of emotion-based investing can be harmful to your long-term goals, since it ignores fundamental valuation in favour of following market momentum. Stocks tend to be overvalued when the markets make new highs, and undervalued when they reach their lows.

Here are some sound investment principles to keep in mind in today's fast-changing markets.

Don't try to pick tops and bottoms

Market movements are too unpredictable to catch the highest or lowest price. It's far better to invest in solid value opportunities.

Average your costs

Dollar-cost averaging through regular investing helps to minimize the effects of market volatility on your portfolio over time. Market lows are the best times to lower your average cost.

Don't check your portfolio daily

It's tempting to want to over-manage your portfolio in turbulent markets; this can cause you to overreact to short-term price movements and make impulsive decisions.

Invest with a long time horizon

This helps avoid focusing on short-term market movements. Identifying sustainable trends is a better strategy for reliable gains.

Being disciplined in volatile times is key. We can help ensure that your portfolio stays on track by focusing on value and long-term opportunities in the context of your investment objectives and risk tolerance.

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