Stormy markets?

Don’t let your emotions guide you

GROUP SAVINGS AND RETIREMENT

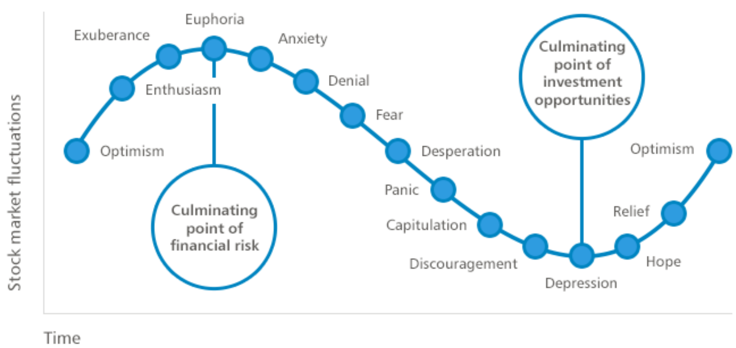
The markets are yo-yoing, causing significant fluctuations and testing your peace of mind. What can you, as an investor, do? **Stay on course and avoid emotional choices.**

Investments fluctuate. This is normal. Don’t get distracted by the highs and lows, and avoid making decisions based on your emotions: **each slowdown has been followed by a rebound period.** Therefore, you should be patient and disciplined. It is the key to reaching your financial goals.

Cycle of investor emotions

It is completely normal to feel a variety of emotions in periods of stormy markets. Knowing this, it will be easier for you to deal with market fluctuations and avoid making impulsive decisions. In fact, by trying to predict what markets will do and relying on your emotions, you risk reducing your investment return.

The cycle of investor emotions on the stock market



Source: Westcore Funds/Denver Investment Advisors LLC

The cycle of investor emotions (see graphic above) shows that the best time to invest is when markets are low and the best time to sell or modify investments is when markets are high. Despite this, most investors let their emotions dictate their investment decisions and end up doing the opposite.

> “An investor’s worst enemy is not the stock market but one’s self.”
>
> Benjamin Graham, Economist

iA Financial Group

Need help to stay on course?
Follow these guiding principles

Establish a long-term plan

A long-term investment strategy adapted to your investor profile will allow you to remain disciplined and not give in to your emotions. Resist the temptation to modify your investments when markets are low. This will help you to not lose money. Remember that we have planning tools to help you establish your investment strategy.

Diversify your investments

Diversifying your investments among the various asset classes will enable you to obtain profitable returns while reducing risk, since your overall return will be less affected if some investments do not perform as well as planned. Our investment options offering includes a wide range of portfolios and funds of all types that allow you to diversify your investments.

Take advantage of systematic savings

By regularly investing set amounts through, for example, payroll deductions or preauthorized payments, you will establish your dollar cost average. Thus, when the cost of a fund unit is low, you might purchase more units and when the cost is higher, you might purchase fewer units. This rational purchasing method reduces stress and eliminates any hint of subjectivity from your purchasing decisions.