FIRST CAPITAL FINANCIAL

WORLDSOURCE FINANCIAL MANAGEMENT INC.

Sponsoring Mutual Fund Dealer

"If we save a rock a year, by the time I'm ready to retire we'll have a lot of rocks."

With stock markets moving up or down with increasing volatility these days, the question I get from many of you is about timing the market. *Is now a good time to buy or a good time to sell*? There's no single answer to that of course, because it depends entirely on your individual investment time horizon, proximity to retirement, risk profile and income requirements. But there is a single answer to the question as to whether one can time the markets -and the answer is **no.** Not consistently anyway, and trying to is like sports betting, where even if one can determine on paper who the better team is, its about beating the spread. Read <here> The point spread is known as the great equalizer, where a handicap system levels the differences in teams' ability. The favourite and the underdog are equalized through this process and you can win the bet even if your team loses, so long as you beat the spread. Doing this consistently has been shown to be impossible, and remember, with the markets we don't even know the spread!

Let's say you could time the markets with say a 70% degree of accuracy. That's pretty good you might think, and conclude that you'd be right 70% of the time. But don't forget that there are two calls to be made here: the first one is when to **buy**, and the second is when to **sell.** Being right 70% of the time means that you'd only be right 49% overall (70% of 70% is 49%). So even with degree of foresight, an investor would be wrong more than half the time. Ouch! Clearly this is not a way to build wealth over the long term. The attached video from Dimensional <here> explains this further, and I encourage you to take the five minutes it takes to watch it.

Financial security comes from good portfolio construction, which positions client capital in globally diversified portfolios and is managed by wealth management professionalS with investment expertise and supporting performance numbers. We are confident in our partners at Dimensional, Edgepoint and Mackenzie whose investment approach does not require successfully timing markets, but rather on their ability to analyze companies and construct portfolios to deliver returns in a manner consistent with your investment profile. This approach has been shown to achieve results across all market cycles and requires patience, focus and time. Slow and steady wins the race!

Be safe, be well!

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