Manulife

Volatility
A rollercoaster of emotions.

Investors always face a wall of worry. There is always something going on in the world that could have negative ramifications for their portfolios. But in these cases, it's often prudent to take a step back and think about the long-term goals of the investment portfolio.

Investors need to consider the length of time they have to ride out short term fluctuations in the markets. We can take an example from the S&P 500. October 9th, 2007, would have been the worst time to invest in recent history. This was the peak of the global financial crisis, a terrible macro event that shook many financial systems to the core.

But for investors able to stomach the wild ride, and for those with a long enough time horizon, by January 31, 2022 they would have an annual gain of 9.91% or a total return of 287% when factoring in dividends.

All this despite 3 Us elections, a European financial crisis, Oil prices at $145US AND oil prices at -$35, Ebola and COVID 19.

There is always a reason to sell. But what's important to remember is that those reasons are often short sighted. Remember, it's not timing the markets, but TIME IN the markets that counts.