CIBC IMPERIAL SERVICE

Investment Best Practices: Set Yourself Up for Long-Term Success.

Let's face it – the markets can get bumpy from time to time. And sometimes, a more dramatic shift can hit the headlines and make investors nervous. But when you're set up for investment success – and know that your portfolio is built according to your objectives and investing style – you're well positioned to weather the ups and downs of the markets, avoid emotional decisions, and make thoughtful, informed adjustments as needed.

Here are 5 best practices that can set you up for ongoing investment success.

Have a plan in place.

Work with your advisor to build a financial plan that reflects your goals and priorities. Putting pen to paper, rather than keeping your plan as a loose vision in your mind, will help you stick with it. And without a structured, consistent focus, it's easy to lose sight of your goals when markets change. A documented plan can also act as a compass and help you measure your progress over time.

Embrace diversification.

As one of the fundamental principles of successful investing, diversification – such as across asset classes and geography – is a key way to reduce risk. For instance, when one asset class declines in value, other asset classes soften the impact on investment returns. As a result, the portfolio as a whole benefits from a smoother ride.

Regular Check-ups.

Even in a well-diversified portfolio, some investments may outperform expectations, and others might under-deliver, creating an occasional imbalance in your allocations across your portfolio. Even though rebalancing occurs within many investment solutions, it's key to recognize the importance of regular reviews. They can help determine if you need to make adjustments as the investment conditions change or your financial situation or goals shift.

See the big picture.

While markets have had their ups and downs over the past year, it's essential to put it into perspective – historically, markets rebound after a downturn, and the economic outlook ultimately improves. Avoid the temptation to make sudden moves based on a negative news report. If the bumps in the market make you nervous, your advisor can suggest approaches that can help your investments stand up to fluctuations and reduce your level of risk.

Find opportunity.

If markets drop, your well-built, well-diversified portfolio filled with quality investments will be in a better position to hold its ground over the long term. And when you stay in the market and continue to invest consistently, you can take advantage of dollar cost averaging. A fundamental investment strategy, dollar cost averaging is when you buy the same dollar amount of a particular investment on a regular schedule, regardless of the price. Over time, you pay the average cost for the investments you're buying – when the cost goes up, fewer shares are purchased. But when it goes down (i.e. during a market downturn), you end up buying more.

Being a successful investor requires patience, diligence, and open communication with your Imperial Service Financial Advisor. Together, you can create a personalized plan that you're comfortable with – one that allows for the flexibility to make adjustments as necessary to help you reach your financial goals.

Talk to your CIBC Imperial Service® Financial Advisor | call 1-888-839-7298

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