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DEALING WITH VOLATILITY

There are bull markets, bear markets, and then there are the volatile markets that can create an emotional rollercoaster for investors reacting to economic and political events.

All in all, it can make for a stomach-churning experience that can undermine the confidence of even the most stalwart investors and turn a rational investment strategy into an irrational market reaction. With this in mind, here are a few things to remember in times of uncertainty and volatility:

HAVE A PLAN AND STICK TO IT

The most successful investors may follow the day-to-day drama of the markets, but they stick to the strategy they devised in calmer times and let patience - not panic - determine the long-term success of their investments. A well-planned strategy takes into account several important factors, such as your long-term objectives, tolerance for risk (both financially and emotionally), time horizon, and amount of investable assets.

This will result in a well-thought-out, broadly diversified portfolio that incorporates different asset classes and investment styles, as well as balances risk and safety, growth and income, and domestic and foreign exposure. Such a portfolio can substantially smooth your journey through rough markets, thus reducing the need to take any unnecessary action.

STAY WITH QUALITY

Long-term investors who have been through selloffs in previous years know that time is on their side if they own good quality investments.

High quality, blue chip investments with a proven track record of earnings performance or dividend payout may be dragged down with the turbulence, but will typically have less dramatic price fluctuations. As long as the business outlook for the company has not changed, it is likely that its share price will be restored when the market recovers.

LISTEN FOR THE KNOCK OF OPPORTUNITY

Market volatility can present buying opportunities for long-term investors who have cash in their portfolios earmarked for equity purchases. You may consider investing more in the most viable long-term investments in your portfolio or have a short list of other quality buy candidates that become available at discounted prices.

This may also be a time to strategically upgrade your portfolio - selling poor performers and replacing them with stronger (yet also devalued) assets. However, do so only if the buy candidates fit into your overall investment goals/objectives.



REMEMBER THE BIG PICTURE

Dramatic markets make good headlines, but they need perspective. Volatility is typically a short-term phenomenon measured in days, weeks, or months. But over the years, the historic performance of the stock market is a patient reflection of the growth in the economy and the businesses that contribute to that growth. Long-term investors can take comfort in the steady increase in value that major stock markets have demonstrated over the years.

DROWN OUT THE BACKGROUND NOISE

The media coverage of volatile markets can range from rational and insightful analysis to sound bites characterized by end-of-the-world rhetoric. Don't make investment decisions contrary to your risk appetite; filter out the background noise and resist falling prey to the herd mentality during turbulent markets.

THINK STRATEGICALLY

We at Johnson Legacy are here to ensure your investment strategy is structured to ride through volatile and uncertain investment periods or if changes should be made in terms of asset allocation, investment diversity, or risk tolerance.

There is no such thing as a risk or volatility-free investment portfolio in uncertain times, but our multi-manager approach should give you peace of mind and help you sleep well at night, regardless of the previous day's events and their impact on global investment markets.

Market Pulse:

Major Stock Indexes	Level/Price	YTD Return Ending Feb 28/18
S&P/TSX Comp	15,443	-4.73%
S&P 500 Comp	2,714	1.50%
Dow Jones Industrial Avg	25,029	1.25%
Major Bond Index		
FTSE Universe	1,030	-0.65%
Commodities		
Crude Oil - WTI (US\$/bbl)	\$61.16	1.22%
Gold (US\$/oz.)	\$1,307	-0.18%
N. Gas (US\$/MMBtu)	\$2.65	-10.13%
Currency		
Canadian Dollar (CAD/USD)	\$0.78	-2.23%

Source: Bloomberg.

Personal Updates:

Lori is currently enjoying the warm and sunny weather in Mexico. She felt the need for a vacation after a weekend of furniture shopping in Calgary for her new apartment. Like most new construction developments, it has been delayed more than a few times. However, she is getting excited to take possession sometime this spring.

Jay and family are happy to be alive having survived the drive to (and from) Vancouver for Charley's first cheerleading competition at the end of February. While the road conditions were not great, they were manageable. However, that didn't seem to matter as cars rolled over or semi's ditched. Jay and Brianne were very proud as Charley's cheer group came second out of eight teams! With Tuckers first year of hockey wrapping up soon the shift from winter sports to summer sports is quickly approaching.

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