

# A LITTLE BAD WEATHER SHOULDN'T CHANGE YOUR SUMMER PLANS OR YOUR INVESTMENT STRATEGY



Have you ever noticed how investing is a little like planning your summer vacation?

Each year, when you're deciding how you want to spend your summer holidays, you think about how much time you have, how much you can afford, and what you can do to have a fun and memorable summer. Then, you call your travel agent and start packing.

If the forecast says rain, you pack a raincoat. If the forecast says sun, you *still* pack your raincoat.

Investing is similar. You think about how much time you have before you reap the rewards of your investments, and how much you can afford to invest. Then, with my help, you decide what mix of investments you need in your portfolio to weather volatility. Making these decisions will help you reach your long-term goals. If you're worried about market turbulence, you make sure you have an asset mix that helps protect you from it.

**You may have noticed this year that the weather has been a bit peculiar... a little like the markets.**

Some regions in Canada have seen snow in May and June, others have experienced hotter-than-usual temperatures, and still others have experienced extremely hot days followed by unusually cold ones. What's going on?

**You may also be concerned about the behaviour of the markets – as if the weather wasn't enough.**

In the spring, all the talk was that the markets had "bottomed out," the bear market was over and we were poised for a turnaround. But, we're still seeing volatility in stock exchanges all over the world. You may not feel completely confident about investing in this environment, and are waiting on the sidelines to see what's going to happen.



What are you doing after work?



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**You wouldn't cancel your summer holiday plans just because of a little weird weather, would you? You'd miss out on all the fun!**

So, why change your investment strategy because of fluctuations in the market? You and I can develop a sound investment plan, and your portfolio can be built to use an asset allocation strategy that matches your risk profile and long-term goals. If these objectives are met, there is no reason for you to stray from your plan.

You'll be much more successful in reaching your goals if you stick to your plan. Trying to guess what's going to happen from day to day makes you jump in and out of the markets. Market timing – or buying investments when the markets are going up and selling when markets drop – is more likely to have a negative effect on your investment returns.

**In fact, attempts to "time the market" may be like cancelling your summer vacation plans because the forecast says "rain".**

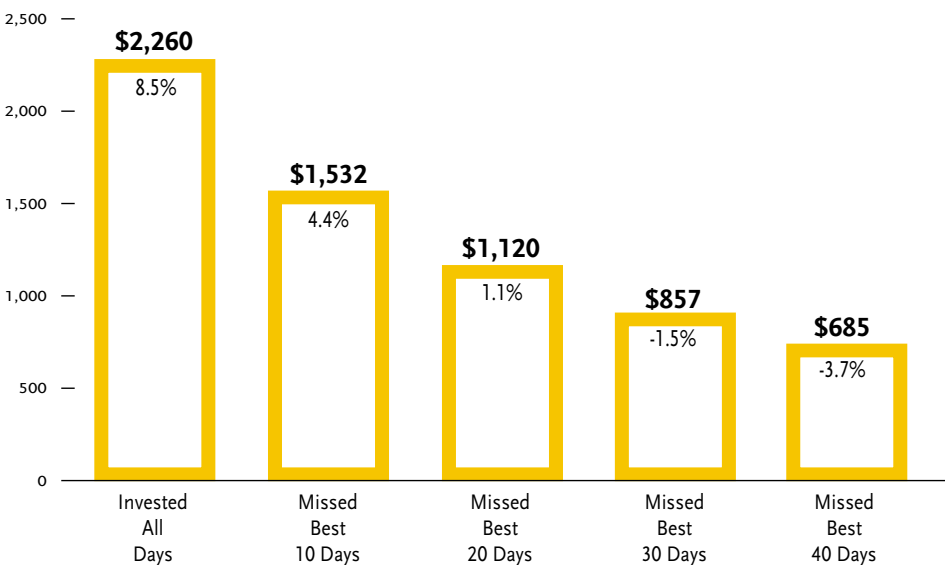
How will you know when the best and worst days in the market will be? Quite simply, you don't. Take a look at the chart below. By staying invested, you will be ensuring that you are in the market on all the best days.

When the weather is unpredictable, you prepare for it. You pack your raincoat and umbrella – and your bathing suit and sunglasses.

When it seems as if the markets are going up and down a little more than usual, prepare by reviewing your investments, your plan and your asset mix. If you feel you'd like a review, or more security in the mix, please give me a call.

## Timing the Markets is a Guessing Game

\$1,000 investment in the S&P/TSX Composite for 10 years ending May 31, 2002



Data Source: Bloomberg, S&P/TSX Composite Price Index from May 31, 2002  
Prepared by: AGF Fund Analytics



*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.*