

DON'T GET BIT!

By Steve Atkinson, Head of Advisor Relations, Loring Ward

On a recent routine run I got the surprise of my life when I was bitten by a rattlesnake. My experience that followed made me reflect on some similarities to investing.

Do you know what you'd do if you were bitten by a rattlesnake? Your first instincts might be to apply a tourniquet to the bite area or attempt to suck out the venom from the bite area. But either of these could actually make things worse.

Sometimes our investing instincts can make things worse as well. Maybe you have wanted to sell during a down market and wait for the recovery, or move your money to whatever was the best performing investment over the past 12 months. But both of these may make matters worse.

Everyone knows that rattlesnakes are dangerous and that if you're in their habitat it's important to avoid them at all cost. And I think most of us know that being mindful of our behavior during volatile markets is important.

But both of these are easier said than done. Snake bites and volatile markets are not daily occurrences (thank goodness) so it's easy to forget the right thing to do when it actually happens.

Take my rattlesnake incident for example. I was on a routine run that I take at least three times a week through the neighborhoods near my house. I was bitten before I even saw the snake. I had my daughter with me and she immediately took off her head band and suggested I tie it around my ankle. Although the suggestion didn't seem right I actually considered it. The one thing I did know was that I had to get my heart rate down. In the end this story turned out just fine, but had I panicked and applied a tourniquet or attempted to suck the venom out it could have been a different outcome.

When it comes to investing, most days are routine. But sometimes the markets go down a lot in a short period of time. Sometimes we panic and want to "do something" when the best advice may

be to actually not "do" anything.

Usually a rattlesnake will warn you before it bites, but unfortunately, the market does not. There is no bell that rings at the top or bottom signaling when to get out and in. That's why we need to keep calm and stay focused on our long-term goals.

Sometimes we panic and want to "do something" when the best advice may be to actually not "do" anything.

