

LET HISTORY TALK TO YOUR CLIENTS ABOUT VOLATILITY

by Seuk Kim, VP and partner, and Milin Iyer, VP

Are your clients running scared given the intense volatility that's been ravaging the market? Many asset managers are opening the history books for their investors to illustrate just how this period stacks up – and what might be around the next bend.

Sharing the big picture through charts and graphs that depict past periods of volatility and the aftermath can help investors gain perspective. Such a picture can quickly assuage anxiety, saying “this not the end of days -- perhaps it's just a small blip on the radar.”

We did a little research and want to share a few examples of what some managers have published to address investor concerns:



TIME TO EXIT THE MARKET?

Fairfax Global Markets' 1Q2016 paper addresses a burning question: when is it appropriate to exit the stock market. Their charts explain their risk mitigation process and highlight their examination of market corrections over time.

With a rear view mirror look, they found that corrections in 2011, 2015 and early 2016 signaled times to enter the market rather than exit. They also shared thoughts on stocks trading below their 200-day moving average potentially signaling bargain prices.

[Read more >](#)



VOLATILITY: FRIEND OR FOE?

Everyone would love a crystal ball to be able to time the market. During a recent webinar, one of Villere's slides illustrated the cost of such a practice. The portfolio managers also shared their thoughts on volatility and head-on addressed what many investors really want to know: is it time to get out of the market?

[Listen to the recording >](#)

A not-so-relaxing summer vacation?



“NOT SO RELAXING”

BMO Global Asset Management published “A not-so-relaxing summer vacation?” in their Market Perspective column (July 2015). Punctuated with charts and graphs, BMO addresses the volatility in bonds and equities along with their outlook on the quarters ahead.

[Read more >](#)

HELP YOUR INVESTORS SEE BETTER

Preparing these kinds of materials can be time consuming, but provide visual support. When you sit down with an anxious client what do you think would be most reassuring? Talking in generalities? Or sharing the facts about past periods of volatility and their outcomes that history supports with easy to understand pictures?

They say “seeing is believing”. Give your clients something to see with their own eyes.

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