

## ***Be Ready For Any Market Environment by Owning Growth and Value Style Investments***

When working with your investment advisor to build or manage your portfolio, you need to diversify the equity mutual fund portion between value-style and growth-style money managers.

It's difficult to consistently predict what the leading money-management style will be in any given market climate. Different styles will garner the best returns at different times.

**Value-style managers** search for stocks they consider to be undervalued by the investment markets, relative to each company's financial position. Often the stocks they find attractive have fallen out of favour for various reasons and are available at what are considered cheap rates.

The value manager's strategy is to buy these stocks at the lower rate, wait until the stocks increase in value and then sell them. History has shown that a value manager's foresight can be very rewarding for patient, long-term investors.

**Growth-style managers** focus on fast-growing companies. They buy stocks whose earnings are accelerating faster than the economy or inflation. Growth managers will often buy a stock considered too expensive for a value manager, if the company is demonstrating a continuing growth rate.

There's a benefit to diversifying among different money management styles. You'll find that your overall portfolio can perform well, regardless of what the markets are doing.

### **Think of it this way ...**

Say you are shopping for a summer wardrobe and end up spending all your money on bathing suits, tank tops and shorts. Afterwards, you realize you've spent your entire budget on outfits for the beach! As a result, you don't have anything new for the office, nor do you have any formal dinner wear or casual party clothing appropriate for warmer weather. Had you planned your shopping a little better, you'd be ready to dress for all occasions!

In the same manner, a well-diversified portfolio of investments and investment styles can help protect you from changes in the market. As part of your investment strategy, consider diversifying by management style as well as by asset class. With the help of an investment advisor and a well-thought-out investment strategy, you can be sure that, when asked the question, "What are you doing after work?" you'll be able to safely answer, "Whatever I want!"

*Source: AGF Funds Inc.*