

Investor Insight

Dekker Hewett Group | Independent. Trustworthy. Experienced.

How Good Golfers Can Parallel Great Investors

There are few games more humbling than the game of golf. As it turns out, there are many parallels between golf and investing:

Have a Plan/Strategy – Good golfers always have a game plan for both the current hole and the overall course. They have the discipline to stick to that plan under extreme pressure. Despite changes in conditions that may affect the course or the position of the golf ball once it is hit off the tee, good golfers are able to stay focused on the overall strategy as they navigate the round.

Similarly, great investors develop a strategy/financial plan with specific short and long-term objectives and stick to their plan. A good portfolio is based on a well-thought out financial plan. For many investors, even when they are “off the fairway”, sticking to that financial plan can be one of the keys to success.

Rely on Consistency – The best golfers are the ones who consistently produce good results. The Masters is arguably one of the most prestigious tournaments in professional golf and only the most consistent and best performers are invited to play.

Investors who demonstrate consistently good results within their portfolios are the ones who are likely better off in the long term. Consistency in investing can be achieved using a variety of strategies, such as maintaining portfolio diversification or conducting periodic evaluations and making adjustments accordingly.

Accept the Odd “Dub” or “Duff” – As with golf shots, there may be times when investing decisions don’t go quite as planned. Not every element of an investor’s portfolio should be expected to outperform the market and there may be times when an investor will need to consider taking a loss and look for a better opportunity.

Dekker Hewett Group
Canaccord Genuity Wealth Management
609 Granville St., Vancouver, BC, V7Y1H2
T: 604.699.0807
E: dhginfo@canaccord.com
www.dekkehewettgroup.com

CANACCORD GENUITY WEALTH MANAGEMENT IS A DIVISION OF CANACCORD GENUITY CORP., MEMBER-CANADIAN INVESTOR PROTECTION FUND AND THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

This newsletter is solely the work of the author for the private information of clients. Although the author is a registered Investment Advisor at Canaccord Genuity Corp., this is not an official publication of Canaccord Genuity Corp. and the author is not a Canaccord Genuity Corp. analyst. The views (including any recommendation) expressed in this newsletter are those of the author alone, and are not necessarily those of Canaccord Genuity Corp. The information contained in this newsletter is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do the author or Canaccord Genuity Corp. assume any liability. This information is given as of the date appearing on this newsletter, and neither the author nor Canaccord Genuity Corp. assume any obligation to update the information or advise on further developments relating to information provided herein. This newsletter is intended for distribution in those jurisdictions where both the author and Canaccord Genuity Corp. are registered to do business in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is prohibited. The holdings of the author, Canaccord Genuity Corp., its affiliated companies and holdings of their respective directors, officers and employees and companies with which they are associated may, from time to time, include the securities mentioned in this newsletter.

The preceding information is for general information only and does not constitute tax advice. All investors should consult with a qualified tax accountant. Tax & Estate advice offered through Canaccord Genuity Wealth & Estate Planning Services.

FOR DISTRIBUTION IN CANADA ONLY

“For many investors, even when they are “off the fairway”, sticking to that financial plan can be one of the keys to success”

Consider the Expertise of a Broader Team — Some of the best golfers rely on team members, whether it is a caddy to help strategize on the course or a professional to analyse grip or swing plane. When it comes to maximizing wealth, many investors benefit from professional advice, which spans beyond investment advice and includes tax and estate planning.

Getting advice from others in the clubhouse isn't necessarily the best way to become a better golfer, just as investment advice from the newspaper or the internet isn't likely going to make you a better investor.

Don't Succumb to Emotions: Be Disciplined — Letting emotions influence actions can be one of the greatest detriments to both golf and investing. As advisors, we help navigate difficult or uncertain times and support well thought-out investment decisions, instead of those based solely on emotions. As with golf, the best investors can exercise discipline to ride out difficult times, remembering that no situation is likely to last forever.

Stay in Your Comfort Zone — Seasoned golfers never try to take unnecessary risks on the course when they are in competition. Similarly, investors should be aware of their risk tolerance and invest accordingly.

Parting Thoughts

One of the game's greatest golfers, Arnold Palmer, summed it up nicely when he said:

“Golf is deceptively simple and endlessly complicated; it satisfies the soul and frustrates the intellect. It is at the same time rewarding and maddening...and it is without a doubt the greatest game mankind has ever invented.”

While investing can also feel both rewarding and maddening at times, remember that “staying the course” when it comes to your investment strategy may help lead to winning results over the long run.