

THRIVING LESSONS SERIES

PART II: STRATEGIES FOR SUCCESS

Leo Grohowski, Chief Investment Officer, BNY Mellon Wealth Management

We believe investors can achieve their personal wealth objectives and investment success if they stay focused on where they want to go, actively navigate the journey, watch for the speed bumps, and remain diligent. Let's look at each one.

Often investors get lost while attempting to navigate the market because they don't have a clear vision of where they want to go. Without a clear destination, they can easily wander off course, which in some cases can cause delays, or worse yet, never getting to the destination at all.

It is important for each investor to define what they want to accomplish with their wealth and develop a plan on how to get there. So ask yourself, what are your core objectives? What are your goals in life? What are your priorities? Your family, your philanthropic activities, your work?

Investments perform differently in different market environments, so it's important to actively navigate the journey. The combination of understanding the purpose of each investment, such as capital appreciation or inflation protection, determining the most appropriate mix of investments, and making nimble adjustments along the way will help you to get where you want to go.

It's also important to be active at the security level and understand the fundamentals of companies.

An investor may also want to employ tax-mitigating strategies, such as selling certain securities at a loss to offset the impact of their recently increased capital gains tax. By doing so, an investor can improve their overall after-tax returns.

While heading down the road, there are many potential bumps that investors should anticipate. These may include geopolitical tensions or factors such as the long-awaited Fed rate hike or the return of inflation – all of which can have a profound impact on the markets. It's critical for investors to nimbly adjust to these changes, and never lose sight of the horizon.

One of the biggest ways investors fail to reach their goals is by letting emotions get in the way. It's certainly understandable that investors want to react to headlines about geopolitical events or macro news on the pace of the recovery, however overreacting can prove costly.

As illustrated in this chart, investors who adhere to an investment strategy driven by long-term goals rather than short-term emotions come out ahead over time. While adhering to long-term



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goals can be difficult during periods of uncertainty or market volatility, investors who remain patient and disciplined generally get to where they want to go.

We recognize that the next five years of this decade will be more challenging to navigate than the last five. But with the right perspective, strategies and discipline, investors can thrive in this environment and reach their long-term goals.



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