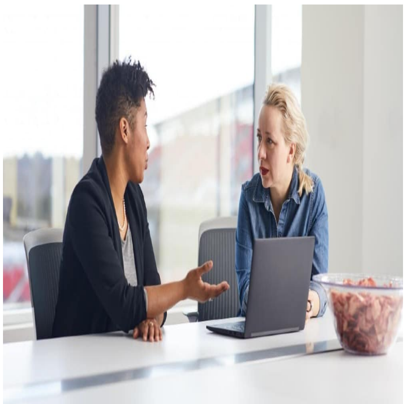

3 Ways to Protect Your Portfolio During a Market Crash

Description

If you're worried about your portfolio — and that a market crash could wipe out your savings and the gains that you've made, there are steps you can take to minimize your exposure. Here are three moves you can make to keep your savings safe at a time when the markets are being erratic:

Adjust how much money you have invested in stocks

If stocks are proving to be too risky of late, you may want to consider rebalancing your portfolio and adjusting how much of your savings are invested into stocks. The alternative could be to put some of that money into bonds.

You may even decide to just put it into an actual savings account where you could earn 1% or more depending on which financial institution in which you park your money.

Even a 1% risk-free return can be valuable in a time when many investors are losing double-digits on their investments. It's a good, temporary move that you can use, at least until you find a better option or the markets start to recover.

Hold ETFs

Exchange-traded funds (ETFs) can be a great place to put your money when you don't know where to invest. While ETFs will likely fall along with the markets, they'll rise back with them as well.

And rather than picking which stocks to invest in and worry about picking the wrong ones, an ETF can be a much safer option. Many of them pay a dividend as well.

The **BMO Equal Weight REITs Index ETF** yields more than 4% per year and real estate investment trusts (REITs) are also generally safer to invest in than many other stocks on the **TSX**.

The fund averages a beta of 0.6 and is less volatile than the TSX will be. It's a good compromise if you still want to invest in stocks but don't want to commit to picking individual ones that may underperform at a time when you can't afford worse results than the TSX.

Investing in blue-chip dividend stocks

You don't have to invest in an ETF to be safe. A stock like **Fortis Inc** (TSX:FTS)(NYSE:FTS) can also offer investors a lot of stability. With a beta value of less than 0.2, it's even more resistant to the markets than the BMO Equal Weight REITs. While Fortis is not immune to suffering losses, it's an excellent place for value-oriented and risk-averse investors put their money into.

With a reasonable price-to-earnings multiple of 15 and a price-to-book value of close to 1.5, the price is right for one of the top stocks on the TSX.

The utility company also won't see wild fluctuations in its financials, either, which is another reason it may be a good alternative to a high-growth stock where beating the numbers and having a rosy outlook for the future are paramount to the stock's ascent.

Fortis also pays investors a dividend that yields about 3.3% per year.

The dividend can be helpful in adding cash flow to your portfolio and offsetting any potential losses you may incur as a result of a market crash.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
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Date
2025/08/23
Date Created
2020/03/01
Author

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