

HOW TO DEAL WITH A VOLATILE STOCK MARKET



After an abnormally long period of low volatility in the stock market, we have seen a dramatic increase in volatility. This should come as no surprise. Periods of high volatility in the financial markets are normal, and present long-term investors the opportunity to work with their financial advisor to reassess and refine their investment plan.

Turbulent times in the stock market are nerve-racking, but they are common. As a long-term investor, you will probably go through several market declines, but keeping a disciplined long term approach will pay off by achieving much better total returns than less volatile investments, such as bonds or cash.

There is no blueprint to navigate a volatile stock market, but here are a few tips that we believe will help you through this period:

DO NOT PANIC: Remember, volatility is normal in financial markets. Stay disciplined in your investment strategy. Review your investment goals. Keep your eye on your long term strategy, and eliminate emotional decisions.

REASSESS YOUR RISK TOLERANCE: Use this opportunity to assess your true risk tolerance. Measure how much risk is in your current portfolio, and try to gauge what level of risk you need to have in your portfolio to help you reach your financial goals.

DO NOT TRY TO TIME THE MARKET: It is impossible to predict every good day to buy, or every good day to sell. Historically, investors that try to time the market with a short term trading mentality end up under performing investors that followed a disciplined, and diversified, investment strategy.

TUNE OUT THE NOISE: Information moves fast, and is readily available to us at our fingertips. Do not allow short-term news headlines to derail your long term financial plan. Focus on what you can control; your investment strategy and asset allocation.

TALK TO AN ADVISOR: Speak with an advisor who will work with you as a true fiduciary and help you create a long term investment strategy and financial plan for you.

FOR MORE INFORMATION OR TO SCHEDULE A CONSULTATION, PLEASE CONTACT US

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