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| **Managing Portfolio Risk in a Market Downturn****Markets are volatile. Preparing for an uncertain stock market should be part of your long-term retirement plan.**The coronavirus pandemic is a classic illustration of how a surprise event can rattle the stock market. It’s also a wake-up call to investors who may be overexposed to market risk. Make sure your retirement plan is set up to weather a rocky stock market.**Don’t panic.**Attempting to time the market can create more problems than it solves. Even the best professional investors may have little success consistently timing market trends. When you sell stocks in a panic, you might miss the opportunity to benefit when stocks recover. In other words, panic selling can lock in your losses. Instead, commit to a long-term view.**Maintain age-appropriate risk exposure** As you age, you have less time to recover from down markets. Regardless of what the market is currently doing, the idea is to slowly adjust your overall investment risk as you age. You can do this by allocating assets to less-volatile investments such as bonds and cash. Sophisticated investors often use complex investment products and hedging strategies to manage their risk, but this can be an expensive tactic.**Asset Allocation and Diversification.** Markets don’t move in unison. Therefore, it makes sense to allocate your investments over a wide variety of assets so that you limit your exposure to any one asset type. You can look beyond listed stocks to bonds, real estate, and other alternative investments. However, don’t make changes by attempting to time the market. Instead, slowly evolve your investment diversification when markets aren’t particularly volatile.**Consider dollar cost averaging.** DCA is a long-term strategy in which you invest a fixed amount each, in up and down markets. By doing so, you’ll be buying fewer shares when the market is high and more shares when the market is low. This helps you smooth out market volatility by adjusting your average costs. It can also reorient your attitude toward down markets and help you avoid market timing.**Professional management is the key.** Your investments are an important part of your overall financial plan. By integrating all aspects of your wealth, you have the greatest opportunity to prepare for the inevitable market downturns. Contact me to review your financial plan and discuss to current state of the market.There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification and Asset Allocation do not protect against market risk.Dollar cost averaging involves continuous investment in securities regardless of fluctuation in price levels of such securities. An investor should consider their ability to continue purchasing through fluctuating price levels. Such a plan does not assure a profit and does not protect against loss in declining markets.

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