5 Ways to Navigate Market Fluctuating

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Don't make reactive decisions; stay patient and prudent.

1. KEEP YOUR LONG-TERM PLAN IN MIND

Investing is a long-haul endeavor—if you're investing in the markets, you should expect fluctuation. The important thing is to review your investment strategy to ensure it's aligned with your long-term goals, and then stay the course.

2. DON'T REACT

A natural reaction is to want to buy when stock prices are soaring and to sell when prices are plunging. When the market falls, any losses in your portfolio are only realized if you sell your holdings. The value of your investment will fluctuate over time, and you may gain or lose money. Evaluate if this is the time to sell before you react.

3. CONSIDER BUYING WHEN THE MARKET IS DOWN

Think of it as a sale with prices discounted from a recent market peak. Yes, prices always could fall further, but if you're invested for the long haul, you may want to consider if this is a good time to add to your investment portfolio.

4. SEEK OUT GUIDANCE

If you're not sleeping at night, or your risk tolerance has changed (maybe you haven't revisited your investment strategy in a decade or more), it's time to talk with your financial professional. He or she can help you review your strategy and guide you in staying the course or making measured, responsible changes, if needed.

5. DIVERSIFY
You've heard the adage: ***Don't put all your eggs in one basket.*** That applies here. Diversifying your investment portfolio means investing not just in stocks, nor just in bonds, but in a mix. Stocks and bonds seldom move in step with each other, so losses in one asset class may be offset by gains (or less-severe losses) in the other. While diversification can reduce your risk, it does not ensure a profit or guarantee against a loss.

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