RIDING OUT A VOLATILE MARKET

Investing seems easy when the market is doing well. For a while, it appears like the market has nowhere to go but up, up, up. But it doesn't always work that way. Stocks can be volatile, gaining value one day and losing value the next. Dealing with volatility may feel overwhelming, but it doesn't have to be. Here are some tips for riding out an up-and-down market.

KEEP YOUR GOAL IN MIND

When the market drops, it can be hard to watch the value of your investments dropping along with it. Remember, the value of your investments today doesn't matter as much as their value when you sell them later. If you have a long time until retirement, don't worry too much about temporary drops in value. In time, what goes down usually comes back up.

SAVE REGULARLY

Instead of focusing on the value of the investments you hold during a downturn, consider how much cheaper the investments you *buy* will be. Drops in the market are actually a great investing opportunity. The most efficient way to do this is through **dollar-cost averaging:** save the same amount regularly and you'll automatically buy more shares when they're cheaper.

DIVERSIFY YOUR INVESTMENTS

Different types of investments, like stocks and bonds, often perform differently. When the value of one goes down, the value of the other might go up. Holding many different types of investments can lessen the volatility of your portfolio. One easy way to do this in your 401(k) plan is to invest in a target-date fund with a built-in mix of cash, bonds, and stocks.

FIND YOUR INVESTOR PROFILE

The more risk you take on as an investor, the more you'll be affected by a volatile market. If you are comfortable with risk, an aggressive investment portfolio may gain more value in the long run. If you are risk-averse, a conservative investment portfolio may hold its value better and keep you from making a costly mistake by selling during a downturn. Use our **online investor profile quest**ionnaire to find what level of investment risk would be appropriate for you.

WE'RE HERE TO HELP

Have questions? You can reach a BerganKDV advisor at no additional cost to you.

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