



Fee-Only Financial And Investment Planning

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Welcome. We at Compass Planning continue to appreciate your support. Thank you.

Needless to say, the past few months have brought volatility, uncertainty, and plenty of headlines that could shake even the most seasoned investor's confidence. Those of you who have been subscribers will know what's coming. For new subscribers, this is the way Compass Planning understands the markets and help you navigate them to stay On Course.



If you would like assistance with your portfolio allocation and investment planning, we are here to help you stay *On Course!*



Jennifer Lane, CFP



STAY THE COURSE

Sticking with your portfolio allocation matters in a difficult market

Stick with your Portfolio Allocation

- Markets have a way of testing our patience – and our discipline. The past few months have brought volatility, uncertainty, and plenty of headlines that could shake even the most seasoned investor’s confidence. Whether it's inflation concerns, interest rate adjustments, geopolitical events, or just plain market noise, it's easy to feel the urge to make big changes. But, before you let emotion drive your investment decisions, it's worth revisiting one of the most powerful tools in your investing arsenal: your asset allocation.

The Purpose of Asset Allocation

- Your asset allocation – the mix of stocks, bonds, cash, and other investments - is designed around your goals, risk tolerance, and time horizon. It's not random. It's your plan for navigating both the highs and lows of the market. When markets are soaring, your allocation helps you

avoid taking on too much risk. When they're falling, it's your guardrail against panic selling and overreaction.

- In times like these, sticking with your asset allocation isn't just good advice – it's essential.

Volatility Is Not a Reason to Abandon the Plan

- It's completely natural to feel uneasy during a downturn. Watching your portfolio dip can trigger the impulse to move to cash, chase performance, or “wait it out” on the sidelines. But these strategies often do more harm than good.
- Trying to time the market – guessing when to get in and out – is notoriously difficult. Miss just a few of the market's best days and your long-term returns can be significantly reduced. And those best days? They often come right after the worst ones.

A Better Way to Respond: Revisit Your Financial Plan

- Instead of making reactive investment moves, use market volatility as a prompt to revisit your overall financial plan. Your plan isn't just about your portfolio – it's about your goals: retirement, education, homeownership, legacy, and more. A market downturn may feel like a threat, but it can actually be a useful checkpoint.

Ask yourself

- Have my goals changed?
- Has my timeline shifted?
- Has my ability - or willingness – to take risk evolved?
- If the answer to all of those is *no*, then your current asset allocation is likely still appropriate. If any answers are *yes*, then it may be time to make

thoughtful adjustments – not because of the market, but because your life has changed.

- This approach helps you separate short-term noise from long-term purpose. The market might be down, but your goals are still valid – and so is your plan, if it's built around them.

Focus on What You Can Control

You can't control the market, but you *can* control:

- How much you save and spend
 - How much risk you take
 - How diversified your investments are
 - How you respond to market movements
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- When you focus on these factors, you put yourself in a much better position to succeed - regardless of short-term market swings.

The Bottom Line

- Tough markets are uncomfortable, but they're also part of the deal when it comes to investing. If your asset allocation was built thoughtfully, based on your goals and risk profile, now is not the time to abandon it. It's the time to trust it.
- Staying the course isn't always easy, but it's often the difference between long-term success and costly mistakes.



Compass Planning News

- Compass Planning continues to meet with clients as well as those interested in learning more about the firm via phone and web-based video conferencing. Email info@compassplanning.com to learn more.
- Compass Planning has become a supporter of [The Center for Financial Planning](#) at the sustainer level. The CFP Board created the center to achieve a more diverse and sustainable financial planning profession so that every American has access to competent and ethical financial planning advice.