



**COMPASS**  
PLANNING ASSOCIATES

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## On Course

August 30, 2016

Volume 16, #8

Welcome! Up and down . . . Up and down . . . That's what the market does. With most eyes on the election, the market volatility seems to be magnified. As I write in the answer to this week's question, no matter what season, investors will be worried about external events adversely affecting their investments. This month we're talking about how to stay focused on the long term because market timing just does not work.

If you want to create a long-term investment strategy, remember we're here to help you stay *On Course!*

-Jennifer Lane, CFP

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### Jennifer's Hint

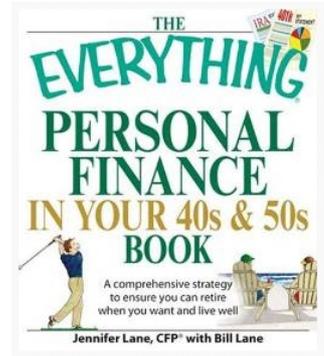
## How to invest for the long-term

**Just this month, the stock market reached another all-time high. Those who tried to time the market probably missed it. Remember that the next time you're tempted . . .**

- First you need to have a sound investment strategy in place with a target asset allocation for your total portfolio that aligns with your goals, time horizon, and risk tolerance.
- Make sure your investment strategy incorporates all of your accounts, e.g., 401(k), 529, IRA / Roth IRA, and taxable accounts.
- Invest in a diversified portfolio across stocks and bonds. Within that, choose different asset classes, e.g., large-cap value, intermediate bonds, mid-cap, and international.
- Stick to your rebalancing schedule (we typically recommend once per year) to make sure your portfolio is invested to your target asset allocation, which will keep you from feeling as though you need to time the market.
- Don't time the market! (It bears repeating!) Stick it out during the ups and downs. When volatility occurs in the market, it's tempting to cash out your portfolio and sit and wait until things calm down. That, unfortunately, increases the risk that you'll subsequently miss some of the best days of gain in the market.
- Always look at the long term. If you are nervous with current volatility, then take a look at your long-term performance to help calm your nerves. And, of course, you can always give us a call if you have questions.

Thinking carefully about your risk tolerance before investing will save a lot of stress once you've made your investments and start watching your account balance change. Consider your time frame and whether the goal you're investing toward will stretch across many years, such as retirement, or whether it will be a one-time purchase or short-duration expense, such as college tuition.

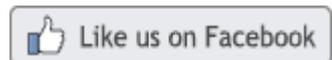
**Get more tips in Jennifer's book**



([click here for link](#) )

## Helpful Websites

[Market Timing Mistakes](#)



## Q&A

**Q:** I'm planning to retire soon, but the market has been crazy, and I'm worried about the election. Does it make sense to wait or do I just have pre-retirement jitters?

– Kevin, Littleton

**A:** Kevin, as you move closer to retirement, you will want to adjust your stock holdings to reduce volatility within your portfolio. But, as to trying to time the market, don't. It's the election this fall, and it will be something else every other season. The more important effort you can make now is to analyze your living expenses against your savings to ensure that you will have enough to live on comfortably throughout your retirement.

## What's New

- Jennifer recently answered NECN viewer questions about **Managing Pet Expenses**. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit [www.facebook.com/AskJennifer](http://www.facebook.com/AskJennifer) and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 6:30 pm appearance.

[Compass Planning Associates](#) helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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