

Art of Balance:

MANAGING
RETIREMENT
ASSETS IN A
VOLATILE
MARKET



NASH-HASTY
INVESTMENT SERVICES, INC.

Picture this: you're on a serene sailboat, cruising through the open waters, enjoying the beauty of the ocean. Suddenly, a gust of wind brings about a change in the weather, and the boat starts rocking back and forth. It's a moment of uncertainty, but you remain steady at the helm, adjusting the sails to maintain balance and keep your course.

In many ways, retirement in a volatile market is similar to sailing. The market, like the weather, can be unpredictable and subject to sudden shifts. As a retired individual or someone on the cusp of retirement, you're navigating the seas of financial independence while the winds of market volatility blow around you. It's during these times that mastering the art of balance becomes paramount.

As a professional advisor, I've witnessed many individuals successfully navigate the highs and lows of retirement amidst market turbulence. In this article, I'll provide you with valuable insights, strategies, and personal anecdotes to help you manage your retirement assets effectively and maintain equilibrium even in the face of market volatility.

But first, let's address the elephant in the room—why is managing retirement assets in a volatile market crucial? Well, as you transition into retirement or approach your retirement date, your investments and income streams become key pillars of financial security. Therefore, preserving and managing those assets becomes paramount work toward ensuring a comfortable and less stressed retirement.

Throughout this article, we'll delve into the various aspects of managing retirement assets in a volatile market. We'll explore the significance of understanding volatility, assessing your risk tolerance, diversifying your investments, and establishing a sustainable income plan.

So, get ready to embark on this journey of balance, resilience, and financial empowerment. Together, we'll navigate the choppy waters of market volatility and chart a course that attempts to safeguard your retirement assets. Are you ready to set sail? Let's begin!

01

Understanding Volatility and Its Impact on Retirement Assets

Before we dive deeper into managing retirement assets in a volatile market, let's take a moment to understand what volatility truly means and how it can impact your financial well-being.

Imagine you're standing on the shoreline, watching the waves crash against the rocks. Some waves are gentle and predictable, while others surge with immense force, creating ripples that spread far and wide. Market volatility is akin to these tumultuous waves—it represents the rapid and significant fluctuations in the value of investments over a short period.

The impact of market volatility on retirement assets can be nerve-racking, especially when you're relying on your savings to sustain your lifestyle. The fear of losing a significant portion of your hard-earned nest egg can create anxiety and uncertainty. But here's the key: while volatility is inevitable, your response to it is within your control.

I can remember one client in particular that experienced a period of sharp market volatility shortly after retiring. The ups and downs of the market and the short-term effects it was having on his portfolio made him question his retirement plans and left him feeling anxious. However, by helping him understand the nature of volatility and its temporary nature, we developed a strategy to weather the storm while maintaining his long-term financial goals.

Now, you might be wondering, how can you maintain a long-term perspective amidst short-term market fluctuations? It begins with having confidence in your financial plan and embracing a balanced mindset. Remember that market volatility is a normal part of investing, and history has shown that markets tend to recover and grow over time.

In the next section, we'll explore how understanding your risk tolerance and aligning your investment objectives with your retirement goals can lay the foundation for effectively managing your retirement assets. We'll uncover the power of balance and resilience in building a robust financial future. So, grab a cup of your favorite beverage, settle into a comfortable chair, and let's dive deeper into the art of balance in retirement planning.



Assessing Risk Tolerance and Investment Objectives 02

As you navigate the waters of retirement, understanding your risk tolerance and aligning your investment objectives with your retirement goals is crucial for maintaining balance in a volatile market. Just as different sailors have varying comfort levels with rough seas, each individual has their own tolerance for investment risk.

Take a moment to reflect on your risk tolerance. How would you react if your portfolio experienced a significant decline during a market downturn? Are you willing to endure short-term volatility in pursuit of long-term growth, or do you prefer a more conservative approach with lower risk?

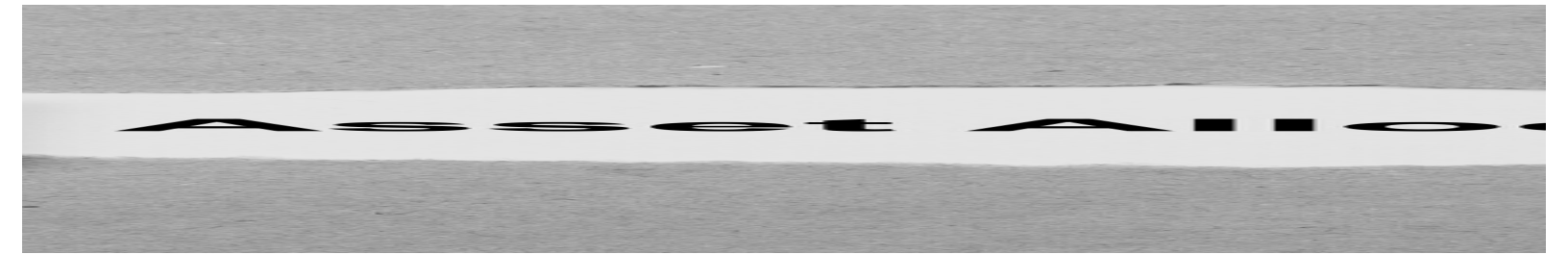
To assess your risk tolerance, consider your financial goals, time horizon, and emotional comfort level. Are you looking for steady growth and income preservation, or are you open to taking on more risk to potentially achieve higher returns? Understanding your risk profile will help you determine an investment strategy that aligns with your unique circumstances.

It's important to note that risk tolerance is not a fixed characteristic—it can change over time. Life events, market conditions, and personal circumstances can influence your willingness to take on risk. Regularly reassessing your risk tolerance and adjusting your investment strategy accordingly seeks to ensure that you maintain a comfortable level of balance throughout your retirement journey.

In addition to risk tolerance, it's essential to align your investment objectives with your retirement goals. Are you seeking capital appreciation to fund travel and leisure activities, or do you prioritize stable income to cover your living expenses? By identifying your investment objectives, you can tailor your portfolio to address your specific needs.

A retiree I worked with had a clear objective of generating steady income from her retirement assets to support her desired lifestyle. We designed a portfolio that focused on dividend-paying stocks, bonds, and real estate investment trusts (REITs) to address her stated need.

Remember, finding the right balance between risk tolerance and investment objectives is a crucial step in managing your retirement assets in a volatile market. It's about aligning your comfort level with potential returns and designing a portfolio that supports your long-term goals. In the next section, we'll explore the power of diversification and asset allocation to further enhance your portfolio resilience and preserve your retirement assets.



03 Diversification and Asset Allocation: Fortifying Your Retirement Portfolio

In the ever-changing tides of the market, diversification and asset allocation serve as your reliable compass, helping you navigate through volatility and maintain a well-balanced retirement portfolio. Just as a captain strategically places different sails on a ship, you must carefully select a mix of investments that can weather varying market conditions.

Diversification is like having a basket filled with different types of fruits. If one fruit is pitted or sour, you still have others to rely on. Similarly, diversifying your retirement portfolio involves spreading your investments across various asset classes, such as stocks, bonds, real estate, and alternative investments. This strategy seeks to help reduce risk by minimizing the impact of any single investment's performance on your overall portfolio.

In addition to diversification, asset allocation is the art of finding the right balance among different asset classes based on your risk tolerance and investment objectives. It's like selecting the right mix of sails to harness the wind's power. A well-allocated portfolio considers your financial goals, time horizon, and risk tolerance to determine appropriate allocation percentages for each asset class.

For instance, if you have a longer time horizon and a higher risk tolerance, you might allocate a larger portion of your portfolio to growth-oriented investments like stocks. On the other hand, if you have a shorter time horizon or a lower risk tolerance, a higher allocation to more stable assets like bonds might be appropriate.

Remember, asset allocation is not a one-time decision—it requires periodic evaluation and adjustment. As market conditions change, certain asset classes may outperform or underperform. Regularly rebalancing your portfolio ensures that your allocations stay in line with your intended risk profile, preventing any single asset class from dominating your holdings.

One retiree I worked with had a well-diversified portfolio but hadn't reviewed his asset allocation in years. As we assessed his investments, we discovered that market shifts had caused imbalances, exposing him to higher risk than he was comfortable with. By rebalancing his portfolio and realigning his asset allocations, we restored the desired portfolio balance suitable for him.

Incorporating diversification and asset allocation into your retirement portfolio is like building a sturdy ship capable of withstanding the strongest of waves. (Note: There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk). It seeks to preserve your assets while aiming to reduce vulnerability to any single investment's performance. As we continue our journey, we'll delve into the importance of regular portfolio reviews and rebalancing to maintain the desired balance and preserve your retirement assets in a volatile market. So, hoist the sails and let's move forward!

04

Regular Portfolio Reviews and Rebalancing: Sailing the Course of Balance

Imagine embarking on a long voyage, setting sail with a well-crafted plan and a precisely calibrated compass. As the journey progresses, the winds and currents may alter your course, necessitating adjustments to stay on track. Similarly, in the realm of retirement planning, regular portfolio reviews and rebalancing are vital to maintaining your desired balance and pursuing long-term success.

A portfolio review is like taking stock of your navigational instruments, ensuring they remain accurate and reliable. It involves assessing the performance of your investments, analyzing their alignment with your goals, and gauging their risk-reward dynamics. By conducting periodic reviews, you gain valuable insights into how your portfolio is faring and can make informed decisions based on your findings.

During a portfolio review, consider various factors. Are your investments performing in line with your expectations? Have there been changes in your financial goals or risk tolerance? Are there any adjustments needed to align your portfolio with evolving market conditions?



At times you may experience periods of exceptional growth in certain sectors of your portfolio. While it may be tempting to ride the wave of success, it may be prudent to conduct a thorough review to assess the risk exposure and ensure your portfolio remains well-balanced. By rebalancing and adjusting your allocations, you can preserve gains and maintain a prudent approach to risk management.

Rebalancing, on the other hand, is a discipline much like adjusting the sails to maintain equilibrium as the winds shift. Over time, market fluctuations may cause your asset allocations to deviate from your original targets. Rebalancing involves selling overperforming assets and reinvesting the proceeds in order to bring your portfolio back in line with your desired allocation.

Let's say you initially allocated 60% of your portfolio to stocks and 40% to bonds. If stocks have experienced significant growth, their weight in your portfolio may increase to 70% or more.

Rebalancing would involve selling a portion of the stocks and reinvesting the proceeds into bonds, restoring the desired 60-40 allocation.

By rebalancing regularly, you avoid becoming overly exposed to a single asset class and maintain the risk level you're comfortable with. It's a disciplined approach that helps you take profits when investments perform well and allows you to buy additional assets when markets dip.

Remember, rebalancing isn't about timing the market or predicting future trends—it's about maintaining discipline and staying true to your long-term plan. (Note: Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss). By reviewing and rebalancing your portfolio, you set a course to pursue your long-term goals, even in the face of market volatility.

In the next section, we'll explore defensive investment strategies that can serve as life jackets during turbulent times. We'll delve into options that can provide stability, preserve your retirement assets, and help you navigate the uncertain waters of a volatile market. So, let's brace ourselves and continue our voyage toward a balanced retirement portfolio!

05 Defensive Investment Strategies for Volatile Markets: Anchoring Your Retirement Assets

In the unpredictable seas of a volatile market, it's wise to have a few anchors to provide stability and preserve your retirement assets. Defensive investment strategies act as those anchors, allowing you to weather storms while preserving your financial well-being. Let's explore some strategies that can help you navigate through market volatility with confidence.

- **Dividend-Paying Stocks:** Dividend stocks can be a reliable source of income during market downturns. Companies that consistently pay dividends often demonstrate stable cash flows and strong financial health. By investing in these stocks, you can potentially earn regular income while benefiting from the potential for long-term growth. (Note: Dividend payments are not guaranteed and may be reduced or eliminated at any time by the company).

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- **Bonds and Fixed-Income Investments:** Bonds are often considered less volatile than stocks and can act as a stabilizing force in a portfolio. Treasury bonds, corporate bonds, and municipal bonds are examples of fixed-income investments that provide regular interest payments and return of principal at maturity. They can help mitigate risk and offer income stability during periods of market volatility. (Note: Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price).
 - **Real Estate Investment Trusts (REITs):** Investing in REITs can offer diversification and income potential. REITs allow individuals to invest in real estate assets without directly owning properties. These investments typically generate income through rental payments or property appreciation, providing an alternative source of stability and potential growth. (Investing in REITs involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be attained. Investments in real estate may be subject to a higher degree of market risk because of concentration in a specific industry, sector, or geographical sector. Other risk factors can include but are not limited to declines in the value of real estate, risks related to general and economic conditions, stage of development, and defaults by borrower).
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- **Defensive Sectors:** Certain sectors, such as consumer staples, healthcare, and utilities, tend to be more resilient during market downturns. These defensive sectors provide essential goods and services that remain in demand even during economic challenges. By allocating a portion of your portfolio to these sectors, you can potentially reduce volatility and preserve your retirement assets. (Note: Because of their narrow focus, investments concentrated in certain sectors or industries will be subject to greater volatility and specific risks compared with investing more broadly across many sectors industries, and companies).

Remember, defensive investment strategies don't guarantee immunity from market volatility, but they can help dampen the impact of downturns and provide stability during turbulent times. It's important to carefully evaluate each strategy based on your risk tolerance, investment goals, and market conditions.

By incorporating defensive strategies into your retirement portfolio, you're adding layers of diversification. These anchors can help you stay the course, maintaining a steady path toward your long-term financial goals. However, it's essential to consult with an advisor to assess the suitability of these strategies for your specific circumstances.

In the next section, we'll explore the importance of income planning and withdrawal strategies to support your financial needs in retirement. We'll also discuss methods to generate sustainable income.



06

Income Planning and Withdrawal Strategies: Sustaining Your Retirement Lifestyle

In retirement, ensuring a steady income stream is vital to support your desired lifestyle and cover your expenses. Income planning and withdrawal strategies play a significant role in navigating the complexities of a volatile market while preserving your financial well-being. Let's explore some strategies to help sustain your retirement income in the face of market uncertainty.

- **Establish a Sustainable Income Plan:** Start by assessing your essential expenses and desired discretionary spending in retirement. Consider the various sources of income available to you, such as Social Security, pensions, annuities, and investment returns. Develop a well-structured income plan that addresses your cash flow needs while taking into account your risk tolerance and longevity goals.
 - **The 4% Rule:** The 4% rule is a common guideline that suggests withdrawing 4% of your retirement portfolio's value in the first year of retirement, adjusting subsequent withdrawals for inflation. While this rule can serve as a starting point, it's essential to reassess and customize your withdrawal rate based on your individual circumstances and market conditions.
 - **Flexible Withdrawal Strategy:** During periods of market volatility, having flexibility in your withdrawal strategy can be advantageous. Consider adjusting your withdrawal amounts based on your portfolio's performance. In favorable market conditions, you may be able to withdraw more, while in challenging times, you may opt for a more conservative approach to preserve capital.
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- **Bucketing Strategy:** Implement a bucketing strategy by dividing your retirement assets into different buckets based on short-term, mid-term, and long-term needs. Allocate safer investments, such as cash and short-term bonds, to the short-term bucket, while allocating growth-oriented assets to the long-term bucket. This approach provides a systematic method for addressing short-term expenses while allowing long-term investments to weather market fluctuations.
 - **Annuities for Guaranteed Income:** Consider incorporating annuities into your retirement plan to provide a guaranteed income stream. Annuities offer regular payments, regardless of market conditions. They can serve as a valuable tool to cover essential expenses and create a stable foundation for your retirement income. (Note: Fixed and Variable annuities are suitable for long-term investing, such as retirement investing. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 ½ are subject to a 10% IRS penalty and surrender charges may apply. Variable annuities are subject to market risk and may lose value. Riders are additional guarantee options that are available to an annuity or life insurance contract holder. While some riders are part of an existing contract, many others may carry additional fees, charges, and restrictions, and the policy holder should review their contract carefully before purchasing).
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Remember, income planning and withdrawal strategies are not set in stone—they require periodic review and adjustment. Regularly reassess your income needs, portfolio performance, and market conditions to make informed decisions about withdrawals and income generation.

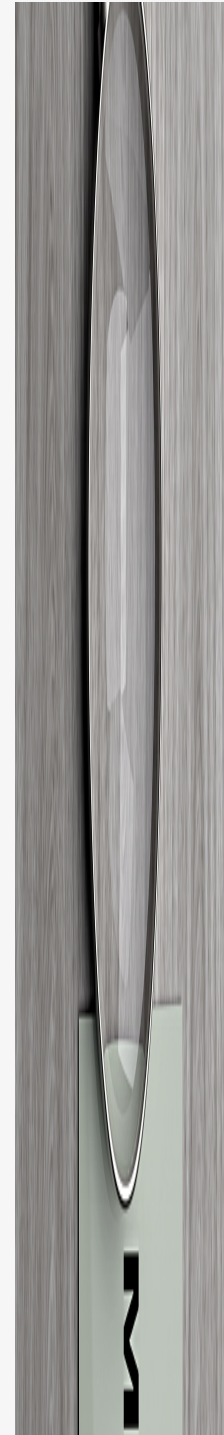
In the next section, we'll delve into the importance of ongoing monitoring and seeking professional guidance to strive to ensure your retirement plan remains on track. Navigating the waters of uncertainty with the help of an advisor can provide valuable insights and expertise to safeguard your financial future. So, let's chart our course and continue our journey!

07

Ongoing Monitoring and Professional Guidance: Navigating the Retirement Waters with Help

As you sail through the vast expanse of retirement, ongoing monitoring and professional guidance act as your compass, helping you navigate the waters of uncertainty and work toward keeping your financial plan on course. The journey of managing retirement assets in a volatile market requires vigilance and expertise. Let's explore the importance of ongoing monitoring and the benefits of working with an advisor.

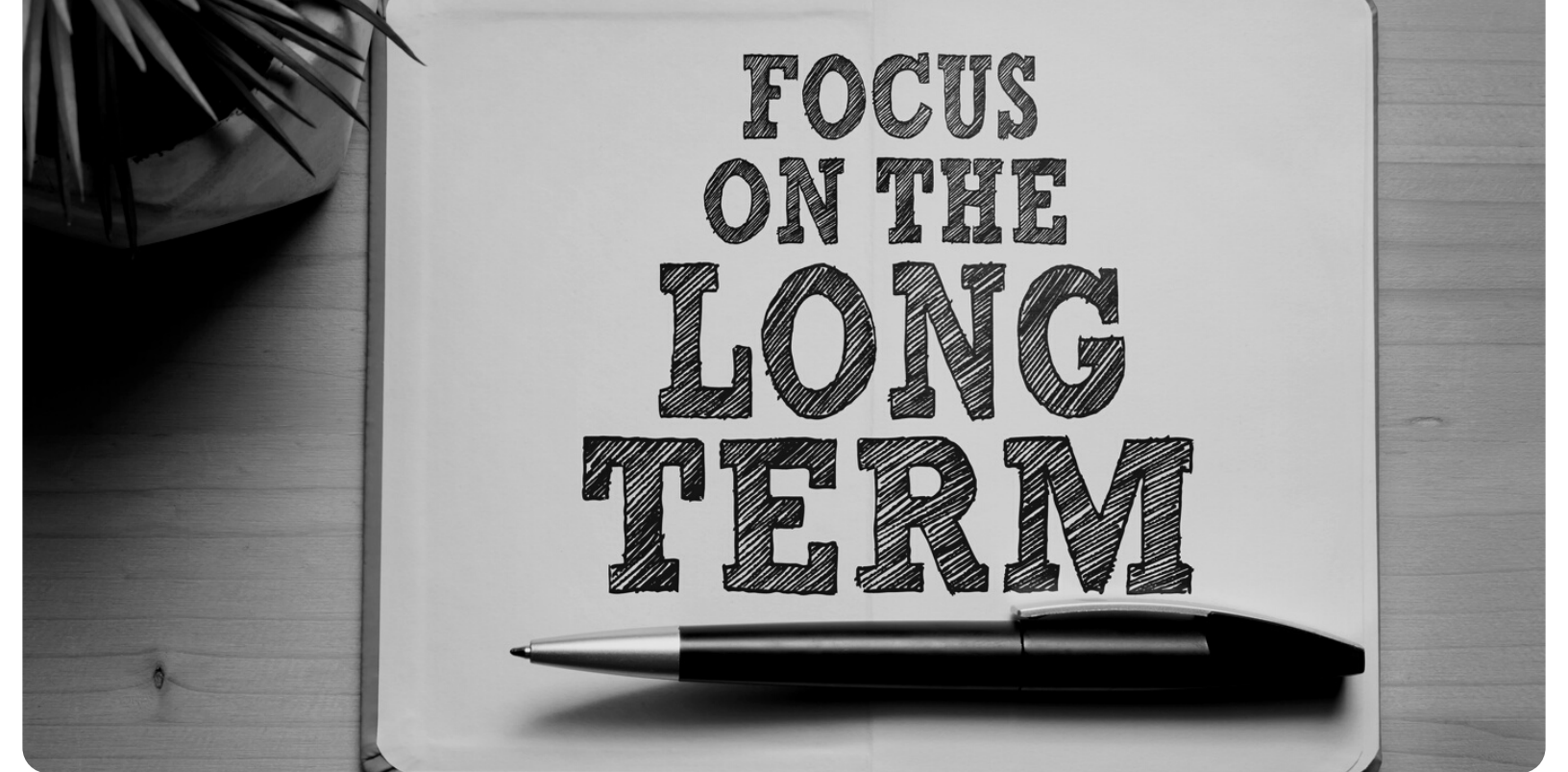
- **Stay Informed:** Keep yourself updated on market trends, economic indicators, and changes in regulations that may impact your retirement assets. Stay connected with financial news, publications, and reputable sources to make informed decisions based on relevant information.
- **Regular Portfolio Reviews:** Conduct periodic portfolio reviews to assess its performance, risk exposure, and alignment with your goals. Evaluate whether any adjustments are needed to maintain the desired balance and mitigate potential risks. A thorough review can help you identify areas for improvement and make informed decisions about rebalancing and adjustments.



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- **Emotional Discipline:** Market volatility can trigger emotional responses that may lead to impulsive decision-making. Emotional discipline is crucial to resist knee-jerk reactions during turbulent times. An advisor can provide personalized guidance, helping you stay focused on your long-term goals and maintain a disciplined approach.
 - **Proactive Adjustments:** Market conditions change, and your retirement plan should adapt accordingly. An advisor can help you identify necessary adjustments to your investment strategy, asset allocation, and withdrawal plans based on shifting market dynamics. By staying proactive, you can position your portfolio to capture potential opportunities and navigate challenges.
 - **Holistic Approach:** A thorough financial advisor takes a holistic approach to your retirement planning, considering all aspects of your financial life. They can assist with tax planning, estate planning, insurance reviews, and other critical components that impact your financial well-being. This comprehensive perspective seeks to ensure that your retirement plan remains aligned with your goals and circumstances.

Remember, market volatility is an inherent part of investing, and having an advisor can provide valuable expertise and guidance. By partnering with a knowledgeable professional, you may gain confidence in understanding your retirement journey.

As we approach the final leg of our voyage, we'll explore the significance of emotional resilience and maintaining a long-term perspective. These qualities will help you navigate the ups and downs of the market, allowing you to stay focused on your retirement goals. So, let's muster our inner strength and continue sailing toward a prosperous and balanced retirement!



FOCUS ON THE LONG TERM

08 Emotional Resilience and Long-Term Perspective: Sailing the Seas of Retirement

In the ever-changing landscape of retirement, emotional resilience and maintaining a long-term perspective are the compasses that guide you through turbulent waters. As you navigate market volatility, it's crucial to cultivate these qualities to stay on course and pursue your retirement goals. Let's explore the significance of emotional resilience and embracing a long-term perspective.

- **Embrace Resilience:** Market volatility can evoke fear, uncertainty, and anxiety. Emotional resilience is the ability to bounce back from setbacks and maintain a positive outlook. Cultivate resilience by focusing on the factors within your control—adhering to a well-structured financial plan, maintaining a diversified portfolio, and seeking professional guidance. Embracing resilience helps you weather short-term storms without losing sight of your long-term objectives.
 - **Maintain a Long-Term Perspective:** In a volatile market, it's easy to get caught up in the day-to-day fluctuations. However, successful retirement planning requires a long-term perspective. Remember, retirement can span decades, and short-term market movements are just ripples in the grand scheme of things. Maintain confidence in your investment strategy and stay committed to your financial plan, knowing that historically, markets have exhibited growth and resilience over the long run. (Note: Past performance is no guarantee of future results).
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- **Focus on Your Goals:** Keep your retirement goals at the forefront of your mind. What are your aspirations for this chapter of your life? Whether it's traveling the world, pursuing hobbies, or leaving a legacy, your goals provide a sense of purpose and drive. When market volatility tempts you to deviate from your plan, remind yourself of what you're working towards. By focusing on your goals, you can resist the distractions of short-term market fluctuations and maintain your course.

Consider one of my clients who experienced significant market volatility shortly after retiring. She had carefully crafted a financial plan to fulfill her dream of starting a charitable foundation. Despite market turbulence, she stayed emotionally resilient and maintained a long-term perspective. Because we developed a plan and strategy many years before, she was able to find discipline to remain committed to her plan.

Market volatility is a natural part of investing, and emotions can sometimes lead to irrational decision-making. By cultivating emotional resilience and embracing a long-term perspective, you can stay focused on your retirement journey and make sound financial choices.

As we approach the final stretch of our voyage, let's reflect on the strategies we've explored, the stories we've shared, and the guidance we've received. Remember, you have the power to navigate market volatility and safeguard your retirement assets. By staying emotionally resilient, maintaining a long-term perspective, and partnering with a professional advisor, you can sail through the highs and lows of your retirement.

In the concluding section, we'll recap our key learnings and provide a final word of encouragement as you embark on this exciting chapter of your life. So, steady your sails, for the final destination may be within reach!

Conclusion: Setting Sail Towards a Balanced Retirement Future

Congratulations! You have reached the shores of our journey through the art of balance in managing retirement assets in a volatile market. As you stand on the precipice of this new chapter in life, armed with knowledge and insights, you are well-equipped to sail towards a balanced retirement future.

Throughout this article, we have explored strategies to help you preserve your savings, maintain equilibrium, and navigate the challenges of market volatility. From understanding volatility's impact on your retirement assets to assessing risk tolerance, diversifying your investments, and implementing defensive strategies, you have gained valuable tools to weather the storms that may come your way.

We emphasized the importance of ongoing monitoring, regular portfolio reviews, and seeking professional guidance. By staying informed, adapting to changing market conditions, and aligning your financial plan with your goals, you can make informed decisions and course corrections when needed.

Remember, it's not just about numbers and financial charts—it's about the resilience within you. Cultivate emotional strength, maintain a long-term perspective, and stay focused on your goals. Your ability to navigate the emotional highs and lows, while embracing a vision of the future, will play a significant role in your retirement success.



As you embark on this exciting voyage, I encourage you to take the lessons learned here and apply them with intentionality and discipline. Every decision you make, every adjustment you implement, brings you closer to a balanced and prosperous retirement.

Finally, I want to express my gratitude for accompanying me on this journey. It has been a privilege to share these insights and stories with you. Remember that you are not alone—advisors are here to support you, providing expertise, guidance, and a steady hand as you sail towards your retirement dreams.

Now, set sail with confidence, knowing that you have the knowledge, strategies, and resilience to navigate the market's twists and turns. May your retirement be filled with financial stability, fulfillment, and the freedom to pursue the experiences and passions that bring you joy.

Bon voyage, and may the winds of prosperity always be in your favor!

Todd A. Hasty
Wealth Advisor

Disclosures

The hypothetical situations referenced in this article are based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with an advisor prior to investing or implementing any strategies.

