

Fundamental Investing Principals

1) Make a plan and stick to it

Creating and adhering to a thoughtfully constructed investment plan is a great way to avoid making short-sighted investment decisions — particularly when markets move lower. The plan should take into account a number of factors, including your time horizon and risk tolerance.

Your plan should start with finding the right asset mix for your long-term goals. If you are still in the accumulation phase, you should commit to investing on a regularly basis.

2) Maintain a diversified portfolio

Different investments may go up and down at different times. Spreading your money over a variety of investment types (such as stocks, bonds and cash) can help reduce volatility in your overall portfolio.

Another way to diversify is among different account registrations (such as a 401k, Roth IRA, Joint Account, etc) that have different tax consequences.

3) Understand that market declines are a normal part of the investing

History tells us that stock market declines have been common and temporary occurrences. While past results are not predictive of future results, each downturn has been followed by a recovery and, over time, a new market high.

4) Time in the market matters, not market timing

No one knows the perfect times to get in and out of the market. Consider holding quality investments with the potential to rise in value over the long term. It's the investors who are patient and can maintain their cool, especially on the bumpy road of volatility, who are most often rewarded.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All investing involves risk including loss of principal. No strategy assures success or protects against loss. There is no guarantee that a diversified portfolio will enhance your overall returns or outperform a non-diversified portfolio. Diversification or asset allocation does not protect against market risk.