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SMART INSIGHTS FROM PROFESSIONAL ADVISERS

4 Tips for Filtering The Noise About Market Turbulence

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Stock gyrations have become a fact of life. So turn off your emotions and develop a smart, measured approach on how to deal with them.

Up and down, and down and up. If stock market volatility has you feeling a little squeamish these days, you're not alone. Market swings can rattle even seasoned investors.

It's important to remember, though, that this roller-coaster ride is a normal part of investing. It's how you react to the dips and plunges — and how you prepare for them — that can make a difference in your portfolio's long-term success.

If you're not sure where you stand with your investments, that queasy feeling in the pit of your stomach should be a reminder to review your strategies now to be sure they're a good fit with your risk tolerance, your goals and your future income needs.

Or, if you're the type of investor who watches the market's every move and you're close to panicking due to market turbulence, you may want to reassess your mix and find one that makes you less anxious day to day.

Either way, what you don't want right now is to make decisions based on your emotions. Here are four ways to help keep that from happening:

1. GET SOME PERSPECTIVE.

Market drops get lots of attention. They lead the news, and the pundits pounce. It's hard to tell sometimes if the market is experiencing a hiccup or a heart attack. If you're only checking your account statements when there's a big market downturn — and you gasp at what you lost that month or quarter — you may be missing the overall picture. (And, of course, the same holds true for record increases.) I encourage clients to stay on top of their statements and to call if they have concerns or questions. And know your timeline: An investor who is near or close to retirement typically should be taking on less risk than one who has years to recover from a big loss.

2. BE DISCIPLINED ABOUT DIVERSIFICATION.

One way to help manage stock market volatility is to pick a mix of investments (stocks, bonds, real estate, commodities, etc.) that move up and down under different market conditions. We see people all the time who limit their choices to redundant mutual funds. Or they get excited about a certain type of stock — tech, for example — and go all in on that one sector. Then, if it falls apart, their portfolio does as well. Keep an open mind about your asset allocation (your financial adviser may have suggestions you haven't even heard of) and look at rebalancing regularly. Those market rises and falls can throw your allocation out of whack without you even realizing it.

3. STICK TO YOUR PLAN.

One of the worst things you can do as an investor is to go from being conservative to aggressive to conservative again based on the whims of the market. Trying to time the market is impossible, even for the most brilliant professionals. Be honest with yourself about your personal risk tolerance (your ability to handle a loss both emotionally and financially). Even if your time horizon is long enough to warrant an aggressive approach, it's important that you feel comfortable with the short-term ups and downs you'll experience. The deeper the hole, the harder it is to dig yourself out. If that's not for you, for whatever reason, the answer is to avoid the hole.

4. CONSIDER GETTING SOME HELP.

An experienced financial adviser can interpret what's happening in the news, how it's affecting the market and how it applies to your portfolio. Is China really a factor? Are tariffs the beginning of the end? Are there actually opportunities out there to be had when all you're hearing is "expert" pessimism? An adviser can hold your hand as the markets rush and roil, and proactively help you decide which "ride" your stomach and wallet can manage. One of the top ways to battle back your fears of stock market volatility is to stay informed, and your adviser can offer information and options.

It's tough to tune out all the talk about market turbulence — especially after we've spent so many years feeling bold and bullish. But developing and maintaining a solid financial plan can help keep the focus on what's important to you — a confident future for you and your family.

Kim Franke-Folstad contributed to this article.

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