



## Coping with Market Volatility: Could This Be a Chance to Rebalance at a Discount?

In a volatile market, it's easy to allow your emotions to influence your investment decisions. But if you can keep your cool while those around you are losing theirs, you may be able to take advantage of potential opportunities.

One way to do that is by reviewing your portfolio to determine if it's time to rebalance your asset allocation or modify your level of diversification.

Rebalancing means adjusting your portfolio to get it back to your original target allocation. In today's market, it often makes sense to first determine whether that original target is still appropriate for your needs. If it makes sense to return to your original allocation or establish a new one, there are two ways to proceed. You can sell securities in some asset classes and invest the proceeds in others, and/or redirect new investment dollars into selected asset classes until the target allocation is reached.

If your current allocation is appropriate, but there are concerns with your overall level of diversification, it's possible to shift some investments within a given asset class. Keep in mind that selling securities can have tax consequences, depending on account type.

Asset allocation and diversification can help manage investment risk and might better position your portfolio for the future. The silver lining to broad-based market turmoil is that you may be able to acquire some investments at a discount relative to what you would have paid when the market was up.

The return and principal value of stocks fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Asset allocation and diversification are methods used to help manage investment risk; they do not guarantee a profit or protect against investment loss.

Although there is no assurance that working with a financial professional will improve investment results, a professional can evaluate your objectives and available resources and help you consider appropriate long-term financial strategies.

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