

## Don't Panic - Part 2

While we're all riding out the bumpiness in the market (I know, you're probably getting sea sick from the most recent declines), it's important that you have a strong remedy for feelings of panic that often come about when you see your investments performance falling.

As you discovered in part 1, bumpiness—also called volatility—is part of what you sign up for when investing in the market.

One key way of dealing with the inevitable volatility is for you to have a solid investment plan. Your plan keeps you on course - for the long term - and maintains a risk profile for your strategy that's right for you.

Most people try to get by with a list of investments. But, that's just it. They've got a list, not a plan.

A good investment plan has four parts:

1. A Clear Goal
2. How Much Money It Will Take To Reach The Goal
3. A Strategy To Reach The Goal
4. Annual Review Of The Strategy

In the next several blog entries, I'll explore each of these parts in greater detail with you.

Remember the remedy. Arm yourself with a solid investment plan based on sound principles increase your chances of investing.