Are Your Investments on Track?

While mutual funds that make up most retirement plan investments are generally more stable than company stocks, they have not been immune to market drops and gains during volatile periods in the stock market. Should you ignore what's going on until things "get back to normal," or should you risk selling and buying right away?

There is no sure answer. Investing for retirement is a long-term activity, and the market's ups and downs probably won't have as great an effect on your investments if you have several years ahead of you before you retire.

Still, ignoring your investments may not be in your best interest.

Because of the market's volatility, your portfolio may be out of balance and in need of some adjustments. These adjustments involve selling and buying a modest percentage of the funds in your portfolio until they are back to their original target allocations. It is known as rebalancing your portfolio, and it is a recognized strategy to reduce your risk.

Rebalancing your portfolio is a recognized strategy to reduce risk.

When to Rebalance

Head to the *Investments* section of the Retirement Service Center to see how your investments are performing. Compare the current percentages of your investment balances by asset class with your contribution elections by asset class. If the balance percentage for any asset category (e.g., large cap, international, etc.) is 5-10% larger than your election percentage, you should consider transferring some money from the funds in that asset category to funds in other assets categories that are under their target.

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