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Wall Street hasn't been for the faint of heart lately. Jittery investors saw the volatile market play havoc with investment portfolios. But while the ups and downs may have created anguish for some, financial planner Bryan S. Slovon says he fielded few if any calls from nervous clients.

And that's the way it should be when your clients are retirees or people nearing retirement, he says.

"Retirees really shouldn't be seeing major changes in the values of their portfolios every time the market takes a huge dip," says Slovon, founder and CEO of Stuart Financial Group (www.Stuartfg.com). "A well-constructed portfolio for a retiree should shield them from much of the volatility that happens with the stock market."

If their portfolio changed as much as the market did, he says, they need to revisit their allocation plan before something really significant happens.

He says portfolios that have an appropriate level of risk – with a percentage of the money in such areas as real estate or fixed annuities – allow retirees to avoid significant losses when the stock market takes a drastic turn for the worse.

"It definitely relieves stress for people when they know they have an investment strategy that matches their stage of life," he says.

Any retirees who felt queasy over the recent swings in the market probably have their money invested in the wrong areas, Slovon says. He suggests options that retirees, or those nearing retirement, should look for as they try to figure out how much

that’s stood the test of time,” Slovon says. For example, if you are 60, 100 minus 60 comes to 40 percent risk. “That can vary depending on each person’s situation, but it’s a good place to start,” Slovon says. “Unfortunately, one of the things that can happen is you work with people who offer nothing but risk. They offer only risk because they are part of Wall Street.”

- **Annuities.** If you want a steady stream of income during retirement, an annuity can be a good choice, Slovon says. Essentially, an annuity is an insurance product that pays income. You buy the annuity, and then it pays money to you on a regular basis for life. You can have either a fixed annuity or a variable annuity.

The fixed version pays a set amount, so market performance isn’t a factor, Slovon says. With the variable version, though, you choose from a list of investments and the payout depends on how well those investments do.

- **Bond alternatives.** Bonds can be a handy part of your portfolio, shielding you somewhat when the stock market takes a dramatic tumble. Bonds tend to lose their value when interest rates rise, though, so it’s not a bad idea to consider some alternatives, Slovon says. One possibility is mutual funds because with a mutual fund you are investing in a collection of stocks, bonds or other securities. That gives instant diversity to your portfolio. Another alternative is real estate investment trusts, which are companies that own and usually operate income-producing real estate. These could be office buildings, apartment buildings, shopping centers or other types of property.

“Whether you are a few years away from retirement, or already retired,” Slovon says, “you want to make sure your money is properly situated for steady cash flow, for health care costs or for that proverbial rainy day. It should look very different from when you were still saving for retirement.”