

BUILDING BLOCKS FOR RETIREMENT

Investment Strategy

Market Volatility

The stock market has exhibited significantly higher volatility thus far in the final quarter of 2018, with large up and down swings. This volatility is being driven by a number of different factors including uncertainty with the Federal Reserve's potential interest rate path for 2019, the Trump administration tariffs proposal, the Brexit situation in Europe, and potentially slowing U.S. corporate earnings growth, among other factors. However, it is important to note that, in general, company fundamentals and global economic growth remain solid to strong.



While you cannot prevent market fluctuations, you can take the following steps to help minimize their effect on your portfolio's returns:

- Having clear objectives and a well-defined investing time horizon can help you hold your ground during market uncertainty and make it easier to remain calm when investment values are falling.
- You can help protect your portfolio from market volatility by spreading your investment dollars among investments in different asset classes, industries, economic sectors and areas of the world.
- If you cannot look the other way when markets are volatile and investment values are falling, you may want to review your risk tolerance and adjust your strategy accordingly. Historically, the markets have recovered their losses eventually, so it is best to curb any impulse to sell in a panic or to try to time the market.

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