

# BUILDING BLOCKS FOR RETIREMENT

## Investment Strategy

### Market Volatility

The stock market has exhibited significantly higher volatility over the past week, with large up and down swings. This volatility has been driven by growing fears of inflation and higher interest rates, among other factors. However, it is important to note that, in general, company fundamentals, earnings and global economic growth remain strong. Even with these recent swings, the S&P 500 Index is slightly ahead in 2018 after a 21.8% return in 2017.



While you can't 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 can't 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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