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Coping with Market Volatility: Continuing to Invest May Help You Stay on Course

In the current market environment, the value of your holdings may be fluctuating widely — and it's natural to feel tentative about further investment. But regularly adding to an account that's designed for a long-term goal may cushion the emotional impact of market swings. If losses are offset even in part by new savings, the bottom-line number on your statement might not be quite so discouraging. And a basic principle of investing is that buying during a down market may help your portfolio grow when the market turns upward again.

If you are investing a specific amount regularly regardless of fluctuating price levels (as in a typical workplace retirement plan), you are practicing dollar-cost averaging. Using this approach, you may be getting a bargain by continuing to buy when prices are down. However, you should consider your financial and psychological ability to continue purchases through periods of fluctuating price levels or economic distress; dollar-cost averaging loses much of its benefit if you stop just when prices are reduced. And it can't guarantee a profit or protect against a loss.

If you can't bring yourself to invest during this period of uncertainty, try not to let the volatility derail your savings program completely. If necessary to help address your concerns, you could continue to save, but direct *new* savings into a cash-alternative investment until your comfort level rises. Though you might not be buying at a discount, you could be accumulating cash reserves that could be invested when you're ready. The key is not to let short-term anxiety make you forget your long-term plan. We're here to help and to answer any questions you may have.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

IMPORTANT DISCLOSURES

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