

Market volatility

Managing the ups and downs

The financial markets are always in motion. On average over the past 150 years, U.S. stocks have dipped into bear market territory about every 6 years, with median losses of 33%.¹ But while market downturns may be unsettling, history shows stocks have recovered and delivered long-term gains.

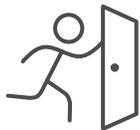
DESPITE MARKET PULLBACKS, STOCKS HAVE TYPICALLY RISEN OVER THE LONG TERM.



Past performance is no guarantee of future result.

Source: Fidelity Investments, Bloomberg Finance, L.P., January 1, 1980–December 31, 2023. U.S.

Here are two basic principles to consider for managing market volatility:



DON'T bail out at the first signs of a declining market.



DO have a plan for investing through market fluctuations.

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The markets have been resilient.

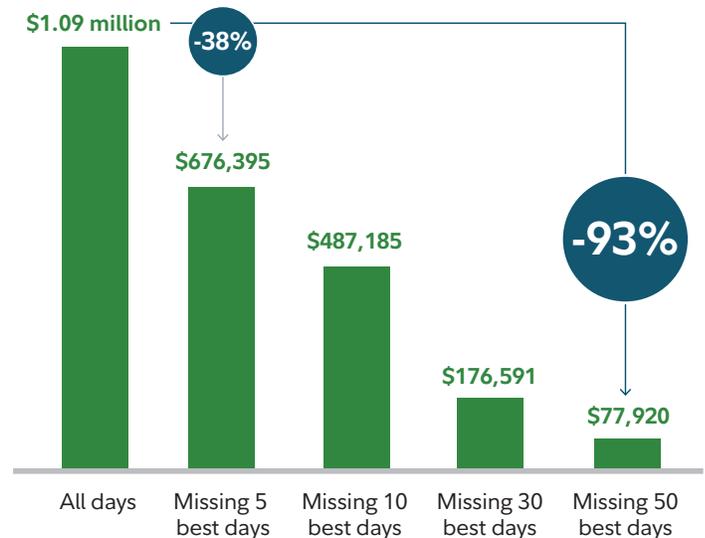
Sure, there have been periods when the market has delivered losses. But over the long term, the stock market has trended upward, recovering again and again from the disruptive, but ultimately short-term, worries of economic crises and major world events.

Being on the sidelines has had its costs.

It's no fun watching an investment drop in value. Yet selling it does nothing more than lock in the loss and prevent you from profiting from any subsequent gains. Gains often occur during a few strong, but unpredictable, trading days. Benefiting from those days requires you to be in the market for the long term.

MISSING OUT ON BEST DAYS CAN BE COSTLY.

Hypothetical growth of \$10,000 investing in S&P 500® index January 1, 1980—March 31, 2021



Past performance is not a guarantee of future results. The hypothetical example assumes an investment that tracks the returns of the S&P 500 index and includes dividend reinvestment but does not reflect the impact of taxes, which would lower these figures. There is volatility in the market and a sale at any point in time could result in a gain or loss. Your own investment experience will differ, including the possibility of losing money. You cannot invest directly in an index.

Source: FMR Co., Asset Allocation Research Team, as of June 30, 2022.

DO have a plan for investing through market fluctuations.

Take advantage of your resources.

A financial representative can be your best resource when it comes to establishing an investing plan that helps you focus on the long term.

Turn to your representative for time-tested ideas like those noted here. Manage volatility. Meet your specific financial needs. Achieve your long-term goals.



Choose investments that fit.

Even if your time horizon is long enough to warrant an aggressive approach, you have to be comfortable with the short-term fluctuations that may come with it.

If the highs and lows in your portfolio value seem too extreme, talk to your representative about adjusting the investment mix to one that feels right and meets your goals.



Invest regularly.

Investing on a regular schedule allows you to take advantage of market volatility. It's called dollar cost averaging. By employing this technique, you may:

- Benefit from buying more shares when market prices are low
- Buy fewer shares when market prices are high

Keep in mind that investing regularly does not ensure a profit or protect against loss in a declining market. For the strategy to be effective, you must continue to purchase shares in both up and down markets.



Diversify, diversify, diversify.

The three major asset classes—stocks, bonds, and short-term investments—tend to react differently to different market conditions. By spreading (diversifying*) your investments across these asset classes, you can:

- Offset the effects of one poorly performing asset class with possibly better performance of another
- Help manage the risk level of your portfolio

It's important to remember that diversification does not ensure a profit or guarantee against a loss.

*Diversification does not ensure a profit or guarantee against a loss.

Don't try to manage volatility on your own.

Speak to a financial representative today.



¹ FMR Co., Bloomberg, Haver Analytics, FactSet. Data as of 10/13/2022.

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In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation, credit, and default risks for both issuers and counterparties. (Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible.) Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds.

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