

When Markets Go Haywire, Let Ingrained Discipline Take Over

Attention Retirement Plan Participants:

In order to help ease some of the fear that naturally comes from times of financial turmoil, we have put together the following thoughts on how you can appropriately deal with times of high market volatility. We have been here before in the early part of this century and will be here again in the years to come. Learning how to deal with these times will be to your long-term financial benefit.

Disciplined, learned behavior tends to benefit everyone, especially in tense situations. In investing climates characterized by volatile markets, you can benefit by calling on those learned skills and applying them to your investment outlook. That said, when markets drop dramatically, it's perfectly natural to speculate on how much value your portfolio might lose, or wonder whether you'll be able to maintain your retirement lifestyle.

Just as no one can predict the markets, no one can tell you precisely what your portfolio will look like in a year or two. However, we have worked with your company to construct a diverse basket of investments that we believe will weather the storms of volatility that are sure to occur. So, with history as a guide, we encourage you to maintain the kind of discipline that has proved useful in the past. Rather than allowing panic and uncertainty to dictate possibly disastrous investment moves, now is the time to apply the general investing principles and processes that have become ingrained over the years.

Take a long-term view of the market, make sure you are properly diversified, and check that both the style and class of the investments in your portfolio are in line with your goals and risk tolerance level. It may be the right time to review your financial goals, update your financial plan to reflect any significant changes and act on any emerging opportunities.

As you can see, we don't advocate simply sitting by and "doing nothing" in markets like this. You certainly don't want to be surprised by developing market trends, but you needn't let them cause you sleepless nights, either. Taking *some* action – or even taking none after some considered decision-making – is a positive step in itself.

Volatile markets can be nerve-wracking, but you'll be best served by reviewing your goals and your plans and if found to be sound, sticking to them. If you have questions about how to deal with market volatility in general or today's situation in particular, please don't hesitate to call us at 1-866-224-1855 to discuss your situation.

For those concerned about your plans exposure to individual securities (AIG, Lehman Brothers, Fannie Mae, Freddie Mac & Bear Sterns) we wanted to provide you a reminder of why we utilize a diversified basket of mutual funds.

What is a Mutual Fund?

A mutual fund is an investment company that pools money from many people and invests it in stocks, bonds, or other securities. Each investor owns shares, which represent a part of these holdings. When you buy shares, you pay the current net asset value (NAV) (the value of one share in a fund). As with individual stocks, the share price of mutual funds fluctuates and the value of an investment may be more or less than its original cost.

Mutual funds can be a great way to invest because:

1. Your exposure to any single security is often decreased due to the diversified collection of stocks and/or bonds. Many mutual funds have guidelines in their prospectus that limits the amount of exposure they may have to any single security.
2. They are a collection of many stocks and/or bonds, so your investment risk is spread out (keep in mind that, as with all investments, mutual funds carry risks)
3. They are managed by professional fund managers who invest the pooled money into individual securities
4. Costs associated with the underlying security are often lower than what you would pay on your own because the fund buys and sells large amounts of securities at a time

(This mutual fund information was adapted from information produced by Forefield, Inc. an independent third party.)

Again, if you have any questions or concerns please feel free to contact us at 1-866-224-1855 or via the web at www.yourplanonline.com. Frequent market updates are posted in the [Market View](#) section of our website.

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