

October 2022

Market Volatility

These last several days have provided some relief from our current bear market. Market volatility often feels a bit like whiplash when swinging from positive to negative, but it also serves as a reminder to review our best practices for handling market fluctuations:

- **Media Over-Exposure:** Reduce your exposure to media sensationalism. Remember that the 24/7 news cycle has to find something to fill the time and tends to repeat negative news making it seem more significant than reality. Spend part of your day away from the news. Also, consider reading the news versus watching it.
- **Quarterly Statements:** Re-evaluate the frequency of your online access, especially if you look at your accounts daily. Research shows that increased access increases the perceived pain of a downturn. Continue to review your statements quarterly.
- **Diversification:** The diversification that we have built into your portfolio is designed to help in the long term. Ask yourself, "What is the likelihood that all of the companies I am invested in would go bankrupt simultaneously?"
- **Long-term Investor:** Remember that you are a long-term investor, even in retirement. The loss is only on paper unless you take a large sum distribution or move your investments to cash, thereby locking in your losses. Staying invested allows your accounts to recover.
- **Bear Market Plan:** If you are already retired, we have reviewed the importance of emergency savings while creating your Financial Plan. The emergency savings is to be used for the unexpected, including Bear Markets.
- **Look for the Opportunities:** I recommend taking back some control by looking for opportunities. You might feel more in control by reducing unnecessary expenses, especially with the current inflation rate. Others might find comfort in adding to emergency savings or paying down debt. If possible, consider increasing your contributions or investing cash. While investing in a down market seems counterintuitive, you are buying more shares on sale. Once the temporary decline subsides, your contributions will be rewarded. You can also convert part of your IRA to a Roth IRA and allow the money in the Roth to recover tax-free. The hope is to buy low and sell high.
- **Rely On Me:** You are never alone. Don't hesitate to call me whenever you become uncomfortable with the markets.

This bear market will end. My advice remains the same whether you are my family, friend, or client. We stay the course and look for opportunities.

Kind regards,
Meghan



Meghan Phillips Dykstra CFP®
Investment Advisor Representative
900 East Front Street, Suite 200
Traverse City, MI 49686
phone: 231-486-6188
fax: 231-486-6191
Meghan.dykstra@SecuritiesAmerica.com
TandemWealthTC.com