



THRIVING THROUGH MARKET VOLATILITY

What to keep in mind

- **Market volatility is an inevitable part of investing.** If we never had market sell-offs, we wouldn't have as much opportunity to see returns.
- **Markets trend upward.** While the past can't tell us what the future holds, the past 30 years have had upward-moving markets despite recessions. It makes sense that this would continue since investors see opportunity in undervalued stocks.
- **Trying to time the markets may not end well.** If you sell out of the market during a decrease, you "lock in your loss," because unless you buy back in at just the right time, it can be difficult to recover the amount you lose—and the very best days tend to happen right after the very worst ones.*

* There are six examples in the S&P 500 since 1987 of deep declines that were followed within 10 days by big moves to the upside. The S&P 500 is generally considered representative of the U.S. stock market. Past performance is no guarantee of future results.

Tips for thriving in volatility

- **Understand your strategy.** Your strategy was designed for your specific goals, timeline, and risk tolerance.
- **Review your needs and goals.** This is a great time to determine if your goals and objectives remain the same, or if they've shifted, requiring an update to your strategy.
- **Stick to your strategy.** Your strategy was built for your individual time horizon, and sticking to it will position you to work toward your goals.

Why staying invested makes a difference

Since 1990, there were 23 other events where the markets declined 10% or more. Yet despite these declines, the annualized return for the S&P 500 Index from 1990 to 2021 was 9.9%. If all you missed was the best day in each year during that time period, your return would've dropped to 6.1%. Miss the best two days of each year, and you were up less than 3% a year. Taking it to the extreme, if you missed the best 20 days of each year, you'd be down 24.4% per year!

Source: LPL Research, LPL Research, FactSet 4/29/22



Surviving a bear attack

Wilderness guides tell us that the way to survive a bear attack is not to flee, but to face it down because you can't outrun or outclimb a bear.

The same is true of a bear market. If you flee a bear market, your odds of coming out unscathed may not be very good. But facing it down and staying the course could mean you not only survive—but you thrive!

We're here to help you become a thralivist

A look back in history shows us that people are incredibly resilient in response to crises. I like to think of these people as “thralivists”—those who see challenges as an opportunity to reinvent, reimagine, innovate, and come out better for it on the other

side. As your partner, we're here to help you thrive through this current crisis. Whether you want a portfolio review, need a pep talk, or want to share what's changed in your life, we're here to help.

☞ **If you want to discuss your strategy, please reach out to us.**

This material was prepared by LPL Financial. This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change.

References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composite and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.



Green Bee Advisory
Catherine Valega, CFP®, CAIA
Wealth Consultant
LPL Financial
Winchester, MA 01890
781-850-4610 Office
cvalega@greenbeeadvisory.com
www.greenbeeadvisory.com



Train your lizard brain

We can learn a lot from human anatomy. Your amygdala, commonly referred to as your “lizard” brain, is the part of your brain that controls your emotions, which can often influence your investment decisions. If the market is down, this could compel you to sell, when the best strategy may be to stay the course.

To train your lizard brain:

- Know your enemy—understand how your brain wants to respond.
- Decide ahead of time how you'll respond instead.
- Empower an accountability partner to remind you.

