

# WHAT'S THE STATE OF YOUR FUTURE?



## Don't let the stock market keep you up at night

Are you concerned about how volatile the stock market seems lately? Worried about what looks like large drops in value? That's understandable — but what's happening is actually a normal function of the market.

### DON'T BE ALARMED

The recent turbulence in the markets caused the first correction in some major stock indices in two years. A correction is a loss of 10% of value compared to a previous 52-week high, generally after a period of gains. A correction is different from a crash — when a market loses a large amount of value very suddenly. Historically, corrections happen about once a year, and they're not a cause for panic.

### WHAT SHOULD YOU DO?

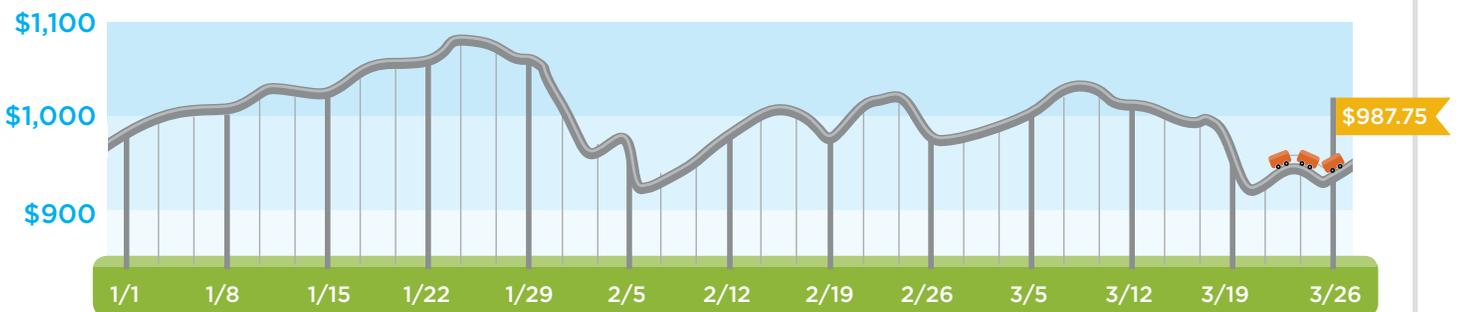
Long-term investors actually welcome market corrections! They can be great opportunities to add good stocks to your portfolio at a lower price, which can result in large gains over time.

In short, when a stock market correction happens, there's no need to panic and start selling.

And, in general, make sure you hold a diversified portfolio that you rebalance on a regular basis. That's the best way to be prepared for the inevitable ups and downs of the market. Your local provider can help you choose your portfolio.

**For Example. Bill has \$1,000 invested in the S&P 500 Index. As you can see in the chart below, the first quarter of the year looked like a wild ride. What happened to his investment during these three months?**

THE VALUE OF BILL'S \$1,000 S&P 500 INVESTMENT DURING THE FIRST QUARTER OF 2018



If Bill panicked during the stock market correction and sold his investment when it hit the low point of \$965.36 on February 8, he would have lost \$34.64. But if he rode it out, he would have begun to recoup his loss as his investment started to climb back up.

### IT'S STILL A GOOD TIME TO ENROLL IN MAINESAVES

All of this matters only if you're saving for your future and building a diversified investment mix. If you're not, take this opportunity to **enroll in MaineSaves**, the State's voluntary retirement savings plan. It's never too late to start.

Visit [www.MaineSaves457.com](http://www.MaineSaves457.com) to learn more.

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