PLEASE FORWARD THIS EDITION of PARTICIPANT CORNER to all of your retirement plan participants!

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McKinley Carter
MASTER YOUR WEALTH.

Hello Plan Participant,

With the recent market volatility, it's understandable that you may be concerned about your investments. Volatile markets can make you wonder if you're on track to meet your retirement goals. Don't be discouraged and most of all, don't panic. Instead be proactive! Consider the following steps you should be taking in both up and down markets:

- **Step #1: Utilize the retirement readiness tool/retirement needs calculator on your Recordkeeper website** to see if you are on track to meet your retirement goal. This tool uses real-time values of both your plan assets and most likely any outside assets you have chosen to load into it. Use the tool to consider changes that might increase your outcome (save more, retire a bit later, etc.). *Knowledge is power.*

- **Step #2: Check your contribution rate.** There is a direct correlation between the amount you contribute each pay and the impact at retirement.

Do you know how much you should be contributing each month to reach your goal? Have you increased your savings rate based upon your income and age? (see #1 above) Are you capturing 100% of your Company match?

- **Step #3: Review your portfolio.**

Remember staying invested in times of market turbulence will help you participate fully in potential market gains. While there is never certainty in the market, history has taught us that volatility is to be expected. *Don't go it alone!* Call the TEAM at McKinley Carter for assistance in any aspect of your 401(k) plan — We are here to help!

Sincerely,

McKinley Carter Wealth Services
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When Markets Fall: Pullbacks and Drawdowns

~ by Monica M. Garver, CPA, CFP®, AIFA®, CDFA®

Market declines come in all shapes and sizes. The below chart reflects the average frequency of various size market pullbacks and drawdowns. Pullbacks, or declines of 5-10%, have occurred frequently in the markets, averaging about 3 times a year. Corrections are generally defined as declines of 10%, but less than 20%, and have happened as often as once a year. Market declines of 20% or more occur less frequently, averaging once every 6 years. A drawdown of this size typically denotes a "bear market".

	-5% or more	-10% or more	-15% or more	-20% or more
Average frequency	About 3 times a year	About once a year	About once every 3.5 years	About once every 6.3 years
Length (days)	46 days	117 days	275 days	425 days

Bear markets can last for a while, but that is not always the case. The bear market in early 2020 lasted for only 33 days. For long-term investors, research has shown it is generally not wise to try and time the markets in times of market volatility and uncertainty. Even in bear markets it is wise to "stay the course" so not to miss out on the market's eventual recovery.

It is important to keep in mind that current market conditions rarely provide a clear direction as to the future performance of the markets. While past results don't guarantee future returns, markets have always recovered from past market pullbacks and drawdowns. Market declines should remind plan participants to focus on their long-term investment strategy and goals. If those remain intact, then in many cases staying the course (doing nothing) is often the best course of action.

For more information on current market conditions, visit our website or call 866.306.2400.

**Chart Source: RIMES, Standard & Poor's. Assumes 50% recovery of lost value. Length measures market high to market low.*

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