

RETIREMENT CHECK-UP



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Managing Your Investments in Times of Market Turbulence

Stock market changes are in the news daily. As the market rises and falls, you may wonder how your retirement savings is affected. Your AACPS Supplemental Retirement Program (SRP) is designed to help you build retirement savings by providing you with a range of investment options through both a 403(b) plan and a 457(b) plan.

Your AACPS SRP options provide you with a lot of opportunities to invest and save. If you have concerns about your current investments, below are some points to consider as you manage your account(s) during times of market turbulence.



Hold Tight

A turbulent market can make anyone jittery. If you're like many investors, seeing market dips may make you want to get out of your current investments; however, weathering the storm may be better advice. Selling off key investments while a stock's price is already down generally means suffering even greater losses. The longer you are able to wait out fluctuations without taking actions, the more likely you are to regain some or all of any losses you may have incurred at a later date.

The AACPS SRP allows you to invest via target date funds, which allocate your investments to your 403(b) and/or 457(b) accounts based on your target retirement date. The asset allocation mix in these funds varies and adjusts automatically as you get closer to your target retirement date. If, however, after reviewing your current asset allocation you determine it is not aligned with your risk tolerance, you may decide to make some changes.

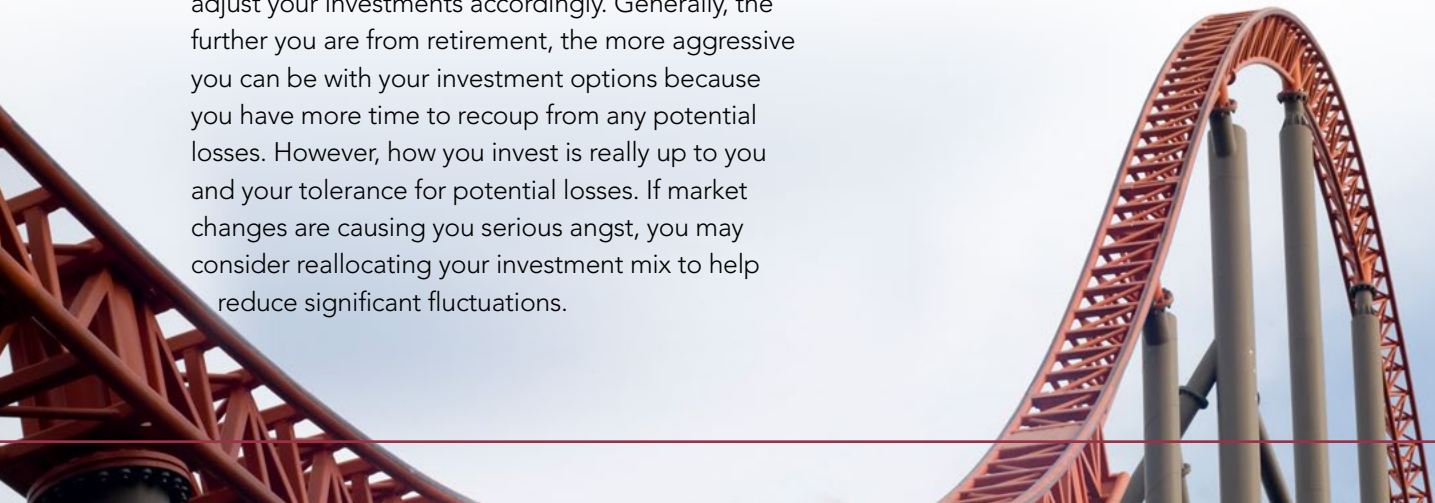
Your AACPS SRP investment provider – Lincoln, VALIC or Voya – has tools available to help you evaluate your current risk tolerance and rebalance your investment portfolio if necessary.



Re-Evaluate Your Risk Tolerance

Depending on how close you are to retirement, you may want to re-evaluate your risk tolerance and adjust your investments accordingly. Generally, the further you are from retirement, the more aggressive you can be with your investment options because you have more time to recoup from any potential losses. However, how you invest is really up to you and your tolerance for potential losses. If market changes are causing you serious angst, you may consider reallocating your investment mix to help reduce significant fluctuations.

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Avoid Trying to “Time the Market”

We all ideally want to buy low and sell high when it comes to our investments. Some investors have developed different strategies for this, including trying to anticipate market fluctuations so they are able to buy and sell at the most ideal times. But trying to find the ideal time to buy and sell can result in a lot of unnecessary transactions – and related fees. For many people, repeated stock losses can be difficult to see and may prompt investors to sell even when it isn't ideal. For this reason, trying to “time” selling doesn't often work because inevitably emotion gets involved.



Solidify Your Other Finances

Consider paying off any credit card debt and building your personal savings to ensure you have access to funds for day to day expenses if you need them. Cash on hand can help you feel more stable during times of market turbulence.



Consider Upping Your Investments

It may seem counter-intuitive, but market downturns may be an ideal time to invest more rather than selling what you have. You may be able to get a bargain on some funds and if you are able to wait out the downturn, you may see the value of your investments rise and your retirement savings grow.

Work With an Advisor or Use Professional Management Tools

All three available SRP investment providers (Lincoln, VALIC and Voya) offer some form of managed account services; costs vary among the three. You may contact an account advisor with your provider or use some of your provider's available management tools to help you evaluate your investment options and determine if your current investments are right for you.

- Lincoln offers advice and managed account services through Morningstar® Retirement Manager. To learn more, visit Lincoln online at www.lincolnfinancial.com/retirement or call 410-987-3590.
- VALIC offers the Guided Portfolio Services (GPS) program. VALIC can be reached at www.valic.com or 410-850-2480 for more information.
- Voya also offers two service options through Morningstar® Retirement Manager. Contact Voya at www.voyaretirementplans.com or 800-454-1099 for more information.

“Bull” vs. “Bear”

During times of market volatility, you may hear references to a “bull” market or a “bear” market. What do the terms mean?

Bull market – A bull market is generally positive. Stock prices are rising or expected to rise, and investors have an overall positive outlook on market growth. From 1982 to 2000, the U.S. economy experienced unprecedented growth, which led to a prolonged bull market and great investor confidence.

Bear market – A bear market is the opposite of a bull market. Stock prices are trending down and investors have an overall negative outlook on market growth. The decline of so-called “dotcom” companies led to a prolonged bear market from 2000 to about 2009.

Since 2009, the US economy has had periods of both growth and decline, bulls and bears. For many investors, 2017 was a period of relative growth. However, 2018 to date has been marked by more dramatic market swings – both significant losses and relative gains.

