

A photograph of two women jogging through a lush green park. The woman on the left is wearing a white t-shirt and orange shorts, while the woman on the right is wearing a blue polo shirt and black pants. They are both smiling and looking towards each other. The background is filled with tall trees and sunlight filtering through the leaves.

# TAKE CHANGE IN STRIDE

## UNDERSTANDING MARKET VOLATILITY

**Short-term volatility is a generally accepted risk of investing, but wild swings in the markets can be downright unsettling. Before you react to market turbulence consider these investment basics.**

### **DOLLAR COST AVERAGING**

It may be tempting to reduce or suspend contributions to your retirement plan, but this could hurt in the long run. Contributing equal amounts on a regular basis — regardless of which way the investment markets move — can help reduce your overall average purchase price over time. However, dollar cost averaging does not guarantee a profit or protect against a loss in a declining market, so you should consider your ability to continue investing through periods of adverse market conditions.

### **REGULAR REBALANCING**

You may want to get in the habit of regularly rebalancing your portfolio. Review your original asset allocation, and rebalance your assets to adjust for any recent market volatility. This may mean transferring money into asset classes and investment styles that have had relatively weak recent performance — out of those that have had better performance. A free rebalancing service is available online by going to the **Manage | Current Investment** and selecting the **Get Started** button. (Though the service is free, any fees charged by the underlying investment options related to rebalancing will still apply.)

## LONG-TERM PERSPECTIVE

Making hasty investing decisions based on market volatility has often proven to be an unsuccessful investment strategy. Purchasing funds after they have risen significantly may mean “buying high”. Transferring out of lower-performing funds may mean “locking in your losses”, making it more likely that you will miss any upswing that may follow a downturn.

Remember that saving and investing for retirement is generally a long-term prospect. Many financial professionals often agree that the best approach to volatile markets is to determine your long-term investing strategy — and then stay the course.

## PLAY IT SMART. UNDERSTAND VOLATILITY. KEEP YOUR PERSPECTIVE.

- Determine your long-term strategy, then try to **stay the course**
- Sign up by going to the **Manage | Current Investment** and select the **Get Started** button
- Consider consulting your financial professional

## Think ahead. Take action now.

Need help with your retirement strategy?



**Visit:** [transamerica.com/portal/home](https://transamerica.com/portal/home)



**Contact:** 800-401-8726

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