



Retirement Planning in a Volatile Market

Page 1

Planning your future retirement has become a little harder

The volatility in the financial markets has had a serious impact on many retirement portfolios. Declining portfolio values are causing many individuals to reassess if they'll be able to retire within their planned timeframe. Given the state of the economy, you may have concerns about what steps, if any, you should be taking to ensure your own future retirement security. If that's the case, here are some general suggestions.

Look at Long-term Trends

While the stock market has been extremely volatile, history has shown that the long-term direction of the stock market is upward. From 1973 through 2007, the U.S. stock market (as represented by the Standard & Poor's 500 Stock Index) delivered positive returns in 27 out of 35 years.¹

Understanding the long-term performance of the market can reduce the likelihood that you'll overreact and make sudden and potentially costly changes to your long-range portfolio.

You need to remind yourself that a paper loss does not become a real loss until you actually sell the losing investment. Depending on the market and the overall state of the economy, your paper losses could be erased sooner than you'd expect.

Consider Your Time Horizon

- ♦ **A while to go** – If you're ten or more years away from retiring, you have time on your side. Historically, the stock market has performed well over ten-year timeframes. Although past performance does not guarantee future results, your portfolio could well have time to recover and benefit from future growth.
- ♦ **Almost there** – On the other hand, if you have been planning to retire relatively soon, you probably need to step back and reassess your situation. Depending on the percentage of your portfolio invested in bonds and other non-stock investments, your losses may be limited. In that case, you may not have to take any significant measures to rebalance your portfolio. If your losses are large, you'll want to talk with your COUNTRY[®] Financial representative to decide on a plan of action.

Keep Saving and Investing

All else being equal, the more you can save, the better your chances of reaching your retirement goal. Scaling back or stopping your contributions to your retirement accounts may not be a wise move right now.



www.countryfinancial.com

Not FDIC Insured
No Bank Guarantee
May Lose Value

Investment management, retirement, trust and planning services provided by COUNTRY Trust Bank[®].

By continuing to save and invest, you will be able to buy more shares in a down market. If you wish to help reduce your future contributions' exposure to risk, you could redirect them to traditionally less risky, more stable investments — like money market and conservative bond funds. At the same time, you may choose to leave your current portfolio intact in anticipation of a market rebound.

Diversify

Although diversification does not ensure a profit or protect against loss in a declining market, it is a basic strategy for managing risk. When one asset class (stocks, for example) loses value, another asset class (like bonds) may deliver positive returns that can help reduce or offset those losses. You can further diversify by investing in various categories of securities within each asset class.

Count on COUNTRY

Guidance from someone you know and trust during this difficult time may help you put the market's volatility in perspective. Your COUNTRY[®] Financial representative is backed by a team of experts in investments, retirement, education funding, and financial planning. Put that expertise to work by contacting your COUNTRY Financial representative today. Together, you'll develop a tangible plan customized to your particular situation.

¹Mellon Analytical Solutions, LLC and NPI

