Staying the Course in Volatile Markets

How to make market volatility work for you

Eagle Strategies LLC

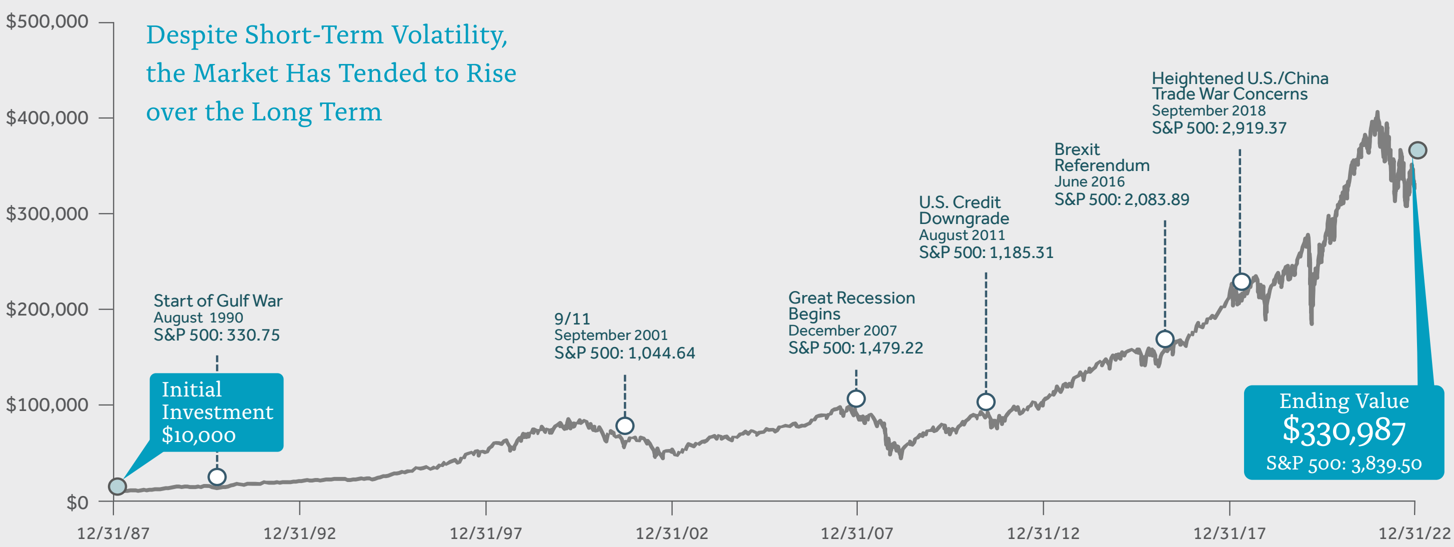
> “For the investor who knows what he is doing, volatility creates opportunity.”
>
> **JOHN TRAIN**

Keep a long-term perspective

When it comes to investing, there is no escaping the volatility of financial markets. As most investors understand, short-term price fluctuations of specific investments or markets—influenced by monetary policies, industry changes, and national or global events—are to be expected. While these market dips can be unnerving, it's important to remember that they're usually short-lived and can offer valuable opportunities. As shown in the chart below, during the past three decades the stock market experienced many ups and downs along the way—yet despite these disruptions, tended to rise over the long term.[1] Keeping volatility in perspective and being prepared for market shifts can help you stay focused on your long-term goals—and help increase your potential return over time.

SHORT-TERM VOLATILITY HAS LED TO LONG-TERM OPPORTUNITY[1]

Growth of $10,000 in the S&P 500 Index 12/31/87-12/31/22

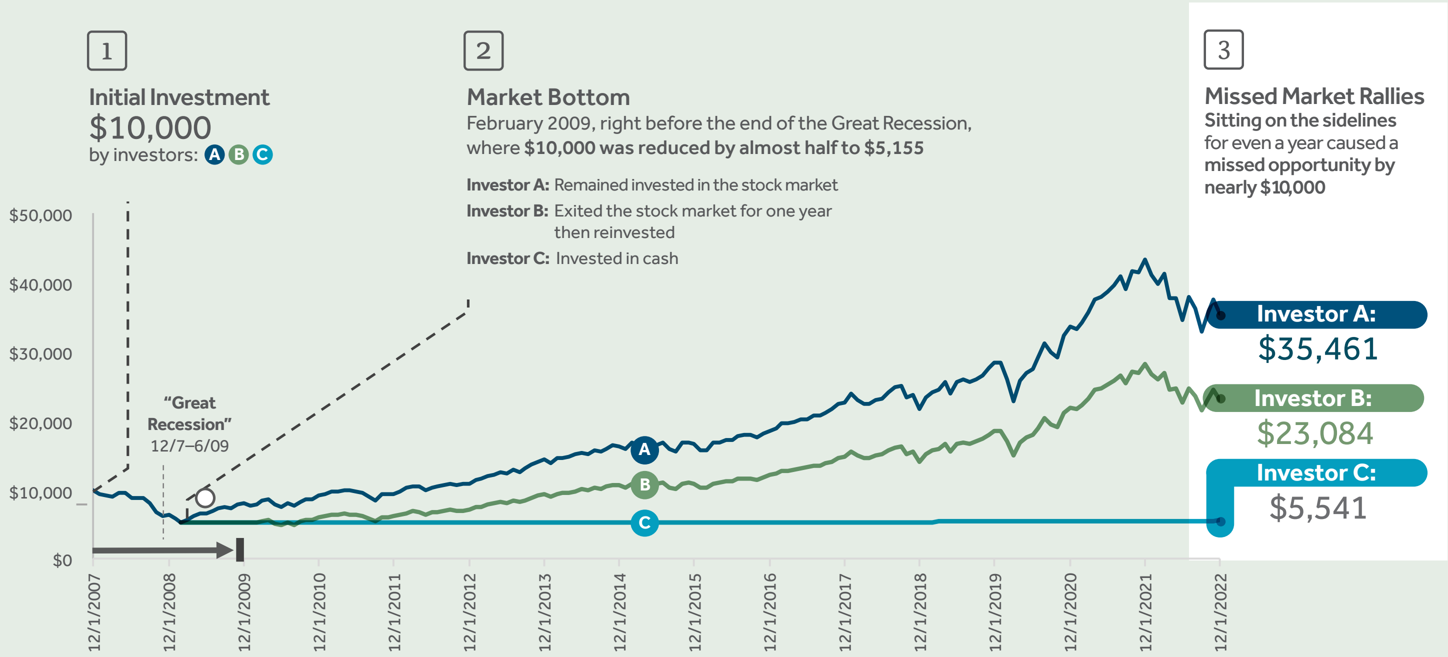


It’s “time in”—not “timing”—the market that counts

During a volatile market, the fear of losing money can be powerful. It’s often tempting to sell, and then sit on the sidelines and wait until things get better. However, no one can predict what the market will do a day, a week, or even a year from now—and as a result you can miss valuable opportunities for future price increases, as shown in the chart below. The answer is to avoid trying to ”time” the market in the short term, and instead maintain your “time in” the market for the long run.[2] Understanding that volatility will come and go—and learning to ride out times of market turbulence—is key to prudent, goals-based investing.

ATTEMPTS TO TIME THE MARKET MAY LEAD TO MISSED MARKET RALLIES[2]

December 2007 - December 2022



Minimize the impact of volatility with smart strategies

Market fluctuations can make it difficult to know the best time to invest. An automatic investment strategy, like dollar-cost averaging, can help take the emotion out of investing. By investing a set dollar amount at regular intervals, rather than investing a lump sum, you buy more shares when the price is lower and fewer when the price is higher—minimizing the impact of price swings, and eliminating the risk of timing the market.[3] Even though dollar-cost averaging does not guarantee a profit or protect against losses in a declining market, this investment technique has been effectively tested over time, as seen in the chart below.

INVESTING OVER TIME VS. A SINGLE INVESTMENT[3]

Single Investment Strategy
Investing $24,000 at one time

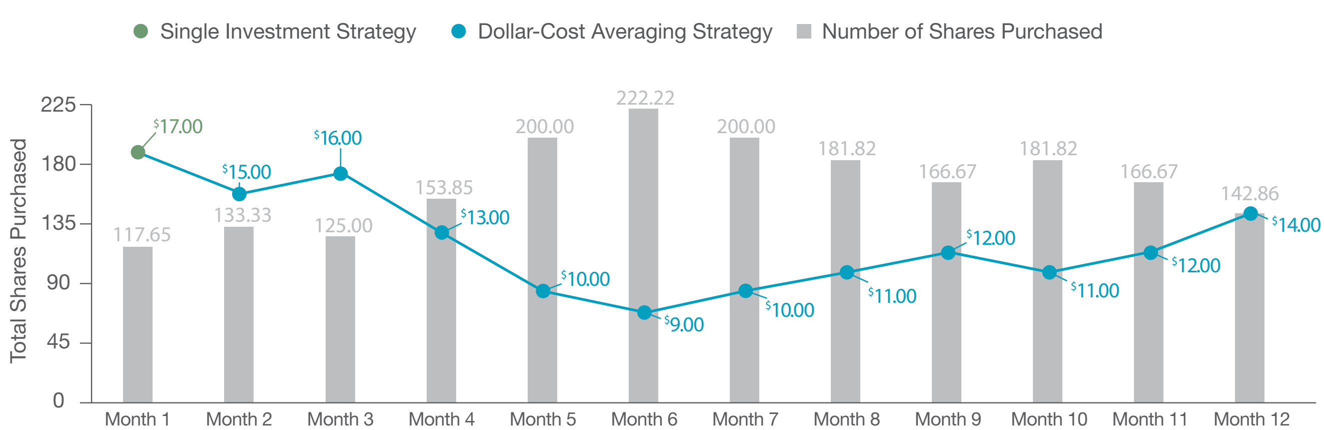
Total shares purchased: 1,411.76
Average cost per share: $17.00

Dollar-Cost Averaging Strategy
Investing $2,000 per month for one year

Total shares purchased: 1,991.88
Average cost per share: $12.05

Through dollar-cost averaging, the average cost per share was $12.05 vs. $17.00, purchasing 1,991.88 shares.

That's 580.12 more shares than the single investment strategy.



Stay invested and update your financial plan

Market volatility is inevitable—but doesn't need to disrupt your long-term goals. Because it's hard to determine when to buy or sell during turbulent times, it's critical to stay invested and remain with your personalized financial plan. In this way, you can better position yourself to take advantage of opportunities that arise, and avoid jeopardizing your goals for the future.

Be sure to consult with your Financial Advisor to review your investment plan, make any necessary updates, and discuss strategies to help you build a more resilient portfolio.

About risk

All investments are subject to market risk, including possible loss of principal. Past performance is no guarantee of future results.

High-yield securities (commonly referred to as 'junk bonds') have speculative characteristics and present a greater risk of loss than higher-quality debt securities. These securities can also be subject to greater price volatility. Floating rate loans are generally considered to have speculative characteristics that involve default risk of principal and interest, collateral impairment, borrower industry concentration, and limited liquidity. Foreign securities are subject to risk of loss not typically associated with domestic markets, such as currency fluctuations and political uncertainty. Fixed-income securities are subject to credit risk – the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt— and interest-rate risk—changes in the value of a fixed-income security resulting from changes in interest rates. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner. Certain merger & acquisition transactions may be renegotiated, terminated, or involve a longer time frame than originally contemplated, which may negatively impact returns. Active investing is an investment strategy involving ongoing buying and selling actions by the investor. Active investors purchase investments and continuously monitor their activity to exploit profitable conditions. Active management typically charges higher fees.

1. Source: Morningstar, 12/31/22. This information is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results. An investor cannot invest directly in an index.

2. Source: Morningstar, 12/31/22. The stock market is represented by the S&P 500 Index, which is an unmanaged group of securities considered to be representative of the stock market in general. Cash is represented by the 30-day U.S. Treasury bill. Treasury securities are backed by the full faith and credit of the U.S. government, as to payment of principal and interest if held to maturity. The data assumes reinvestment of income and does not account for taxes or transaction costs. Stocks have been more volatile than bonds or cash. Holding a portfolio of securities for the long term does not ensure a profitable outcome, and investing in securities always involves risk of loss. Past performance is no guarantee of future results. It is not possible to invest in an index.

3. Source: New York Life Investments, 12/31/22. This hypothetical example shows how dollar-cost averaging may work in a down market. It is for illustrative purposes only and does not reflect the actual performance of any investment product. Dollar-cost averaging does not guarantee a profit or protect against losses in a declining market. Investors should consider their ability to continue purchases through periods of low price levels.

PROTECTION. RETIREMENT.
INVESTMENT. ESTATE.

Trusted Guidance. Comprehensive Solutions.

Eagle Strategies
51 Madison Avenue
New York, NY 10010

www.eaglestrategies.com

ES.StayingCourse
SMRU 5046329.2 (Exp. 04/30/2025)

Eagle Strategies LLC