# A word about the recent market volatility and your retirement account

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## As COVID-19 continues to create unease in the financial markets, you might be wondering how this market volatility will continue to impact your retirement account.

**What's going on in the financial markets and why is it affecting my retirement savings?**
It can be hard to comprehend why a disease should affect your retirement savings. Put simply—as is often the case with major world crises or events—this virus has created a ripple effect. As communities and governments work to prevent COVID-19 from spreading, businesses and industries are being impacted by things such as cancelled events and fewer people traveling, eating out, or shopping. As people around the world get sick and take time off work to recover, distribution and supply chains are disrupted, too. Combine all this with current geopolitical events like the oil price war between Russia and Saudi Arabia and you can expect some panic in the financial markets, which will impact your retirement account investments. When the value of those investments fluctuates, so does your account balance.

**Are my retirement savings at risk?**
Every time you invest and put your money in the financial markets, you take on risk. You do this because over the long term, investing in the financial markets has been shown to outpace inflation—even when you account for past market downturns, such as the 2008 crash. But, while everyone who invests takes on some level of risk, diversification helps us manage the amount of risk.

While this current coronavirus feels new, from a retirement savings perspective, we've been through it before and you'll want to keep in mind a few strategies to help you the weather market fluctuations we're experiencing now. Remember, regardless of strategy, it is possible to lose money when investing.

**DON'T let emotional investing derail you**
If you've ever sold an investment during or in anticipation of a market downturn, welcome to the human race. We've all been there. In fact, behavioral scientists have proven that people fear losses more than they anticipate gains. But you can overcome this tendency. Know that, when investing for the long term, it's normal to experience market ups and downs. And if you make choices that align with your long-term investment plan and not your queasy stomach, you're more likely to make the right choice for you.

**DON'T try to time the market**
Timing is everything, but successful market timing is nearly impossible even for professional investors. If you sell when prices are down, you guarantee a loss—and lose the chance to gain if prices come back. Instead, formulate a plan that's appropriate for your investor style and years to retirement and stick to it, but revisit it periodically.

**DO invest efficiently**
Dollar-cost averaging means investing the same amount of money at regular intervals regardless of market conditions or asset prices. You buy more shares when market prices are low and fewer shares when market prices are high. The end result is that your purchase price per share is lower than the average price of the shares over time.

**DO invest for your age**
When you're younger and further from retirement, you have time to recover from market downturns and can afford to make more aggressive investment choices. As you move closer to retirement, you have less time to recover from market downturns and may want to begin making more conservative choices. If you're invested in a target-date fund, this will be done for you by the fund's manager. If you're not, think about gradually moving your assets away from stocks, to more conservative choices, like cash and bonds.

**DO Ask for help when you need it**
Seek the help of a professional if you have questions or want help making investment decisions. It's your future and it matters.

Your plan offers Morningstar® Retirement Manager℠ an optional retirement planning service that provides you with a personalized retirement strategy to help reach your retirement goals.

# Tools to Learn more

To learn more about strategies that can help you weather market volatility, such as diversifying investments and rebalancing your portfolio annually, register for our on-demand webinar through this site: **https://webinars.on24.com/pruretirement/marketvolatility**, or to get tips for staying the course, visit **www.prudential.com/covid19.**

To access your account through Prudential Retirement's website, visit **ua1.retirepru.com**, or contact a participant service representative by calling 877-778-2100.

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