



National Plus Plan

INVESTING FOR A BRIGHTER FUTURE

Retirement Planning Newsletter

For participants of the National Plus Plan

July 2020

FASTEN YOUR SEATBELT

"Surviving Market Turbulence"

Keeping a Long Term Perspective



It's easiest to stay the course if you focus on your major life goals and not on the market's day-to-day or month-to-month movements. Look at your quarterly account statements, stay on top of major current financial events, and plan to do a thorough review of your investments — asset allocation, investment performance and progress towards your goals — once a year.

Your Dedicated Investment Advisor

Do you have questions about the investments in your National Plus Plan Account? Contact our dedicated investment advisor, J.W. Thompson Investments to discuss your specific questions.

J.W. THOMPSON INVESTMENTS
800-929-9479

Economic downturns and turbulent investment markets can make people nervous. Recognize these events as a normal, although undesirable, part of the economic and investment cycles. With that in mind, following are some tips for investors during unpredictable times.

Don't panic. Some people may be tempted to bail out of their equity focused investments if markets are having a particularly rough ride. Selling solely because the stock market tumbles may be the worst thing to do.

Stay invested. If you're investing for a long-term goal — such as a retirement that begins in another decade or more and could last two or three decades — you'll have plenty of time to ride out market cycles. As the table below shows, missing some of the best days in the market can significantly reduce your gains over the years. An investor who stayed fully invested over the past 15 years would have earned \$20,460 more than someone who missed the market's 10 best days.

Missing the Best Days in the Market Substantially Reduced Returns

\$10,000 invested in the S&P 500 (period 12-31-04 to 12-31-09)

December 31,2004 – December 31,2019	S&P 500 Index Annualized Total Return	Growth of \$10,000
All trading days	9.00%	\$36,418
Minus the 10 best days	4.13%	\$18,358
Minus the 20 best days	1.17%	\$11,908
Minus the 30 best days	-1.35%	\$8,150
Minus the 40 best days	-3.51%	\$5,847

As of 12/31/2019. Source: Standard and Poor's and Kmotion Research. This example is for illustrative purposes only and is not indicative of the performance of any investment. It does not reflect the impact of taxes, management fees, or sales charges. The Standard and Poor's 500 Index (S&P 500) is a weighted, unmanaged index composed of 500 stocks believed to be a broad indicator of stock price movements. Investors cannot buy or invest directly in market indexes or averages. Past performance is no guarantee of future results.

"Surviving Market Turbulence"

If the stock market posted gains and losses every other year, imagine the value you might lose by selling after a dip. Where would you put your money? A money market account might seem like an attractive option however over the last five years these types of account earn around 1.5% per year and that won't even keep up with the average long-term inflation rate of 3.1%. With that said below are some basic investing strategies to think about during periods of market turbulence.

Dollar cost averaging. One of the most effective approaches to investing is dollar cost averaging. You simply commit to investing the same dollar amount on a regular basis. When the price of shares in a stock or investment portfolio rises, you'll buy fewer shares, and when the price dips, you'll buy more. ⁽¹⁾

Maintain a diversified portfolio. Diversification lowers your risk because historically not all parts of the market move in the same direction at the same time. Losses in one area may be balanced out by gains elsewhere. ⁽²⁾

Know your risk tolerance. If you find stock investments to be too risky for your taste — for example, if you can't sleep at night because you're worrying about your stocks, — maybe you should consider a safer, more conservative investment approach.

Make thoughtful moves. If you make changes to your investments, do so in a thoughtful way, and after careful consideration. Talking with a financial professional could be a good first move.

Importance in diversifying. The more concentrated your investments, the higher the risk of a substantial loss. Manage your risk by owning a variety of investments that align with your retirement time horizon and your overall acceptance of market risk.

Impulse investing. Avoid investing based on a whim or a tip. Don't invest a certain way just because a friend or colleague does. Instead, be thoughtful and strategic.

⁽¹⁾ Dollar cost averaging involves continuous investment in securities regardless of fluctuation in price levels of such securities. An investor should consider their ability to continue purchasing through fluctuating price levels. Such a plan does not assure a profit and does not protect against loss in declining markets. ⁽²⁾ There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

National Plus Plan Contact Information

For information about investing in the National Plus Plan and the funds offered, contact J.W. Thompson Investments toll free at: **1-800-929-9479**

For information about the administration of the National Plus Plan, contact the Pension Office toll free at: **1-800-452-4155**

Information about the National Plus Plan is also available on the internet at: **www.NationalPlusPlan.com**

Para informacion sobre el Plan Nacional Mas en espanol, contacte a la oficina del Plan de Pension al **1-800-452-4155**