

## Wealth Management in a Period of Extreme Volatility

March 23, 2020 – On behalf of Dopkins Wealth Management, we are sharing a chart that our investors might find useful during this period of extreme volatility.

Your 401(k) retirement savings and the investments you have selected are important to your long term investment strategy and financial well-being. The market declines experienced over the past few weeks are unsettling. Still, it is important to remember that the investment strategy you selected for your retirement is a long term strategy – despite your age or the stage of your career. In fact, short term trading has never proven to be beneficial in a comprehensive portfolio that is constructed to achieve your long term goals. At a time when our instincts might be to make significant changes to our portfolios, the best course of action is to remain disciplined and remain invested so that you can participate in the inevitable recovery.

You should ask yourself, is this money that will remain invested for the next 5, 10 or 15 years, while working or even in retirement? If it is, selling into the decline will limit your ability to recover recent losses. Going further, take a moment to review peak to trough market declines going all the way back to the Great Depression. In addition to reviewing the magnitude of the loss and of greater importance, look at the one year returns that followed those declines. You will see that, on average, the investors that take the long term approach and stay invested are ultimately rewarded for their investment discipline.

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*\* Dopkins Wealth Management, LLC is a registered investment advisor owned by the partners of Dopkins & Company, LLP.*

Peak	Trough	Duration (months)	Bear market magnitude	Recession during bear?	1-Year return after trough
9/3/1929	7/8/1932	34	-86%	Yes	124%
3/10/1937	4/28/1942	61	-60%	Yes	59%
10/9/2007	3/9/2009	17	-59%	Yes	68%
3/24/2000	10/9/2002	31	-49%	Yes	34%
1/11/1973	10/3/1974	21	-48%	Yes	38%
11/29/1968	5/26/1970	18	-36%	Yes	44%
8/25/1987	12/4/1987	4	-34%	No	23%
5/29/1946	6/13/1949	37	-30%	Yes	42%
12/11/1961	6/26/1962	6	-28%	No	33%
11/28/1980	8/12/1982	21	-27%	Yes	58%
2/9/1966	10/7/1966	8	-22%	No	33%
8/2/1956	10/22/1957	14	-22%	Yes	31%
7/16/1990	10/11/1990	3	-20%	Yes	29%
09/20/2018	12/24/2018	3	-20%	No	37%
<b>Average</b>		<b>22</b>	<b>-39%</b>		<b>47%</b>

Source: ISI, Bloomberg, National Bureau of Economic Research, Haver Analytics, FMRCo (Asset Allocation Research Team) as of February 26, 2020. Data based on S&P 500 Index price returns. Duration ends with a complete retracement of losses. Recessions are defined by the National Bureau of Economic Research. Past performance is no guarantee of future results. You cannot invest directly in an index. The S&P 500<sup>®</sup>, a market capitalization-weighted index of common stocks, is a registered service mark of the McGraw-Hill Companies, Inc. and has been licensed for use by Fidelity Distributors Corporation.