



Prudential

You can weather good and bad markets

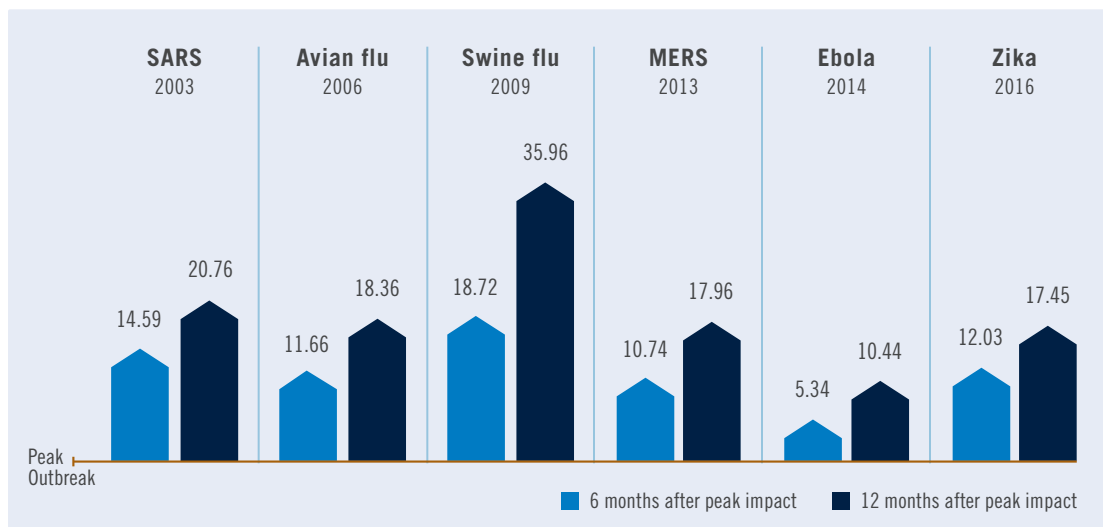


As an investor, the coronavirus (COVID-19) and related market volatility can be stressful. A little knowledge can help.

➔ First, it's important to remember we've been in similar market situations

While we cannot predict the future, we can look to several times in recent history where the market was able to bounce back following a viral outbreak/epidemic

U.S. market rebounds following periods of uncertainty



Shown as % change on S&P Index

Source: Dow Jones Market Data.

➔ When investing, stick to your plan

Saving for retirement is a long-term strategy. So while market ups and downs can be distressing, it's important to not let fear drive your decisions. Even extreme market conditions, like what we're seeing now, can be navigated. Here are a few tips to help you stay focused through this challenging time.

➔ Investing dos and don'ts

Even if you're not ready to retire, you'll want to be aware of a few strategies to help you weather market fluctuations.

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.

Having regular contributions deposited into your retirement plan means you're already doing this.

How dollar-cost averaging works

Period	Investment amount	Share price	Shares purchased
Jan	\$240	\$20	12
Feb	\$240	\$15	16
Mar	\$240	\$12	20
Apr	\$240	\$24	10
Total	\$960		58

The average share price = **\$17.75** over four months

Your cost per share = **\$16.55**

As the table shows, by investing gradually over four periods, you would have paid less than the overall average price of the shares: \$16.55 per share rather than \$17.75 per share.

DO spread your risk

Not all investments behave the same way. For example, stocks and bonds react differently when an interest rate hike is on the horizon. This is where asset allocation—spreading your money across different investment types—can help.

Asset allocation won't guarantee a profit or protect against loss, but it can help smooth your road to a more secure retirement.

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.

Ask for help when you need it

If you're feeling lost, stop and ask for directions. Seek the help of a professional if you have questions or want help making investment decisions. It's your future and it matters.

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Dollar-Cost Averaging and other periodic investment plans do not assure a profit and do not protect against loss in declining markets. Such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities and investors should consider their financial ability to continue their purchases through periods of low price levels.

The stated asset allocation may be subject to change. It is possible to lose money including losses near and following retirement. Investments in the funds are not deposits or obligations of any bank and are not insured or guaranteed by any governmental agency or instrumentality.

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