

Market update

May 13, 2022



Hello,

As we've been sharing with you in our updates, market volatility (dramatic up-and-down swings) continues to be elevated. So far in May, we have seen the market rally a little, then drop down again, and vice versa, seemingly out of the blue, multiple times – sometimes even in the same day.

If you follow the financial news closely, it's enough to give you whiplash. But as uncomfortable as the current conditions might make you feel, keep in mind that corrections (when a market index like the S&P 500 drops by 10-20% of its recent highs) are a normal part of the cycle. To use a recent example, we only have to go back to March and April 2020 – the "Covid crash." After falling 34% in the first part of 2020, the S&P 500 more than doubled over the next 20 months. If you'd taken money out of the market during those two months of volatility, you would have missed out on that incredible recovery.

And in the current market environment, if you were to take money out as cash, the period of higher inflation we're going through means your cash doesn't go as far. That's why we encourage savers to stay invested.

How are we reacting to markets?

We often tell you not to over-react, to keep a long-term focus and stay diversified. And that is how our Investment Management team approaches portfolios too. We have a strong team of advisors who are monitoring markets closely for you. The decisions we make in constructing portfolios are backed by data and research. We are not making sudden changes to your investments based on subjective opinions or sudden short-term market moves.

Talk to an advisor

As we've said before, volatility can be a wild ride on a day-to-day basis, but it does create the opportunity to have a conversation with a financial planner or professional about what action you should take, how much risk you can tolerate, when you want to retire and so forth. Speaking to an advisor can inform you and help you feel more in control.

We're here to help. Contact an Edelman Financial Engines advisor at [\(844\) 861-0028](tel:844-861-0028), weekdays from 9 a.m. to 9 p.m. ET.

And be sure to visit our [Market Volatility Resource Center](#) for updates on inflation, what's moving markets and the answers to some frequently asked questions such as "Should I move to cash, or stop investing in my 401(k)?"

As always, we will keep you informed and continue to provide you with the guidance and advice you need.

Regards,

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Senior Vice President, Portfolio Management

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