



# The stock market dropped... now what?

Dear HART Plan Participants,

It may seem scary to see the stock market dip and for that to reflect a loss in your retirement account balance. There is no need to panic or make rash decisions. The ups and downs of the stock market are very natural and can happen for a number of reasons (i.e. economic downturns, political upheaval, and even negative company or industry-specific news).

The chart<sup>1</sup> below shows the periods of downturn and recovery time since 1980.

| Downturn  | % Loss |                     | Recovery  |
|-----------|--------|---------------------|-----------|
| 20 months | -16.5  | Dec. 1980-July 1982 | 3 months  |
| 3 months  | -29.6  | Sept. 1987-Nov 1987 | 18 months |
| 5 months  | -14.7  | June 1990-Oct 1990  | 4 months  |
| 2 months  | -15.4  | July 1998-Aug 1998  | 3 months  |
| 25 months | -44.7  | Sept 2000-Sept 2002 | 49 months |
| 16 months | -50.9  | Nov 2007-Feb 2009   | 37 months |

Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.

## Four strategies to navigate a stock market downturn



**Stay focused** – take a deep breath and know that ups and downs are a natural part of investing. Remember as shown in the chart above, historically after periods of downturns, there will be a recovery.



**Stay invested** – as you see your investments decline, it's natural to want to cash out and "cut your losses." Panicking would lock in your investment loss.

Investing for retirement is a long-term commitment. By maintaining your contribution to the Plan, you can benefit from lower investment prices as it allows you to buy more shares, in periods of downturn.



**Stay prepared** - Asset allocation is one of the most important decisions you can make in your retirement planning. It's important to review your investments to ensure they are in line with your risk tolerance.



**Stay diversified** - be sure to monitor your plan investments against your desired asset allocation. As a result of stock market changes, your investment holdings may increase or decrease at different rates, causing your original allocation to change over time.

Remember, diversification among different kinds of investments can be one of your best defenses against market volatility.



To assist you in keeping you asset allocation on track, your Plan offers an account rebalancing tool. To sign up, log into your personal account, go to [Investments > Automatically Rebalance My Account](#)

## What are you #WorkingFor?

The ADP Participant Website makes it easy for you to learn, plan, and save for your future retirement.



<sup>1</sup> Large stocks are represented by the Ibbotson® Large Company Stock Index. Downturns in this example are defined by a time period when the stock market declined by 10% or more from its peak, while the recovery period indicates the number of months from the trough of the downturn to the market's previous peak. An investment cannot be made directly in an index. The data assumes reinvestment of all income and does not account for taxes or transaction costs.

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