DON'T PANIC

4 LEVEL-HEADED STRATEGIES FOR VOLATILEMARKETS

If you've been watching market headlines, you probably heard that markets tumbled in the first days of 2016, raising the specter of corrections and bear markets. **When markets swing, it's natural to worry about your investments and question your commitment to your strategy.** As financial professionals, here is what we recommend you do when markets swing...

1 STOP LISTENING TO THE NOISE

You may want to turn off the television, throw away the business section, and stay off financial websites. Hanging on every word the talking heads say may only add to your stress and encourage emotional decision making. One of the major reasons why you work with a team of trusted professionals is so that you can delegate the worrying to us.

2 STAY FOCUSED ON THE BIG PICTURE

Ask yourself: How long is my investment horizon? If you are invested for 10, 20, or 30 years or more, volatility that lasts days, weeks, or even months may not affect your long-term strategies. Though we can't use the past to predict the future, the Standard & Poor's 500 (S&P 500) has delivered average annual performance of 11.41 percent since 1928.[i] Keep in mind that those years include the Great Depression, during which stocks lost 83 percent; the bear market of 1987 when stocks lost 33.5 percent; and the financial crisis when the S&P 500 dropped 57 percent before gaining 202 percent over the next six years.[ii]

3 DON'T BE TEMPTED BY EMOTION

Volatility can make for stressful investing, and it may be tempting to bail when stocks fall rather than ride out the bad times. Unfortunately, trying to time when to exit or enter markets is very difficult and may not work out in your favor. Research shows that investors are not very effective at predicting market tops and bottoms. Corrections happen regularly, and periods of high growth may occur close to major pullbacks. If you're not in the market when it rallies, you may miss out on the best days of performance.

4 STAY FLEXIBLE

Thriving during volatility doesn't mean sitting by passively. One of the benefits of an active, flexible investing style is that we can make strategic shifts to take advantage of new opportunities that arise. As professionals, we are always looking for prudent opportunities to help our clients pursue their goals in changing market environments.

WHAT SHOULD YOU DO NEXT?

Though pullbacks and sustained periods of volatility are stressful, they are a normal and natural part of market cycles. As financial professionals, our job is to sort through the barrage of information and take a look at the fundamental factors underneath. Your job is to stay calm and focused on your goals, knowing that there is a professional who is focusing on the details for you. We will reach out to you personally if we believe that changes to your investment strategies need to be made in light of our analysis. If you have experienced any life changes or shifts in your goals that warrant changes to your portfolio, please let us know at your earliest convenience.

If you have questions about how current events affect your portfolio strategies, **please contact our office at 910.791.1437**.

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IronGate Partners, Inc.
2601 Iron Gate Drive, Suite 201
Wilmington, NC 28412

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Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

The S&P 500 is an unmanaged group of securities considered to be representative of the stock market in general.

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[i] S&P 500 annualized average performance 1928-2015 includes dividend reinvestment.
http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html (Accessed 1/11/16)

[ii] http://www.yardeni.com/pub/sp500corrbear.pdf
http://www.ritholtz.com/blog/2015/10/sp-500-bear-markets-of-20-or-more-2/
Yahoo Finance. S&P 500 price performance between 10/9/07-3/9/09 and 3/9/09-12/31/15