QUALIFIED PLAN ADVISORS

Participant's Guide to Managing Volatility

During choppy markets, participants may be tempted to make drastic, emotional decisions. This Guide provides historical context and a series of steps intended to protect you from those decisions as you commit to your investment strategy.

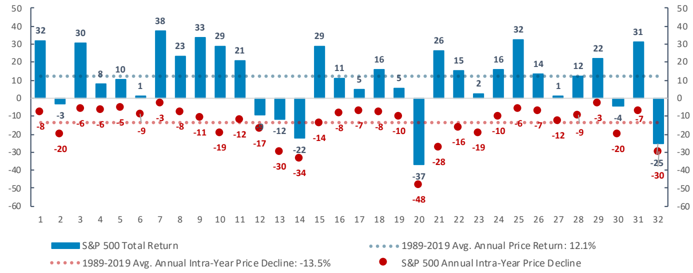
WE'RE ON AN EMOTIONAL AND FINANCIAL ROLLER COASTER RIDE.

The markets are swinging wildly from day to day, but in a generally negative direction.

Source: CNN

SHARP DECLINES ARE NOT UNUSUAL.

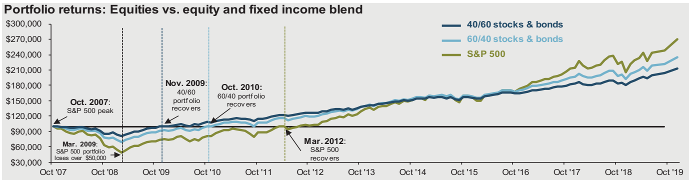
The last 31 years have provided an average intra-year drop of -13.5%, yet annual total returns were positive in 25 of those 31 years.



Source: Bloomberg, J.P. Morgan Asset Management.

THE BUMPY ROAD TO RECOVERY MAY BE SMOOTHER FOR DIVERSIFIED PORTFOLIOS.

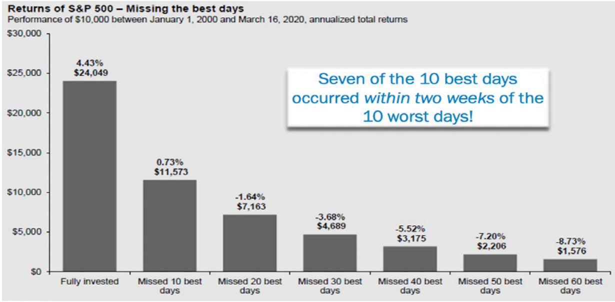
History doesn't predict future performance, but the 2008 and 2009 market collapse illustrate the pace at which diversified "60/40" and "40/60" portfolios recovered faster than the S&P 500 Index.



Source: J.P. Morgan Asset Management; (Top) Barclays, Bloomberg, FactSet, Standard & Poor's; (Bottom) Dalbar Inc.

"TIMING THE MARKET" TYPICALLY MAKES RECOVERY HARDER - IF NOT IMPOSSIBLE.

Over the past 20 years, the 10 best days in the market have been essential to growth. Seven of those 10 occurred within two weeks of the 10 worst days.



Source: J.P. Morgan Asset Management.

Your guide to managing volatility depends on whether you are in a "do-it-for-me" strategy (which includes target date funds, managed accounts, or other risk-based strategies) or are a "self-director" who manages your own portfolio.

DO-IT-FOR-ME INVESTORS

1 Avoid rash, emotional decisions.
Recall the danger in attempting to "time the market". The answer is rarely an extreme action.

2 Become better informed.
Are you using a target date fund? Managed Account? Another type of risk-based portfolio?

How is your current strategy supposed to perform during challenging market times?

3 Assess whether that strategy suits you.
How did you arrive in the current spot?

If you made a proactive election, does it still match your risk profile and expectations? If you're unsure, call your Plan advisor.

If you were defaulted, this might be the best time for a new risk profile and a conversation with your Plan advisor.

4 Commit to your strategy.
This will help you to fulfill Step 1 and avoid rash decisions.

Your portfolio is being professionally managed by an investment manager or trustees in a manner consistent with what you have selected.

SELF-DIRECTORS

1 Review your current investment strategy.
How is your account allocated? What investments are you holding?

2 Reflect on your initial decision to use this allocation.
How did you arrive in the current spot? Did you make those elections based on the funds' prior performance alone? Did you use some method to assess your personal risk at the time?

Are you aware of whether your current investment mix provides your desired downside protection and upside opportunity?

3 Consider do-it-for-me options.
Does your plan offer age-based target date funds and/or risk-based portfolios?

4 Have a conversation.
This is the perfect time to talk to your Plan advisor or education team member.

5 Commit to your strategy.
This will help you to avoid rash decisions.

If you continue to self-direct, though, bear in mind that you need to carefully monitor your account, to consider ongoing changes, and to trigger any re-balancing.

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