



Dear Client:

Just a few short weeks ago, we sent you a letter warning that 2017's strong market performance couldn't be expected to continue without a pullback occurring at some point.

After all, we noted, it's been nearly nine years since a major stock market correction. That's why we considered a market correction to be inevitable, even though no one could predict when a decline might occur, or how long it might last.

That's why we wrote that, when the decline occurs, it's vital that you stay focused on your long-term goals and remain consistent with the asset allocation that you and your advisor decided was appropriate for your situation.

The reason is obvious: No one knows how long prices will fall. But history tells us that, after the decline is complete, prices will begin to rise again. Of course, there are no guarantees about this, but that's how the stock market has always performed, and we see no reason for this to change. (That said, we do have to say that past performance does not guarantee future results.)

Over the last two weeks, the Dow Jones Industrial Average has fallen 2,235 points, an 8 percent decline from its Jan. 26 high. Although that sounds like a lot, it's really not all that unusual. After all, we had enjoyed a huge increase from Jan. 1 through Jan. 26. So, for the year, the Dow is now down only 1.7 percent.

This is why you should ignore the headlines. The media make things sound far worse than they are, and that does no one any good.

So, we want you to know that we're closely monitoring the financial markets (as we always do), as well as your investments, and will keep you informed — with recommendations for action if that is necessary.

During times like these, here are four key points to keep in mind:

- **We take a long-term approach to investing**

What happens tomorrow, next week or next month shouldn't lead you to a financial decision that you may regret down the road. When we developed your financial strategy, we planned for times like this.

- **Now is the time for focus and discipline**

Just because the market is irrational doesn't mean you have to be. Your emotions may cause you to want to take action, but it's better to do the exact opposite. This is the time to sit tight. You don't want short-term fears to force you into selling low.

- **Market corrections can often be viewed as buying opportunities**



Times like these may mean stocks are “on sale.” In fact, we might use the cash in your portfolio to buy assets for you that are now undervalued.

- **We engage in strategic rebalancing**

Remember that, through the Edelman Managed Asset Program®, we will rebalance your accounts as needed. In fact, this is the best way to take advantage of an occasional market downturn. That’s a big reason why you don’t need to take any action on your own — we will do it for you. And we will inform you if changing market conditions warrant anything further.

Thank you for your continued confidence in us. Be assured that we will always do everything in our power to serve your best interests.

As always, please feel free to reach out to your advisor.

Regards!

A handwritten signature in black ink, appearing to read "Ric Edelman".

Ric Edelman
Founder and Executive Chairman

Copyright © 2018 Edelman Financial Services, LLC. All Rights Reserved.

Ric Edelman is an Investment Advisor Representative who offers advisory services through Edelman Financial Services, LLC, a Registered Investment Advisor. He is also a Registered Representative and Registered Principal of, and offers securities through, EF Legacy Securities, LLC, an affiliated broker/dealer, member FINRA/SIPC. Life, long-term disability, long-term care or other nonvariable insurance products offered through EFS and Edelman Insurance Services LLC in California, license no. 0G00750. Variable insurance products offered through EFLS and EF Legacy Insurance Agency LLC in California, license no. 0L01472.

You are receiving this email because you are a client of Edelman Financial Services, LLC. To be sure you receive communications from us, please add client@ricedelman.com to your email address book. If you would like to unsubscribe from non-regulatory communications, [click here](#). Please note that even if you unsubscribe, we are still required to send you regulatory communications.

This message was sent by Edelman Financial Services, LLC - 4000 Legato Road, 9th Floor, Fairfax, VA 22033-4055 - (888) 752-6742.