



April 30, 2018

Dear Client:

You've probably noticed that the stock market has been experiencing significant volatility recently.

Actually, there's only one thing worse than market volatility — and that's letting the fear of volatility derail a long-term investment plan. Of course, this is often easier said than done.

Times like these require perspective. To help you, let's consider the advice recently offered by Warren Buffett. On Feb. 5, a day of substantial market losses, his net worth fell \$5.1 billion. Three days later, he was asked by CNBC what investors should do when the market tanks. "Rewatch their favorite Super Bowl commercials," he said, "get ice cream with their kids and say hi to a friend they haven't spoken with in a while." We fully endorse this sage advice.

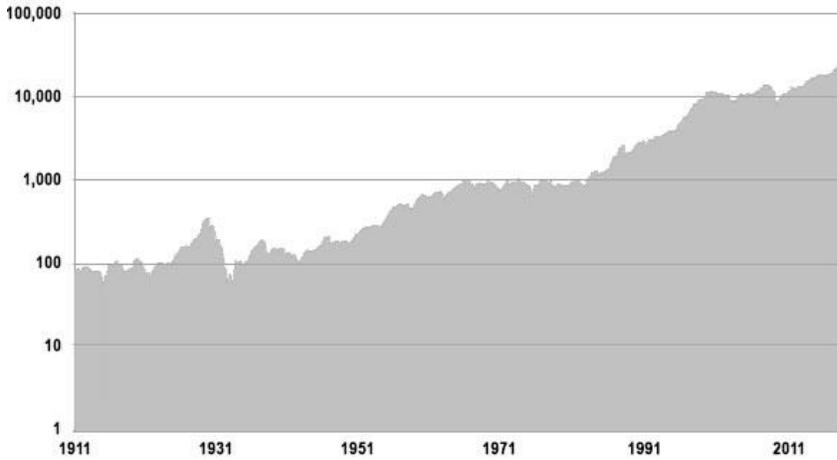
### **Volatility is normal**

Market corrections, bear markets and even market crashes are nothing new. They come and they go. And that's why the media's fixation on moment-by-moment market movements is nothing but noise.

To illustrate how short-lived and unimportant even deep market declines are over the long-term, consider the worst single-day market decline of all time: Oct. 19, 1987. "Black Monday" saw the Dow Jones Industrial Average crash a heart-stopping 22.6 percent. But let's put that terrible day into proper perspective. Look at the chart below. Can you find the crash of 1987?

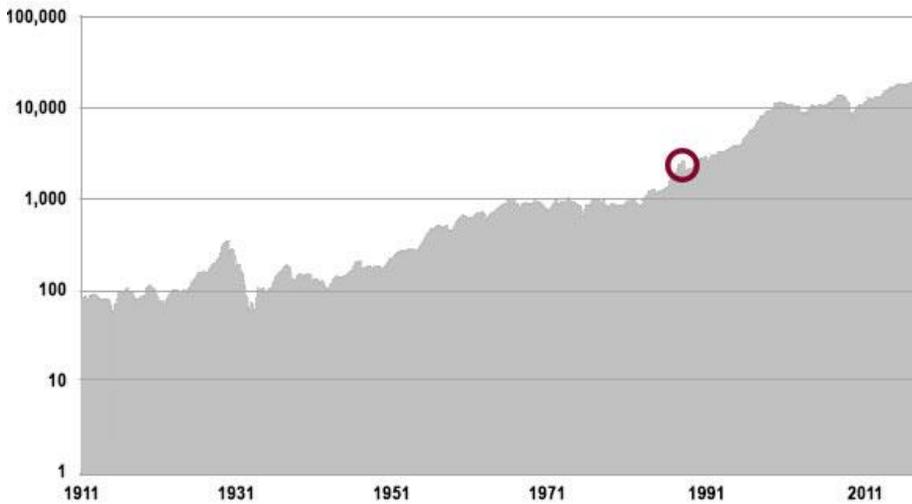


## Dow Jones Industrial Average, 1/3/1911 – 4/17/2018



Look at the next page to see how you did.

## Dow Jones Industrial Average, 1/3/1911 – 4/17/2018



How did you do? If you're like most people, probably not very well.



This is why perspective is the key to effectively planning for your future. We started our firm in 1987, and our perspective has remained consistent for more than 30 years. The reason: A globally diversified portfolio, combined with strategic rebalancing and maintained with a long-term perspective, is a far better approach than futile attempts to time the market.

Thank you for choosing us to serve as your financial advisor, and for your continued faith in us. As always, if you have any questions or concerns about your portfolio or any other aspects of your personal finances, contact your advisor.

Regards!

Two handwritten signatures in black ink. The first signature is a stylized "R" followed by a dot, representing Ric Edelman. The second signature is a more complex, cursive signature.

Ric Edelman  
Founder and Executive Chairman

#### Disclosures:

Advisory services offered through Edelman Financial Services, LLC. Securities offered through EF Legacy Securities, LLC, an affiliated broker/dealer, member FINRA/SIPC.

An index is a portfolio of specific securities (common examples are the S&P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.