ICMA RC
BUILDING PUBLIC SECTOR RETIREMENT SECURITY

MARKET TIMING VS. *TIME IN* THE MARKET

Too often, our emotions get in the way of making sound investment decisions.

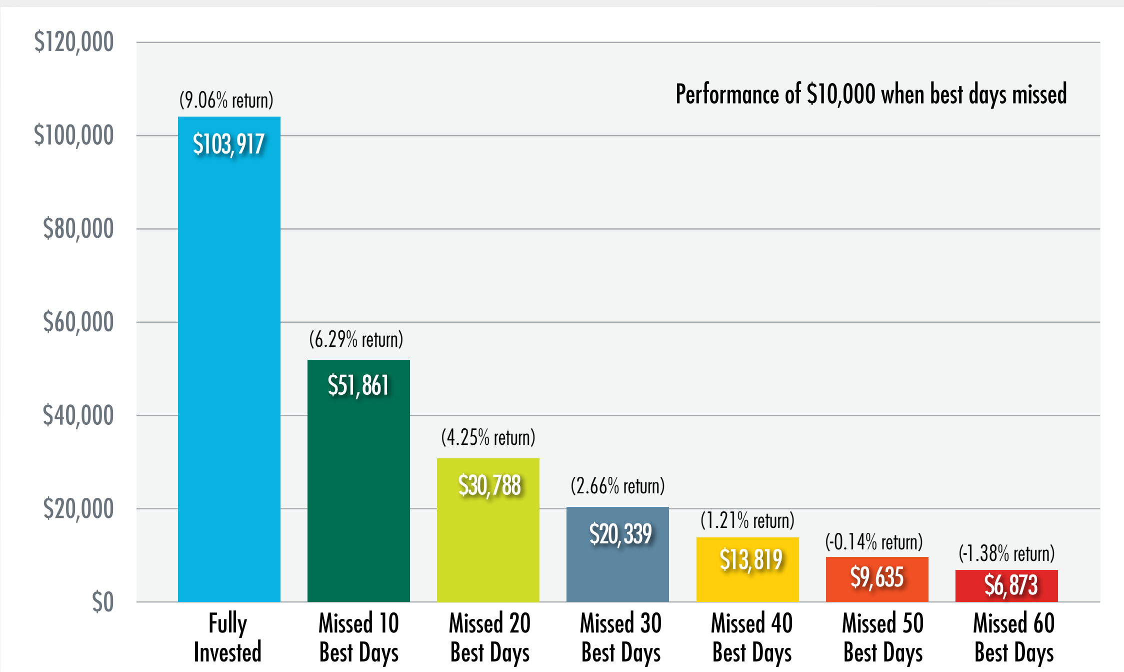
After a downturn in the stock market, it's very understandable to feel discomfort. But if you then move out of stocks as a result of these emotions, it's really difficult to get back in at the right time, and you risk missing the relatively big market gains that often occur *after* downturns.

Can you avoid the market downturns to begin with? Market movements are very difficult to reliably predict. As the former mutual fund manager Peter Lynch said:

> *"Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in the corrections themselves."*

Take a look at the below chart. Missing just a few days over the past two and a half decades resulted in a huge reduction in performance.

Over time, it's the time you're invested in the market that matters!



Source: Morningstar Direct.
Measures performance of S&P 500 stock index from Jan. 1, 1992 through Dec. 31, 2018.
For illustrative purposes only. Past performance is no guarantee of future results.

To learn more about how emotions can *derail* your investments, contact your ICMA-RC representative and visit **www.icmarc.org/invest**.

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