

YOUR FUTURE IS OUR FOCUS

Fort Pitt Capital Group's Director of Retirement Plan Services, Nathan M. Boxx, shares his thoughts to help you maintain some perspective.



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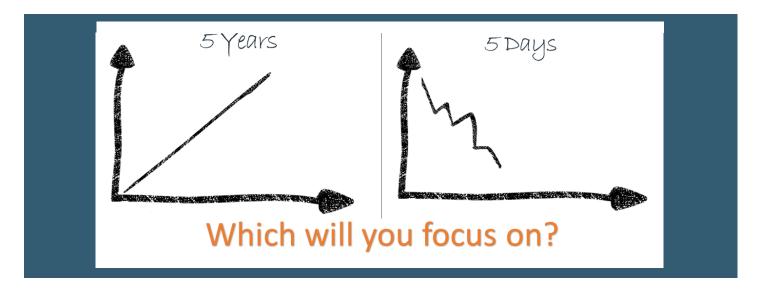
5 Steps to Weathering **Market Volatility**

After ten years of making money in a bull market, we perhaps got a little too comfortable and forgot that markets do go down from time to time. Thankfully it's not often, and over the long-term, you are rewarded for having stuck through it. Remember, it is not about timing the market but rather time in the market. Staying calm during market declines is not easy, especially when the financial headlines are blaring words such as panic, collapse, death, and you see the image on TV (like the one to the left) all day every day. Our most basic instinct is to run away from what is causing pain and to abandon the markets, but that may only hinder your long-term financial plans. Before taking any action, let's take a look at some fundamental questions we need to answer first.

1. Has your long-term plan changed?

Watching your assets decline 10%, 20% or even 30% or more is painful for all of us, there's no question. Still, bear markets are part of the business cycle as much as bull markets. That is why it is so important to think rationally first, as there are very few times in our lives where a fear-driven decision was the good one. Therefore, if you long term plan has not changed, while it may be difficult at the moment, doing nothing and waiting out a market downturn may be your best course of action.

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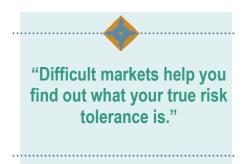
2. What are your immediate needs for cash?

If you depend on a portion of your investments to live on, you should already have enough cash and fixed income in your portfolio to meet your needs through this downturn. If something has changed, you will need to determine what steps you can take to try to meet your current needs while not too severely disrupting the long-term value of your savings.

If you don't need any portion of your assets anytime soon, you may want to view this as a buying opportunity during a period when stock values have declined. Remember, stocks are generally used to meet long-term goals, not short-term needs. Overreacting to a stock market decline could bring permanent losses that you will regret when the market rebounds, as it will if history is any guide.

3. Has your tolerance for risk changed?

You may have completed a questionnaire that helped develop a risk profile that measures how much risk you are comfortable taking. If you took that again today, you would likely have a different set of answers. Difficult markets help you find out what your true risk tolerance is. If volatile markets bring too many sleepless nights, then you may want to create a path to dial your overall portfolio back to a more conservative stance recognizing that you may be giving up long-term gains. Alternatively, if you view a major decline as an opportunity to buy stocks at a significant discount, you may be willing to take a more aggressive approach with your investments.









take to achieve them."

4. Do your investments match your goals?

If a market decline has revealed your true nature for risk, the next step is to make sure your current holdings are in-line with that. Remember, it's important to ensure that your investments are aligned with your goals and the level of risk you need to take to achieve them. It's also important to remember that there are many types of risks, such as the risk you will outlive your money or not achieve your goals in the time you had hoped, not just a temporary decline in stock prices.

5. Are you following a plan that can get you through all market environments?

It is easy to let the current market environment influence your investment strategy; in psychology, it's called recency bias. In a bull market, the tendency is to load up on stocks. When stocks go the other direction, sell every stock you own. Neither of these may serve your long-term goal of building a nest egg to provide your retirement paycheck. There are several principals you may want to follow that can help in uncertain times. Make sure you are diversified across the major asset classes, such as stocks and bonds, to help you optimize your risk/reward paradigm. Diversify within each asset class to different investment styles, such as growth and value, Large-Cap, Mid-Cap, and International. Lastly, and most importantly, rebalance your holdings to your desired allocation strategy. And with the moves we have recently seen, chances are a rebalance is needed to keep in line with your desired goals and risk tolerance.

Final Thoughts

Try not to look at the market every day; these are long-term assets and doing so may only amplify anxiety. Keep in mind that the stock price only matters when you buy and when you sell. During difficult times, it is a natural temptation to want to do something and reexamining your investment plan can help satisfy that urge and could prevent you from taking any action that would disrupt your long-term goals.





About Fort Pitt Capital Group

Fort Pitt Capital Group has managed investments on behalf of individuals, corporations, charities, foundations, and retirement plans since the firm's inception in 1995. The firm has a powerfully personal, transparent approach to financial planning and wealth management. We provide every client with a customized Investment Plan based on their unique investment objectives, risk tolerance, existing assets, debts, and aspirations. Clients are assigned to a dedicated team of professionals who become a trusted resource of financial advice and information. The Fort Pitt Capital Group goal is to help each client establish a path for a meaningful life, stable wealth, and a lasting legacy.



For Individuals: Good advice is crucial when you are making decisions for your future. We specialize in highly personalized, solutions-based investment management for high-net-worth investors.

For a Business or Institution: We understand the unique challenges facing businesses today and can provide the guidance needed to be successful.

For Retirement Plan Sponsors: Get the most out of your retirement plan. We can help you design a hassle-free retirement plan solution. Our team ensures you are getting the recordkeeping, fiduciary oversight, consulting, compliance, and education support that you need.

For Nonprofits & Foundations: Are your assets helping to fulfill your mission? You can't fulfill your mission if you don't have adequate resources, both now and into the future. We provide specialized solutions to help you grow and create positive, lasting change.

Let's work together to achieve your goals.

