

A woman with blonde hair and glasses, wearing a white lab coat, is shown in profile, looking intently at a computer monitor. Her hand is resting on her chin in a thoughtful pose. The monitor displays a line graph with multiple data series. In the background, another laptop is visible on the desk, and the overall setting appears to be a professional or academic environment.

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# Navigating Market Volatility

## Volatility can spark questions and concerns

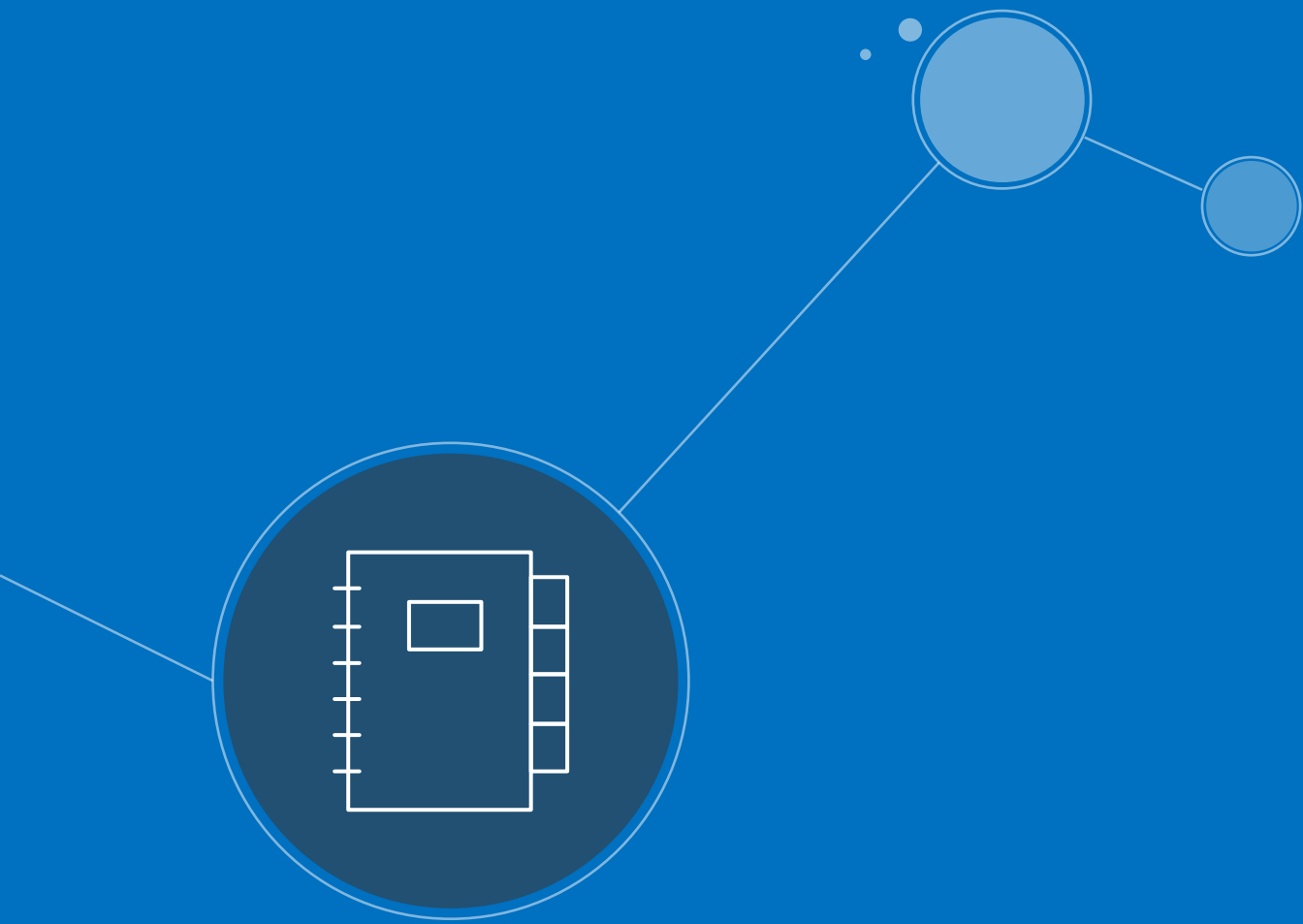
Should I move to cash right now?

How do I pull my money out of the market?

Should I change how I'm invested to something less risky?

Why should I put more into my retirement savings plan?





## Agenda

01

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What is happening in the markets

02

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Importance of having a plan

03

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How to avoid common pitfalls

04

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Six things you can do right now

05

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How Fidelity can help



# What is happening in the markets and why



Coronavirus (Covid-19)



Market volatility



Credit market instability

## Two key principles



# Get a plan you can live with – through market ups and downs

- US stock
- Foreign stock
- Bond
- Short-term investments

Conservative



Balanced



Growth



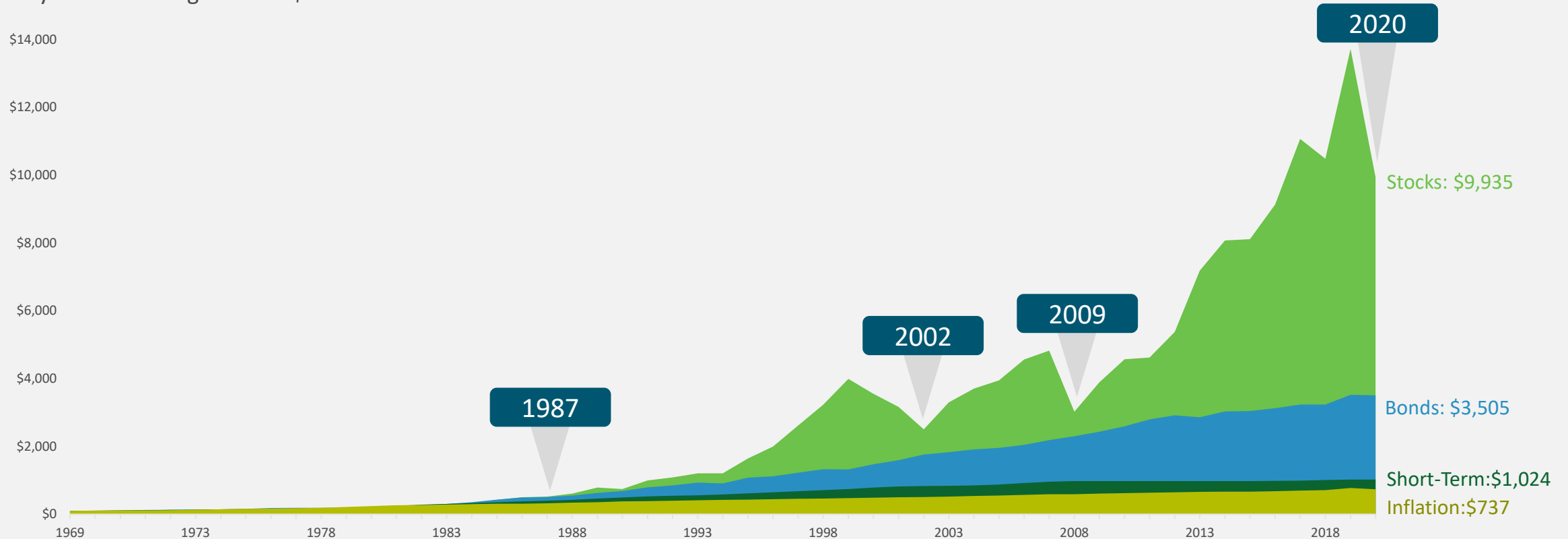
## Annual return %

	Conservative	Balanced	Growth
Average annual return	5.96%	7.97%	8.98%
Worst 12-month return	-17.53%	-40.37%	-52.61%
Best 12-month return	31.06%	76.57%	109.55%
Worst 20-year return (annualized)	2.92%	3.45%	3.13%
Best 20-year return (annualized)	10.98%	13.83%	15.34%

# Even during market declines, staying the course has paid off in the long run

## Long-term performance

50-year historical growth of \$100



Strategic Advisers and Morningstar/Ibbotson Associates. Hypothetical value of assets held in untaxed portfolios invested in US stocks, bonds, or short-term investments. Actual historical data were used to compute the growth of \$100 invested in these portfolios for the 50-year period ending on March 18, 2020. Stocks, bonds, and short-term investments are represented by total returns of the S&P 500 Index from 1/1967 - 1/1987; Dow Jones Total Market from 2/1987 - 3/18/2020, US Intermediate -Term Government Bond Index from 1/1967 - 1/1976; Barclays Aggregate Bond from 2/1976 - 3/18/2020, and 30-Day T-Bills. Past performance is no guarantee of future results.

# Missing out on the best days can cost investors

Investors who missed out on just a handful of the market's best days significantly reduced their portfolio's value

Hypothetical growth of \$10,000 invested in S&P 500® Index



Time period January 1 1980 – December 31, 2018. Past performance is no guarantee of future results. The hypothetical example assumes an investment that tracks the returns of the S&P 500® Index and includes dividend reinvestment but does not reflect the impact of taxes, which would lower these figures. “Best days” were determined by ranking the one-day total returns for the S&P 500 Index within this time period and ranking them from highest to lowest. There is volatility in the market, and a sale at any point in time could result in a gain or loss. Your own investment experience will differ, including the possibility of losing money. Source: Bloomberg, as of 12/31/2018



# Investing consistently, even in bad times

## Subsequent 5-year return



May 1932

Great Depression



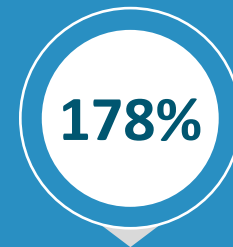
July 1982

Severe Recession



December 1994

Most dramatic Fed tightening in past 20 years



March 2009

Great Recession

## Stay on track – avoid common pitfalls



Emotional panic selling



Trying to time the market



Avoiding the market



Investing without sufficient research and understanding



Viewing investing as a one-time task

## Six things you can do right now



Keep **perspective**; downturns are normal and typically short



Get a **plan** you can live with – through market ups and downs



Focus on **time in the market** – not trying to time the market



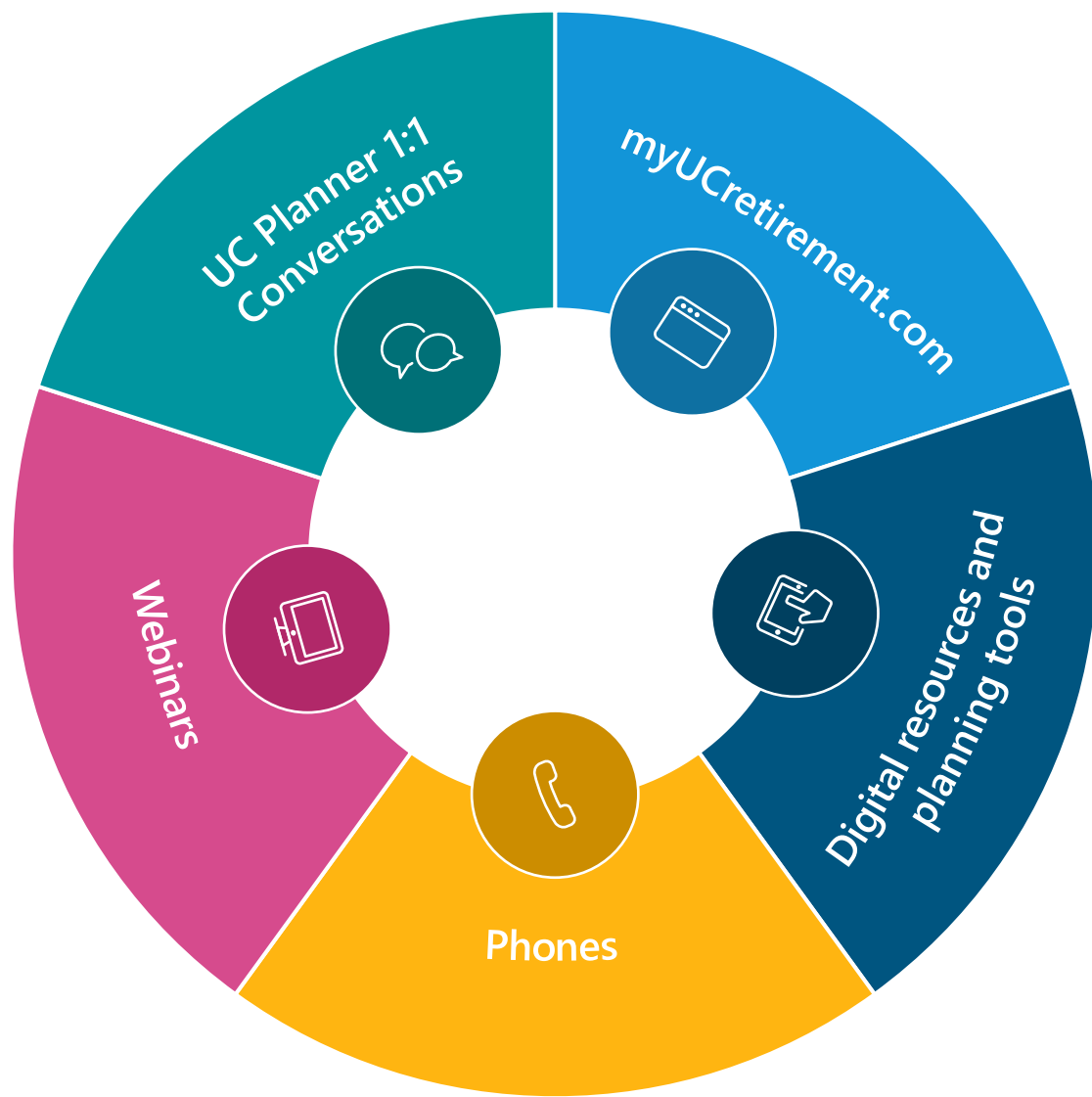
Invest **consistently**, even in bad times



Get **help** to make the most of a down market



Consider **leaving it to the Pros**



Resources  
available to you



# Your UC Retirement System

## PRIMARY

### UC Retirement Plan

- 1976 Tier
- 2013 Tier

### UC Retirement Choice Program

- Option 1 — Pension Choice
- Option 2 — Savings Choice

## SUPPLEMENTAL

### UC Retirement Savings Program

- 403(b)
- 457(b)
- DCP (After-Tax)



Thank you

# Disclosures

(1) Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Stocks are represented by the Standard & Poor's 500 Index (S&P 500® Index). The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equity performance. Bonds are represented by the Bloomberg Barclays US Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Short-term instruments are represented by US Treasury bills, which are backed by the full faith and credit of the US government. Indexes are unmanaged, and you cannot invest directly in an index. Foreign stocks are represented by the Morgan Stanley Capital International Europe, Australasia, Far East Index for the period from 1970 to the last calendar year. Foreign stocks prior to 1970 are represented by the S&P 500® Index. The purpose of the target asset mixes is to show how target asset mixes may be created with different risk and return characteristics to help meet an investor's goals. You should choose your own investments based on your particular objectives and situation. Be sure to review your decisions periodically to make sure they are still consistent with your goals.

**Indexes are unmanaged.** It is not possible to invest directly in an index.

The CBOE Dow Jones Volatility Index is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

**S&P 500® Index** is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Dow Jones Industrial Average**, published by Dow Jones & Company, is a price–weighted index that serves as a measure of the entire US market. The index comprises 30 actively traded stocks, covering such diverse industries as financial services, retail, entertainment, and consumer goods.

**Barclays U.S. Aggregate Bond Index** is a market value–weighted index that covers the U.S. fixed-rate investment-grade bond market with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with maturities of one year or more.

**IA SBBI US IT Govt TR USD** The index measures the performance of a single issue of outstanding US Treasury note with a maturity term of around 5.5 years. It is calculated by Morningstar and the raw data is from Wall Street Journal.

**IA SBBI US 30 Day TBill TR USD** The index measures the performance of a single issue of outstanding Treasury Bill which matures closest to, but not beyond, one month from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. The index is calculated by Morningstar and the raw data is from WSJ.

*Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.*

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