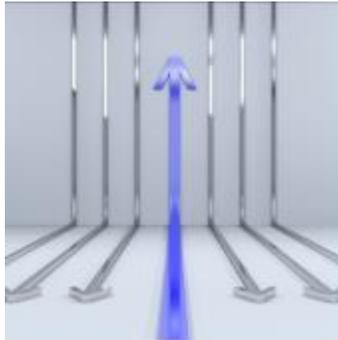




Coping with Market Volatility: Be Willing to Take Advantage of Market Downturns



Anyone can look good during a bull market. Smart investors are prepared to weather the inevitable rough patches, and even the best aren't successful all the time. When the market goes off the tracks, knowing why you originally made a specific investment can help you evaluate whether those reasons still hold, regardless of what the overall market is doing.

If you no longer want to hold an investment, you could take a tax loss, if that's a possibility. Selling locks in any losses on an investment, but it also generates cash that can be used to purchase other investments that may be available at an appealing discount. Sound research might turn up buying opportunities on stocks that have dropped for reasons that have nothing to do with the company's fundamentals. In a down market, most stocks are available at lower prices, but some are better bargains than others.

There also are other ways to reap some benefit from a down market. If the value of your IRA or 401(k) has dropped dramatically, you likely won't be able to harvest a tax benefit from those losses, because taxes generally aren't owed on those accounts until the money is withdrawn. However, if you've considered converting a tax-deferred plan to a Roth IRA, a lower account balance might make a conversion more attractive. Though the conversion would trigger income taxes in the year of the conversion, the tax would be calculated on the reduced value of your account. With some expert help, you can determine whether and when such a conversion might be advantageous.

A volatile market is never easy to endure, but learning from it can better prepare you and your portfolio to weather and take advantage of the market's ups and downs.

For more information on these strategies, contact us. We're here to help.

Smart investors are prepared to weather the inevitable rough patches.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

Although there is no assurance that working with a financial professional will improve investment results, a professional can evaluate your objectives and available resources and help you consider appropriate long-term financial strategies.

To qualify for the tax-free and penalty-free withdrawal of earnings (and assets converted to a Roth), Roth IRA distributions must meet a five-year holding requirement, and the distribution must take place after age 59½ (with some exceptions). Under current tax law, if all conditions are met, the account will incur no further income tax liability for the rest of the owner's lifetime or for the lifetime of the owner's heirs, regardless of how much growth the account experiences.

Questions? Contact First Financial's Investment & Retirement Center by calling 732.312.1534. You can also email Mary.LaFerriere@cunamutual.com or Maureen.McGreevy@cunamutual.com

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