

CAPTRUST

Staying the Course for Retirement

What in the World is Happening?

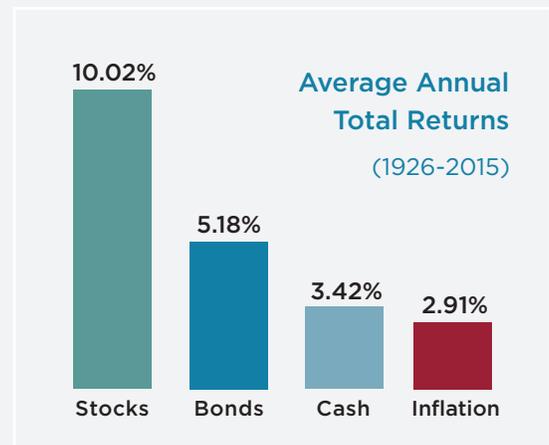
2016 has started out with a downward trend that investment markets around the world have not experienced in several years. This volatility may have you asking: “What’s happened?” or “How concerned should I be?” Given these recent developments, we wanted to share our thoughts on how you may want to view the current environment so you can make better informed decisions.

A Global Economy

Several recent events have affected financial markets. The U.S. Federal Reserve recently raised interest rates in response to a strengthening domestic economy. However, the rest of the world appears to be experiencing slowing economic growth, driven by a weaker China. Fears over slowing economic growth caused the Chinese government to once again step in to calm its markets and currency. As we have indicated in the past, while few U.S. investors participate in the Chinese stock market, China’s is a large and important economy. It will take some time for the impact of this slow-down to be absorbed.

How is the U.S. Economy?

Key U.S. economic drivers appear to remain intact. Unemployment is down to about 5 percent, and we are seeing signs of wage growth in several industries. Both of these factors indicate a healthy economy, although underemployment remains an issue. Underemployment occurs when individuals are in jobs that may not be in line with their skills or level of education. Oil prices are low—as you have no doubt seen through lower gas and heating oil prices. Although lower energy prices put more money in most people’s pockets, they have had a negative impact on jobs in one of the U.S. economy’s recent growth areas: oil and gas exploration and production.



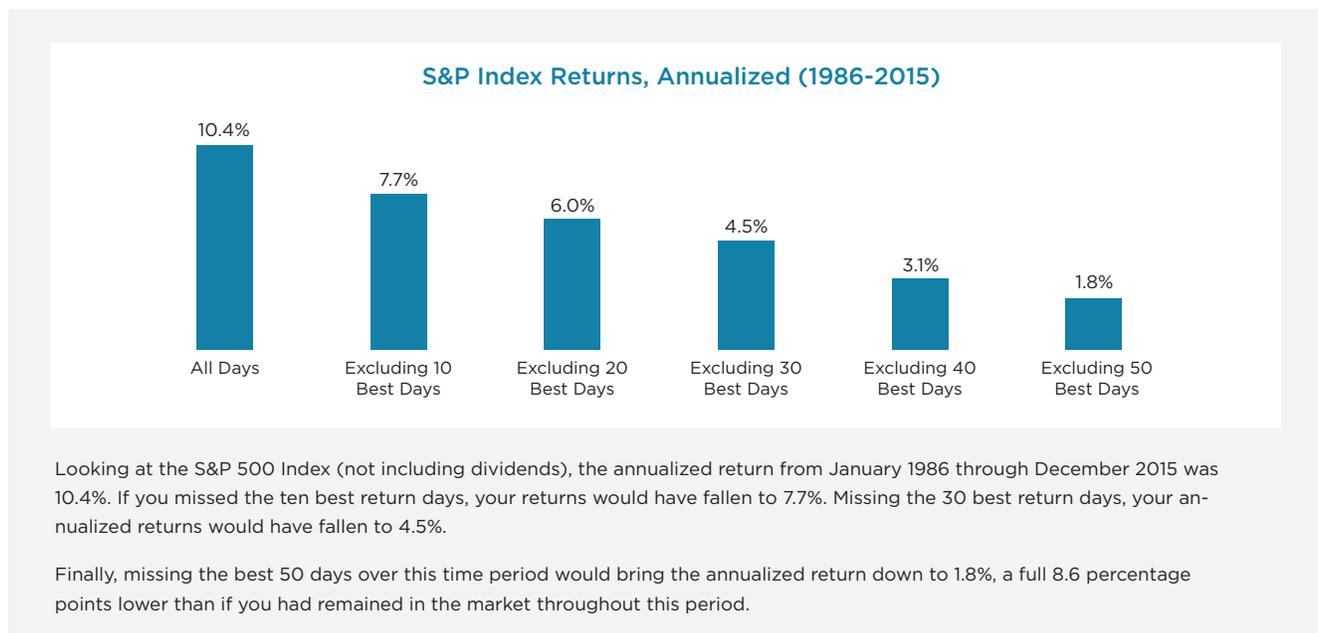
Over time, financial markets have generated positive returns. That being said, markets do not move higher every year.

During some years, markets may move up or down. For example, between January 1986 and December 2015, there were a total of five negative years, ranging from -3.1% in 1990 to -37% in 2008 (as measured by the S&P 500). During this 30-year time period, the average negative year’s return was a loss of 16.6%. Despite these periodic fluctuations, over that same time span, stocks still generated an average annualized positive return of 10.04%.

Source: CAPTRUST Research

Plan for the Long Term

We recognize that periods of market volatility can be unsettling, and for some people they could be downright frightening. It is difficult to experience a decline in your account balance over a short timeframe. This is a good time to revisit your risk tolerance, your time horizon for investing, and how you make financial decisions. A diversified investment mix can help in these volatile times to dampen large swings in the stock markets. It is also important to remember that attempting to time the market usually results in missed opportunities. Understanding financial market tendencies is helpful, and history often provides us with lessons.



Market swings are going to happen; that is the nature of financial markets. It is beneficial to recognize this reality and have a plan for how to react to it. Create a plan, revisit it from time to time, and try to maintain a long-term outlook. It is important for you to know that CAPTRUST will be there to help you along the way. Your goals are our goals. Together, we can help you stay the course to achieve success in an ever-changing world.

Key Market Indicators

Annualized Performance as of 12.31.2015

ASSET CLASS	INDEX NAME	1 YEAR	3 YEARS	5 YEARS
Large-cap Stocks	S&P 500	1.38%	15.13%	12.57%
Small-cap Stocks	Russell 2000	-4.41%	11.65%	9.19%
International Stocks	MSCI EAFE	-0.39%	5.46%	4.07%
Emerging Market Stocks	MSCI Emerging Markets	-14.60%	-6.42%	-4.47%
Bonds	Barclays U.S. Aggregate Bond	0.55%	1.44%	3.25%

Market performance illustrated here depicts historical performance by asset class using indices as a proxy and is not meant to predict future results. The information and statistics in this material are from sources believed to be reliable, but are not warranted by CAPTRUST Financial Advisors to be accurate or complete. © 2016 CAPTRUST Financial Advisors