

DAVID M. EDWARDS & ASSOCIATES FINANCIAL SERVICES, INC.

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Life and Health, Disability, Long Term Care, Annuities, IRAs and Rollovers, Pension and Retirement Plans

February 8, 2018

Dear Investment Client and Friend:

The first week of February brought stock market volatility as the Dow Jones Industrial Average fell 1,175.23 points, or 4.6% on Monday, February 5. This decline represents the largest point drop of any single day in history, occurring in the face of an increasingly strong economy. However, ranked by percentage, it's only the 99th largest drop. Investors can typically expect market declines of 3-5% twice per year, but the market was unusually calm last year. We hadn't seen a correction since June 2016 and such a significant percentage correction since 2011. Market corrections are a natural part of the economic cycle and healthy in a typical bull market.

Market volatility can cause investor frustration, but it's essential to remain focused on long-term goals. The fundamentals, earnings, and the economy, are growing in sync. With a growth spurt like this comes some needed volatility. The stock market has a reassuring history of recoveries, as market corrections have historically been temporary occurrences with the average correction lasting 17-calendar weeks. Remember that the goal is to maintain a long-term approach, not to beat the market one day or month at a time.

A market downturn may also present an opportunity to add to a portfolio. As prices fall to meet market corrections, stocks move closer to relative earnings. We may consider now to be the right time to purchase highly-attractive stocks at low prices with plans to hold onto them through future market growth.

Above all, time and a carefully diversified portfolio will reward investors who remain calm through periods of turbulence. As your financial advisor, I'm here to walk you through it. If you'd like to discuss the positioning of your portfolio and to ensure your financial goals stay in focus, please don't hesitate to contact me at (717) 533-6243.

Sincerely,



P. D. Achor

Executive Vice President