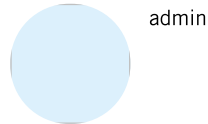




PERSPECTIVES

Keeping Calm When Volatility Strikes

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admin

The recent drops in the stock market can lead to a lot of questions and concerns about what investors should do. Considering the market has been on a historic run to continuous record highs and double-digit gains over the past year, it's not entirely unexpected to experience a pullback.

At Franklin Templeton, we've been investing in global markets for more than 65 years, across bull and bear markets alike. We know that while volatility can be unnerving and confusing, it can also be a time of great opportunity for investors. Here, we share some thoughts and experiences of handling the highs and lows of financial markets to help you put the current market activity into perspective.

Even the most experienced investors can get spooked by heightened volatility in financial markets. When stock prices are tumbling, the urge to do something—anything—can be overwhelming. Our brochure, [Five Things You Need to Know to Ride Out a Volatile Stock Market](#), provides a handful of strategies for investors who may be wondering how—or if—to respond to turmoil in the market. It includes some thoughts on resisting the urge to convert your investments to cash.

Our experience has shown us that selling is not always the most appropriate response to market turmoil.

Although short-term volatility swings can be difficult to stomach, we believe it's important for long-term investors to persevere. While it may be tempting to pull out of the stock market, investors may miss out on a potential market rebound and opportunity for gains while they are on the sidelines, as this one-pager entitled [The Case For Staying Invested](#) illustrates.

In fact, there may be occasions when periods of heightened volatility present a good opportunity to think again about buying. We set out a number of reasons why investors may not want to sit on the sidelines during periods of turmoil in this short flyer entitled: [Why Should I Invest in the Stock Market Now?](#)

We think there's no substitute for experience, especially when it comes to handling market volatility. In the history of investment management, there have been few individuals as revered as Sir John Templeton. He was well known for his many aphorisms on the subject of investment. Here's a collection of some of his thoughts, called [16 Rules for Investment Success](#). We think Sir John's reflections are as relevant today as when they were first published more than 20 years ago.

One thing we have learned over more than 65 years of global investing experience is that trying to predict market declines or rallies is not the path to long-term success. Much more important, in our view, is preparing for incipient shocks smartly and strategically.

Managing risk is, at the heart of our investing ethos. Our experience tells us that it is often during the most intense market turmoil that skilled investment managers get their chance to shine.

While volatile markets occasionally present a challenge for global investors, a knee-jerk reaction is rarely the best response. With careful consideration, the benefit of experience and an active approach, we believe periods of market turmoil can often be a time of great opportunity.

To get insights from Franklin Templeton Investments delivered to your inbox, subscribe to the [Beyond Bulls & Bears](#) blog.

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What Are the Risks?

All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions.

Investors should carefully consider a fund's investment goals, risks, sales charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN®/342-5236 or visit [franklintempleton.com](#). Please carefully read a prospectus before you invest or send money.