When — not if — the market drops.

Markets fall 20% or more about once every 4–5 years. It always feels different. The response is almost always the same. Keep this somewhere you'll find it next time.

1 FIRST — BREATHE

- **The S&P 500 has had 26 drawdowns of 20% or more since 1928.**
- **All 26 fully recovered.** The average recovery from a 20% drop is about 14 months.
- **Bear markets feel longer than they are.** Most last 9–18 months. The recovery often happens before the news says it has.
- **"This time is different"** are the four most expensive words in investing.

2 WHAT WE'RE ALREADY DOING FOR YOU

The plan was built for this moment. The decisions we made together months or years ago do the work now.

- **Foundation = 5 years of withdrawals** in conservative assets. You don't have to sell stocks at a low to pay your bills.
- **Diversification across asset classes.** Not everything falls at the same time, or the same amount.
- **Rebalancing.** When stocks drop, we may buy more — at a discount — to get back to target.
- **Tax-loss harvesting.** Losses in taxable accounts get banked for future use.

3 WHAT NOT TO DO

> **Don't sell to cash.** The bottom is invisible until it's behind us. Missing the 10 best days in a decade cuts long-term returns roughly in half — and most of those best days happen *during* bear markets.

- **Don't try to time the bounce.** The recovery often starts when the news is still bad.
- **Don't stop contributing** if you're still working. Down markets are when contributions buy the most.
- **Don't check the balance daily.** The plan is measured in years, not hours.
- **Don't make big lifestyle changes** based on short-term portfolio values — unless we've talked about it.

4 WHAT MIGHT ACTUALLY BE SMART

- **Tax-loss harvest** in taxable accounts — convert paper losses into a real tax asset.
- **Roth conversions at depressed values.** The same dollar tax bill moves more shares.
- **Rebalance back to target** if drift exceeds 5%.
- **Top up the Foundation** when markets recover, not when they're still down.
- **Stay the course on auto-investments.** Dollar-cost averaging into a falling market is a feature, not a bug.

5 WHEN TO CALL US

Anytime — but especially when you find yourself wanting to "do something." Often the right answer is "wait, and let us tell you why." We'd rather have the conversation than have you watch alone.

> **A NOTE FROM MPM**
>
> Your job in a bear market is harder than ours. You feel it. We don't — not the way you do. That's part of why we exist: so the plan keeps running while you breathe.

Sources: Yardeni Research bear-market & correction tables for the S&P 500 (1928–present); Hartford Funds, "The Power of Staying Invested"; Bank of America Global Research on best- and worst-day clustering; Dimensional Fund Advisors Quick Take series. Past performance is no guarantee of future results.