Keeping Perspective in Anxious Times

The headlines are filled with plunging stock markets, the failure of Lehman Brothers, dramatic mergers of companies like Merrill Lynch and Bank of America, teetering banks, a federal takeover of AIG, and a monumental bailout plan that puts hundreds of billions of taxpayer dollars at risk.

In times like these, it can be difficult to maintain a long-term investment strategy. The urge to just "do something" can be overwhelming. However, making big changes in your investment portfolio under times of emotional stress is usually a bad idea. A diversified investment portfolio, held for the long-term, is still the best way to accumulate wealth.

Of course, we understand that many of you are nervous. Nevertheless, here are a couple of things that should not be worrying you:

- The collapse of a single company will not impact the returns of a diversified fund by very much. Most funds invest no more than one or two percent in a single company, and often much less. Our diversified approach to selecting investments means the failure of a single company will not put your portfolio at risk.
- Florida law guarantees Pension Plan members' accrued benefits will be paid regardless of investment performance. Investment Plan members can limit their risk by investing in a well-diversified portfolio.

Fortunately, the Florida Retirement System has provided access to the following resources at no additional cost to help you remain properly diversified and on track.

- Get an updated Retirement Forecast and personalized recommendations by logging on to www.MyFRS.com to see what your current FRS plan might be worth in the future.
- The Advisor Service powered by Financial Engines® is an online service that walks you through retirement planning step by step. You will receive personalized and objective guidance on how to invest your Investment Plan account balance, or, if you are a Pension Plan member, how to invest your savings in a non-FRS tax-deferred account.
- The MyFRS Financial Guidance Line, where you can speak with a financial planning and retirement professional. They are available Monday through Friday from 9 am - 8 pm EST at 1-866-446-9377 (TTY 1-888-429-2160).

Remember that trying to time the market is a difficult and treacherous game. In the long run, a disciplined and diversified strategy will give you the best chance of success.