

**DON'T GET SPOOKED BY
THE MARKET**

As the leaves start to fall and the Halloween season rolls in, it's not just ghosts and goblins that tend to give people a fright. October has a reputation for stock market volatility, and many investors start to worry when they see dips in their portfolios. But while spooky market swings can be unsettling, it's essential to avoid making emotional decisions. Here's how to keep your cool when the market gets a little spooky.



1. Remember: Volatility is Normal

The first thing to understand is that market volatility is entirely normal. Over the long run, the stock market experiences periods of growth, followed by pullbacks. While dramatic headlines about market drops can fuel anxiety, these fluctuations are often part of a healthy market cycle.

Historically, October has seen some significant downturns—think the 1929 crash that kicked off the Great Depression or Black Monday in 1987. Yet, despite those events, the market has continued to grow over time, rewarding long-term investors with steady returns.

2. Focus on Long-Term Goals

One of the most effective ways to avoid being spooked by market volatility is to focus on your long-term financial goals. When you build a diversified portfolio aligned with your risk tolerance, you're planning for the future, not just the next few months.

Reacting emotionally to market swings can lead to impulsive decisions, like selling low and missing the recovery. History shows that the market tends to recover after downturns. By staying focused on your long-term goals, you're more likely to ride out the volatility and stay on course toward financial success.

3. Check Your Portfolio Less Frequently

In a world of 24-hour news cycles and smartphone apps providing real-time market updates, it's easy to get caught up in the day-to-day movements of your investments. But checking your portfolio too frequently can increase anxiety, especially during periods of volatility.

If you're constantly looking at your investments, you may be tempted to react to short-term fluctuations. Try setting a schedule to review your portfolio, such as once a quarter, to avoid making rash decisions based on temporary market conditions.

4. Diversify to Minimize Risk

If you're feeling especially anxious about market volatility, it may be time to review your asset allocation. Diversifying your portfolio across different asset classes—like stocks, bonds, and real estate—can help reduce risk. Different asset classes tend to perform differently under various market conditions. So, while one part of your portfolio may take a hit, other areas may stay stable or even grow.

Diversification allows you to spread your risk, reducing the impact of a single event on your entire portfolio. If you haven't checked your asset allocation in a while, now might be a good time to ensure it still aligns with your financial goals and risk tolerance.

*"Be fearful when others are greedy.
Be greedy when others are fearful."*

— Warren Buffett —

TIP OF THE MONTH:

PUMPKIN CARVING TIPS FOR PERFECT JACK-O'-LANTERNS

1. Pick the Right Pumpkin

- **Shape:** Choose a pumpkin with a smooth surface and even shape, which will make carving easier. Round or oval pumpkins tend to be the easiest for traditional designs, but tall or oddly shaped ones can add character to your creation.
- **Size:** Consider the size of your design. If you're planning on intricate details, choose a larger pumpkin to give yourself more room to work with.

2. Cut from the Bottom or Back

- **Bottom:** Instead of cutting a hole in the top, try removing the bottom of the pumpkin. This prevents the top from caving in as the pumpkin dries and makes it easier to set the carved pumpkin over a candle or light.
- **Back:** For more stability, especially with intricate designs, cut a hole in the back instead of the top. This will also hide the cut and give the pumpkin a cleaner appearance.

3. Design Before You Carve

- **Stencils:** Use a pre-made stencil or create your own design on paper first. Tape the stencil to the pumpkin and use a pin or a toothpick to poke small holes along the outline. This will give you a guide to follow as you carve.
- **Markers:** If you're freehanding, sketch your design directly on the pumpkin with a washable marker. You can easily wipe away mistakes before you start cutting.

4. Carve Slowly and Carefully

- Use a small, serrated saw from a carving kit rather than a big knife for more control. Cut slowly, using gentle back-and-forth motions. Avoid pushing the knife too hard, which can cause the pumpkin to break or the knife to slip.
- Start with the small details first, then move on to larger sections. This will help keep your pumpkin intact and prevent fragile areas from breaking.

5. Lighting Your Pumpkin

- **Candles:** Traditional candles give a spooky flicker, but they can also cause your pumpkin to dry out faster. Make sure to use a small votive or tea light, and always place it inside a fireproof container.
- **LED lights:** Battery-operated LED candles or string lights are a safer and longer-lasting alternative. You can also use colored lights to add a fun or eerie glow to your pumpkin.
- **Glow sticks:** For a short-term but striking effect, drop a glow stick inside your pumpkin for a bright and colorful shine.

6. Preserve Your Pumpkin

- **Prevent rot:** Rub petroleum jelly on the cut edges of your pumpkin to lock in moisture and slow down the drying process. You can also spray the pumpkin with a water-and-bleach solution (1 tablespoon of bleach per quart of water) to prevent mold growth.
- **Rehydrate:** If your pumpkin starts to shrivel, submerge it in cold water for a few hours to help it plump back up.

FINANCE 101: SIMPLIFYING THE COMPLEX

UNDERSTANDING UPSIDE-DOWNSIDE CAPTURE RATIO

The upside-downside capture ratio is a key performance metric used to evaluate how a mutual fund, ETF, or portfolio performs relative to a benchmark index, especially during periods of market gains and losses. It helps investors understand how well a fund captures the benefits of rising markets while protecting against declines during market downturns.

1. Upside Capture Ratio

The upside capture ratio measures how much of the benchmark's gains a fund captures during periods when the benchmark is rising. An upside capture ratio of over 100% means the fund outperforms the benchmark in up markets. For example, if the S&P 500 rises by 10% and a fund has an upside capture ratio of 110%, the fund would rise by 11%.

2. Downside Capture Ratio

Conversely, the downside capture ratio measures how much of the benchmark's losses the fund experiences during market downturns. A downside capture ratio of less than 100% means the fund loses less than the benchmark during down markets. For instance, if the benchmark falls by 10% and a fund has a downside capture ratio of 80%, the fund would fall only by 8%.

3. Interpreting the Ratios

- **Ideal Scenario:** A fund with a high upside capture ratio (above 100%) and a low downside capture ratio (below 100%) is considered ideal, as it outperforms the benchmark in good times while mitigating losses in bad times.
- **Balanced Funds:** A fund with both ratios close to 100% performs similarly to the benchmark in both rising and falling markets.

Investors use the upside-downside capture ratio to assess how well a fund manages risk and rewards compared to its benchmark, offering insights into how it might perform during different market conditions.