

Thoughts on Market Volatility

*Numerous studies have shown that investors who move in and out of the market and who **react** to market drops, do not earn as high a return as long term investors. Buy and HOLD has always worked, especially in highly emotional, highly volatile markets. We see no evidence to contradict this, and cannot develop a rationale to change this strategy.*

We understand that these times are tough, and that it is difficult to not have some level of emotion attached to a declining balance in your portfolio. Our job is to get you to stand back, take a deep breath, avoid panic, ignore half of what your read and analyze things using logic and reasoning.

*We recently experienced a selling wave on the market. In reality, for every sale to transact, there has to be a buyer, therefore in fact, there was also a **buying wave**, it was just not as apparent – thanks in part to the media. Market volatility is not premised on selling alone, but rather on buying and selling. We need to ask ourselves, who is buying and who is selling? The wealthy and soon to be wealthy are the ones avoiding panic, doing the buying and thereby taking advantage of the panic in others.*

If at anytime you would like to discuss your personal portfolio or the markets in general, please contact our office.