

March 25, 2020

What a wild time we are living in. The Southern California freeways are finally clear and wide open, but there's nowhere to go! Schools, sporting events, beaches, restaurants, churches and theaters are all shut down. The entire country seems to be paused as we strive to stay healthy. Just look at the image above for the top trending google searches last Friday to get a feel for how wild things are.

We may never see this again:



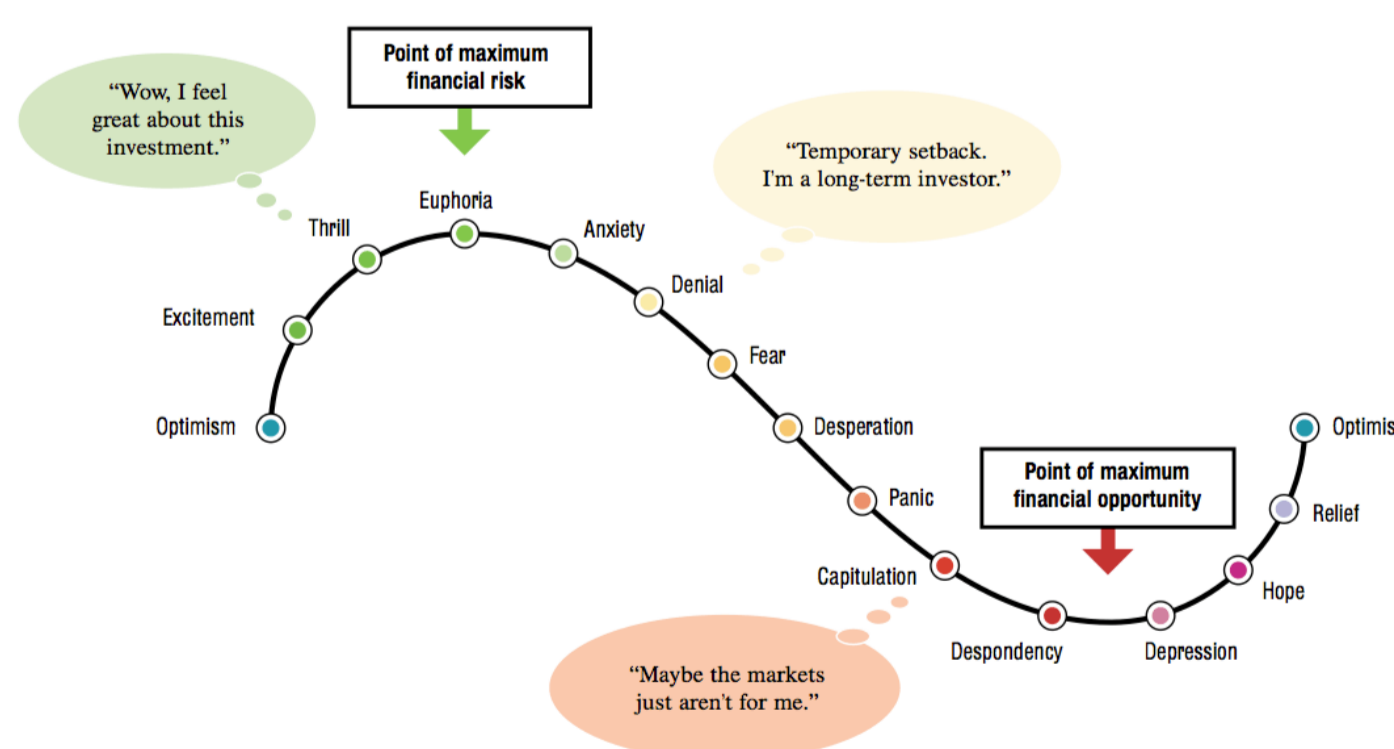
The only seemingly *live* entertainment is the news, and that might be as harmful and contagious as the actual virus. Hopefully, you are able to utilize this change of pace for the better with your family in some way.

FYI - at Pacific Capital, we are considered an "essential business" and our work has not been interrupted (all hands on deck over here). I am pleased to report from our client conversations over the past few weeks that you are viewing this time with the right mindset. Unlike what you may picture, our phones are not ringing off the hook with panicked people on the other end. That being said, if you are panicked and need to talk, CALL US.

You've seemed to either want to add uninvested money to take advantage of bargain-hunting opportunities or to simply stay committed and ride it out. The financial markets are fluctuating up and down significantly as of late, breaking records in both directions. Our government is currently working on an economic stimulus plan to compensate for the slowdown cause by the virus... however, as I stated last time, no matter how many talking heads opine in the media, it can't be predicted how long or how far the decline will go. And to long-term, goal-focused investors like you and me, **it cannot matter**. The only sure way to capture the full permanent return of equities is to be willing fully to capture the temporary declines.

If you can't ride out an equity market decline of about 15% every single year - and a 30% decline every five years, you simply cannot be an equity market investor. We are never relieved of practicing rationality under uncertainty, and that's what my team and I are always striving to do with you. Your portfolio must remain a servant of your financial plan, which in turn was derived from your personal financial goals. The progression is **goals->plan->portfolio**.

All successful investing is **goal-focused** and **planning-driven**. All failed investing is market-focused and current-outlook-driven. All the failed investors I've ever encountered up close were continually reacting to current events - and always the wrong way. As you've seen this week already, when a market recovery begins, its trajectory historically tends to mirror the previous decline's sharpness.



My mission continues: not to insulate you from short-to intermediate-term volatility, but to **minimize your long-term regret**. On the flip side, long-term investment success is almost totally a function of how you emotionally handle declines in the equity market, as opposed to how your portfolio handles them. Rest assured, this too shall pass.

As always, we are here for you when you need us.

***if you aren't yet a Pacific Capital client, we are still happy to speak with you. You may schedule a free 20-30 minute Goals Conversation® with us by visiting www.goalsconversation.com today - no cost or obligation involved. You may also click [HERE](#) for our google reviews.**

