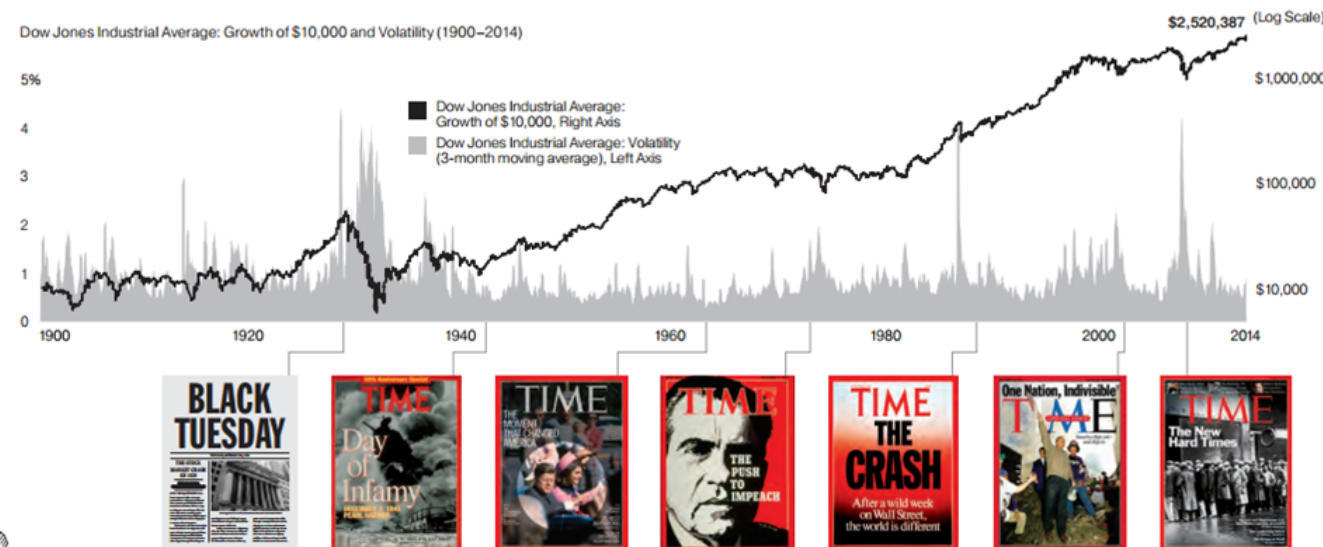




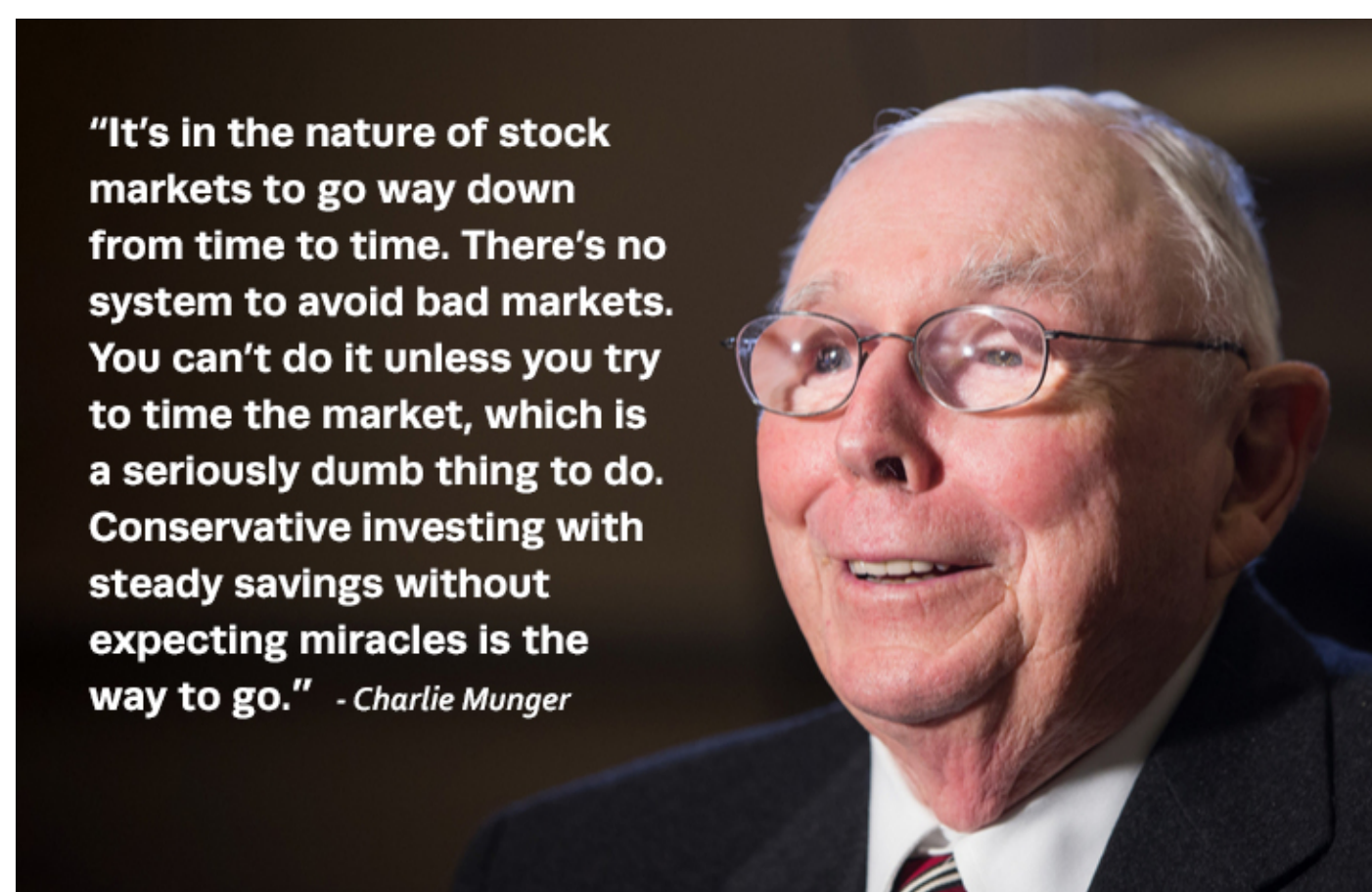
Every Generation Faces Its Share of Challenges

"In the 20th century, the United States endured two world wars...the Depression, a dozen or so recessions and financial panics, oil shocks, a flu epidemic, and the resignation of a disgraced president. Yet the Dow rose from 66 to 11,497."
 —Warren Buffett, 10/17/08



February 24, 2022

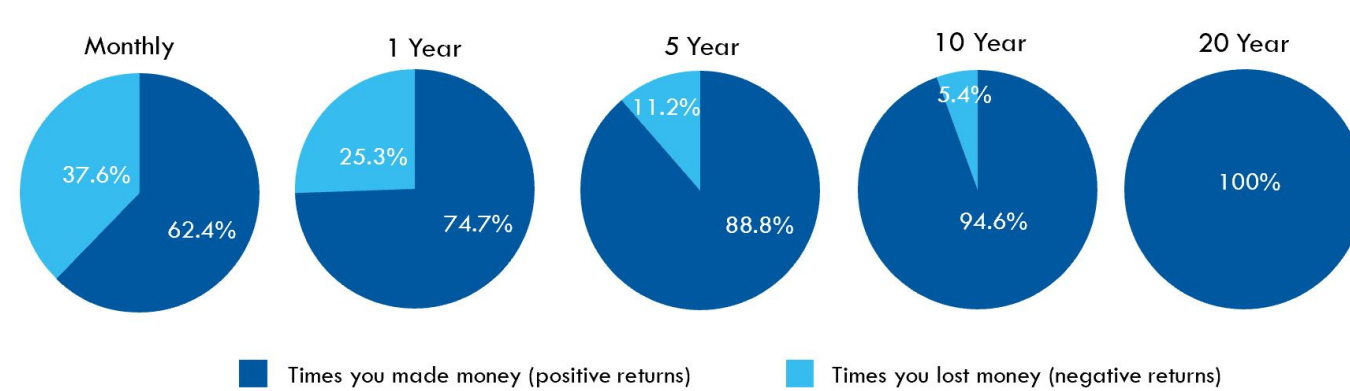
After the stock market rose 85% in two years (Dec 2019 to Dec 2021), the financial stock markets (S&P 500) are down about 13% in eight weeks. But declines of over 10% are, as you know, a common occurrence: the average annual decline from a high to a low in the S&P 500 has for many decades been about 15%. No matter how many talking heads opine in the media, it can't be predicted how long or far declines will go. Uncertainty and volatility is part of the deal. And to long-term, goal-focused investors like you and me, it cannot matter.



If you can't ride out an equity market decline of about 15% inside of every single year - and a 30% decline every five years, you simply cannot be an equity market investor. (ps. we just had a 40% decline 2020 and that price bounce back was quick). Your portfolio must remain a servant of your financial plan, which in turn was derived from your personal financial goals. The important progression is goals->plan->portfolio.

Increase your chances of positive returns

Rolling returns of stocks (1928-2020)



Sources: Bloomberg, Bloomberg; Lipper; See front for a description of the S&P 500 index. Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. It is not possible to invest directly in an index. Investing involves risk, including loss of principal.

Despite volatility and intra-year declines, the stock market is up 89% of the time over every five-year period and 95% of the time over a 10-year period (see above chart). 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.

The primary function of financial journalism seems to be terrifying you out of ever achieving your financial goals through long-term investing.

Every big market decline has its unique precipitating causes. Last time it was the virus. Right now it's conflict in Eastern Europe and inflation. Neither I nor anyone else can predict when, where or how this quick market decline will bottom out. We can only observe the historical fact that sooner or later, they all have. Human nature typically prevents you from distinguishing between temporary declines and permanent losses.

My mission continues: not to insulate you from short-to intermediate-term volatility, but to minimize your long-term regret. As difficult as it might be, take your focus off the onslaught of catastrophist news headlines, and put it where it belongs: a) on your goals, b) on our long-term plan for the achievement of your goals, and c) on your investment portfolio as the long-term funding medium for that plan. If you have a financial plan and your personal goals are aligned with your strategy, there is no need to react or panic. Don't rely on the news or your scared friend for financial advice: turn to your fiduciary advisory team.

You may have peers, friends and even family members who do not have a clear financial plan in place or have expressed some concern over the markets or what's happening in the world. We would be happy to meet or speak with them, at the very least to offer some long-term reassurance, and to give them some insight into our investment strategy.

As always, we are here for you when you need us. If you're looking for strategic advice during this volatility, [click here](#) and let's talk soon.

Have a great upcoming weekend-

P.S. [CLICK HERE](#) for a brand new podcast interview I did last month.

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Sincerely,



Chad W. Willardson
 WEALTH ADVISOR FOR ENTREPRENEURS

Certified Financial Fiduciary®

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