

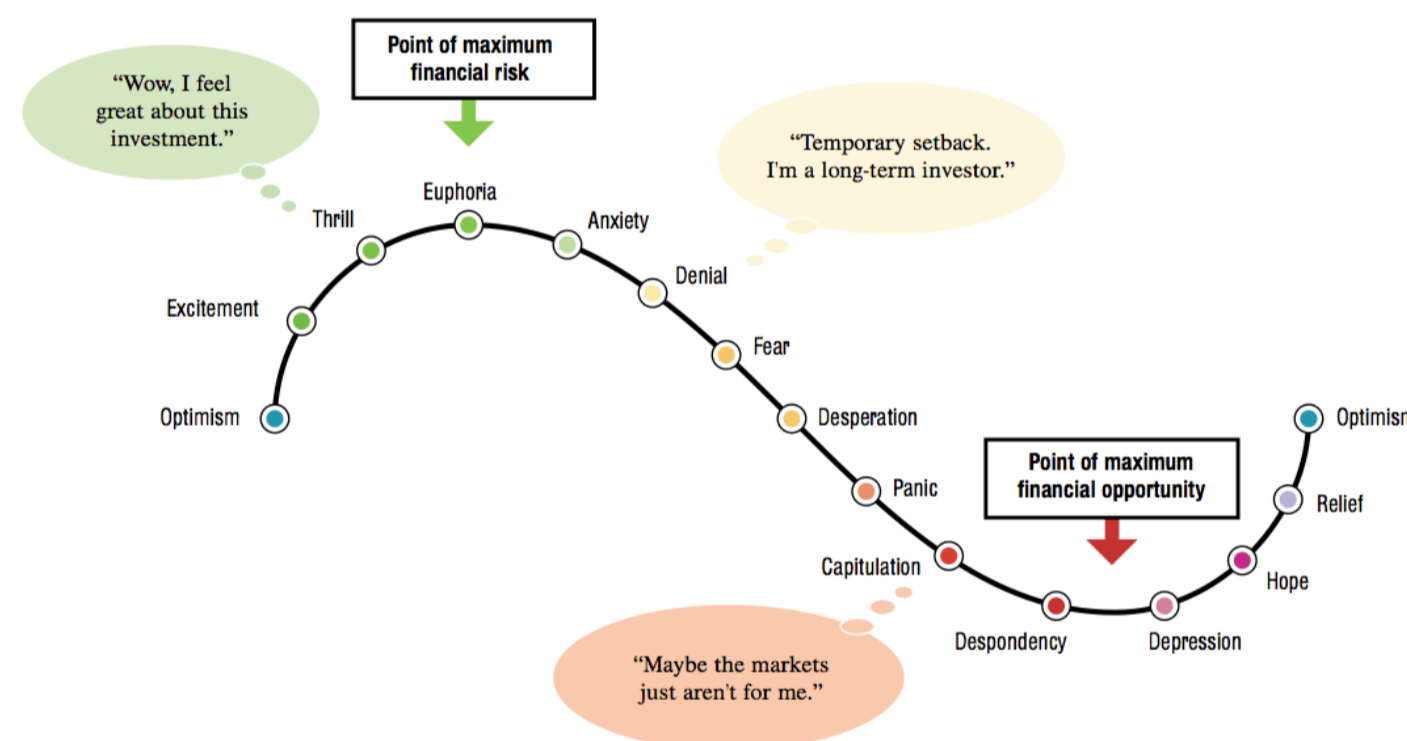
February 27, 2020

I hope some of you saved my email from 3 weeks ago. Now would be a great time to go back and read it. :)

Financial stock markets are down about 13% in a short amount of time. Declines of over 10% are, as you know, a common occurrence: the average annual draw down from a peak to a trough 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 how far the decline will go. 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% every single year - and a 30% decline every five years, you simply cannot be an equity market investor. 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**.

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. This one's seems to be the corona virus. 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.

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 market's decline in the past week. I 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 aren't yet a Pacific Capital client, schedule a free 20-30 minute Goals Conversation® with us by visiting [www.goalsconversation.com](http://www.goalsconversation.com) today - no cost or obligation involved. You may also click [HERE](#) for our google reviews.**

