

March 19, 2020



Dear Investors,

I have always believed that one's investment success is not a function of intelligence, education, and certainly not - God help us - market timing. To the contrary. **Your success as a wealth accumulator hinges on temperament.**

Apart from the 2008 Great Recession, I can think of no better moment – at least in my career - to transparently examine and observe ones' investment temperament than right here, right now.

I am seeing, in real time, people's anxiety levels rising. And this is understandable. We are in the midst of the most precipitous market drop since 1987. But this is what being a *true* equity investor is all about. **You must be willing to endure momentary episodes of decline in order to reap the eventual potential forthcoming bounty.** I make it common practice during my client onboarding process to say the words *"there will be times when your account loses money. But that's ok. Know that at some unpredictable moment, it's coming."* Well folks, here it is.

As investors, it's important to be reminded of our philosophical bedrock. Namely, that as long-term equity investors we believe and accept that markets will rise, and markets will fall. **And this immutable truth is wholly irrelevant to us long-term investors.**

None of us are immune to the core financial emotions of **fear** and **greed**. There are those right now who are fearful and must fight the urge to sell. Conversely – and equally damaging - are those who three weeks ago would have been happy to invest when the S&P 500 was at 3,000, yet now refuse buy in at 2500, because they want to "catch the market's bottom." **Both fear and greed each have their own separate, but equivalent, dance with the devil. Both are identically poisonous.** The only rational course of action is to fight the urge of each, and not succumb to their sirens. What are you more concerned about: where your account balance will be 3 days from now, or where it will be in 20 years?

It's how you respond – or said better, how you don't respond - in times like this that make all the difference. **It's ok to feel the fear. It's not ok to act upon it.**

In closing, let me say that there are still only two types of investors. There are those who say, *"This time it's different"* and those who say, *"This too shall pass."* I hope you will join me in remaining firmly footed in the latter camp.

Sincerely,

Matthew J Trivett CFP® CLU® ChFC®

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