

When Markets Fall...

The S&P 500 is about where it was on February 28th.

Between February 28 and April 8, the S&P 500 was down 16%. From April 8 through May 15, the S&P 500 rebounded 19% to get back to February 28th levels. It felt like a roller coaster to those watching every day, but for long term investors, it was just noise.

Investors in the S&P 500 who stayed the course and didn't sell are likely back to where they started on February 28th— they were actually slightly ahead. Equity owners who sold acted more like *speculators*. Even if they thought they acted like investors, many likely missed the rebound and are worse off for it. (If you are wondering when an *investor* should sell in a down market, see [The Market is Going Down and Could Go Lower, Should I Sell?](#))

Technology, and the constant flow of news headlines, drives us to check portfolio values anytime, from anywhere. However, more information isn't always better. In fact, nonstop access to market data can trigger emotional reactions in people that do not have conviction in an investment plan.

April's swoon was unusual in that the catalyst stemmed from political decisions. Tariffs themselves are not a reason to sell stocks. The *impact* from tariffs could be... if you are a speculator.

The impact is the same as any and every other sell-off we've ever experienced – concerns over lower earnings.

Since the founding of The Portfolio Strategy Group 35 years ago, we've seen market participants be concerned about lower earnings for dozens of reasons. There is always *something* to worry about, even if the concerns are not always justified.

Long-term investors often recognize that earnings fluctuate with the economy. They may expect occasional downturns but their focus remains on the broader trend of earnings growth over time. Seemingly large, temporary dips are part of the journey. They are often opportunities to buy and invest, not panic and sell.

Partnering with a seasoned wealth advisor, especially during periods of volatility, may be essential to keep you focused on your long-term goals and avoid the pitfalls of reactive, speculative decisions. If you are unsure whether your investment plan aligns with your needs or can withstand market fluctuations like those we've recently seen, we are here to help.

Give us a call!

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