The Market Has Seen It All

AMICUS

Stay In Your Seat

DON'T LET A CRISIS ROB YOU OF YOUR RETIREMENT

BY AMICUS FINANCIAL ADVISORS, LLC

WHEN IT COMES TO INVESTMENT MARKETS, MANY INVESTORS FOCUS ON THE WRONG THINGS.

THEY TRY TO PREDICT THE FUTURE

The most common approach to investing is based on prediction and forecasting. Methods include picking stocks expected to perform well in the future, moving in and out of industry sectors, or attempting to time the market. These methods are based on trying to predict the future direction of the economy, the stock market, or an individual stock. This conventional approach assumes that someone has a crystal ball. A prediction about an uncertain future is just an opinion, and it should not determine anyone's investment decision. Unfortunately, many people learn this the hard way.

THEY ACT ON IMPULSE

Some investors approach investing from an emotional perspective. The 2008–09 global market downturn offers an example of how fear can drive an investor's decisions. Many investors fled the market in early 2009, just before the rebound began. They locked in their losses and then experienced the stress of watching the markets climb. The other side of the emotional coin is greed. Investors can get anxious about missing out on what they perceive as a great investment. They may follow the crowd. The fundamental idea behind successful investing is to buy low and sell high. Yet, following an emotional investment cycle sparked by impulsive decisions may bring an opposite effect: buying at high prices and selling at lower prices.

THEY BET THEIR SAVINGS ON TIPS AND HUNCHES

Other investors approach investing from a "get rich quick" perspective and act on tips or hunches. They may seek out investment insight from cable news programs that feature Wall Street experts who appear to know something valuable. There's also a social element to predictive investing. People like to talk about their winning investments, but they probably don't mention the losers. Investors often follow the advice of friends, neighbors, or family—especially if the "insight" offers the potential to make a fast, easy return. Most of this advice is just noise.

THEY ARE SWAYED BY THE MEDIA

Whether the media message is crafted by a financial publication, a website, or a cable program, it often targets human emotion. Many headlines prey on an investor's fear and anxiety about the future, while others suggest you can tap into special knowledge to gain quick, easy wealth. Most media messages are only selling entertainment, not real financial advice.

WHAT RESULTS IS A SERIES OF STRESSFUL, SHORT-TERM ROLLER COASTER RIDES THAT COST THE INVESTOR TIME, MONEY, AND MORE THAN A LITTLE PEACE OF MIND.

THERE IS A BETTER WAY TO INVEST –
A WAY THAT CAN PUT THE ODDS OF SUCCESS IN YOUR FAVOR.

EMBRACE MARKET PRICING

Our driving principle is that "markets work"—that is, market prices reflect all available information and expectations of the future. The forces of supply and demand are constantly at work in the financial markets, and the intense competition pushes stock and bond prices toward their actual value. You trust markets every day. For example, when shopping, you probably don't question whether the price for an item is "right" or "wrong." You simply assume the price reflects local market conditions. You might decide the price is too high and choose not to buy—and if enough people don't buy the item, the price drops. Yet, many investors' perception of market pricing breaks down when they invest because they assume that the price of a stock or bond may not be right. Investors have been conditioned to view some stocks as being "overvalued" or "undervalued." In reality, the financial markets work much like any other market, with information and opinions affecting the price of a stock or bond.

DIVERSIFY GLOBALLY AND ACROSS ASSET CLASSES

Diversification is the process of spreading your money across different types of investments to reduce risk. While this is intuitive to most investors, it is easy to be tempted by the latest trends and overlook the discipline required to stay diversified. Our advisors will work alongside you to construct a personalized resilient investment portfolio that promotes diversification by asset type, geographical location, investment style, and size. We maintain this diversified asset allocation within our portfolios with regular rebalancing. By holding a globally diversified portfolio, you are positioned to capture returns wherever they occur.

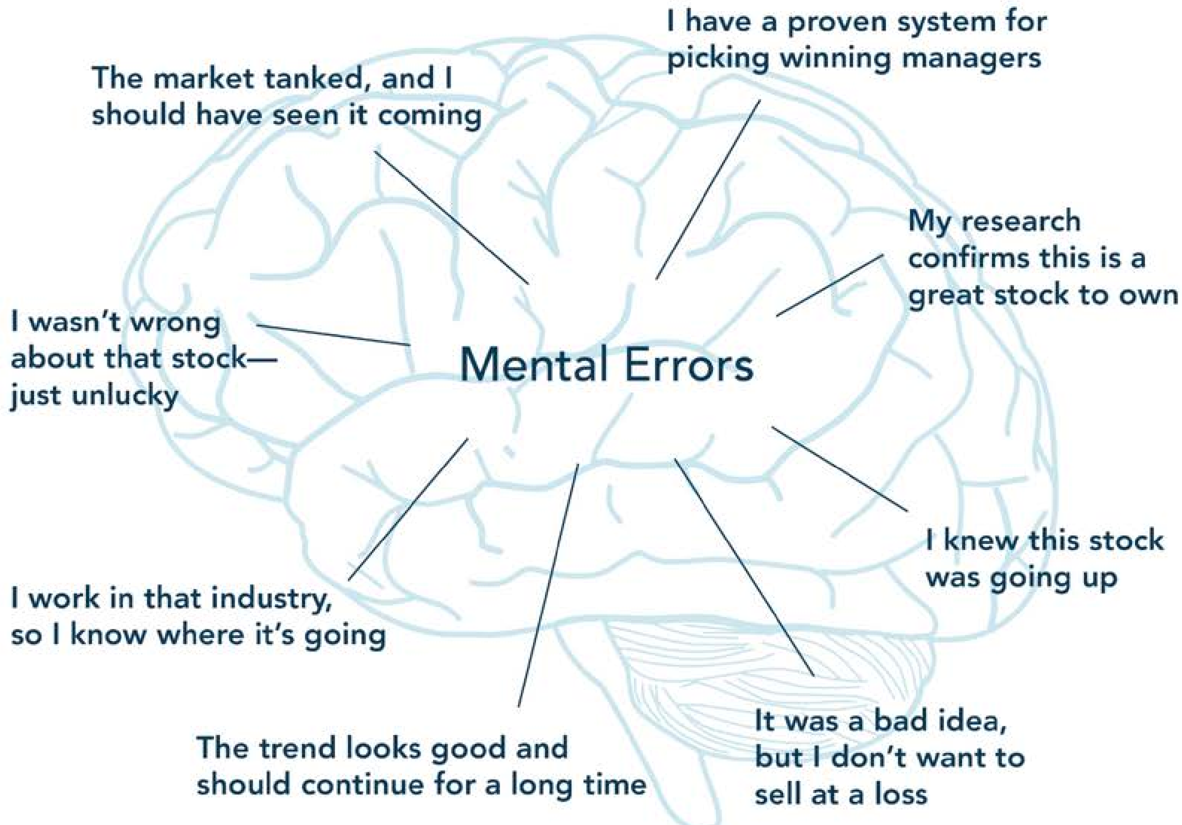
STAY DISCIPLINED THROUGH MARKET DIPS AND SWINGS

As the stock market goes through the ups and downs of the business cycle, our emotions follow the same cycle. Our overall investment strategy leverages these business cycles to enhance the performance of your investments over extended durations. This is accomplished by buying more of each asset class when the value is low and selling some of each asset class when its value is high in comparison to the other investments within your portfolio. So as markets and your investment values go up and down over the years, remember that these cycles, which can be a little stressful in the short term, can actually be helpful over long periods of time.

LOOK BEYOND THE HEADLINES.
SECURE A PROSPEROUS FUTURE.

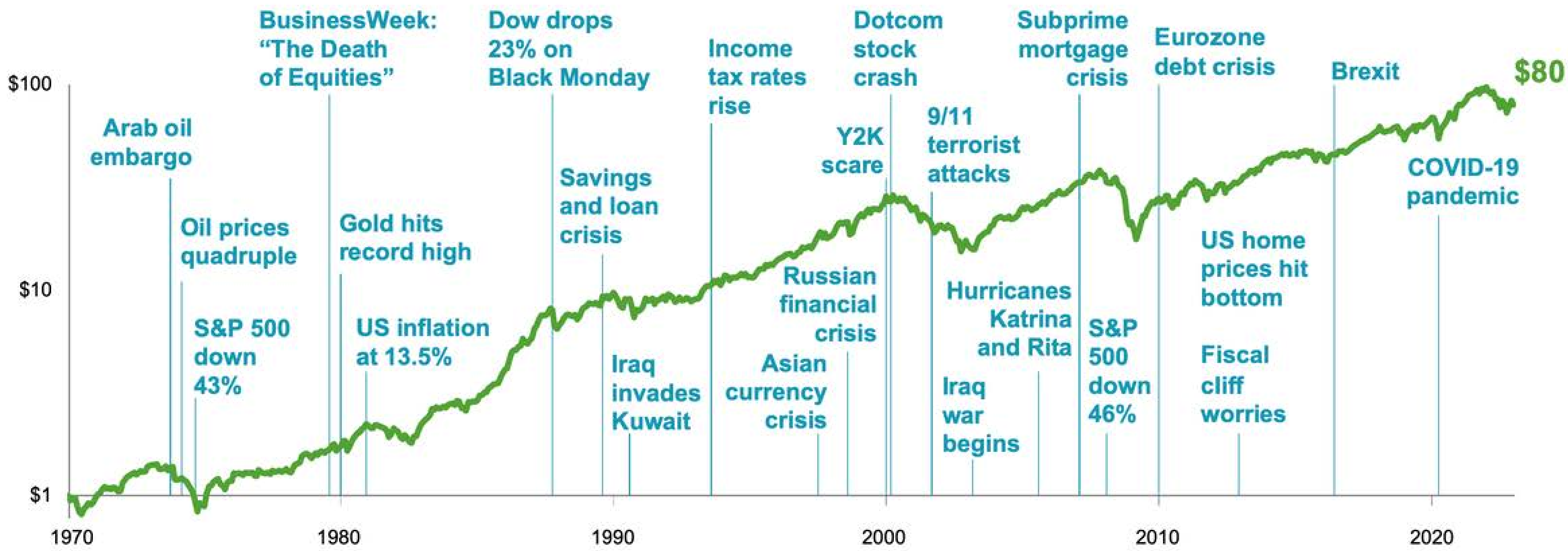
Humans Are Not Wired for Disciplined Investing

When people follow their natural instincts, they tend to apply faulty reasoning to investing.



Markets Have Rewarded Discipline

Growth of a dollar—MSCI World Index (net dividends), 1970–2022



A disciplined investor looks beyond the concerns of today to the long-term growth potential of markets.

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