



Dear Clients,

Happy spring! I pray this newsletter finds each of you doing well! Hopefully we have seen the end of the cold weather and will finally move into spring weather! I wonder how long it will be before we are all saying how hot it is! Or how bad the mosquitoes are this year. Or how humid it is. Even with the weather, I recognize the need to focus on what I can control rather than worrying about what I can't. Worrying about the pollen isn't going to remove it from my porch.

Here at CWM we talk a lot about focusing on the things that we can control. Unfortunately it is often easier said than done. We have all kinds of information and media at our fingertips 24/7. We have social media. We have all matters of things fighting for our attention. It can be hard to know what to pay attention to and what to filter out. When it comes to the financial world, it's really no better.

Financial media is paid to generate clicks and views - not to tell us the truth. Sometimes it does both, but often, it seems, the truth is the secondary priority. Relying on the financial media (or let's face it - any media) for truth is difficult at best. In one recent internal meeting, our advisors reviewed 18-year returns for our three most-used investment portfolios. All three have a different twist on long-term investing, yet their annualized returns were surprisingly close to one another. This *appears* to confirm our theory that over long periods of time there is often not a measurable difference between the short term tactics of quality investing. Over the long term, we believe this data backs up the notion that, generally speaking, stocks outperform bonds, more volatile stocks outperform less volatile stocks, and trying to predict which stock will outperform next is useless.

OK - back to financial media. Perhaps recently you have seen or heard about the "Longest Bull Market in the History of the World?" Generally, those articles and news stories are trying to invoke fear. They say that you should sell your stocks because they can only go down in value if they've gone up for 10 years. However, depending on which index you look at and depending on whether you count intra-day declines or only closing values, you get different answers. The S&P 500 is a representation of Big U.S. companies. Since March 9, 2009 (the bottom of the Great Recession) the S&P 500 has increased from 666 (not kidding) to over 2,700. The S&P 500 Index declined by over 20% in 2011 and 2018 (using intra-day declines). The S&P also declined around 15% in late 2015 through early 2016. So, again, depending on how you measure, the current bull market is only 3 months old.

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Are you still with me? Let's take it one step further. Most of our portfolios at CWM intentionally have 8 or more stock asset classes (Big U.S. companies being only one, and we generally break "Big U.S." into three different asset classes – big growth, big neutral and big value) each of which behaves differently at different times. We regularly rebalance portfolios by selling the better performing asset classes and buying more of the poorly performing asset classes. Those portfolios are also aligned with your volatility comfort zone, so it shouldn't bounce around any more than you're comfortable.

So, if you are a client of ours, you have a well-diversified portfolio of all kinds of different stocks and bonds specifically designed to meet your long-term goals. If you're reading financial news, you're being bombarded by fear-invoking messages in order to sell more advertising. That can be stressful. I won't tell you to stop reading or listening to the news (but maybe it's not a bad idea to take a break every now and then) – but I want you to hear a *different message*. I want you to hear "You are making wise decisions with your investments. You are headed in the right direction, and you don't need to make major changes unless something major in your life or goals has changed."

As always, focus on what you can control – your attitude and actions. If you need to talk, give us a call. We are honored to partner with you to help you create a life where you are able to live well and worry less. We're proud to serve you.

<https://www.marketwatch.com/story/this-bull-market-is-10-years-old-try-three-months-2019-03-07>

Sincerely,

Nate Oltmans, Partner

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