

## “2018: A Year of Extremes”

By Tommy Williams, CFP®

So, how will you remember 2018? It was an eventful year. Let me jog your memory a little. It reminds me of “All Saints Day” in the United Methodist Church. That is a special day when those in the congregation who have passed away during the year are remembered. One can’t help but just go “Wow, that all happened this year?”



Tommy Williams

2018 was a year of extremes. The youngest U.S. Snowboarding Olympians won gold, the 13<sup>th</sup> Triple Crown Winner, the largest number of women to run for – and win – seats in Congress. There were countless others – too many to name.

However, we experienced extreme negative

challenges also. California had the deadliest wildfires in its history and we saw multiple fatal attacks against journalists. There were political reckonings at the highest levels for the Trump Administration and countless mass shootings at schools, bars and places of worship across our country.

Truly a year of extremes. Hopefully, enough to remind and teach us how blessed we are as a nation. And that we can do better.

So, remember the term “from worst to first?” 2018 will be memorable in that cash was one of the few asset classes to produce positive returns. Yes – that’s the same cash that has been cursed as a loser for the last decade. At least for the short term those of you who truly have your savings buried in a tin can are the winners. But that is likely a snapshot of the short-term.

How many of you go to Dillard’s on New Year’s Day? Though I have never been there personally, I

hear they have a monstrous sale. The biggest markdowns of quality merchandise you’ll ever find. You just have to fight the crowd – and I hear that people call that “fun”!

With the markets in a free fall for a few weeks, many of America’s great companies are on sale – similar to merchandise at Dillard’s. Though we can point to some real economic, political, and financial negatives – none merit the extreme recent sell off we’ve experienced. Most credible experts agree that the market is very over-sold. One case in point, consumer sentiment remained at high levels right through the holidays.

Unemployment numbers continue to dwindle, giving way to discussion of labor shortages. Sure, there is enough negative news to keep the media busy (and entertaining and profitable as they sell advertising), but the fundamentals for the long-term investors just don’t line up with all the negatives. If you’ve got your funds tied up in

fundamentally solid stuff – hold on tight. If you’ve got some cash on the side, like the Dillard’s shopper, get ready to jump in while the sale is on.

This is a good time for a reality check. Is your portfolio fundamentally solid? If it isn’t, it is not likely to bounce back (remember the dot.com bubble in 1999-2000?) If you rode a false wave after the 2016 election, you may not fare as well when the “smart money” – mostly institutional investors show up for the New Year’s sale. They are going to do their homework and buy truly quality assets at oversold low prices. So, when you look at your January statement(s) you may feel inclined to take a close look at your holdings to ensure that they truly match up with your goals and objectives. In the meantime, I wish you and yours a very Happy New Year!

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