



GROW TRUST

partners

Our name says it all.

Summer 2019

One Hundred Forty-Five Days by Nick Murray

On Thursday, September 20, 2018, The Standard & Poor's 500-Stock Index—this writer's personal proxy for the broad U.S. equity market—made a new all-time closing high, at 2,930.75. That was actually the third new high in the previous month; before that, the Index had gone 145 trading days without making one.¹

By a wild coincidence, another 145 trading days later—on Tuesday, April 23, 2019—the Index made its next new all-time closing high, at 2,933.68.

But that isn't really the story, is it?

To answer my own not-in-the-least rhetorical question: no, it isn't. The story is what happened in the seven months between those two new highs. And what happened (setting aside the whole specious issue of "why" for a moment) is that in the roughly three months between September 20 and Christmas Eve, the Index went down 19.8% on a closing basis. And in the succeeding four months (less one day) it made up all those "losses," and a tad more.

Except that that's not the real story either. Not where it counts.

You see, what happens in the equity market has very little to do with what actually happens to the equity investor.

That's because the dominant determinant of long-term, real-life outcomes is not the performance of markets but the behavior of investors.

¹ *The Wall Street Journal*, April 23, 2019, "S&P 500 and Nasdaq hit closing records."

The real story of the seven-month round trip, therefore, will be found in (a) how you were feeling as the Christmas Eve Massacre unfolded, (b) what you did in response to your feelings, and/or (c) what—with the steady guidance of your investment advisor—**you did not do.**

Why the equity market went down as suddenly and sharply as it did in the three months through Christmas Eve is, in terms of your own lifetime investing experience, irrelevant. Why it reversed to new highs almost as suddenly and sharply is, if possible, even more irrelevant. The critical variable was, and always will be, how you responded.

It would appear anecdotally—judging by the wave of outflows from equity mutual funds and ETFs as the decline entered its terminal panic phase—that a great many investors responded by fleeing equities. And the closer the market got to its Christmas Eve selling climax, the more people—or at least the more **dollars**—fled. It was ever thus, human nature being what it is.

I must proceed now on the assumption that you didn't—flee, that is. I arrive at this hopeful conclusion by a process of inductive reasoning, as follows:

(a) I take as a given that you were sent this essay by an investment advisor who is familiar with, and in general agreement with, my essential equity investing principles. Chief among these is, "When the spaghetti hits the fan, don't just do something: **stand there.** This too shall pass."

Meet Our Team

- A. Christopher Engle, LUTCF®, CFP®, ChFC®, AEP®
- Ryan Smith, ChFC®, CASL™, CFP®, AEP®
- Brian Sandberg, ChFC®, AEP®
- Geoffrey Sadek, CFP®
- Tim Sullivan, MBA
- Jim Yost, CLU®, Chartered Financial Consultant®
- Peter Smith, Financial Advisor
- Lisa May, Client Services Manager
- Teresa Morstad, Client Relations Manager
- Monica Zweedyk, Client Services Associate

Inside this issue:

- One Hundred Forty-Five Days by Nick Murray
- Growtrust Partners Happenings
- Valuable Verbiage by Investopedia, LLC
- Social Security Tip www.ssa.gov
- Tomato and Mozzarella Bites www.all.recipes.com

979 Spaulding Ave
SE Suite A
Ada, MI 49301
616.949.8300
www.Growtrust.com

Continued from previous page

(b) I'll assume that you didn't just recently engage the said investment advisor—that he or she was already your advisor during the September-to-April round trip.

(c) If (b) is correct, I'm quite sure your advisor steadfastly and even vociferously counseled you to stay the course—an indeed, if possible, to step up your equity purchase plan, if such you are following. And therefore:

(d) you stayed the course, perhaps even buying some relatively panic-priced shares from capitulators. (If you're reinvesting dividends, you actually did a bit of this opportunistic buying, even if you didn't mean to. And bravo, say I.)

If this conclusion is consistent with your actual experience, then your advisor is to be applauded for rendering that advice—and you are to be even more enthusiastically applauded for following it. One hopes that this has established (or reinforced) a pattern that will carry through the balance of your investing lifetime.

On the odd (and terrible) chance that assumptions (a), (b) and (c) are correct but that the conclusion (d) isn't—that despite your advisor's counsel, you went to cash—let this be the most important lesson of your investing lifetime. Start over. In the jargon, zero-base your advisor-advisee relationship. Sit down with your advisor, and begin the process again.

For the lifetime and even multigenerational equity investor, the folly of capitulation to panic may be a lesson we all have to learn from experience. **Once.** The trick is—with the counsel of an empathetic but tough-loving advisor—never having to learn it again.

© June 2019 Nick Murray. All rights reserved. Used by permission.

The opinions by Nick Murray voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment (s) may be appropriate for you, consult your financial advisor prior to investing. Investing involves risk including loss of principal. No strategy assures success or protects against loss. All performance

referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.



Stay current with market updates, industry articles, and company happenings by following Growtrust Partners on our social media sites—Twitter, LinkedIn and Facebook. Our team works diligently to keep you updated and informed on all relevant material and team information. If you don't want to miss our content please be sure to follow our team's online presence!



<https://twitter.com/GrowtrustPartn1>



<https://www.linkedin.com/company/growtrust-partners/>



<https://www.facebook.com/growtrustpartners/>





Growtrust Happenings



Join us as we welcome Jim Yost to the Growtrust Partners team! Jim began his financial Services career in 1976 and has faithfully served his clients for over 42 Years.

Jim earned a Bachelor of Science – Engineering from the University of Michigan and has since earned the Chartered Life Underwriter and Chartered Financial Consultant designations from the American College.

Jim does not look at himself as a salesperson but as a problem solver and has based his career on that. He has joined Growtrust Partners to implement a five plus year succession plan to ensure his clients have the same service and professional advice they have grown to expect. He has complete confidence they will receive the same planning strategies and will benefit from the enhanced wealth of knowledge and opportunities that GrowTrust Partners can provide.

Jim lives in Grand Rapids Township with his wife, Carol. He has two sons and daughters-in law and six grandchildren that he loves to spend time with.

We are in our new office located just down the hill from our previous location. Be sure to save our address for your next appointment and look for the Growtrust Partners Sign!

- New Address: 979 Spaulding SE
(Suite A) Ada, MI 49301
- Office Phone #: 616-949-8300



Valuable Verbiage

Relative Strength Index (RSI) is a momentum indicator that measures the magnitude of recent price changes to evaluate overbought or oversold conditions in the price of a stock or other asset. The RSI is displayed as an oscillator (a line graph that moves between two extremes) and can have a reading from 0 to 100. The indicator was originally developed by J. Welles Wilder Jr. and introduced in his seminal 1978 book, *New Concepts in Technical Trading Systems*.



Social Security Tip

As of April 2018, the Centers for Medicare and Medicaid Services (CMS) began mailing new Medicare cards to all people with Medicare.

Instead of a Social Security Number, the new card has a Medicare Number that's unique to each person with Medicare. The new card will help protect identities and keep personal information more secure. Medicare coverage and benefits will stay the same.

Medicare will automatically mail new cards at no cost to the addresses on file here at Social Security. So making sure the address of anyone you're helping is up-to-date is important. An address can be updated easily by signing into or creating a "my social security account"

3 Tips to follow:

- 1-Destroy your old Medicare card right away.
- 2-Use your new card.
- 3-Beware of people contacting you about your new Medicare card and asking you for your Medicare number, personal information, or to pay a fee for your new card.

Treat your Medicare Number like you treat your Social Security or Credit Card Numbers.



Growtrust Partners
979 Spaulding SE Suite A
Ada, MI 49301



Growtrust Partners Newsletter -Summer 2019

Our name says it all.

**Securities offered
through LPL Financial,
Member FINRA/SIPC.**

"Like" Us



Connect With Us



Follow Us



Tomato and Mozzarella Bites

Ingredients:

- 20 grape or cherry tomatoes, halved
- 20 fresh basil leaves
- 20 small balls of fresh mozzarella cheese
- Salt and pepper to taste
- 1/2 cup balsamic vinegar
- 1/4 cup extra virgin olive oil
- 20 toothpicks



Directions:

- Using a toothpick, spear a half of a tomato, a leaf of basil, a mozzarella ball, and another half of a tomato. Repeat with remaining ingredients.
- Place on a serving dish and sprinkle with salt and pepper. Mix the vinegar and oil together in a small bowl to serve as a dipping sauce.

Take this dish to the next family or neighborhood cookout, these tomato and mozzarella bites are sure to be a hit!

