

I am beginning to hear it again, "When is the crash coming?" With the market at near all-time highs, it's inevitable that fear begins to creep in. After some 37 years in the business, I don't know if I've ever had more than a month or two pass without hearing that question. Yes, we've seen some downturns in September and also October, but take the Mark Twain quote below to heart. A downturn at some point is in the cards. What do you do to prepare? Since it's not possible to predict the date and time of a bear market (or a bull market for that matter), the answer lies in proper diversification\* and risk tolerance modeling. Understanding your investment risk tolerance and managing your investments to minimize the risks can provide for less sleepless nights. Do you know your risk tolerance and that of your portfolio? Give me a call for a review. You can set a time for a meeting or call by visiting my scheduling site at: <https://go.oncehub.com/ChuckVercellone>.

----Chuck

## **The September Effect**

*Investors ending their fiscal year can lead to some market weakness.*

Provided by Charles D. Vercellone, ChFC®, AIF®

The stock market notched its 7th straight month of gains in August, and the Standard & Poor's 500 index has set 53 new highs so far in 2021.<sup>1</sup>

During August, stocks rallied as investors looked past the increased number of COVID-19 Delta variant cases and barely reacted when the Federal Reserve said it might begin tapering its monthly bond purchases by year-end.

But it's a new month, and you should expect to see an article or two about what's called the "September Effect." September is when many professional investors end their fiscal year, which can lead to some overall market weakness.<sup>2</sup>

When I see articles about the September Effect, I'm reminded of my favorite stock market quote by Mark Twain.<sup>3</sup>

"October: This is one of the particularly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February."

There's always going to be some market theory, opinion, or model that suggests we're in "this cycle" or "that trend." Over the years, we've found that the best strategy is to ignore the noise and focus on your investing goals.

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### **Citations**

1. Forbes.com, September 1, 2021. The S&P 500 Composite Index is an unmanaged group of securities considered to be representative of the stock market in general. Index performance is not indicative of the past performance of a particular investment. Past performance does not guarantee future results. Individuals cannot invest directly in an index. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.
2. Investopedia.com, May 17, 2020
3. GoodReads.com, 2021

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