



*Retiring the Month with Mike - May Edition*

## **Investor Sentiment Is Shifting**

*Presented by Michael A. Mendillo Jr., CFP®*

A recent survey shows that 63% of investors are more interested in protecting their financial assets and planning for uncertainty in the future than anything else.<sup>1</sup>

There are many reasons for this change, but here are a few of the most impactful to keep in mind.

### **Pandemic worries**

One reason for this shift is directly related to life prior to COVID-19. Nearly two-thirds of those surveyed believe protecting their financial assets and preparing for uncertainty are more important to them now than before the pandemic. Additionally, roughly 45% of those surveyed believe the shift in priorities will last beyond the pandemic.<sup>2</sup>

### **Market Rally**

This year, markets have experienced an odd phenomenon, to say the least. Historically, if one sector lags, other sectors often come along that can buoy a portfolio. But recently, the broader market has been trending higher, which appears to benefit a variety of investing styles. This may create further uncertainty moving forward, causing investors to be more cautious than usual.<sup>3</sup>

### **What will the Fed do?**

As the economy continues to improve, some believe it's only a matter of time before the Fed changes its monetary stance. Investors of course want strong growth but at the same time, they don't want the Fed to raise interest rates if inflation increases for a sustained period of time. As always, it's impossible to predict exactly what will happen, but many believe it will be difficult for the Fed to maintain its current strategy.<sup>4</sup>

### **Stay the course**

Your portfolio was built to reflect your goals, time horizon, and risk tolerance. Periods of market uncertainty are expected from time to time, but that uncertainty should not drive a "knee-jerk" reaction with your investments.

As always, if you have any questions about recent market behavior or just want to chat about your portfolio we're here for you.

1. Financialadvisoriq.com, April 22, 2021

2. Financialadvisoriq.com, April 22, 2021

3. Cnbc.com, April 19, 2021

4. Cnbc.com, April 19, 2021

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Sincerely,

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