

“When we’re stressed, we shorten our time horizons. So precisely when we should be casting our eyes out on the horizon, we sort of look down.” Michael Mauboussin

We hope this update finds you and your family safe and well. As we continue to experience the ups and downs of the market turmoil, it’s normal to feel anxious about your 401(k). We are wired to dislike the pain of a loss much more than an equivalent gain. Additionally, it’s in our DNA to extrapolate negative events farther into the future than they will likely last. These biases breed poor decision making and are destructive to investor outcomes. We are here to help you avoid those poor decisions and outcomes. Many folks are wondering what we do to manage through this volatility and how our investment process manages risk over time.

What are we doing?

- 1) We are not panicking, and we will not try to time the markets. Poor investment decisions are made when one deviates from your process. We remain committed to our process!
- 2) We manage risk by diversifying our portfolios over a wide range of different investment approaches and asset classes. Diversification won’t prevent losses in the short term, but it will reduce risk over the longer term.
- 3) Warren Buffett reminds us to “be fearful when others are greedy and greedy when others are fearful”. As part of our regular rebalancing process we will be selling bonds and buying stocks as the market presents us with this opportunity.

What can you do?

- 1) Don’t panic and remember these assets are for the long term. Try to think in terms of five-year increments and don’t get caught up in the daily or weekly moves. Focus on what you can control.
- 2) Save more. Prices are cheaper today and cheaper prices help us buy more units.
- 3) Reach out to us or your trusted advisor for calm and prudent advice. We know the panic and resulting volatility it has caused is unsettling. We don’t know how long it will be until life returns to normal, but it will. We will get back to normal. We at LeTort are also invested right alongside of you and are confident that if we stay the course, this too will pass.

Stay safe, Stay well!

Dan Eichelberger, CFA CFP
dwe@letorttrust.com