



Don Akridge Presents
Tolerate the Turbulence

Don Akridge, MBA, CFP®, CPA/PFS
U.S. Marine Corps Veteran – Emory University Alumnus

Volatility will always be around on Wall Street, and as you invest for the long term, you must learn to tolerate it. Rocky moments, fortunately, are not the norm. Look beyond this moment and stay focused on your long-term objectives.

Since the end of World War II, there have been dozens of Wall Street shocks. Wall Street has seen 56 pullbacks (retreats of 5-9.99 percent) in the past 73 years; the S&P index dipped 6.9 percent in this last one. On average, the benchmark fully rebounded from these pullbacks within two months. The S&P has also seen 22 corrections (descents of 10-19.99 percent) and 12 bear markets (falls of 20 percent or more) in the post-WWII era.¹

Even with all those setbacks, the S&P has grown exponentially larger. During the month World War II ended (September 1945), its closing price hovered around 16. At this writing, it is above 2,750. Those two numbers communicate the value of staying invested for the long run.²

This current bull market has witnessed five corrections, and nearly a sixth (a 9.8 percent pullback in 2011, a year that also saw a 19.4 percent correction). It has risen roughly 335 percent since its beginning even with those stumbles. Investors who stayed in equities through those downturns watched the major indices soar to all-time highs.¹

As all this history shows, waiting out the shocks may be highly worthwhile. The alternative is trying to time the market. That can be a fool's errand. To succeed at market timing, investors have to be right twice, which is a tall order. Instead of selling in response to paper losses, perhaps they should respond to the fear of missing out on great gains during a recovery and hang on through the choppiness.

After all, volatility creates buying opportunities. Shares of quality companies are suddenly available at a discount. Investors effectively pay a lower average cost per share to obtain them.

Bad market days shock us because they are uncommon. If pullbacks or corrections occurred regularly, they would discourage many of us from investing in equities; we would look elsewhere to try and build wealth. A decade ago, in the middle of the terrible 2007-09 bear market, some investors convinced themselves that bad days were becoming the new normal. History proved them wrong.

As you ride out this current outbreak of volatility, keep two things in mind. One, your time horizon. You are investing for goals that may be five, ten, twenty, or thirty years in the future. One bad market week, month, or year is but a blip on that timeline and is unlikely to have a severe impact on your long-run asset accumulation strategy. Two, remember that there have been more good days on Wall Street than bad ones. The S&P 500 rose in 53.7 percent of its trading sessions during the years 1950-2017, and it advanced in 68 of the 92 years ending in 2017.^{3,4}

Sudden volatility should not lead you to exit the market. If you react anxiously and move out of equities in response to short-term downturns, you may impede your progress toward your long-term goals.

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA / SIPC. Advisory services through Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Cambridge is not affiliated with and does not endorse the opinions or services of Peter Montoya, Inc. or MarketingPro, Inc.

To unsubscribe from future preferred client communication emails from Citadel - CPA, Financial Planning, & Investments, please click on this link [UNSUBSCRIBE](#)

Don B. Okridge

MBA, CFP®, CPA/PFS

Registered Representatives of Cambridge Investment Research, Inc.

U.S. Marine Corps Veteran

Emory University & Florida Atlantic University

Comprehensive CPA & Wealth Management

Investment & Securities Licenses - 7 & 66

Insurance & Annuity Licenses - Variable, Life & Health

Ravine One • 245 Town Park Drive | Suite 440 | Kennesaw, GA 30144

Telephone: 770-952-6707 | Fax: 678-391-9355

CONFIDENTIALITY NOTICE: The information contained in this email and any attachments are confidential and may also be privileged and is intended for the use of the person(s) named above. If you are not the intended recipient, you are hereby notified that any dissemination or duplication of the email, or taking action in reliance upon this communication is strictly prohibited. Moreover, any such disclosure shall not compromise or waive the accountant-client, attorney-client, or any other privileges as to this communication or otherwise. If you have received this communication in error, please notify the sender immediately and delete the original message

PLEASE NOTE: We cannot accept trade orders through email. Important letters, email, or fax messages should be confirmed by calling 770-952-6707. This email service may not be monitored every day, or after normal business hours

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

1 - marketwatch.com/story/if-us-stocks-suffer-another-correction-start-worrying-2018-10-16 [10/16/18]

2 - multpl.com/s-p-500-historical-prices/table/by-month [10/18/18]

3 - crestmontresearch.com/docs/Stock-Yo-Yo.pdf [10/18/18]

4 - icmarc.org/prebuilt/apps/downloadDoc.asp [2/18]