

# QUARTERLY NEWSLETTER

PROVIDED BY  
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES



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## MARKET COMMENTARY

- BY MATTHEW ROGERS

### Sorry, Ben. There Are Three Guarantees In Life:

We have written about this before, but it is worth repeating. With all due respect to Ben Franklin, his comments made in 1789 need to be revised a bit. Franklin stated, "In this world nothing can be said to be certain, except **death and taxes.**" We always add one more guarantee to Ben's list and that is **market corrections.** It is never a matter of 'if' we will have another market correction, but 'when' will it happen, how long will it last and to what magnitude will it be felt? In the fourth quarter of 2018, the S&P 500 Index experienced a true correction as defined by its 20% decline from its high of 2,931. Overseas markets were weak all year and down even more than domestic markets. To make managing a portfolio even more challenging, bond prices also fell in 2018 due to multiple interest rate increases by the Federal Reserve.

### Remain Disciplined:

Anyone who has invested and worked with us long enough has been through this type of market activity previously. Investors experience selloffs like this more than most realize. The recent decline represents the stock index's **6th drop of at least 10% since 3/10/09** (Source: MFS Research). Thus a "**10% correction**" has occurred **once every 19 ½ months in less than a decade.** It is important to keep this in mind especially when dealing with market corrections. It is emotional to see the value of your investments go down. However, knowing that it WILL happen occasionally AND being disciplined enough to stick to your plan, can often lead to financial success and realizing your long-term goals.

### Treat Your Portfolio Like Your Home:

Investing in equities requires a long-term outlook. However, we all have two sides to our brains that control different functions: we have the intellectual side and the emotional side. While the intention may be to invest long-term (5-10 years or more), if the stock market goes down 10% after just a few months, the emotional side of our brain may send signals to panic and sell.

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History has shown that patience and discipline are often rewarded if we stay the course. We recommend treating your investment portfolio like your home.

Let's consider a couple who buys a home for \$350,000 to raise their family over the next 30 years. Once families move into their home, they don't often think about its value daily, weekly or even annually. Imagine if someone banged on your door every day and told you the appraised value of your home. What if there was a knock on your door 6 months after you moved into your \$350,000 home and that person said, "Hey, just to let you know, this home is appraised at \$315,000". While this might be annoying and even unsettling, would you sell your home and move your family? That would be a 10% 'correction' in the value of your home, but I would doubt anyone would sell their home on the spot and change plans that hastily. Long-term investors should try to treat their long-term investment portfolio like their home. Live with it throughout the short-term volatility and you have a good chance of being rewarded.

We need only look back at recent history:

The correction of 2000-2002 followed by the bull market of 2003-2007.

The debt crisis of 2008 followed by the bull market of 2009-2017

The selloff in 2018 (which was the 6<sup>th</sup> correction of at least 10% in the S&P500 Index as stated earlier) followed by the first quarter of 2019 that has seen a solid rebound.

*The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. Individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance.*

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## ON THE HOMEFRONT

**Matt** - Matt and Stacey are gearing up to host Sea Dogs players again. They recently visited some of their other 'family' members at the Red Sox spring training in Fort Myers. They also attended the wedding of Josh Reddick (formerly of the Red Sox and now a former World Series Champion with the Houston Astros). Matt is helping coach the baseball team of his alma mater, Bowdoin College, after having coached the Cheverus baseball team in its winter workouts. Stacey has been busy volunteering at the Westbrook animal shelter. Nate just finished basketball for Cheverus and is now starting baseball. He recently was selected and attended the first Cheverus Portland Immersion trip where a group of 8 students volunteered at Preble Street Resource Center and also helped kids at The Root Cellar (and spent 3 nights there). Liza is playing volleyball on her Maine Juniors travel team and is gearing up to play tennis for Cheverus High School. She has also been selected to attend a mission trip through Cheverus this summer to South Dakota.

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**Chris** - Chris and his lovely wife, Shannon, were married at their church on February 8, 2019. They had a wonderful time celebrating with close friends and family and are excited to start their life together. They look forward to going on their honeymoon to the Bahamas later in April. Chris and Shannon had a great winter snowmobiling in Northern Maine and are looking forward to spring and getting the boat out. They also recently attended the 2019 Susan Curtis Foundation Leadership Celebration on March 22<sup>nd</sup>. Over \$30,000 was raised that night to help SCF continue serving economically disadvantaged Maine kids.

**Adele** - Adele, Jim, Charlie and Samuel enjoyed a quiet winter. Charlie finished his indoor track season where he was the only 6th grader to run the mile event. He is now getting ready for outdoor track and training for upcoming triathlons. Samuel continued to sing in his school chorus group this winter. He is now beginning to learn how to play the piano. Adele, Jim, Charlie and Samuel are now preparing for warmer weather so they can spend time up at Popham Beach in Phippsburg, Maine.



Chris and Shannon's first walk down the aisle as a married couple.



Chris and Shannon with friends, Kim and Nick Begin, at the 2019 Susan Curtis Foundation Leadership Celebration in March.



Chris and Shannon enjoying a day of snowmobiling to the top of Coburn Mountain (elevation 3,700') in Somerset County Maine.



Nate, Matt, Liza and Stacey at a Boston Celtics game.



Nate and Matt with Josh Reddick at his wedding.



Matt, Chris and Adele having fun at a recent team photo shoot.

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## TRIVIA QUESTION

In the spirit of spring and St. Patrick's Day, do you know where Saint Patrick was born and why the shamrock is the symbol of Ireland?

### PREVIOUS QUARTER

**Q:** How many U.S. Presidents served in the U.S. Army during a time of war?

Only 1 of them earned the Medal of Honor. Do you know which one?

**A:** 24 U.S. Presidents served in the U.S. Army during a time of war, two earned the rank of 5-star General (Washington and Eisenhower) and one earned the Medal of Honor (T. Roosevelt).