Matt's Minutes: Smoother Ride Introduction "Closed Captions"

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Hi everyone this is Matt Curfman here from Richmond Brothers with a special edition we can call it for a Matt's Minutes titled Smoother Ride.

Why Smoother Ride? As we look back and continue to do our due diligence and research on just market overall economic conditions, this has been a really interesting and somewhat challenging year. If you look back, since 2018, so roughly the last 4/4.5 years, we are now in our third bear market in less than 5 years. And you may recall from my Matt's Minutes that a bear market is a 20% drop from a previous high. A correction is a 10% drop, a bear market's a 20% drop. Well in research we shared with you previously a bear market before 2018 on average would happen one time every five to seven years. So now all of a sudden it seems like every other year, 2018, 2020, 2022, we've now experienced a bear market. So these are pretty big market swings. This year has been even further challenged with rising interest rates and as the Federal Reserve tries to slow inflation that's making owning bonds challenging the beginning of this year as well. So with all that said, we just want to let you know we are continuing to monitor the world, the environment, and also look at some options, some possible solutions that may help create a smoother ride for some or part of your investments if and where it may be appropriate.

So this is just an introductory video to talk to you about those concepts. And one of the things we're really trying to look at is why the increased volatility why the increased velocity of how frequently we're having bear markets. And the true answer is no one knows. Is it because of a global pandemic? Is it because highest inflation in 30, 40, 50 years? Is it because of the Federal Reserve raising interest rates? Is it because of possible looming recession? Does it have to do with war? Geopolitical? There's a host of reasons it could be. No one really knows why.

But, if I were a retiree and I were sitting in your shoes or a near retiree, and I had a 10, 20, or 30-year window into my future to really try to make my money last. And I still believe in the market and I still believe in American business and innovation, I'm left with the question, "What do I do. How should I allocate? What do you guys think?" And so we want to present some options with that in mind. And the idea of a smoother ride is to maybe cut some of the extremes. Instead of massive rollercoasters that you could experience on your portfolio, try to look at the traditional liquid side of the portfolio. So for many of our clients that would be uh your Fidelity accounts that have liquid stocks, bonds, mutual funds, exchange-traded funds, things of that nature. So we may have a possible solution that we can look at and really go against maybe the traditional "buy and hold" that I've been taught and Dave and Dan and Steve have been taught our entire lives. Because buy and hold I think if given enough time will work. The question is: "How much is enough time and if I'm a retiree, we don't have 20, 30, 40, 50 years potentially to come out of consistent bear markets?" So if we have a bear market every other year in the next five years, are all five years older, and we have less time to kind of climb back out of that.

So just want to kind of give you the background of what we're looking at, what questions we're trying to address and then let you know we want to have some options to help you consider as we move into the future. So if you're more interested in these types of topics and want to become educated please continue to watch my Smoother Ride video series. Thank you so much for tuning in and we appreciate having the opportunity to help educate, inform and guide you no matter what's going on in the world around us. Thank you! I look forward to seeing you on my next video!

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