



RICHMOND BROTHERS

Volatility rises in markets - what to do?

[Matt's Minutes August 2024]

“Closed Captions”

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Hi everyone, it's Matt Curfman here with a July and early August edition of Matt's Minutes 2024. Thank you so much for tuning in. I'm recording this on Friday, August 2nd, 2024, in the afternoon, and off to my shoulder, you can kind of play the, “Where's Waldo”, except it's, “Where's Oliver”. Oliver doesn't care much for the markets or market volatility, so he is just resting in the corner by his little couch.

I just wanted to touch base on a few things. There's been a lot of change and updates over the last month. One, politics, we've had President Biden drop out of the presidential race. Vice President Harris is now the running candidate for the democratic party, so there's political uncertainty with respect to that, especially since the elections are coming up this November. There's been more and more talk from the Federal Reserve at some point in 2024 that they might start to lower rates from where they've been at since 2022 is when they started to raise rates. And what that would mean is they would start to lower rates because Inflation is cooling off, which is a good sign, but lowering rates, historically also, can bring a little bit of volatility and uncertainty.

However, economically, there's just been higher volatility, more than 1% swings on a daily basis in some of the broad markets, such as the S&P 500, the NASDAQ, the Dow Jones. And so, with all of that, what does it mean, and should we do anything? So, one, what does it mean? It means on the Fidelity side of your portfolio, just seeing a little more volatility. There are many, many of you who have reached out and we're continuing to work with you on our Smoother Ride strategies and the Smoother Ride, remember, adds safety nets to those liquid funds in your Fidelity accounts and safety nets are there to basically prevent you from riding down an extreme downside or an excessive roller coaster and the goal is to try to get off the ride if it gets too choppy.

It doesn't mean there's no downside, but it certainly adds some safety measures to avoid kind of that extreme ride that we have been on, honestly, for the last handful of years. So, with that in mind, if you have questions about smoother ride and do I have it or do I not have it, if I don't have it, what do I have to do to get it? It's literally just a strategy we overlay on your Fidelity accounts. We go through and find the appropriate risk matrix as far as underlying investments through all mutual funds or exchange traded fund, so it's totally liquid with safety nets underneath. And so that's the whole theory of what does the Smoother Ride mean to me as an investor or as a client to Richmond Brothers? So, we'll continue to work with each of you individually. If you already have it and you know what I'm talking about, you've got safety nets, so you shouldn't fear volatility. It seems temporary.

And then last but not least, I want to throw out the word, 'correction'. A correction typically is going to be a 10% drop from the market highs, and it is very normal for a correction to happen inside of a bull market, which is a strong growing market over time. So, there's just a little bit of uncertainty with economics, with interest rates, with what happens with the elections this year, but we're not terribly concerned at the moment. We want you to be aware of what's going on out there. If you were to look at headlines, does it impact you? Do we have strategies that can help you sustain through it? Absolutely. We are here to help support, guide and advise you no matter what is going on in the world and no matter what economic conditions continue to get thrown in our and in your direction.

So with that, if you have any questions about your accounts with us or accounts you have away from us and you want a second opinion, feel free to reach out to questions@richmondbrothers.com. We'd be honored to answer your questions and discuss that and set a call, a video, or a meeting, if necessary, to help get your questions addressed.

Separately, we are here to support you, so do not ever feel like it is a problem to reach out directly. questions@richmondbrothers.com, again, is the main address which will get filtered to the appropriate person. We are here to help guide you through this and if we see any action steps, we are reaching out to you individually to take those action steps. So, we are here, and we hope you're having a good summer so far. It's been a little warmer, here, at least in the Midwest and Michigan. So, try to get out and enjoy it while you can. And we are honored to have the opportunity to work for you and work with you to help you over time accomplish your financial objectives. Thank you so much for tuning in and on behalf of myself, all of your team at Richmond Brothers and Oliver over here in the background, wishing you all the best. And, hopefully this last month of summer is a good one for you and your family and your friends.

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