

## **Fear and Greed--Yet another investment Cycle**

I write this to you immediately following the two-day sharp decline of the stock market of Friday and Monday. As of Monday night, the Dow Jones is down 8.5% for the year, purportedly due to the good news of rising wage rates. It follows the historic pattern of long, gradual stock market increases, followed by impossible-to-time, steep market declines. Once again, shortly after greed takes over for many investors, fear is just around the corner.

As happened in our last really big market drop in 2007-2009, virtually everything goes down to a greater or lesser degree. The only havens of safety then (and likely now) were cash and government bonds. At this time, most economic indicators show continued economic strength. However, if you believe that Friday and Monday's declines are the beginning of a lengthy, persistent decline, you should sell your more volatile investments (likely small-caps, mid-caps and international investments) and move into cash. If this is your desire, simply call or email Charlie at the office or me at the numbers below and we will sell some or even all of your positions.

A good reminder at this point is to remember Warren Buffett's maxim, to Buy when others are Selling. By holding on to your investments you are doing precisely this. Your investments were carefully chosen and have shown good management and strong past performance (albeit in a generally rising market). I believe that they are likely to survive market declines somewhat better than overall indexes.

Recommendation? I agree with Alan Strainka, Chief Investment Officer at Cornerstone Wealth Management in Des Peres, Missouri- "My best advice for investors with long term goals like saving for retirement is to turn off the TV and go walk the dog". Let me know how the walk goes!

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