StraightTalk
STRAIGHTLINE
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## Fear and Greed - Fear and Greed - Fear and Greed

Let me state with all the passion I can – for nearly everyone - **THIS IS THE ABSOLUTE WRONG TIME TO MOVE TO A MORE CONSERVATIVE PORTFOLIO!!!** If this recession or downdraft as they are calling it has snuck up on anyone, then you haven't been reading the paper or listening to the news for the last few years.

That being said, please don't take my aggressiveness for anger or any attempt at being condescending; it's just that the same information that is now causing the market to decrease was the exact same information that made it surge towards 14,000. The issue isn't whether the market will start to go back up – it will – it's whether the information that allowed us to set the asset allocation (stocks vs. bonds) for your portfolio is still appropriate.

The most important issue in assessing your risk tolerance is, are you still comfortable with the current level of volatility? When we first started managing your account we asked that same question in many ways to make sure that we gauge that part accurately. Unfortunately, it's a lot like asking how anyone will respond under any stressful situation. Even with that question being answered in more calm times we still set our allocations to a more conservative stance.

Even with all the fiduciary precautions we apply there is still one truth – if the market goes down so will your account. The key to long term performance, however, is to set an allocation that has the ability to perform with (or better than) the markets in good times and not lose as much in bad.

## You Should Have Known!

As long as I have been managing money I still marvel at the misconceptions people have about the perceived clairvoyance of money managers. There are people that claim to know what markets are going to do and every now and again they guess correctly. The truth is managing money is only about having a proven process and consistently applying it.

StraightLine uses incredible institutional research to choose the most appropriate managers across all sectors. We then accurately assess your risk tolerance to build portfolios that have the best chance at above average performance with the least amount of risk. What we don't do is time the markets. If we did, we most likely would have sat on the sidelines for the last three years.

## Are you doing anything?

Yes. We are currently reviewing the sectors that will most likely gain the most from the last several month's worth of bad news - technology, health care, financials, and select bond maturities. The market will get stronger, the housing situation will improve and warm weather will return to the Midwest. Stay safe until then.