

Building & Preserving Wealth by Design - Not by Chance

QUALITY FINANCIAL CONCEPTS

Doug's Insights

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Category: Investment Markets

2015 Market Correction *“Statement Shock”*

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Dear Friends and Clients:

Please beware of statement shock! You will be receiving quarterly statements any day if you have not already. As you already know, the investment markets began a correction late July. The markets did not drop significantly until late August and then through the end of the quarter moved up and down in a tight range. As a result, the values you are seeing on your reports reflect most of the impact of this correction.

The good news is the markets appear to be starting their recovery. So far in October, the DOW is up over 626 points. While I wish the markets would smooth out their returns and show only a long slope to the upside, we know *investing* is made up of many up days with a bunch of down days mixed in; sometimes all in a row. *Saving* is the process of setting money aside without taking risks and always seeing an increase in value; even though today, that increase seems to be only pennies. With little risk comes little reward.

While you may not be satisfied with the values on the enclosed reports, we have and are taking steps to participate in the recovery of the markets by repositioning select holdings, which is the same step as what each mutual fund manager is doing. Please let us know if you have any questions or concerns.

Corrections are always a decline from recent highs by at least ten percent (10%) and they generally occur every year to sixteen months. Their duration is generally short, often starting and recovering within a few months. Thus, rarely do statements reflect the full impact of a correction. Unfortunately, the September statements will. Please remember, all this really means equities are on sale and it may be the time to be buying and there has never been a correction that has not been followed by **new highs**.