

# Market MUSINGS

**EDWARDS**  
ASSET MANAGEMENT

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As of this writing, the Dow Jones Industrial Average has fallen 37% since Valentine's Day (where is the love?). Considering the decline, I hear media pundits bemoaning the market pain, but they tend to miss putting it in the appropriate context. I can remember the last major decline as the S&P and Dow indices fell more than 50%, bottoming on March 9, 2009. At that time the S&P 500 plunged to 666<sup>1</sup> (the irony is not lost on us); this week, after a 37% decline from last month's high, the same index stands at 2,237. So from one crash to the next, a spread of 11 years, investors have seen the indices up significantly.

What markets cannot tolerate are periods of significant and disruptive uncertainty. Uncertainty creates a dark abyss where panic resides, and assets can fall, priced to our worst fears...temporarily. The darkest uncertainties have a short shelf-life, and eventually, we cope and find innovative new paths to travel. The danger is that we answer panic's siren song of fear by diving out of the boat during the turbulence, selling our portfolio at low prices, and allowing those historically temporary price declines to become permanent damage to our financial retirement plan.

It is our mission to shepherd you through the tumult, to counsel so you don't listen to panic's song but rather stay in the boat, and to remind you of America's long-term investment history of 244 years. You've probably heard me use the words of investor Sir John Templeton: "The four most dangerous words in investing are: 'This time it's different.'"<sup>2</sup> The secret of America's exceptionalism is our system—one that has shown American capitalism's regenerative capacity after each and every crisis, through civil war and world wars, presidential resignation and presidential assassinations, nuclear calamity, political swings, and yes, even pandemics. I firmly believe our regenerative system will lift us from our current crisis and stock markets will, with time, reach record new highs as they have done again and again over 200 years.\*



We hope you and yours are safe in the sanctuary of your home. As ever, we invite your inquiries addressing your investment concerns. In the meantime, I think the most heartfelt and helpful investment council I can share would be that you stay in touch with the people you love, occasionally turn off the TV and step away from the markets, read a book or take a long walk, and remain confident that as lifetime investors, our patience and discipline remain our formidable sword and shield.

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<sup>1</sup> Professor Jeremy J. Siegel, Wharton School of Business, *Stocks for the Long Run*, 5th edition; Nobel laureate Robert J. Schiller; Standard & Poor's.

<sup>2</sup> As quoted in *The Four Pillars of Investing: Lessons for Building a Winning Portfolio* (2002) by William Bernstein.

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