ACCOMPANY

WEALTH PARTNERS

Welcome to our June Note!

Can you believe it is already halfway through June???

Another month gone, no less craziness in the world it seems, at least to me. It would take me an exceptionally long time to list all the things going on here and abroad that are of mind right now, so I spare you all the trouble. Most of you already know what is on the list, since we continue to be bombarded by the news day and night. For my part, I try to avoid watching the news after I leave the office, as I find the intensity of it during the day too much after a while. Perhaps because I am getting older, or less patient, or both, but I would rather go for a walk, make dinner, and watch something mindless on TV than subject myself to more news shows.

But you know what, a funny but not surprising thing has happened in the stock market over the last several weeks, something likely none of us saw coming….yes, we have had a very strong rally back up in all of the major indices. Who felt like that was going to happen, and so suddenly? Certainly not me! To share some perspective, here are the returns of the S&P 500 Sectors for the month of May:

S&P 500 Sectors	May 2025	Year to Date
Consumer Discretionary	9.44%	-5.96%
Consumer Staples	1.81%	8.45%
Energy	0.99%	-3.88%
Financials	4.43%	5.86%
Health Care	-5.53%	-3.10%
Industrials	8.83%	8.835
Information Technology	10.89%	-1.57%
Materials	3.03%	3..63%
Communication Services	9.63%	3.59%
Utilities	3.83%	9.07%
Real Estate	0.99%	3.35%

Source: https://rjnet.rjf.com/ResearchandPlanning/InvestmentStrategy/Weekly-Market-Flash

The next obvious question is why. Market observers will look at any number of reasons, intended to make them look as smart as possible. Was it a stronger then expected earnings season, some clarity on the tariffs, a decline in interest rates, decent but not too strong jobs numbers, slowing inflation, or GDP growth that was a bit better than anticipated? The honest answer is no one really knows, and I am certainly not going to make a guess myself. I have been through far too many of these sudden upwards moves to think I have the answer. I do know that it really doesn't matter, we certainly cannot do anything about it now. We need to instead focus on the future, and where we go from here.

There is something I have been reading a lot about that I want to share today though, something that I am actually incredibly pleased about in fact. During this downturn, it seems that we as individual investors stayed put, did not panic (sell), and therefore have so far fully participated in the bounce back us. The investors who panicked and sold at exactly the wrong time in this market cycle may have been the hedge fund and other institutional investors. Traditionally viewed as superior to other market participants, these entities encounter more pressure to outperform the market indices or averages in the short term as a manner of survival. Investors in these types of funds tend to be very impatient, with tendencies to move their money to the next best manager if their current one does not consistently outperform. There is no patiently waiting it out. I can only imagine how stressful this must be for the managers themselves, driving many to sell out of the markets at the beginning of the downturn to protect their returns. Much of the downturn was limited to just a few days in April, so the pressure to decide when to sell during that time was intense. Get it wrong, and watch your business go away. Get it right and you live to fight another day. No thanks, I am happy right where I am! But I believe that we need to understand that these funds and their holdings represent much of the daily trading volume these days, and my feeling is that we are likely to see bigger swings both down and up, condensed into a very short period of time. Better to ignore a noticeably short term move in either direction and instead focus on the fundamentals, which means finding investments and managing portfolios with even more of a long-term perspective, which I intend to do.

Last thought about the markets for this month. I am going to suspend my market indicator chart for many of the same reasons. So much is changing in the world from day-to-day that doing a monthly chart is not much help since it is based on conditions that have already changed.

Sharing some other information that I found interesting, I recently read an article by Tim Jenson in Reader's Digest titled "I've been a Retirement Planner for 17 Years- Here are the 18 Biggest Mistakes Most People Make." Thought I would share them here for you:

1. Waiting until 65 to retire
2. Thinking you are too young to worry about retirement
3. Not taking advantage of your job's retirement benefits
4. Contributing less to your 401(k) than your company matches
5. Not having a retirement account because your company doesn't offer it
6. Having too much money in your 401(k)
7. Not understanding how retirement taxes work
8. Forgetting to factor in health-care expenses
9. Not planning for long term care
10. Withdrawing money early
11. Picking a plan that doesn't match your personal risk tolerance

12. Relying too much on Social Security Benefits
13. Checking your retirement accounts daily
14. Not doing the inflation math
15. Thinking that $1 million in retirement makes you a millionaire
16. Underspending during retirement
17. Setting a monthly savings dollar figure and never adjusting it
18. Trying to do it all alone

I really like this list and am thrilled that our team is built to help our clients avoid these mistakes. I particularly like number 18, because retiring in today's world, or building towards it, is way too complex, in my opinion. So, while we hope you find this list interesting, if you are concerned about any of these please reach out to discuss them with us!!

Ok, that is it for June! Thanks for reading and on to July!!!

With Kind Regards as Always!

Chris and Kate