

ACCOMPANY

WEALTH PARTNERS

March 2025

Hi everyone!

Hope you are enjoying the first signs of Spring as we are here in Maryland!! With weather looking to be in the 60s and 70s for the next couple of weeks, time to dust off the golf clubs for me. In years past I really looked forward to the beginning of golf season, as the game (which is definitely not a sport!) had become quite a passion for me. For some reason it just doesn't feel the same anymore; maybe it is just a sign of my advancing age that I am more focused on things in my life that are more important to me right now. I used to analyze my game and practice hard when I was not playing. Now I can't stand to practice and just want to have a good time, a laugh, and maybe a beer or two with my buddies. They say that one of the keys to a happy life is the quality of one's relationships, so I am thinking that I just really enjoy time with them and golf is the easy excuse to get together. As far as quality relationships I do consider myself extremely lucky as I have multiple groups of close friends. However many you have, I hope the warm weather marks a return to sharing times outside, whether it be golfing, crabbing, going to baseball games, gardening, hiking, or whatever.

We have all been told that Spring is also a time of renewal, hope for the future, and re-growth. So far in March there is not much of this sentiment going around in the financial markets that is for sure. With the political turmoil in the world and the uncertainty of economic policies coming out of Washington, there is a lot to worry about these days. It feels like more than usual to me.

In last month's note, I mentioned a few things that come to mind while writing this note. First, I noted that based on history, it was unlikely the stock market would have a third strong year in a row. Second, I mentioned that almost no one was currently predicting a recession. And third, I mentioned that the concentration in the a few big technology stocks in most of the major stock indices might not be a bad thing given the fact that this has happened with other industries in the past.

For those of you paying attention to the markets these days I will simply say boy what a difference a few weeks makes!! We have moved rather quickly into that period of turmoil I mentioned, at least when you look at the economic and market headlines recently. Today though, I wanted to dive a bit deeper into the numbers and share a few points that come to mind.

- So far, much of the current downturn has been focused on the recently high-flying technology and other aggressive parts of the market. These stocks have been trading at high valuations that were likely to be unsustainable, so this should come as no surprise.

- Many sectors of the market are holding up nicely and as of this writing are still reporting positive returns for the year. These include Utilities, Real Estate, Materials, Health Care, Consumer Staples, and Energy. While often tempted, I have not chased the hot stocks higher. I have kept my clients' portfolios diversified to expressly avoid concentration in these sectors.
- For those of you getting close to retirement or already there, I have been taking profits for a couple of years now in order to not to give them back when the next downturn came. And I have developed two new investment strategies to allow participation in the stock market with limited downside, using alternative investments and 100% buffered exchange traded funds, both of which I have discussed in the past.
- I have re-balanced every investment strategy and portfolio since the start of 2025 to help make sure my clients' holdings are best positioned to weather a downturn of any type. While I am pleased to have done so, this does not mean I can offer any guarantees that temporary losses will not occur.

All this said, it remains to be seen whether this choppiness of the past few weeks continue and move the stock market lower, or whether this is just a blip in what has been a very strong bull market. You know by now I cannot and will not make any such predictions, but I want you to know that I have done my best to prepare for the worst, as always!

Ok, that is it for today and this month, wishing you all a great end to March and a wonderful start to Spring! And who knows, maybe the less I care about my golf game the better I play!!

Thanks, and with kind regards,

Chris and Kate

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