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Rock and Roll is Here to Stay & Why You Should be Glad!

No, I'm not talking about music. I'm talking about the ups and downs in markets across the world. Those ups and downs can really make us feel insecure. We can feel that drop in our stomach that happens just after we hit the top of the roller coaster and while it may be fun to those of us who like roller coasters, for those of us who don't, it can make us nauseous.

Historically, there have been 16 major crises in the financial markets since 1973 (Says Larry Swedroe in his blog, *Wise Investing* 2.24.11). Each of these crises had a major effect on the market for a period of time. Typically in roller coaster fashion, the downs were dramatic and just after a major high. (Remember the tech bubble?)

Now, if only markets were structured like a roller coaster! We would KNOW that there is a high probability of arriving safe and sound back at the start. But markets are full of surprises. That is what makes a roller coaster truly fun and provides markets with the possibility of returns greater than a Treasury bond. The unpredictability of markets is what is providing a return for those who can stomach the uncertainty.

So at this point, you are possibly thinking of calling your KEB Asset Management advisor and asking him or her to take you off the ride. If you have more than enough in your portfolio, perhaps that's exactly what you should do. However, you may also want to be reminded of the results of patient, persistent and diversified investing.

The S&P 500 did about 0% per year during the decade of 2000. If you stayed diversified and rebalanced at least partially, you did far better. Now THAT is something to think about. If you are reading this and are not a client, perhaps you should get in touch with one of our advisors and find out just how much better it can be.

Now let's face it, there is no "normal" there is no "new normal", or even "back-in-the-day normal". There is risk and uncertainty that provide opportunity for the astute investor who can accept the surprises. Therefore, go have a cup of coffee and enjoy life, because you know your portfolio is designed to take only the risk needed to accomplish your most cherished objectives.