Great investors don't panic!

Chicago is a great sports city! Payton, Jordan, Ditka, Hull were all amazing athletes who dominated their sport for decades. We were blessed to see them play their game at the highest level, and they all brought joy into our lives.

The thing that separates <u>great</u> athletes from <u>average</u> athletes is how they respond in the critical moments of a game. Great athletes don't panic. They remain patient. They stay calm under pressure, and that is how they become winners—by focusing on the outcome.

So what does any of this have to do with investing? Athletes play games, but investing involves our money!

Well, when you think about it, investing is really like any game that is played by great athletes. During the course of a game your team can be winning or losing at any given point in time. There are ups and there are downs. Athletes may do everything right, by the book, and still lose the game. A great athlete also may make a terrible mistake and yet still win the game because lady luck was on his or her side.

Investing is similar because there are days when you are ahead and there are days when you are down. You may pick a great stock or mutual fund and then the market suddenly heads south. You may have made a bad investment but managed to get out before it headed down the drain.

Like a great athlete, a great investor doesn't panic when everyone thinks the sky is falling. Great investors understand that there isn't a time limit in the investing game. A great investor remains calm knowing that a loss is only <u>guaranteed</u> if something is sold at a loss!

Great investors buy based on investment principals, values, and research. They know why they are purchasing a stock, bond, mutual fund or ETF, and they know when they are getting out.

For the last couple of years (and definitely within the last several weeks), the stock market has been extremely volatile. The government, Federal Open Market Committee (FOMC), Europe, and the earnings season have had a dramatic impact on the Dow Jones, S&P and NASDAQ. The stock market has been like a roller coaster! Fear of losing money is widespread.

There <u>have</u> been companies that have made money but yet didn't meet expectations and this affected their stock negatively. There have also been companies that haven't made a profit but yet their stock price went up because of their IPO, with tremendous hype pushing the price upwards.

The FOMC has decided to keep interest rates low for the next couple of years. The interest earned on savings accounts, money markets, CDs, and fixed annuities will be lower than normal or desired. However, this may be a great time to consider investing in the market!

As Warren Buffett, a <u>great</u> American investor, says, "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." "Look at market fluctuations as your friend rather than your enemy; profit from the folly rather than participate in it."

Investing does involve taking a risk and you could lose your money. Past performance of the stock market is no guarantee of future results. The question has become "Is taking a risk by investing in the market the right strategy for me?" So, is this a good time to consider investing in the stock market?

Without a doubt, the media and our government have created lots of fear in the market. However, there are many good companies out there trading under book value. If you are unsure of what to do, consult with a financial professional.

Not everyone can be a great athlete. However, everyone has the opportunity to become a very good investor, and some of you will even be great! Like an athlete, it takes preparation, discipline, and knowledge of the game.

The market is going to do what the market is going to do. So in these crazy economic times, don't panic. Stay calm.

In closing, keep in mind these wise words from Warren Buffett: "There are no called strikes in the ball game of investing."