



Market Thoughts from Mary Sterk

Over the last couple of months, markets have been very volatile given the uncertainty surrounding tariffs and trade policy. I just wanted to reach out to let you know that we can understand your concern and anxiety about how this might impact your portfolios.

Historical data shows that trying to time the market is very difficult, and staying invested is the best solution for achieving long-term financial goals. Missing out on just some of the best days in the market can significantly impact returns. As an example, in the month following the announcement of reciprocal tariffs, we saw the stock market drop significantly, only to rebound with the 8th best day going back to 1923¹. Had you not stayed invested you could have lost value with the drop, and then missed the bounce back.

Additionally, 30 days after the reciprocal tariffs were announced (April 2nd), the S&P 500 had recovered all of its losses². While difficult at times, history shows that staying invested in a well-diversified portfolio remains the best strategy for navigating volatility and achieving long-term gains.

We are also getting questions about the first quarter having negative GDP, and what that is indicating for the markets. GDP is basically measured by how much we import vs export. In Q1 while tariffs were being discussed, many companies stocked up on inventories and purchases in advance of tariffs going into place. Just like you, big companies like to buy things before the price goes up! This extra buying created an environment where our imports were significantly more than our exports, thus the negative GDP³.

Things are likely to stay volatile for some time as the world waits to see what trade deals are struck, and what tariffs stay in place. In the meantime, keeping your investment risk aligned with the timeframe in which you plan to use the money continues to be a sound investment philosophy.

As always feel free to reach out with any questions or concerns to one of our advisors!

*1-3 Osaic Market View Weekly 5-5-25