

EMBRACE THE FEAR!

By Mark Pearson on June 4, 2015 from *InvestingWithClarity.com Blog*

“Bull-markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria.”

– Sir John Templeton



I know... I know... fear sells. It really is unfortunate. I mean, can't we find more pleasant things to think about when it comes to getting investors engaged in investing ideas?

Nope... Fear Sells.

It continues to amaze me. Even now, 6 years after the stock market began to improve, investors are still fearful and concerned for the next big crash while the U.S. markets and many well-run companies' values continue to move to all time highs!

Frankly, who cares if there is a correction or crash? I mean, isn't it true that EVERY time we have had a correction, crash or financial crisis, the stock market, and more importantly, great BUSINESSES, have continued to grow?

It is really unfortunate that so many investors are being continually bombarded with negativity and scare tactics about investing in the “stock market” and focusing on all of the negativity around the world! **Truth is, the same bad things have been happening around the world for forever. Nothing has changed!**

As one that follows the business news on a daily basis, I continue to be absolutely baffled and just plain amused by some of the things I see and hear regarding the next big correction or crash, as well as the things that are said to generate a “fear factor” in investors.

When will it happen? Why will it happen? How much will the market go down?

Who really knows and who cares!

After all, if you have appropriately diversified your portfolio and have the appropriate allocation of stocks, bonds and cash, even if you're retired, you should be in a strong position to ride out a short-term pullback in the economy or “stock market” – and yes, 3 years is short-term!

I think many investors spend more time focusing on volatility, or the next correction or crash that may come rather than trying to understand what businesses they own in their portfolio and why they own them in the first place.

Why? Because besides the fact they do not have any **CLARITY** in their portfolio, they are subjected to an “asset allocation” strategy that is opaque at best, and does not provide the Flexibility and Transparency that allows an investor to “**stick to the knitting**” when it comes to successful investing in businesses over time.

Do business owners run their businesses without knowing what they own or why they own them? Of course not!

Now, I realize many investors don't have the time, or don't want to know all of the details around their portfolio. They just expect the portfolio to do well because that's what they pay their Financial Advisor to do.

Although I can appreciate an investor's position on not wanting to have the details, it is then incumbent upon them to fully understand the Investment Philosophy and Strategy of their portfolio.

Bottom line: Invest like a business owner? Why? Because if you own equities, you are a part owner of a business! Embrace fear as the opportunity to take advantage of volatility by having great Flexibility and Transparency in your portfolio. It will allow you to take advantage of opportunities just like a business owner would.

Appropriately allocate stocks, bonds and cash based on your financial needs.

How do I know that we are not even close to the end of this secular bull market? The answer to this question is because we are not even close to euphoria in the markets. Therefore, “**EMBRACE The Fear**” and hope it continues for a long, long time!

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