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We missed you at our recent Market Outlook Event at The Club in Birmingham. Our guest speaker was Reed Nitto, Vice President from First Trust. The following is a short list of key points that we found valuable and wanted to share with you.

- ❖ The S&P 500, in recent years, has been concentrated in just a few of the largest companies.
 - **Key Lesson:** The S&P 500 is not as diversified as one might think. The last similar peak was in 1998. The good news is that it appears to be broadening out (think ‘less concentration.’)
- ❖ If an investor missed the best 5 days in the market, they would have missed out on significant returns. Missing the top 10 days is even worse.
 - **Key Lesson:** Staying invested has paid off over time. Timing the market is challenging.
- ❖ Since 1942 the average Bull Market has lasted 4.4 years and the average Bear Market lasted 11.1 months. Furthermore, since 1926, the stock market has had 74 positive years and 24 negative years.
 - **Key Lesson:** Markets have been up & down throughout history but good times have historically lasted longer than bad.
- ❖ Investing in stocks can be volatile.
 - **Key Lesson:** Keeping a long-term perspective when investing in stocks is paramount. History shows that odds of achieving a positive return are dramatically increased, the longer the time frame.
- ❖ Tariffs have hit the highest level since 1969. Also, government revenue from tariffs accounted for 3.7% of all revenue, the highest since 1942.
 - **Key Lesson:** Tariffs have neither brought about rampant inflation nor restricted equity markets from moving higher.
- ❖ 2026 is a midterm election year and anxiety usually is a by-product.
 - **Key Lesson:** Contrary to what many Democrats and Republicans might believe, full control by one party has not yielded the best returns. An analysis of the makeup of the presidency and Congress since World War II reveals that the stock market has performed positively on average, regardless of the political mix.

Final thoughts: No one can guarantee the future returns of variable investments or predict geopolitical challenges. However, you can plan for the certainty of uncertainty. This can be done by developing a goal-based financial plan. A plan should have reasonable return assumptions, real portfolio diversification, and insurance/protection plans for the unknown. In addition, you should maintain a long-term perspective and be emotionally prepared for when volatility comes.

If you need or would like a different perspective on your finances, then reach out to us. We may be able to partner with you to develop or update your financial game plan.

Ways You can connect with us:



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