TWIN GRYPHON
ADVISORS

Tuesday. April 9. 2024

Dear TPA Plan Participants,

The Move Forward

After a 20% plus year return on the S&P last year the market has continued strong into 2024. One difference; what was primarily a strong push by the largest tech companies in 2023 has begun to broaden not just into smaller tech companies but into other sectors as well.

One reason might be the advent of Artificial Intelligence and its potential impact on ALL sectors, not just technology.

This is not to say that we are out of the woods. There continues to be a lot of worry about interest rates, inflation etc. That said, taking the long view – especially with your 401k plan – is the best way to take advantage of the market's benefits.

Time Horizon

When we speak about time horizon, we are referring to how long do you plan to have your 401k/retirement plan invested? Many tend to think in terms of their retirement age i.e., 65 etc. but I would disagree. Most people don't retire one day and spend all their money the next day. People need to count on their money for maybe 20 or 30 years beyond that moment. To that point, your time horizon – even for a 65- year-old – is likely 20 plus years. Thinking in these terms any near-term market difficulties should not derail your long-term planning. Stay calm when the market frets because you often have more time than you think.

Risk Tolerance

When the market gets volatile it's also a good idea to review your risk tolerance. Just as the phrase implies, ask yourself "how much risk can I live with?". Stocks are going to be volatile especially in the short term. Thankfully this volatility has historically led to positive returns in the long run but if you are losing sleep then maybe you can trim some exposure. Of course, if you trim exposure, you have to balance this with the notion that your expected return might be lower. You can adjust for this sometimes by simply increasing your 401k savings rate.

Dollar Cost Averaging

One strong positive of 401k plans for those saving each month is that they participate in dollar cost averaging. Simply put, this means that – by putting the same amount away each month – your

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contribution buys more shares when the market drops (a nice affirmation of “buy low”). So, when the market gets difficult it is usually not the time to suspend contributions out of fear but add money to take advantage of the lower prices. In essence, buy more shares. Longer term this will add up and benefit your retirement.

These are just a few thoughts to consider as you deal with the market trauma. As always know, we are here to discuss concerns you might have regarding your individual account.

Just connect with Melinda in our office (melinda@TwinGryphonAdvisors.com) and we can schedule a zoom or phone call. Looking forward to your questions.

Cheers,

Timothy Withers
Plan Advisor