**Weathering the Volatility Storm**

When volatility increases as it has recently, few investors are able to ignore it. Most investors get concerned and some become obsessed by it. Since we are emotional beings, such response is natural and expected. But that does not mean it is good for us; decision-making while emotional often leads to regret. **So, how do we live with the volatility of the market while remaining level-headed?**

I only know of two antidotes to market volatility: stop looking and maintain the proper perspective.

**Virtue of Not Looking**

We cannot control the volatility of the market, but we can control how much volatility we experience – it is a function of how often we look. The stock market, by nature, is volatile. **The more often we look, the more often we experience its volatility**.

As of Oct 27th, the stock market is about flat for the year. If you had hibernated January 1st, you would have thought we didn’t do anything. You missed the melt up in January, correction in February, concerns about a trade war this summer and the volatility in October.

Not looking is not easy, that’s why I call it a virtue. But it’s a desirable trait. If you don’t see the volatility, you don’t feel it.

**Maintain Proper Perspective**

Assuming we are unable or simply choose to look at the market’s constant movements, we can lessen its effects on us by maintaining the proper perspective.

I am not immune to emotions nor concerns about uncertainty. But I have learned, through experience, that keeping the right perspective can have significant financial benefits. The following three perspectives help me:

1. The media’s job is to get us to tune in, not to make good decisions. Headlines and news stories are simply the means to the end.
2. Short term performance is not an indicator of the wisdom or success of a strategy. Short term performance is simply the result of variability in asset prices.

1. Investors don’t fall short of financial goals by following a disciplined investment strategy. Deviating from the strategy may increase likelihood of not reaching goals.