

First Quarter 2025 Commentary

This first quarter of 2025 has been noteworthy, and the past few weeks have been especially volatile. I started writing this summary, readjusted the original, and then rewrote it yet again. My apologies for this delay. Due to uncertain worldwide trade policy, this letter will focus on reiterating concepts I stand behind during trying times. Hopefully, this will provide assurance as we navigate and address what comes next together.

During times like the one we are currently experiencing, markets tend to act irrationally. Overreactions are the norm. Headlines and emotions dictate large swings, not facts and fundamentals. Looking at many recognizable names from the S&P 500, recent unwarranted daily swings have ranged from mid-single to double-digit percentage points. These businesses did not fluctuate in value from day to day because their earnings collapsed or skyrocketed accordingly. Their sales, income, and expenses didn't drastically increase and decrease daily. These surges and drastic tumbles directly resulted from the market trying to anticipate what could happen next. Nobody can predict the future, not even the best investment bankers or most experienced market economists. This is why we've planned and designed portfolios to suit your long-term goals and worked hard to narrow down an acceptable risk tolerance years in advance.

So far in 2025, we've experienced volatility and negativity that rivals the then "impossible" markets of 2000, 2008, 2020, and 2022; and we made it through every one of those difficult times. There are plenty of other examples of difficult times, but the best policy remains the same: stay the course of your pre-planned strategy. On April 9th, 2025, the S&P 500 shot up almost 9.5%, and the Nasdaq Composite gained over 12% by market close. Both reinforce why going to cash is not the best response in trying times. Missing these types of advances, even just once during an entire year, would have lasting negative effects on your portfolio.

You may have noticed a couple of transactions outside of my normal quarterly rebalancing. These transactions were not an attempt to time the market. As I mentioned above, timing markets does not work, especially those that are actively trying to guess what tariffs or trade policies global administrations will announce next. Cash was increased and then used to further diversify portfolios. Diversification is a powerful tool during indeterminate markets.

Now, more than ever, having active conversations and voicing potential concerns regarding your portfolio is essential. For some, a market like the one we are currently experiencing may provide opportunities in the way of tax planning or future growth due to lower current entry points. I am considering and monitoring markets daily. For others, proceeding with our carefully designed plan is the best action. Either way, I will contact you soon to assist in any way I can.

Thank you and take care,



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These are the opinions of Travis Brock and not necessarily those of Cambridge, are for informational purposes only, and should not be construed or acted upon as individualized investment advice.

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