skv group

faith . discipline . patience

The S&P 500 was at 93 in January 1 1966, the year of my birth. It is around 2370 today. (and that doesn't include dividends!)
*The NASDAQ was born a few years after me, in the early 70's.*

Having started my career in 1992, I had a front row seat to the "tech bubble" and wish I had a $1 for every time I heard about "the new paradigm" back then. The internet was new! *Earnings-Smearnings*! Warren Buffet refused to join the tech frenzy and was written off as old and out of touch. Fundamentals no longer mattered because "this time is different".

The tech heavy NASDAQ index exploded over 5000 in March of 2000, collapsed soon after to a low still too difficult to fathom ….and 15 years later reclaimed the 5000 milestone. At this writing it is only a pitching wedge away from 6000.

That whole ride up in the late 1990's, and the horrible crash fortified within me a commitment that I would never let my clients get caught up in future new-era euphoria or apocalyptic fear. I knew I would not only need to sharpen my skill in helping clients manage money, but also in managing emotions.

Because fundamentals do matter, I don't think you need to worry about NASDAQ reaching a new milestone. The difference between the dot.com-bubble-NASDAQ, and NASDAQ of today is as simple as comparing Pets.com then, and Apple stock now. *Eeeeeeeaaaaarrrrrrrnnnnngggggssss.!*

I believe only three things matter for stock prices over time: Earnings. Earnings. And Earnings. Statistically, the correlation to stock prices and earnings over time is very, very strong. In the aggregate, companies will continue to grow, solve problems along the way, and grow some more.

There have been many existential crises our country and world have passed thru in my 50 years. But so far, pessimism pundits have proven to be terribly wrong.

**Michael H. Kaminski**, CFP®, CDFA®
*President*
SKV Group, LLC

*The views expressed by the author are his own and do not necessarily reflect the opinion of Wells Fargo Advisors Financial Network or its affiliates.
*Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations.

CAR-0417-04123

1405 Rolkin Ct., Suite 202
Charlottesville, VA 22911
**toll free** 844.391.3610
**tel** 434.328.8040
**fax** 434.234.3789
**www.skvgrp.net**