MTC Market Compass

September 2025

A quarterly guide to help investors stay on course toward financial success.

Investing Through Uncertainty

The Situation: The Urge to Purge

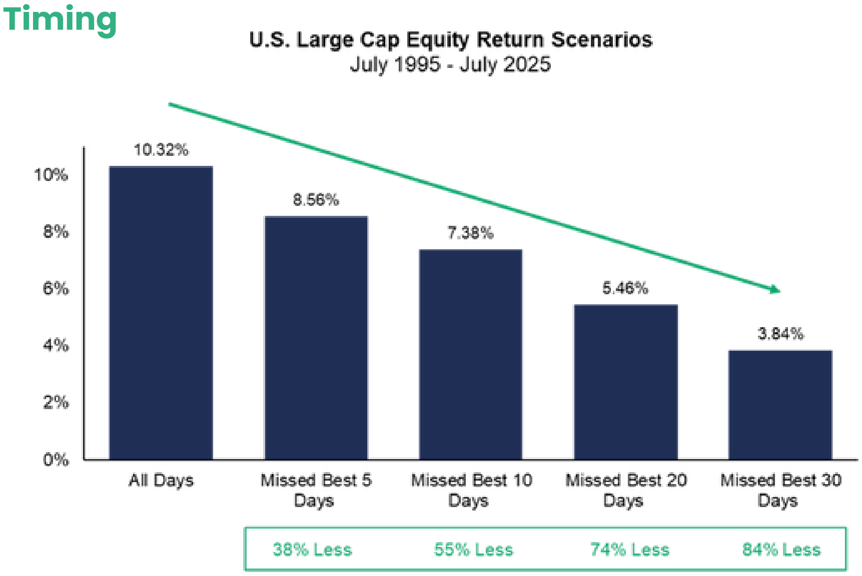
Have you ever felt the need to sell your investments upon seeing the stock market retreat or after reading a troublesome headline? While such impulses are common, history suggests that such actions can do more harm than good.

State of Affairs: Market Corrections Are Normal

The U.S. equity market has once again climbed to record highs. Investor confidence has recovered as tariff fears faded, and our economy showed resilience. While we expect continued strength for our economy and stock market, we anticipate instances of market volatility. If volatility becomes severe, much like what was experienced earlier in the year, another market correction could unfold and prompt investors to become defensive and retreat from equity markets.

With the current market strength, a correction might seem unlikely. However, history suggests that corrections are normal and happen quite regularly. In fact, for over 70 years the U.S. large-cap equity market has experienced a 10% decline every 1 – 2 years. Thus, while current signs point to further market upside, it would be prudent to be prepared for the inevitable market pullback.

Visual Guide: Time IN the Market Beats Market Timing



Source: Members Trust Company, Financial and Analytics Data Provider FactSet
Calculated returns are based on total NAV of ticker SPY. For illustrative purposes only. Past performance is not indicative of future results.

The Solution: Plan and Diversify

One of the more significant investment risks of selling during turbulent markets is the risk of lower returns. Selling before a market decline can protect against losses. However, such "market timing" is difficult to consistently execute. Also, history reveals that the worst days in the market are usually adjacent to the best. As such, selling in a panic can result in missing out on potential gains.

This quarter's Visual Guide illustrates how by missing only 30 of the best days over the past 30 years, U.S. large-cap equity returns would have been 84% less than having stayed fully invested. With this, a key aspect of investing is not to avoid volatility. Rather, it is about aligning investments to goals. Also, investors can navigate through periods of volatility by staying invested in a well-diversified investment portfolio. As the old saying goes, "Don't put all your eggs into one basket."

Market volatility exists as something to be planned for. Though the potential for volatility is ever present in financial markets, success can be achieved by setting long-term goals, determining appropriate asset allocations, and managing toward longer-term results.

As with any financial plan and investment solution, we recommend working with a trusted financial adviser.