



The Resilient Investor

Mastering the risks you can control in an unpredictable public market

Market volatility is inevitable. Headlines change constantly, emotions run high, and even disciplined investors can feel uneasy when markets swing. But resilient investing isn't about predicting the future or avoiding downturns altogether. It's about building a strategy, and a mindset, that can endure uncertainty without derailing long-term goals.

What Does It Mean to Be a Resilient Investor?

Resilience in investing doesn't mean ignoring fear or pretending volatility doesn't exist. It means recognizing discomfort as part of the process without allowing it to drive decisions. Market fluctuations are normal, and resilient investors view them as expected events rather than emergencies.

Clarity is the foundation of resilience. When investors clearly understand why they are investing, how long their money needs to work, and what their portfolio is designed to handle, short-term market swings become easier to manage. With a solid plan in place, resilience often looks like doing less, not more, because uncertainty has already been accounted for.

Emotional Resilience Starts with Structural Resilience

Resilience isn't just psychological; it's structural. A well-designed portfolio is built to withstand stress before it occurs. Diversification, appropriate risk exposure, and access to liquidity all help ensure that investors are prepared for whatever the market may throw at them.

When these elements are considered, investors don't have to rely solely on discipline during volatile markets. The structure of the portfolio does much of the heavy lifting, allowing investors to stay focused on long-term goals rather than reacting to short-term market noise.

The Illusion of Control

Investors are constantly exposed to news about interest rates, inflation, elections, geopolitical events, and corporate earnings. While these factors influence markets, they are outside an individual investor's control.

Reacting to headlines can create the illusion of control. It feels proactive, but it often leads to emotional decisions. Markets reward reaction just enough to keep people engaged, but over time that behavior can erode both returns and confidence.

Resilient investors accept uncertainty as permanent. They build strategies that can function through both positive and negative market environments. Their financial plans assume volatility will occur and don't depend on avoiding it.

The Risks Investors Can Control

Although market movements are unpredictable, several important factors remain firmly within an investor's control.

Behavior is the most critical. Decisions made during periods of fear or excitement often have a greater impact on long-term outcomes than the market itself. Staying invested, rebalancing thoughtfully, and avoiding impulsive changes are crucial to long-term financial security.

Time horizon is another key factor. Money needed in the near term should not be exposed to the same risks as money intended for long-term growth. When investors blur this distinction, volatility becomes far more stressful than necessary.

Asset allocation and diversification also play a central role. A resilient portfolio is designed so no single outcome has to be right for the plan to succeed. Diversification doesn't eliminate risk, but it makes risk more manageable and helps ensure access to liquidity without selling investments at inopportune times.

Seeing the Portfolio as a Whole

Many investors get bogged down by short-term performance and individual holdings, losing sight of how their portfolio works as a system. Resilient investing requires looking beyond individual securities and focusing on the broader strategy.

Chasing the latest trend or a manager with strong recent performance can be tempting, but short-term outperformance is rarely sustainable over long periods. When an investment behaves differently from the broader market, that difference won't always work in the investor's favor.

In a properly diversified portfolio, it's normal for some holdings to underperform while others do well. Each investment has a role to play. When every component serves a purpose, investors are far less likely to panic when one piece struggles.

Responding to Market Stress

When market volatility appears, the most important step is often to slow down. Volatility creates a sense of urgency that usually isn't justified. As mentioned earlier, a well-built financial plan already assumes periods of decline.

In most cases, there isn't a specific action investors should take in response to market volatility. The real work happens in advance: building the plan, structuring the portfolio, and ensuring it aligns with goals and time horizon. Investors without a clear plan tend to feel every market move more intensely, while those with structure can stay focused on long-term objectives.

Regular check-ins with a trusted financial advisor help ensure the investment strategy remains appropriate, so when volatility arrives, it feels expected rather than alarming.

Common Pitfalls to Avoid

There are several behaviors that can undermine even a solid investment strategy:

- **Constantly changing strategy based on recent performance.** Markets are cyclical, but investor psychology is reactive. Abandoning a sound plan because of short-term results often leads to poor outcomes.
- **Comparing yourself to others.** Every investor's situation is different. Someone with a longer time horizon may be able to take on more risk, but that doesn't mean the same approach is appropriate for you.

- **Overconcentration.** Placing too much confidence in one stock, sector, or idea increases risk and makes losses feel personal, which often leads to emotional decisions. Diversification remains one of the most effective tools for managing volatility.

Final Thoughts

Market volatility can be stressful, and no one can reliably predict what comes next. However, even without a crystal ball, investors can regain a sense of control by building a thoughtful financial plan and an investment strategy that prepares for uncertainty rather than fears it.

Resilient investing isn't about avoiding risk. It's about choosing risks intentionally and staying aligned when markets test your confidence. Staying the course can be difficult, especially in today's fast-moving news environment. That's why having a trusted advisor and a strong support system matters.

When volatility becomes an expectation instead of a surprise, it loses much of its power, and investors are better positioned to remain confident, disciplined, and focused on their long-term goals.

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