

## *Calm Amidst Change*

*By Bill Koehler, CFA, President and CEO*

Mary Barra, the CEO of General Motors since January 2014, has long kept a sign on her office wall that reads “Keep Calm and Carry On.” An engineer by training who began working for the company in 1980 at age 18, CEO Barra has dealt with innumerable challenges in her tenure. She has faced massive automobile recalls due to faulty equipment, labor unrest and unrelenting competition in the electric vehicle market. One could infer the nearby saying bolsters her resolve as she sits at her desk and addresses the issues of her day.

“Calm amidst change” means to maintain a sense of peace and composure even when significant changes

*“Calm amidst change” means to maintain a sense of peace and composure even when significant changes are happening around you...*

are happening around you, essentially finding inner stability despite external fluctuations or turmoil; it

signifies the ability to navigate transitions without getting overwhelmed by uncertainty or disruption.

For capital market investors, no two years are exactly the same. 2025 will likely be no exception. Business conditions constantly evolve, innovations arise, companies react in new ways to competitive environments

*In that spirit, change should be viewed as something to be embraced and approached with a sense of calm, if possible.*

(not always logically) and government policies are continually debated,

altered and ultimately implemented. In all probability, investors are in for a year of change. This is not necessarily cause for alarm, but rather

cause for recognition of the reality of change. In that spirit, change should be viewed as something to be embraced and approached with a sense of calm, if possible.

### **Don't Overreact**

Much like an entirely new management team transitioning into a company, the United States government will be led by a totally different leadership team relative to the last four years. Since the election, much has been written about this new leadership team imposing more tariffs, which are akin to a toll booth on a highway. Just as a person must pay a toll (or tariff) to the state of Kansas when transporting themselves in their car on the Kansas Turnpike, a country with a tariff levied against them by another country must pay a “toll” if the exporting country wishes to bring their product into the importing country.

Some market prognosticators are making extremely dire predictions about the potential economic aftereffects of further tariffs, as if the tariffs are a certainty. They are not a certainty. With regard to the tariff threats being bandied about by President-elect Trump, it is good to remember he is the author of a book called “The Art of the Deal.” The premise of the book is essentially this; Mr. Trump views virtually every interaction as a negotiation. It is beneficial to view most all of his verbal pronouncements through that lens. Recognizing this reality can be part of an approach which helps foster a “calm amidst change” attitude so important for investment success.

### **Ignore Media Stock Market Forecasts and Emotion**

Another way to “keep calm and carry on” is to virtually ignore forecasts made about stock market



levels a year hence. In late 2023, Market Strategist Ed Yardeni made a forecast that turned out to be the most aggressive among the notable national strategists making such predictions. His 2024 year-end target for the S&P 500 Index was 5,400. The 4,500 level was the median estimate. His forecast was the highest and was still off by nearly 9% as the S&P 500 ended the year at 5,881.

2025 promises to be a time of change, both in the political and economic spheres. With the arrival of a new presidential administration, the appointment of a new Treasury Secretary and fluctuating interest rates, a shifting investing landscape is likely. However,

*However, in the face of this change, it is crucial for capital market investors to maintain a sense of calm and steadfastness.*

in the face of this change, it is crucial for capital market investors to maintain a sense of calm and steadfastness.

In such an environment, it will be tempting for many market participants to make hasty decisions based on fear or greed. However, this approach is often counterproductive and can lead to costly mistakes. Instead, the best approach is to keep a clear head and a focus on the long term.

Charley Ellis is one of the foremost investment minds of our time. He has authored several thoughtful books, that can help most any investor, including “The Loser’s Game,” “The Elements of Investing” and a recent chapter in the Jonathan Clements’ edited book titled “My Money Journey: How 30 People Found Financial Freedom - And You Can Too.” One of Charley’s core beliefs from 60 years in the profession is best summarized this way, emotional investment decisions almost invariably turn out to be wrong.

## Avoid Distraction

It is also important to remember change, while often unsettling, can present opportunities for growth and innovation. Change can lead to new technologies, such as artificial intelligence (AI) and investment opportunities on which savvy investors can capitalize. By staying attuned to these shifts and keeping an open mind, investors can position themselves to take advantage of the potential upside of change. The key is to avoid distraction. As Ginni Rometty, the former CEO of IBM, said of Mary Barra, “She has this way of dealing with the underlying problem without getting distracted by the noise and theatrics around it.” Good advice for any capital market investor (and business leader too).

*It is also important to remember change, while often unsettling, can present opportunities for growth and innovation.*

This publication is intended for use by clients of FCI Advisors and investment professionals.

## CURRENT DISCLOSURES

Factual materials obtained from sources believed to be reliable but cannot be guaranteed. Past performance is not indicative of future results. Investing in the securities markets involves the potential risk of loss. These investment risks are described in our disclosure brochure (ADV), which can be found on our website: [www.fciadvisors.com](http://www.fciadvisors.com). Specific securities may be referenced in order to demonstrate a point; these are not investment recommendations. For further information please contact FCI at 800-615-2536 or [SourceNotes@fciadvisors.com](mailto:SourceNotes@fciadvisors.com).



**FCI**  
ADVISORS