Are stocks finally bouncing back? The S&P 500 index is up about 2.4% in November, and investors are asking whether that signals the end of the bear market. My opinion, as an investment advisor for nearly two decades, is this: It doesn't matter.

For long-term investors—the people who are saving and investing for college or retirement or a second home—the market's ups and downs are pretty much irrelevant. Sure, they matter for aggressive stock traders, who are willing to risk huge losses on risky bets about the market's short-term direction. For true investors though, the only thing that truly matters is owning good companies over long periods of time.

And this happens to be a very good time to make sure that the holdings in your portfolio are optimized to get you where you'd like to go. Investors should really take stock of what they own every year, but because of the way the market soared between the Spring of 2020 and the end of 2021, many have neglected to do that. Keeping your investments on autopilot, after all, seemed to be a winning formula.

That approach won't work going forward. The economy is slowing down and low interest rates—a rising tide that lifted all boats as far as stocks are concerned—are a thing of the past. Investing success for the foreseeable future will hinge on the ability to identify strong, well-run companies with durable sources of revenue. The stocks in your portfolio may have delivered great results in the past few years, but it's time to make sure they're still appropriate and that you're not taking on too much risk.

While assessing individual holdings, it may also make sense to shift the balance of stocks and bonds in your portfolio. Bonds have done poorly for more than two years relative to stocks, a fact that has prompted investors to load up on stocks and let their bond allocation dwindle. But given stocks' long run of gains and current volatility, now is a good time to reassess your asset allocation.

The end of the year a traditional time to not only rebalance your portfolio but also to harvest losses. Tax-loss harvesting essentially lets you use banked losses to offset capital gains, lowering your tax bill now or in the future. There were relatively few losses to harvest in 2020 and 2021, but 2022 has provided plenty. Using them can help you keep more of what you earn from investing and from other sources.

The market's poor performance in 2022 has hurt many companies, but it's turned some stocks into bargains. For example, shares of specific high-quality companies that pay strong dividends are now available at attractive prices.

By selling some investments and buying others as appropriate for your goals and situation, you can create an investment portfolio that's in good shape for whatever direction the market takes. When you hear speculation about whether "the bottom is in," and whether it's time to load up on stocks, your best move is to tune it out. Rather than worrying about day-to-day market swings, or trying to predict what the Federal Reserve is going to do with interest rates, ask yourself whether the market is likely to be higher in five to 10 years. If history is any guide, it almost certainly will be. You should invest accordingly.

An experienced financial advisor can help you assemble the best investment portfolio for you, and provide information about strategies for minimizing your taxes so that you keep more of what you earn. Please don't hesitate to reach out to us if you'd like more information.