



EVENSKY & KATZ / FOLDES
— WEALTH MANAGEMENT —

NEWSLETTER VOLUME 16, NO. 2 | APRIL 2023

DEAR READER:

I HAD NO IDEA

Bald eagle nests are generally 5 feet wide and 3 feet deep. The largest recorded bald eagle nest was 9.5 feet in diameter, 20 feet deep, and weighed almost 6,000 pounds!



UNDER THE RADAR

This is very cool!

[This under-the-radar card gets you into a ton of US museums for free | timeout.com](#)

[About NARM | North American Reciprocal Museum \(NARM\) Association](#)

What are NARM reciprocal benefits?

NARM reciprocal benefits include* free/members admission price, discounts in the shop, and discounts on ticketed events at all NARM member organizations! There are more than 1,000 member institutions in 6 different countries.

WHO'S ON FIRST?

If somehow you missed seeing this, here's your chance:

[Abbott and Costello's – Who's On First | YouTube](#)

PENNY WISE, POUND FOOLISH

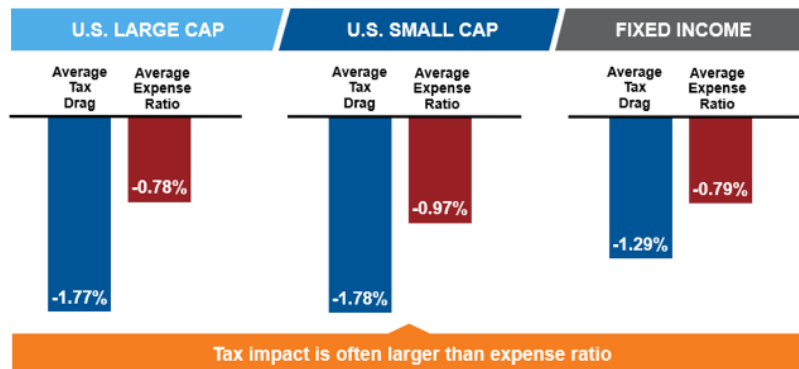
When writing about fund performance I often reference the “tax-cost” ratio but I’m not sure many readers really appreciate the importance of this metric. Russell Investments did an excellent job of explaining the importance and I’ve included an excerpt below.



What is the tax-cost ratio?

The tax-cost ratio is how Morningstar measures how much a fund’s annualized return is reduced by the taxes investors pay on distributions. Morningstar calculates it on products such as mutual funds and Exchange Traded Funds (ETFs). Generally, for taxable investors the more distributions a fund makes, the larger the tax-cost ratio will be, meaning a larger amount of return is lost to taxes. We call it “**tax drag**.”

As shown below, when compared to the average expense ratio across U.S. large cap, U.S. small cap and fixed income funds, the average tax drag over the last three years has been around 1.5 to 2 times greater than the average expense ratio. The numbers below suggest that investors in either U.S. large cap or U.S. small cap equities lost roughly 1.8% of return per year to taxes (as of September), while fixed income investors have lost nearly 1.3%. Although these numbers **may be somewhat hidden for most investors**, they unfortunately can have a very real impact on investment results.



As with any other cost, the tax-cost ratio has the potential to have a negative impact on investment performance. Considering the typical tax cost for most Morningstar category averages falls in the 1%-2% range, this can detract from positive returns or can make negative returns even worse. For example, over the last five years U.S. equity funds have returned an average of 6.4% per year. But a tax-cost ratio of 2.1% per year means investors would have surrendered nearly one-third of their total return to taxes.

FUND CATEGORY Average annualized 5-years ending September 2022	PRE-TAX RETURN %	TAX DRAG %	PRE-TAX RETURN – TAX DRAG	AMOUNTS LOST TO TAXES OVER 5 YEARS (\$500k investment)
U.S. Equity	6.4%	-2.1%	4.3%	\$65,834
International Equity	-0.3%	-1.2%	-1.5%	\$29,945
Fixed Income	0.0%	-1.3%	-1.3%	\$32,338

[Financial Advisor IQ](#)

I ALWAYS WONDER...

...when I see a story or ad like this, why are they still working for a living?

How to Trade Stocks and Make Money Like a Pro

“Even beginner investors can trade stocks and make money like a pro...”

For pro investors, the quality of stock research makes the difference. TipRanks provides the tools and insights to help you research stocks and invest like a pro.”

[How to Trade Stocks and Make Money Like a Pro | tipranks.com](#)

NICE ROUND NUMBER

Beyoncé has charged \$24 million to perform at the opening of Dubai’s Atlantis The Royal luxury hotel.

And that’s not all. Naturally, she’s staying in the luxurious \$100,000 per night room at Dubai’s Atlantis The Royal – spread across 11,000 sq. ft. The two-level penthouse is the world’s largest and most expensive hotel room.

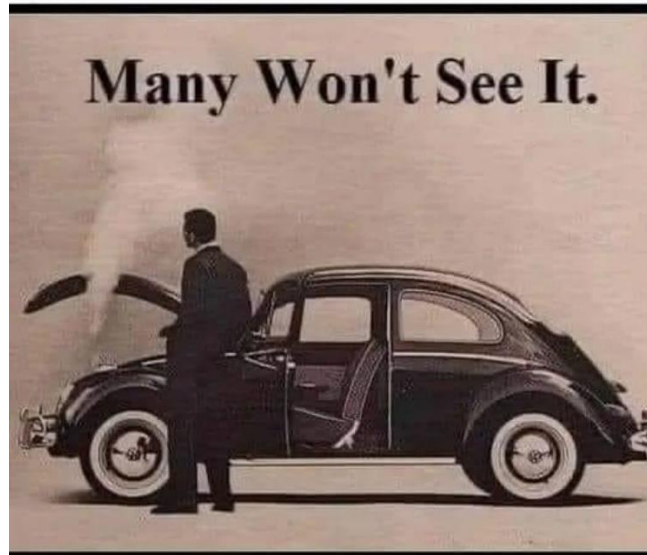
[Beyoncé has charged \\$24 million to perform at the opening of Dubai’s Atlantis The Royal luxury hotel | Luxurylaunches](#)

[Take a look at Beyonce’s ridiculously luxurious \\$100,000 per night room at Dubai’s Atlantis Royal – Spread across 11,000 sq.ft. the two-level penthouse is the world’s largest and most expensive hotel room | Luxurylaunches](#)

I REMEMBER, DO YOU?

A VW was my first car – 1962.

Just say got it, Don't ruin it!



MORE GOOD TIMES

For those of you who remember...

1959

Top 10 TV Shows

1. Gunsmoke CBS
2. Wagon Train NBC
3. Have Gun, Will Travel CBS
4. The Danny Thomas Show CBS
5. The Red Skelton Show CBS
6. Father Knows Best CBS
7. 77 Sunset Strip ABC
8. The Price Is Right NBC
9. Wanted: Dead or Alive CBS
10. Perry Mason CBS

Good Ol' Days

WISE WORDS

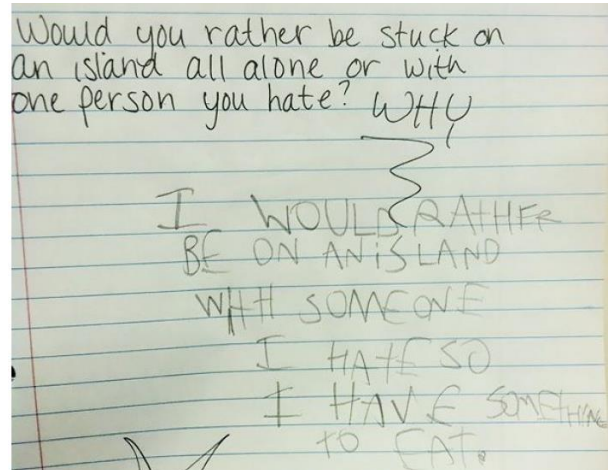
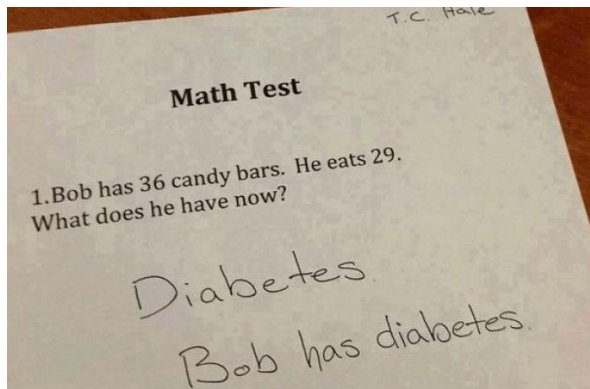
From my friend Michael Kitces

The brokerage industry is pushing for “disclosure” to be the “answer” to protecting investors. Michael reminds us...

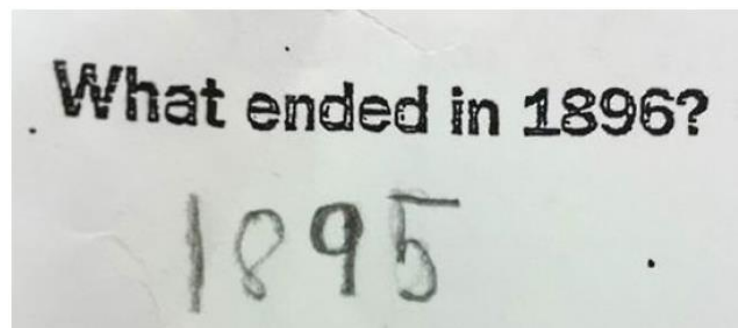
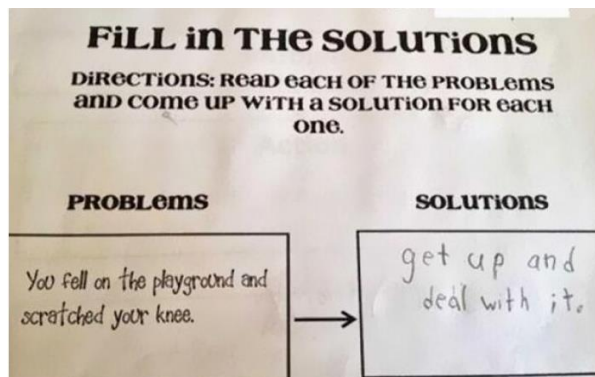
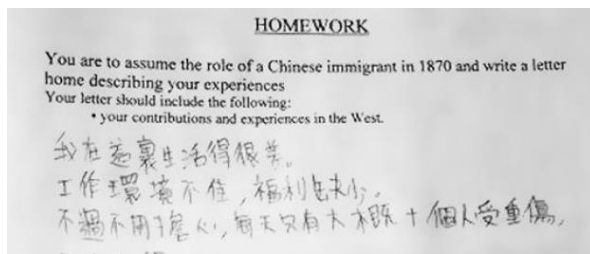
Disclosure doesn't build trust; it just provides a list of reasons why people shouldn't trust you.

SMART KIDS

I'm just glad they weren't in my class



This teacher allows a 3x5 Notecard on tests. A clever student brought this with him. It's practically 3x5, but here's the twist, it's not measured in Inches but with Feet. The teacher never mentioned which unit they're supposed to use so it was okay to take advantage of this loophole. The student took advantage of the loophole and his teacher learned her lesson.



AND THAT'S PROBABLY GOING TO BE YESTERDAY'S NEWS

“So absurd”: Bernie Sanders says the top 15 hedge fund managers earn more than all the kindergarten teachers in the US.

[‘This situation has become so absurd’: Bernie Sanders slams world’s top hedge fund managers – here are 3 of the riches and what they invest in | Yahoo! Finance](#)

NICE STORY

[Inside: The Fascinating True Story of Louis Braille — And How He Created a Revolutionary Alphabet for the Blind](#)

HOW MUCH IS A ROOM FOR SUPERBOWL?

A LOT!

A Motel 6 near State Farm Stadium in Glendale starts at \$854 a night.

[How much do hotel rooms for Super Bowl weekend cost? Here’s the latest price outlook | AZ Central](#)

RISK FREE

I can’t believe that with 40+ years in the profession I didn’t know the simple answer to “risk-free” investing.

“This stock screener analyzes stocks and the market to help you make risk-free investments.”
And a lifetime subscription is ONLY \$119.99!

[This stock screener analyzes stocks and the market to help you make risk-free investments | cultofmac.com](#)

YOU FREAKIN’ IDIOTS

Although I don’t think much of David Ramsey’s advice, I’m on board with this sentiment.

The *New York Times* recently uncovered that at least eight universities have partnered with online sports-betting companies, while at least a dozen athletic departments and booster clubs have signed agreements with brick-and-mortar casinos.

Personal finance author and radio host Dave Ramsey lambasted the institutions on *The Ramsey Show*. “You freakin’ idiots ... Selling out your own students who you’re supposed to be caring for,” said Ramsey.

Universities listed in the article include Syracuse, L.S.U., University of Maryland, Michigan State, University of Colorado Boulder, University of Nevada Las Vegas, and TCU Ft. Worth.

[‘You freakin’ idiots’: Dave Ramsey blasts US colleges for pitching online gambling to students – while making millions. Why young people are the perfect prey | Yahoo! Finance](#)

DUCK & COVER

One of the less good memories of the Fabulous Fifties ... and yes, I do remember.



BEFORE YOU DISS US OLD FOLKS, REMEMBER...

50 years ago the owner's manual of a car showed you how to adjust the valves. Today it warns you not to drink the contents of the battery.

MORE GOOD ADVICE

From AARP

How to Ride Out a Turbulent Market

- Don't try to time the market.
- Do take some stock market risk.
- Don't reach for unsafe yields.
- Don't keep all of your money in cash.
- Finally, remember the words of Nobel laureate Paul Samuelson – "Investing should be more like watching paint dry or watching grass grow."

[AARP Bulletin – October 2022](#)

I'M SCARED

Hippopotomonstrosesquippedaliophobia is one of the longest words in the dictionary — and, in an ironic twist, it's the name for a fear of long words.

WOW!

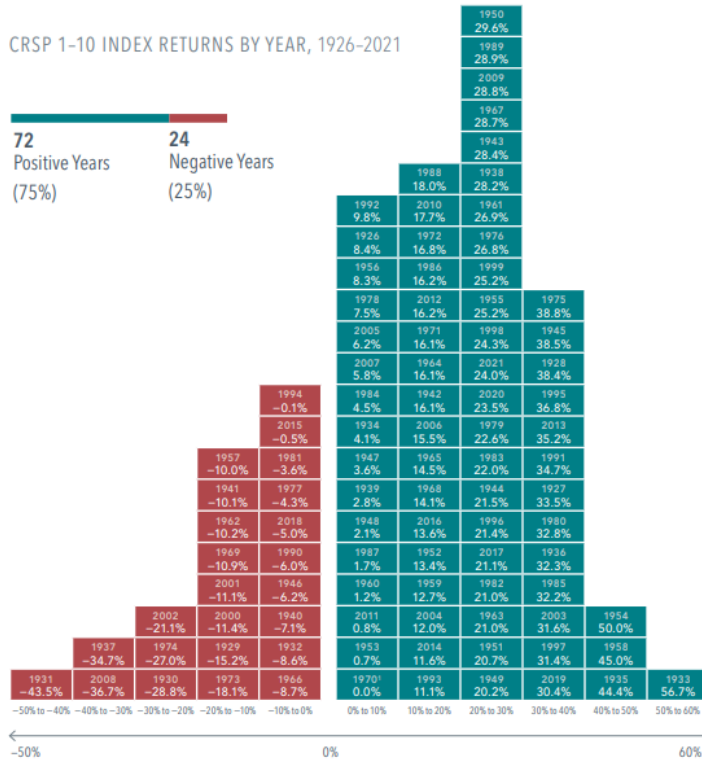
[Goldman Sachs agrees to a record \\$2.9 billion DOJ settlement, admitting wrongdoing in embezzlement scandal.](#)

Must be nice to have pockets deep enough to pay this off.

SOME PERSPECTIVE



The Rewarding Distribution of US Stock Market Returns



Annual stock market returns are unpredictable, but "up" years have occurred much more frequently than "down" years in the US. That may be reassuring to investors, especially if they find market downturns unsettling.

- The US stock market posted positive returns in 75% of the calendar years from 1926 through 2021.
- The market gained an annualized average of 10.2% during this period. Yet nearly two-thirds of yearly observations were at least 10 percentage points above or below the average.
- Another noteworthy trend: More than two-thirds of the down years were followed by up years. The most recent example: a 5.0% loss in 2018 followed by a 30.4% gain in 2019.

The stock market tends to reward investors who can weather annual ups and downs and stay committed to a long-term plan.

BEFAST

The Life-Saving Acronym to Remember if Someone Has a Stroke

[Remember the Acronym BEFAST if You Suspect a Stroke | CNET.com](https://www.cnet.com/health/remember-the-acronym-befast-if-you-suspect-a-stroke/)

COULDN'T AGREE MORE

[Most Advisors Say Single-Stock ETFs Should Be 'Avoided Like the Plague'](https://www.fool.com/investing/2021/05/11/most-advisors-say-single-stock-etfs-should-be-avoided-like-the-plague/)

THE 5 HABITS PEOPLE WITH NEAR-PERFECT CREDIT SCORES HAVE

The story left the main one out – Lots of money.

[5 habits people with near-perfect credit scores have | Yahoo! Finance](https://www.yahoo.com/finance/news/5-habits-people-with-near-perfect-credit-scores-have-120000783.html)

PIZZA

Can you believe...

- 350 slices of pizza are eaten each second in the U.S.
- About 13% of Americans eat pizza on any given day.
- The first known documentation of the word “pizza” is from 997 C.E.
- The most expensive pizza in the world costs almost 9,000 pounds
- The world record for the largest pizza is 122 feet, 8 inches in diameter.



- One 18” pizza gives you more pizza than two 12” pizzas.
- \$38 billion worth of pizzas are sold annually in the U.S.
- 3 billion pizzas are sold in the U.S. each year.
- 93% of Americans have at least one slice of pizza per month.
- There are approximately 70,000 pizzerias in the U.S.
- The average American eats more than 23 pounds of pizza a year.

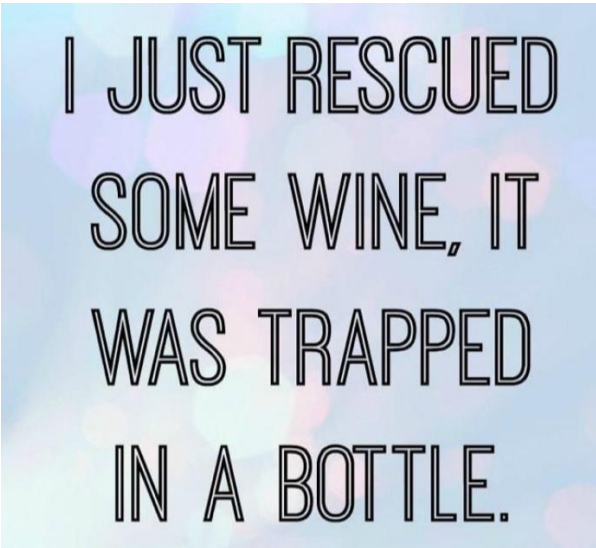
I know what I’m having for dinner...

[50 Pizza Facts You Never Knew | Eat This, Not That!](#)

EASY MONEY

Check for any unclaimed property at [Unclaimed.org](https://www.unclaimed.org). This allows them to search for property, from trust proceeds to dividend checks, that is yours but currently sits in government coffers because it has not yet been claimed.

MY GOOD DEED FOR THE DAY



I JUST RESCUED
SOME WINE, IT
WAS TRAPPED
IN A BOTTLE.

NOT A FAN

As my readers know, I've not been a fan of Ms. Wood. But I must admit, so far, it's looking good.

[*Cathie Wood's ARK Invest buys Tesla stock amid plunge, Musk sells*](#)

Elon Musk fan Cathie Wood seized a sizable chunk of Tesla stock (TSLA) late Wednesday after the stock extended a recent skid to its lowest level in more than two years.

ARK Invest, Wood's investment management firm, snapped up 74,862 shares of the electric-vehicle maker across three of her exchange-traded funds... The purchase was valued at around \$11.7 million.

Purchased at about \$157 and, as I write this (3/29), TSLA is trading at about \$194 and ARKK is up from about \$34 to \$39 ... I'm still not a fan.

I MAY BE WRONG

But I'm in good company.

[*Morningstar Issues Scathing Downgrade of Cathie Wood's ARK Flagship Fund*](#)

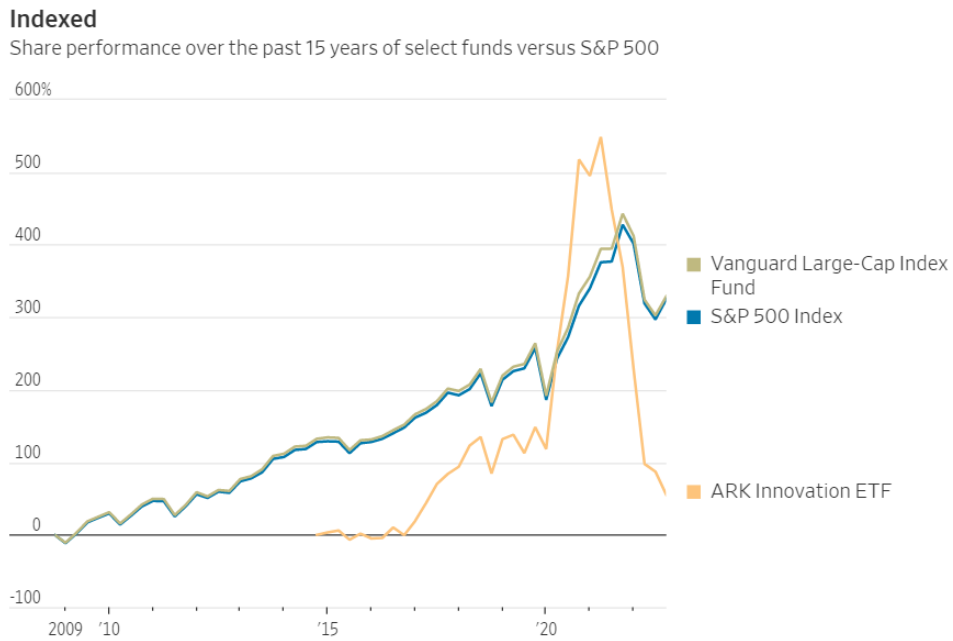
Morningstar analyst Robby Greengold described Wood's decision to double down on a shrinking number of highly volatile stocks in "hopes of a repeat of 2020" as "perilous." He accused her of saddling "the portfolio with greater risk by slashing its number of stocks to 35 from 60 less than a year ago—thereby amplifying stock-specific risk."

Another serious criticism is that the firm "has no risk-management personnel." In his scathing piece, Greengold also argued that Wood's methodology, or absence of an established investment

process, is seriously flawed due to its “reliance on her instincts to construct the portfolio,” which he termed a liability...

Yet another factor behind the downgrade was that the ARK complex’s holdings tend to be in companies that are “often unprofitable” and whose “stock prices are highly correlated”—a dangerous combination.

Greengold also charged that ARK has “in place a poor succession plan for the 66-year-old Wood, who is essential as the firm’s majority owner and lone portfolio manager.”



As of Dec. 31

[Warren Buffett Wannabes Lose Luster | WSJ](#)

MORE SIGNS CONTINUED



To avoid confusion, this city just installed new signaling for a roundabout...



NOT SURPRISED

“Amateur trader Omar Ghas says he amassed roughly \$1.5 million as stocks surged during the early part of the pandemic, gripped by a speculative fervor that cascaded across all markets.

As his gains swelled, so did his spending on everything from sports betting and bars to luxury cars. He says he also borrowed heavily to amplify his positions.

When the party ended, his fortune evaporated thanks to some wrong-way bets and his excessive spending. To support himself, he says he now works at a deli in Las Vegas, which pays him roughly \$14 an hour plus tips, and sells area timeshares. He says he no longer has any money invested in the market...

During the pandemic lockdowns in 2020 and 2021, scores of Americans got hooked on trading stocks, options and cryptocurrencies, driving up shares of companies that were once left for dead. Now some of these so-called retail investors are backing away from the markets after the worst year for stocks since 2008. Others are paring their positions or shifting their money to more conservative holdings, such as bonds or cash...

The average individual investor’s portfolio has declined 27% since peaking in December 2021, according to estimates from Vanda Research, compared with the S&P 500’s roughly 13% decline over the same period.”

You’ve got to love hindsight.

[The Retreat of the Amateur Investors | WSJ](#)

ANOTHER GOOD GIG

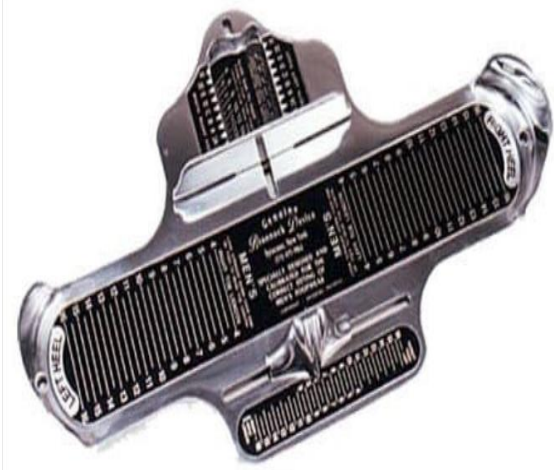
Because each team has two drivers, there have been a total of 20 drivers in a Formula 1 Grand Prix each year since 2017. Here are the salaries, countries of origin, sponsors, and car numbers for the drivers in 2022, according to Spotrac:

1. Lewis Hamilton, U.K. (Mercedes, #44) – \$40 million
2. Max Verstappen, Belgium (Red Bull Racing, #1) – \$25 million
3. Fernando Alonso, Spain (Alpine, #14) – \$20 million
4. Lando Norris, U.K. (McLaren, #4) – \$20 million
5. Sebastian Vettel, Germany (Aston Martin, #5) – \$15 million
6. Daniel Ricciardo, Australia (McLaren, #3) – \$15 million
7. Charles Leclerc, Monaco (Ferrari, #16) – \$12 million
8. Valtteri Bottas, Finland (Alfa Romeo, #77) – \$10 million
9. Lance Stroll, Canada (Aston Martin, #18) – \$10 million
10. Carlos Sainz Jr., Spain (Ferrari, #55) – \$10 million

[How much do Formula 1 drivers make? Here are the salaries \(and schedule\) for the 2023 F1 season | USA Today](#)

MORE HISTORY

If you know what this is,
Chances are you're
Over the Hill.....



Times Square, 1903



Statue of Liberty towering over Paris just before it was disassembled and shipped to New York, 1886.



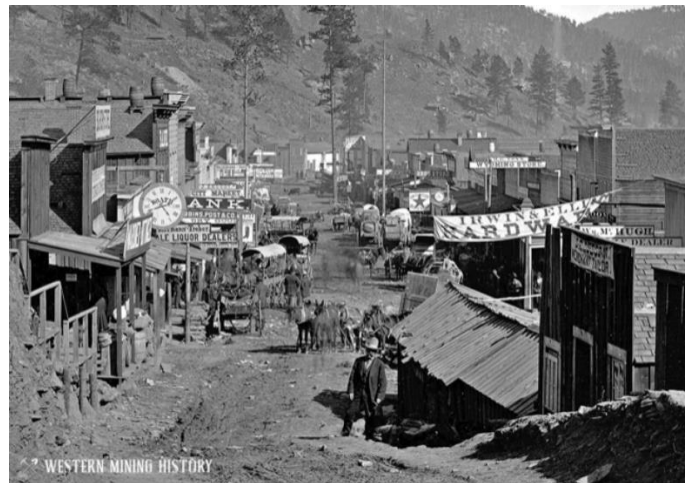
The line of customers at the Grand Opening of the first McDonald's in Moscow, 1990



First Christmas Tree at Rockefeller Center—
On Christmas Eve, 1931, at the height of the Great Depression, workers at the Rockefeller Center construction site pooled their money to buy a Christmas tree to lift their spirits. It was a 20-foot balsam fir that they decorated with handmade garlands and strings of cranberries from their families. The men lined up at the tree to receive their paychecks



Main Street of the town of Deadwood, Dakota Territory, 1877



Looks like something Disney might build.

REALLY?

A flock of flamingos is called a flamboyance. The name for a collective group of rhinoceroses is called a crash. The collective name for a group of unicorns (something you don't see very often) is called a blessing.

AND I HAVE A HOME FOR THEM

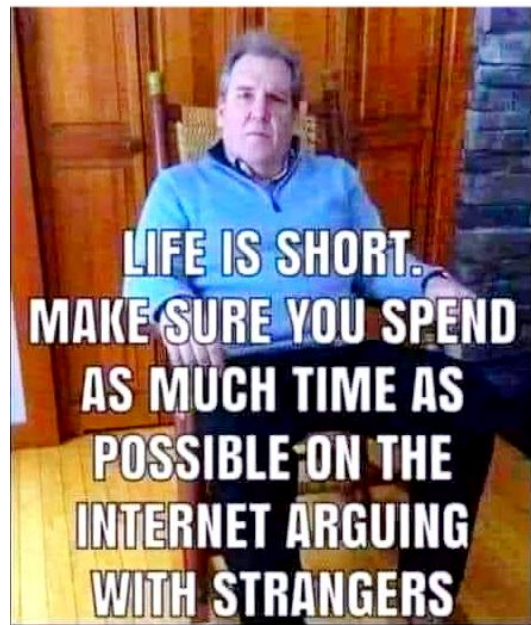
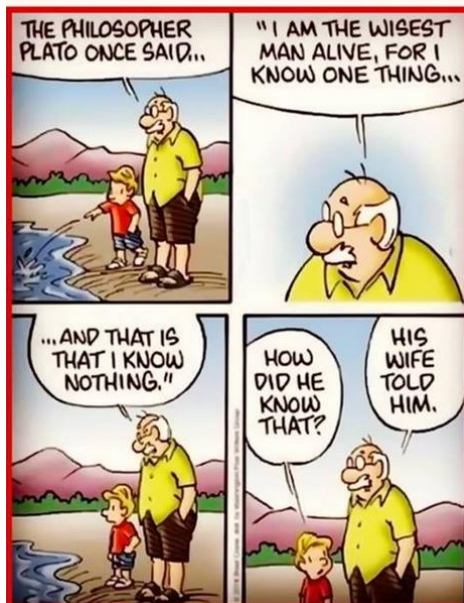
Plenty of room to spread out.

7 beds, 11 baths, 17,545 sq. ft. and only \$250,000,000.

The Penthouse at Central Park Tower occupies the top three floors of one of the most significant buildings on Billionaires' Row. Each floor has its separate entry and each room offers incomparable views of the skyline.

ENJOY

From my friend Leon



Devices Used to Find Water



I'D RATHER HAVE A GOOD BOTTLE OF WINE

“The world’s most expensive water is like a glittering oxymoron selling for \$4.6 million... Acqua di Cristallo Tributo a Modigliani is water sourced from Fiji and France’s natural springs and contains actual glacier water from Iceland. There’s glitz inside as well, owing to 5mg of 23 karat gold dust sprinkled into the water.”

Still seems a tad pricey.

[World’s most expensive bottle of water costs a whopping \\$4.6 million and will only quench the thirst of billionaires | Luxury Launches](#)

OUCH!

[Investors Facing a Big Tax Bill if They Hold These Mutual Funds](#)

What’s worse than watching your mutual fund investments decline in value? Getting hit with a big tax bill too.

Mutual Funds come with, for many, the hidden risk of having an unexpected tax bill even if the fund lost money and the owner did not sell any of the fund during the year. It’s a special risk for funds with active management and/or unsophisticated investors who bail based on short-term losses.

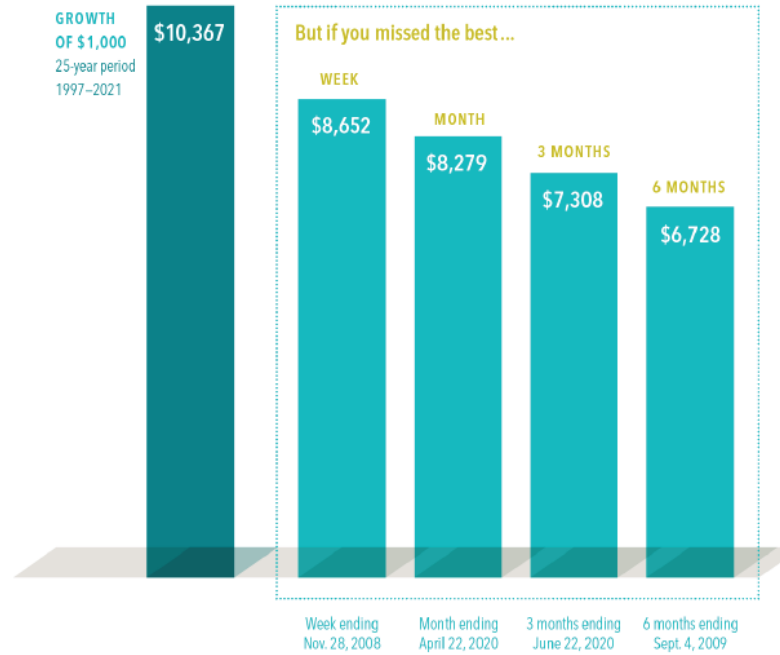
Last year had some “good” examples.

	2022 Return	Capital Gain
Bruce Fund (BRUFX)	-8.8%	58.7%
State Street Small/Mid Cap Equity Index Fund (SSMKX)	-25.4	33.1%
SEI Large Cap Index Fund (LCIAX)	-19.1	24.1%

AN UPDATE OF AN OLD CLASSIC

From DFA

Exhibit 1: Russell 3000 Index Total Return



IT COULD BE WORSE

This is worse than Ithaca and I guess I won't complain about Lubbock weather.

“The Great North Dakota
Blizzard, 1966”



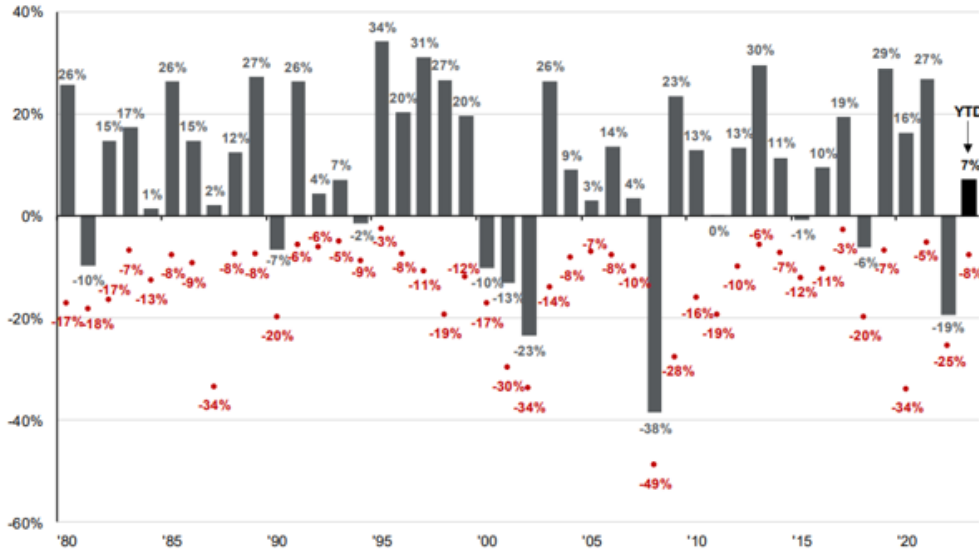
TIME MATTERS AND PATIENCE AND DIVERSIFICATION WORK.

From JP Morgan's 2Q 2023 always excellent *Guide to the Markets*

Annual returns and intra-year declines

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.3%, annual returns were positive in 32 of 43 years

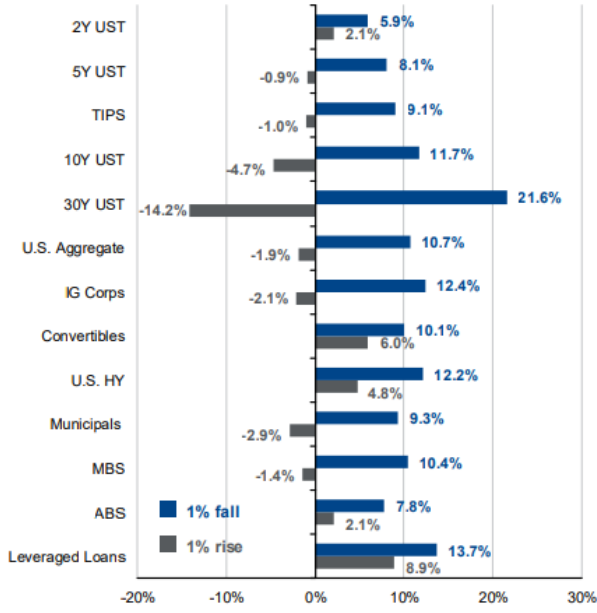


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2022, over which time period the average annual return was 8.7%.



Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



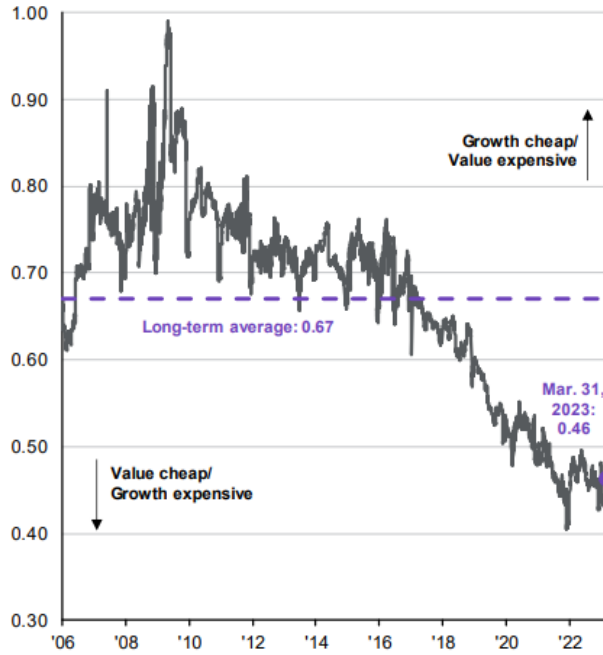
U.S. dollar and relative international equity returns

Real broad effective exchange rate, MSCI World ex-U.S. vs. S&P 500*



International Value vs. Growth relative valuations

Rel. fwd. P/E ratio of International Value vs. Growth



SMART, NOT BRILLIANT

Asset class returns

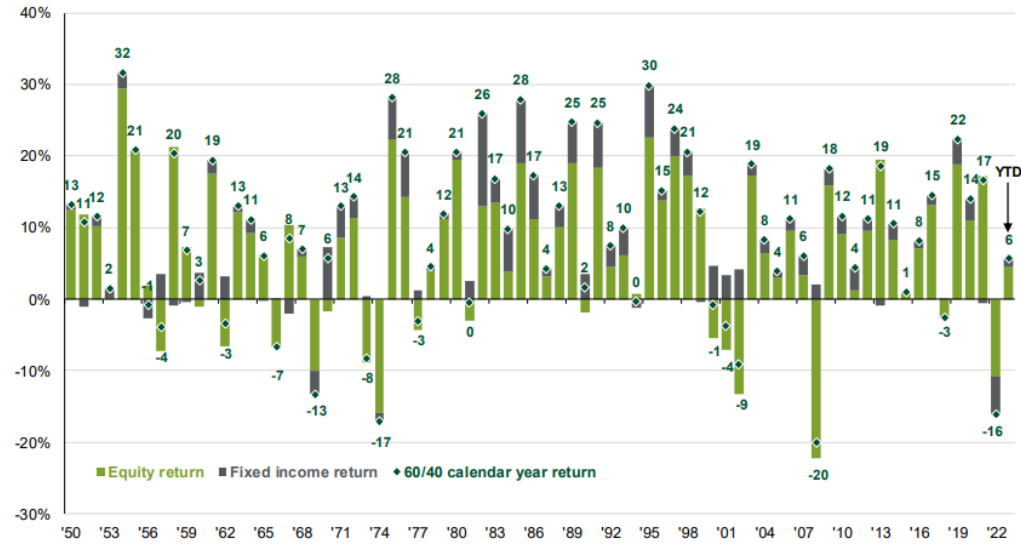
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	2008 - 2022	
															Ann.	Vol.	
Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	DM Equity 8.6%	Large Cap 8.8%	REITs 23.4%
Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	Large Cap 7.5%	Small Cap 7.2%	Small Cap 23.2%
Asset Alloc. -29.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Asset Alloc. 4.3%	REITs 6.6%	EM Equity 23.8%
High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	EM Equity 4.0%	Asset Alloc. 6.1%	Comdty. 20.2%
Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 3.1%	High Yield 5.4%	DM Equity 20.0%
Comdty. -35.6%	Large Cap 18.5%	High Yield 14.8%	Asset Alloc. 0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	Fixed Income 3.0%	Fixed Income 2.7%	Large Cap 17.7%
Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	Small Cap 2.7%	DM Equity 2.3%	High Yield 13.0%
REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	REITs 1.7%	EM Equity 1.0%	Asset Alloc. 12.4%
DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 1.1%	Cash 0.6%	Fixed Income 4.2%
EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -8.0%	Comdty. -2.6%	Cash 0.4%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2007 to 12/31/2022. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
 Guide to the Markets - U.S. Data as of March 31, 2023.

60/40 annual returns

60/40 annual return decomposition

Total returns, 1950 - present



Source: Bloomberg, FactSet, Ibbotson/Stratgas, Robert Shiller, Standard & Poor's, Yale University, J.P. Morgan Asset Management.
 The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. S&P 500 returns from 1950 to 1970 are estimated using the Shiller S&P Composite. U.S. fixed income total returns from 1950 to 1975 are estimated using data from Stratgas/Ibbotson. The portfolio is rebalanced annually.
 Guide to the Markets - U.S. Data as of March 31, 2023.

BITCOIN

SOME GOOD NEWS

Although I remain a skeptic, there was some good news for Bitcoin (at least in late January when this article came out).

Goldman Sachs ranks Bitcoin as the best-performing asset of 2023.

[Goldman Sachs ranks Bitcoin as the best performing asset of 2023 | Finbold.com](#)

AN OPTIMIST

[New report predicts Bitcoin to hit \\$188,451. Set time frame for new all-time high.](#)

I THOUGHT I HAD STRONG OPINIONS ABOUT CRYPTO

Legendary investor Charlie Munger pulled no punches when it came to offering his latest anti-cryptocurrency views.

In Munger's opinion, traditional currencies have helped turn man "from a successful ape to a [successful] human," he said during the Daily Journal's shareholder meeting in Los Angeles on Wednesday. Munger said claims that cryptocurrencies can replace national currencies are the equivalent of saying that air can be replaced.

"It isn't even slightly stupid, it's massively stupid, and of course it's very dangerous, and of course the governments were totally wrong to permit it..."

"And, of course, I am not proud of my country for allowing this crap—well, I call it crypto shit. It's worthless, it's crazy, it's not good, it'll do nothing but harm, it's antisocial to allow it.

"I think the people that oppose my position are idiots."

[Charlie Munger: 'I'm not proud of my country' for allowing 'crypto sh-t' | Yahoo! Finance](#)

NO IDEA WHAT THIS IS



But sounds like an “amazing” opportunity. NOT!

[SVB Financial Group Files for Chapter 11 Bankruptcy Protection to ‘Preserve’ Firm’s Value | Bitcoin.com](#)

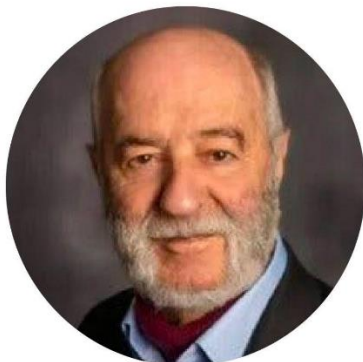
SOME PARTING WORDS OF WARNING

Exercise Caution with Crypto Asset Securities: Investor Alert

March 23, 2023

TLDR: *The SEC’s Office of Investor Education and Advocacy continues to urge investors to be cautious if considering an investment involving crypto asset securities. Investments in crypto asset securities can be exceptionally volatile and speculative, and the platforms where investors buy, sell, borrow, or lend these securities may lack important protections for investors. The risk of loss for individual investors who participate in transactions involving crypto assets, including crypto asset securities, remains significant. The only money you should put at risk with any speculative investment is money you can afford to lose entirely.*

All my best,



Harold Evensky

FOUNDER

EVENSKY & KATZ / FOLDES WEALTH MANAGEMENT

Important Disclosure Information

Please remember that past performance is no guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Evensky & Katz/Foldes Wealth Management ["EKF"]), or any non-investment related content, made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from EKF. EKF is neither a law firm, nor a certified public accounting firm, and no portion of the commentary content should be construed as legal or accounting advice. A copy of the EKF's current written disclosure Brochure discussing our advisory services and fees continues to remain available upon request or at www.evensky.com. **Please Remember:** If you are a EKF client, please contact EKF, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. Unless, and until, you notify us, in writing, to the contrary, we shall continue to provide services as we do currently. **Please Also Remember to advise us** if you have not been receiving account statements (at least quarterly) from the account custodian.

Historical performance results for investment indices, benchmarks, and/or categories have been provided for general informational/comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your EKF account holdings correspond directly to any comparative indices or categories. **Please Also Note:** (1) performance results do not reflect the impact of taxes; (2) comparative benchmarks/indices may be more or less volatile than your EKF accounts; and, (3) a description of each comparative benchmark/index is available upon request.

Please Note: Limitations: Neither rankings and/or recognitions by unaffiliated rating services, publications, media, or other organizations, nor the achievement of any professional designation, certification, degree, or license, membership in any professional organization, or any amount of prior experience or success, should be construed by a client or prospective client as a guarantee that he/she will experience a certain level of results if EKF is engaged, or continues to be engaged, to provide investment advisory services. Rankings published by magazines, and others, generally base their selections exclusively on information prepared and/or submitted by the recognized adviser. Rankings are generally limited to participating advisers (**see** link as to participation criteria/methodology, to the extent applicable). Unless expressly indicated to the contrary, EKF did not pay a fee to be included on any such ranking. No ranking or recognition should be construed as a current or past endorsement of EKF by any of its clients. **ANY QUESTIONS:** EKF's Chief Compliance Officer remains available to address any questions regarding rankings and/or recognitions, including the criteria used for any reflected ranking.