



EVENSKY & KATZ / FOLDES
— WEALTH MANAGEMENT —

NEWSLETTER VOLUME 15, NO. 1 | MARCH 2022

Dear Reader:

BET YOU DIDN'T KNOW THIS

Turns out, **Bluetooth** is named after the 10th-century Scandinavian king named **Harald Bluetooth** who peacefully united Norway and Denmark.



I sure didn't

The Bluetooth logo is a bind rune merging the Younger Futhark runes (Hagall) (ᚷ) and (Bjarkan) (ᚱ), Harald's initials

[Origin of the Name | Bluetooth@ Technology Website](#)

AVERAGE U.S. SOCIAL SECURITY BENEFIT

As of Dec. 31, 2021

- Average U.S. benefit: \$1,623/month (\$19,476/year).
- Maximum monthly benefit: At age 70, it's \$4,194/month (\$50,328/year)

[How Much Your Social Security Benefits Will Be If Your Income Is This Much](#)

TID BIT

The year 2022 is cool. In Roman numerals the date is MMCCXXII. That is, ordered pairs of letters for the year.

CLASSIC WALL STREET

Microsoft beats expectations with \$51.7B in revenue, \$18.8B in profits, stock down 5% after hours. Go Figure...

[Microsoft beats expectations with \\$51.7B in revenue, \\$18.8B profit, stock down 5% after hours](#)

APPLES AND ELEPHANTS

Peter Lynch Says All-In On Passive Investing Is All Wrong

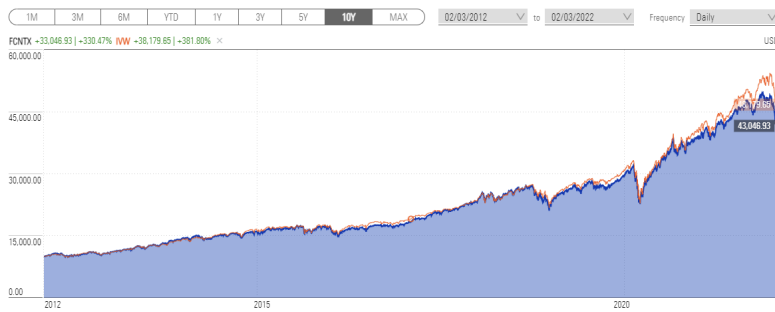
Peter Lynch has words for people who have gone all-in on passive investing: "You're losing out".

“The move to passive is a mistake,” the former Fidelity Magellan fund manager said in an interview with Bloomberg Radio’s Baystate Business to be broadcast Tuesday. “Our active guys have beat the market for 10, 20, 30 years, and I think they’ll keep on doing it.”

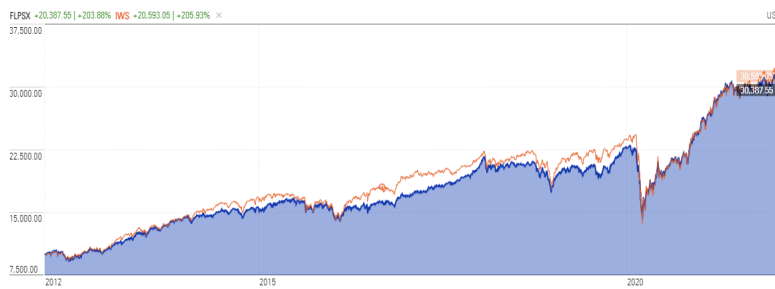
As proof, he cited three current Fidelity managers: Steve Wymer of the Growth Company fund, Will Danoff of the Contrafund and Joel Tillinghast...

Unfortunately comparing the performance to the S&P is like comparing apples to elephants. The managers mentioned do not invest just in S&P 500 companies. Below is a comparison of their performance to a universe of investments in low cost, tax efficient iShares that invest in a similar stock universe.

FIDELITY CONTRFUND – LARGE CAP GROWTH
 IVW – iSHARES S&P 500 GROWTH



FIDELITY LOW PRICED STOCK – MID-CAP VALUE
 IWS – iSHARES RUSSELL MID-CAP VALUE



MORE APPLES AND ELEPHANTS

From my friend Knut Rostad’s Institute for the Fiduciary Standard

Investment Advisors (IA) and Broker Dealers (BD) differ in important ways that are sometimes overlooked. IAs have important legal requirements that BDs do not. BDs may do things that IAs are not allowed to do.

	<u>Investment Adviser</u>	<u>Broker Dealer</u>
<i>Must the IA and BD ... ?</i>		
Always act as a fiduciary	YES	NO
Put client interests first	YES	NO

May the IR or BD?

Put customer interests on an equivalent level with BD's	NO	YES
Meet the standard just when recommending investments	NO	YES
Trade or distribute and sell investments	NO	YES
Be paid by 3 rd parties to recommend or advise customers	NO	YES

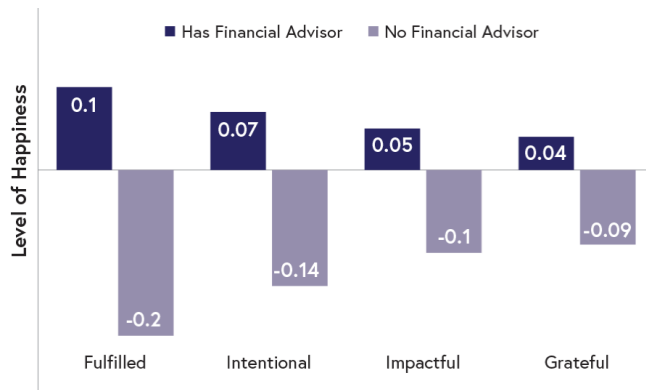
YEP!

Happiness is the feeling that reflects how well individuals' needs are being met, and, to a smaller degree, their contentment with their idealized self-versus their actual self. Happiness means that a person's emotional, mental, physical and relational needs are being met. Money contributes to a person's ability to meet their needs and those of their families. ..

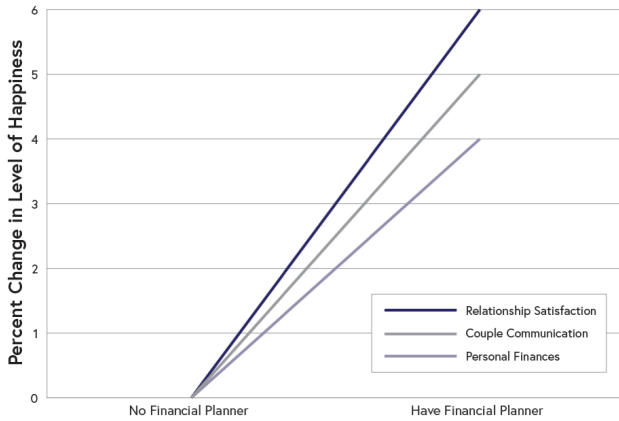
People With FAs Are Happier Than Those Without

Money, even the type that gets you into the top 5%, doesn't buy you happiness — unless you have a financial advisor, it appears, according to a recent survey. People who've hired a financial advisor are three times happier than those who haven't, business management consulting firm Herbers & Co. said it found in a survey of 1,000 random consumers with self-reported assets of \$250,000 or more...

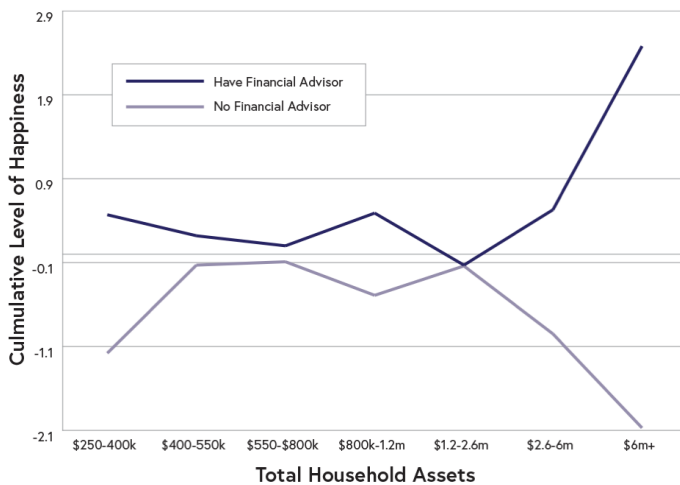
Happiness is the feeling that reflects how well individuals' needs are being met, and, to a smaller degree, their contentment with their idealized self-versus their actual self. Happiness means that a person's emotional, mental, physical and relational needs are being met. Money contributes to a person's ability to meet their needs and those of their families. ..



It also appears that working with a financial advisor accelerates happiness in other key areas of our lives. People who have financial advisors are not only happier with their finances, but they are also far happier about their personal relationships and their communication with their partners...



As individuals move past \$1.2 million of assets, those who work with financial advisors rapidly increase in happiness, while those without advisors rapidly become less happy.



[What's trending? Happiness. — Herbers & Company \(angieherbers.com\)](https://www.angieherbers.com/whats-trending-happiness)

[People With FAs Are Happier Than Those Without: Survey](#)

Moreover, Herbers says it found that those who have a financial advisor are happier not just with their finances but also with their personal relationships and their communication with their partners. In addition, for those who have amassed \$1.2 million in assets, happiness for those with an advisor “significantly increased” but “decreased by four standard deviations for people without a financial advisor.”

A GREAT IDEA

From a Facebook posting

We pay our son \$1 every time he reads a book. We're talking 160-page chapter books. I'm out \$120 this year and he thinks he's ripping me off. Best investment ever.

My #1 son agrees but he says with inflation it should be \$5.

HOPE SPRINGS ETERNAL

From my partner David G.... Investors continue to chase after active stock managers who they believe can outperform the “market.” Don’t count on it.

Stock Pickers Are Struggling to Beat the Market (WSJ 12/28)

Some 85% of active U.S. stock funds were on pace to underperform the S&P 500 this year

It was supposed to be a stock picker’s market. A late 2020 rally by smaller and cheaper stocks, culminating with the meme-stock craze that started in January, raised hopes that active investing would stage a comeback this year. But as 2021 draws to a close, most professional stock pickers find themselves in familiar territory: trailing the benchmark S&P 500 index.

[Stock Pickers Are Struggling to Beat the Market](#)

RECOGNIZE THESE?

Words from the past

Some of the best words ever!

Gallivant • Britches • Codger • Rigmarole
Hoodwink • Ragamuffin • Fiddle-faddle
Humbug • Skullduggery • Jalopy • Kibosh
Bejeebers • Flibberty-jibbit • Hullabaloo
Bamboozled • Flabbergasted • Brouhaha
Discombobulated • Lollygag • Malarkey
Cattywampus • Nincompoop • Skedaddle
Shenanigans • Flummoxed • Pumpernickle
Berserk • Periwinkle • Thingamajig • Whatsit
Confuzzled • Kerfuffle • Poppycock • Bogus
Balderdash • Fuddy-duddy • Thunderation
Whosemegadget • Skewwiff • Lambasted
Flim-flam • Whatchamacallit • Concoction
Doohicky • Gobsmacked • Thingamebob
Camaraderie • Nucklehead • Wishywashy
Fiddlesticks • Caterwauling • Rigmarole
Tomfoolery • Bodacious • Fiddle-dee-dee
Willy-nilly • Decrepid • Persnickety • Egads
Audacity • Baloney • Kerfuffle • Numb-skull

compiled by adgrayvisions

I did, all but Confuzzled and Whosemegadget

I FEEL TERRIBLE

Jamie Dimon, JPMorgan CEO’s 2021 compensation was only \$34.5 million compared to David Solomon, Goldman Sachs CEO and James Gorman, Morgan Stanley’s CEO who each made \$35 million.

GOOD HEADLINE, GOOD ADVICE

“Let me be blunt: Don't buy crypto unless you're fully prepared to lose your shirt

I was losing 10% here, 20% there. Pretty soon, you're talking real percentages

Sure, Bitcoin could skyrocket. It probably will as soon as I cash out my stake or lose it all because that's just life these days. But it's just as likely to crash into the ground, flatten trees, and leave people scratching their heads in bafflement for another hundred years.

The bottom line is this: you know your investment profile and your comfort with risk. I'm just saying that if you're not comfortable with the idea of losing 30% in three weeks, don't invest in Bitcoin. It is volatile AF. If that kind of volatility makes you uncomfortable, stay away.”

[Let me be blunt: Don't buy crypto unless you're fully prepared to lose your shirt | ZDNet](#)

CAVEAT EMPTOR

The SEC, FINRA and the DOJ have been busy (and this is just for December)

- UBS, Wells, LPL, Others Agree to Pay Close to \$10M Over Alleged Share Class Violations
- Finra announced settlements with seven firms over alleged violations in share class violations in college savings plans.
- Avantax Settles with SEC for \$17M Over 12b-1 Fees, Revenue Sharing in Cash Sweep Products at 1st Global
- Global Infrastructure Management to Pay \$4.5M in SEC Settlement
- The SEC charged the RIA firm for failing to properly offset management fees and for making misleading statements about its fees and expenses, according to the regulator.
- Wells Fargo on the Hook for \$3.1M in Finra UIT Sweep
- [JPMorgan Admits WhatsApp, Text Message Recordkeeping Failures, Agrees to Pay \\$200M](#)
- [Finra Orders RBC to Pay \\$1M+ Over Junk Bond Supervision](#)
- [SEC Orders Wedbush to Pay \\$1.2M Over Microcap Sales](#)
- [JPMorgan Could Pay \\$200M to Settle Communications Probe](#)
- Goldman Sachs agrees to record \$2.9 billion DOJ settlement, admits wrongdoing in embezzlement scandal [That's real \$]

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

[Financial Advisor IQ](#)

FROM MY DAILY CALENDAR

“In comparison, there's no comparison.” Soccer player/manager Ron Greenwood

“I didn't really say everything I said.” One of the many wonderful observations of Yogi Berra

“The older I get, the older old is.” Actor/writer Tom Baker – I can relate

Head-Scratching Headlines

Governor: Innocent Man Freed After 18 Years Shows Justice System Works.
Woman Fined For Not Giving 30-Day Notice Before Dying.

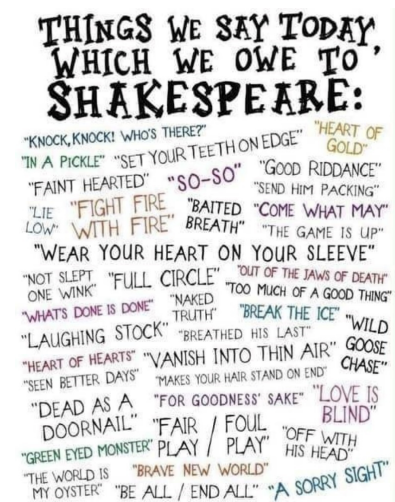
1954 RCA



I was 6

WHO KNEW?

From Freddie



I can't vouch that all of these are really from Shakespeare but I checked a bunch and indeed they are.

[People With FAs Are Happier Than Those Without: Survey](#)

OUTLOOK 2022: DAWN OF A BREAKOUT ERA?

My friend Bob Curtis sent me an email from Bank of America inviting him to a web presentation where experts would:

- Look at the path forward for the markets and economy, including:
- Actionable portfolio ideas you may want to consider now.

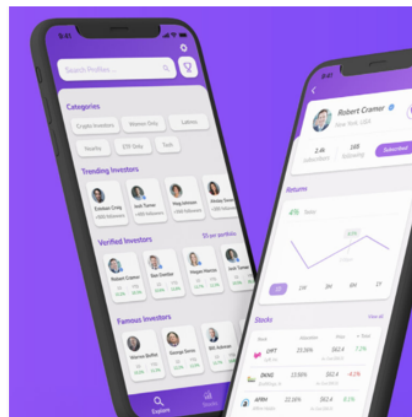
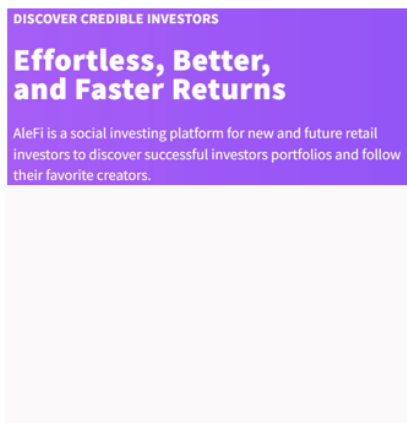
Bob asked if I would attend this. I responded

“Nope. I figure anyone with a successful crystal ball wouldn’t be working for a living. Also, they would not be sharing the knowledge.” I neglected to add “Unless of course it generated trading commissions.”

AleFi

This was forwarded to me by my friend Taft. I’m not quite sure what to make of this other than it’s scary.

The pitch seems to be that a subscriber can track the daily buy and sales of “creators” who have a “successful” trading record. No indication regarding how the record is determined but the screen shot below shows performance for the “long term” of one day and one year. With enough participants there will always be a few with a terrific short-term return (remember, tossing heads on a coin ten times in a row is not an indication of skill).



Subscribe to High Return and Famous Investors

Subscribe to view their portfolios for \$5/month; We keep 20% and creators keep 80% of fees.

Follow your Friends Portfolios

- Connect your brokerage accounts
- Share and collaborate with your friends and get notified when they trade

Taft’s observations were:

Personally, I see it as

1. Another type of "financial/investing pornography"
2. The portfolios are not tied to the actual end goal of financial goal accomplishment (the whole reason why we invest).
3. There is no alignment of risk tolerance as you find "investors" by name, portfolio returns, and pricing.
4. Promotes active trading
5. Does not educate investors

I think he was kind.

[AleFi](#)

OUCH!



MORE CRYSTAL BALLS

From my partner Steve

A year ago (12/21/20), Barron's published the year-end 2021 forecast for the S&P 500 made by 10 Wall Street strategists. The 10 predictions ranged from a low of 3800 to a high of 4400. The S&P 500 closed last Friday 12/10/21 at 4712 (source: Barron's).

In other words, one of my favorite expressions rings truer than ever and that is, "The future is unknowable and that is why it is called the future". And as a personal postscript forecasting has limited utility!

FUN STUFF

Got up at 5am, 8km run completed, came back prepared a vegetable smoothie for breakfast....
Don't remember the rest of the dream....

MY WIFE ASKED ME WHY I SPOKE SO SOFTLY IN THE HOUSE.
I SAID I WAS AFRAID MARK ZUCKERBERG WAS LISTENING!
SHE LAUGHED.
I LAUGHED.
ALEXA LAUGHED.
SIRI LAUGHED.

DIET DAY 1 :

I HAVE REMOVED ALL THE BAD FOOD FROM THE HOUSE. IT WAS DELICIOUS.

WOMAN'S ASS SIZE STUDY

There is a new study about women and how they feel about their asses, the results were very interesting.

10% Of women think their ass is too skinny.

30% Of women think their ass is too fat.

60% Say they don't care, they love him, he is a good man and they wouldn't trade him for the world.

AND THE BEST CRYSTAL BALL EVER!

This \$79 Motley Fool Investment Tool Has 4Xed the Market for 19 Years Straight

My associate Marcos calculated the value of a \$10,000 investment on 12/31/2002 growing at 4X the S&P through 12/31/2021. Hold on to your hat...

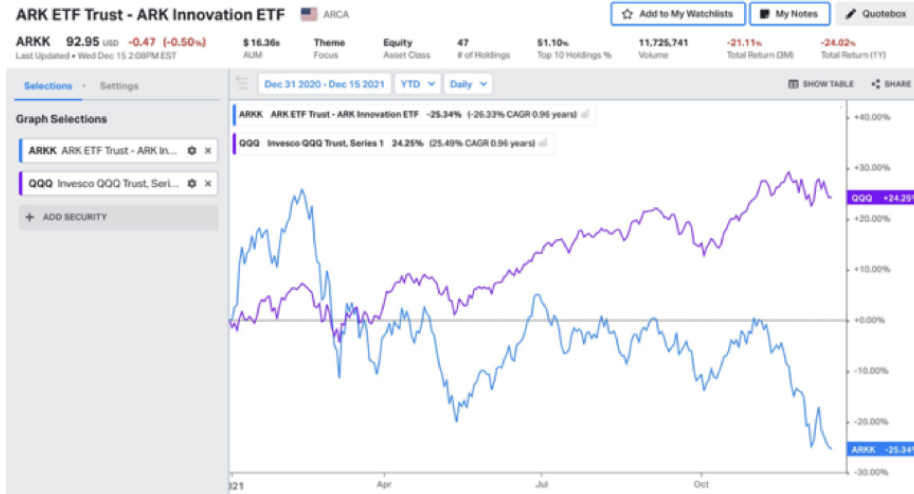
The terminal value was \$37,681,046 !

The moral...If it's too good to be true, it ain't.

[How To Save 60% on Motley Fool's Stock Advisor in 2022 | SPY](#)

ACTIVE ETFs? THINK TWICE

From a Twitter posting by Jason Zweig, Investing columnist for the *Wall Street Journal* and one of the most thoughtful and insightful commentators on investment issues.



“ARKK is an actively managed Exchange Traded Fund (ETF) that seeks long-term growth of capital by investing under normal circumstances primarily (at least 65% of its assets) in domestic and foreign equity securities of companies that are relevant to the Fund’s investment theme of disruptive innovation.”

One commentator did appropriately note that “Performance shouldn’t be judged on such a short period.” Although true, the math of volatile funds suggests that significant losses are hard to over come.

Time required for ARKK return to its original at different growth rate:

	Back to Even
	15% 10%
YEARS	3 4

Time required for ARKK to catch up with QQQ at various growth rates

ARKK Growth Rate	@15%		@10%	
QQQ Growth Rate	No Grow	5%	No Grow	5%
YEARS	4.5	6	6.5	9

However, hope springs eternal. In a blog post, Cathie Wood, the portfolio manager said “‘With a five-year investment time horizon, our forecasts for these platforms suggest that our strategies today could deliver a 30-40% compound annual rate of return during the next five years.’

Time will tell...

[ARKK](#)

[Cathie Wood says stocks have corrected into 'deep value territory' and won't let benchmarks 'hold our strategies hostage'](#)

REMARKABLE COLLECTION OF WISDOM

From Peter

A smart person knows what to say. A wise person knows whether to say it or not. - Dali Lama

Any fool can know. The point is to understand. – Albert Einstein

In America, they call it “lobbying.” Everywhere else in the world, they call it “Bribery & Corruption.” – CJ Kalish [Yep]

When the debate is lost, slander becomes the tool of the losers. - Socrates [Sounds familiar]

Complaining about a problem without posing a solution is called wining. - Teddy Roosevelt

No matter how educated, talented, rich or cool you believe you are, how you treat people ultimately tells all. - Unknown

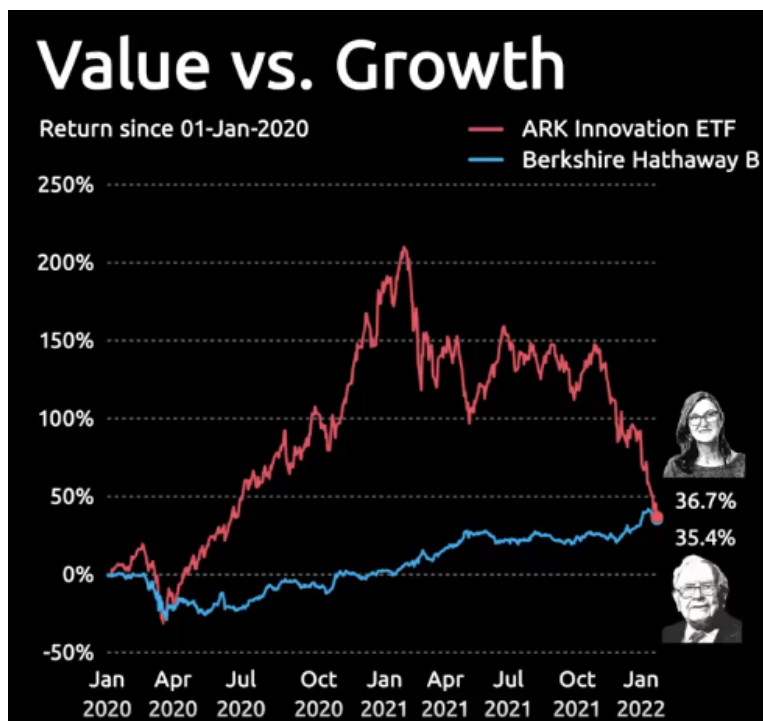
URNS OUT I'M JUST TURNING 40

“I am just turning 40 and taking my time about it.” Harold Lloyd at age 77

TURTLE and the HARE

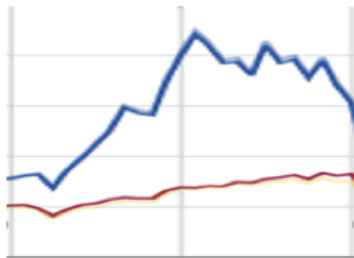
More on ARK

Coincidentally, there was a posting on the web showing the performance of ARK vs Berkshire Hathaway, Warren Buffet’s classic value investment.

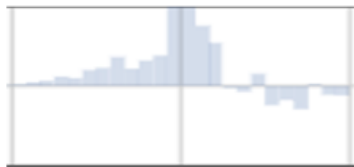


Want to guess when most people started to invest in ARK? ... Buy high sell low

PERFORMANCE



INVESTMENT FLOWS



2020

2021

FROM THE FRYING PAN INTO THE FIRE?

A recent article in *WealthManagement.com* (a professional publication) had an article *My Life as a Client*.

“We had one conversation and it was very clear this person was not behaving in a fiduciary manner. And the fees were outrageous. So we decided to transfer everything to our current **brokerage firm**.”

Sounds like these clients need some education regarding the difference between “Brokers” and “RIAs”. Brokers may be exceptionally honest (the vast majority are) but they are not held to a fiduciary standard. RIAs are. – See my earlier comments.

[My Life as a Client: Looking at the Whole Picture](#)

CRYPTO MOM

This mom quit her job to focus on crypto full time and build ‘generational wealth.’ Now she makes around \$80,000 per month

After more than a decade as a mortgage underwriter at USAA, Brenda Gentry resigned in October 2021. Rather than continue in traditional finance, she pivoted to crypto full-time. Now, Gentry runs a crypto consulting firm, which she launched after leaving her job...

Before going “all in” and leaving her steady 9-to-5, Gentry began investing in cryptocurrencies during the Covid-19 lockdown in 2020. She started small, but gradually began investing more.

By early 2021, she had garnered substantial returns. “My investment portfolio surpassed my 401(k) — which had taken 11 years to get to \$200,000 — in six months,” Gentry says. She acknowledges that cryptocurrency is a risky investment, but her experience in finance and process of due diligence helps her feel comfortable investing in the space.

Wow, with “her experience [a decade as a mortgage underwriter]” what could go wrong?

As I write this (1/31/22) Bitcoin is trading at about \$38,000. When the article about Crypto Mom was published (12/22/21) it was trading about \$50,000.

[Crypto Mom - Bing News](#)

WHEN MUSIC WAS THE BEST

The 50's

Elvis, Bill Haley, Gene Vincent, Buddy Holly, Carl Perkins, Eddie Cochran, The Everly Brothers, Fats Domino, Bobby Darin, Jackie Wilson, Ricky Nelson, Jerry Lee Lewis, Little Richard



I DON'T SEE MINE



This is REAL money ...

[Welcome to the centre of the celebrity universe! Paradise island of St Barths is surrounded by billionaires' superyachts and filled with stars as it becomes THE place to be this winter](#)

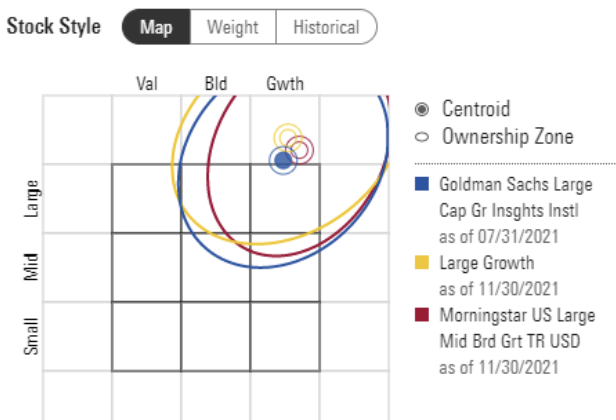
HEADLINE BS CONTINUES

Hot Goldman Sachs Fund Topped The S&P 500 Over Periods Long, Short

“The \$1.5 billion Goldman Sachs Large Cap Growth Insights Fund (GCGIX) is one of the best mutual funds. It earned that distinction by outperforming the S&P 500 over time periods long and short, including this year going into Dec. 22.”

Only problem is, GCGIX is NOT an S&P 500 type fund but rather a large cap growth fund.

From Morningstar



Comparing the fund performance to a more appropriate index shows a quite different picture. The red line is ILCG, the iShare Morningstar Growth ETF, and the blue is GCGIX

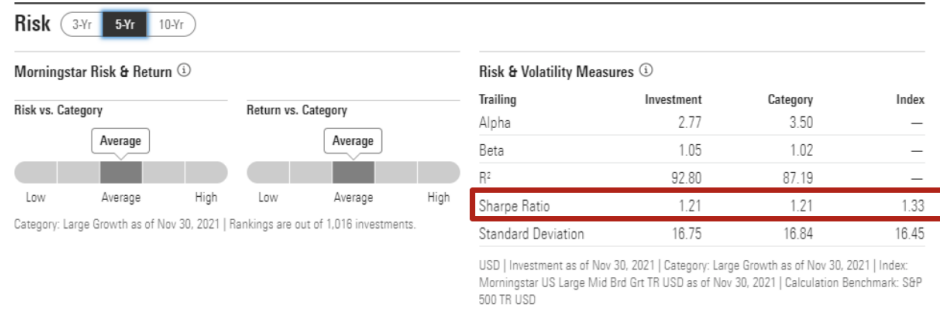
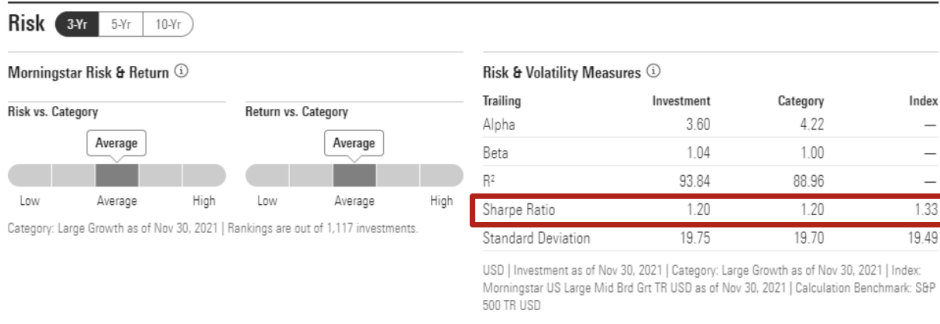
5 YEAR



10 YEAR



And remember, return is not the most important metric. Risk and return is the gold standard. The most common measure is the “Sharpe Ratio,” a measure that shows the return per unit of risk – the higher the better. Once again, GCGIX performance falls behind an alternative (and appropriate) investable index.



Finally, don't forget taxes. All that counts is what you keep after Uncle Sam takes his bite. Unless your investment is in a sheltered account, the tax bite might even torpedo the best returns. How do these two funds compare? CGCIX is a tax disaster.

3-YEAR TAX COST RATIO*

<u>CGCIX</u>	<u>ILCG</u>
2.31	0.16

Bottom line, one more time financial pornography leads to lousy investment decisions. Don't just stop at the headlines when your making your investment decisions.

*The tax cost ratio compares a fund's load-adjusted, pretax return (PTR) to its tax-adjusted return (TAR). The resulting number represents the percentage of an investor's assets that are lost to taxes

[Best Mutual Funds: This One Topped The S&P 500 Over Periods Long, Short | Investor's Business Daily \(investors.com\)](#)

NEW SENIOR'S EXAM

From Alex

You only need 4 correct out of 10 questions to pass. Don't peak, answers at the end.

- 1) How long did the Hundred Years' War last?
- 2) Which country makes Panama hats?
- 3) From which animal do we get cat gut?
- 4) In which month do Russians celebrate the October Revolution?
- 5) What is a camel's hair brush made of?
- 6) The Canary Islands in the Pacific are named after what animal?
- 7) What was King George VI's first name?
- 8) What color is a purple finch?
- 9) Where are Chinese gooseberries from?
- 10) What is the color of the black box in a commercial airplane?

Remember, you need only 4 correct answers to pass.

Check your answers below

ANSWERS TO THE QUIZ

- 1) How long did the Hundred Years War last? 116 years
- 2) Which country makes Panama hats? Ecuador
- 3) From which animal do we get cat gut? Sheep and Horses

- 4) In which month do Russians celebrate the October Revolution? November
- 5) What is a camel's hair brush made of? Squirrel fur
- 6) The Canary Islands in the Pacific are named after what animal? Dogs
- 7) What was King George VI's first name? Albert
- 8) What color is a purple finch? Crimson
- 9) Where are Chinese gooseberries from? New Zealand
- 10) What is the color of the black box in a commercial airplane?
Orange (of course)

What do you mean, you failed?

Me, too! I got 2. (And if you try to tell me you passed, you LIED!). Pass this on to your brilliant friends.

CHURCH LADIES BULLETIN HAS SOME COMPETITION

From synagogue's bulletins – from Freddie

- Don't let worry kill you. Let your synagogue help. Join us for our Oneg after services. Prayer and medication to follow.
- We are pleased to announce the birth of David Weiss, the son of Rabbi and Mrs. Abe Weiss.
- Thursday there will be a meeting of the Little Mothers Club. All women wishing to become Little Mothers please see the rabbi in his private study.
- The ladies of Hadassah have cast off clothing of every kind and they may be seen in the basement on Tuesdays.
- Rabbi is on vacation. Massages can be given to his secretary.
- If you enjoy sinning, the choir is looking for you!
- The Associate Rabbi unveiled the synagogue's new fundraising campaign slogan this week: "I Upped My Pledge. Up Yours."

SMART NOT BRILLIANT

From the always excellent JPMorgan Guide to the Markets (1Q 2022) a powerful visual reminder why diversification wins and chasing the hot investment of the prior year does not.

Asset class returns

GTM U.S. 61

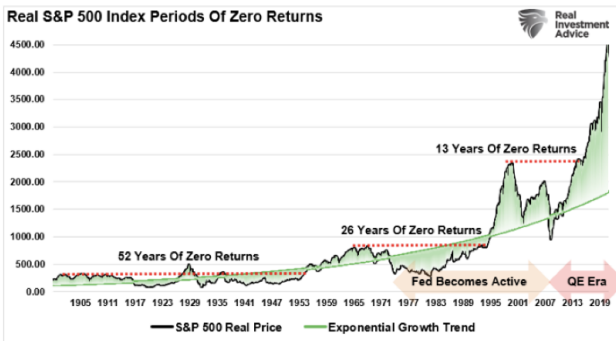
																	2007 - 2021	
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Ann.	Vol.		
DM Equity 38.8%	Fixed Income 5.2%	DM Equity 79.9%	EM RSTs 8.3%	RSTs 19.7%	RSTs 19.7%	Small Cap 38.8%	RSTs 28.0%	RSTs 2.8%	Small Cap 21.3%	DM Equity 37.8%	Cash 1.8%	Large Cap 20.0%	Small Cap 20.0%	RSTs 41.3%	Large Cap 10.6%	RSTs 23.2%		
Comdty. 16.2%	Cash 1.6%	High Yield 89.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	High Yield 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.2%	DM Equity 26.6%	Fixed Income 0.0%	RSTs 28.7%	EM Equity 18.7%	Large Cap 27.1%	Small Cap 8.7%	EM Equity 33.9%		
DM Equity 11.6%	Asset Alloc. 25.4%	DM Equity 32.9%	EM Equity 19.2%	EM Equity 3.1%	EM Equity 18.6%	DM Equity 20.3%	Fixed Income 6.0%	Fixed Income 0.6%	Large Cap 12.6%	Large Cap 21.8%	Large Cap -4.9%	RSTs 28.9%	Large Cap 18.4%	Comdty. 27.1%	RSTs 7.5%	Small Cap 22.6%		
Asset Alloc. 7.1%	High Yield -26.9%	RSTs 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%	DM Asset Alloc. 10.6%	Small Cap 14.8%	High Yield 6.6%	Comdty. 19.1%		
Fixed Income 7.0%	Small Cap -33.9%	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. 13.4%	Asset Alloc. 5.7%	DM Equity 18.9%		
Large Cap 5.5%	Comdty. -35.6%	Large Cap 33.5%	High Yield 14.3%	High Yield -2.7%	Large Cap 18.9%	RSTs 2.9%	RSTs 0.0%	Asset Alloc. -2.0%	Asset Alloc. 8.6%	High Yield 10.4%	Asset Alloc. -5.9%	EM Equity 18.3%	Fixed Income 7.5%	DM Equity 11.3%	EM Equity 4.5%	Large Cap 18.3%		
Cash 4.8%	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 0.0%	High Yield 8.3%	RSTs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.6%	High Yield 1.9%	DM Equity 4.1%	High Yield 12.2%		
High Yield 3.2%	RSTs -37.7%	Comdty. 18.9%	DM Equity 8.2%	EM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.6%	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%	Fixed Income 4.1%	Asset Alloc. 11.7%		
Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -4.5%	EM Equity 7.3%	DM Equity -4.8%	DM Equity 14.6%	DM Equity 1.7%	Comdty. 1.7%	Comdty. 14.2%	Comdty. 17.7%	Fixed Income -1.9%	Cash 0.6%	Fixed Income 3.2%		
RSTs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -16.2%	-1.1%	Comdty. -9.5%	Comdty. -24.7%	Cash 0.3%	Cash 0.9%	EM Equity -14.2%	Cash 2.2%	RSTs -5.1%	DM Equity -2.2%	Comdty. -2.6%	Cash 0.7%			

Source: Bloomberg, Factset, MSCI, NAREIT, Russell, Standard & Poor's, LP, Morgan Asset Management.
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REIT: MSCI 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 2% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (pre-) return and volatility (Vol) represents period from 12/31/2006 to 12/31/2021. 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 December 31, 2021.

J.P.Morgan
ASSET MANAGEMENT

AND REMEMBER

It does happen



WOW! SOME CRYSTAL BALL

From an ad for a newsletter

This time of year, someone's issuing a prediction everywhere you look.

But in the world of finance, tens of thousands of stock market enthusiasts await the prediction of one man. Former financial media correspondent, money manager, and legendary stock picker Matt McCall likely has more 1,000% winners than any other investment expert in America over the last decade.

He showed his followers how to make near 10x gains or higher on every single one of the FAANG stocks—way before they were on anyone else's radar:

- **Facebook (FB)** in 2013... with gains as high as **1,100%**
- **Apple (AAPL)** in 2011... with gains as high as high as **1,100%**
- **Amazon (AMZN)** in 2009... with gains as high as **2,600%**
- **Netflix (NFLX)** in 2014... with gains as high as **1,000%**
- **And Google (GOOG)** way back in 2008... with gains as high as **900%**

Pretty impressive record but it does lead one to wonder. Assuming an initial investment of \$10,000 in these stocks beginning in 2008 and no returns for those years without recommendations, by 2014 the portfolio would be worth about \$3.1 MILLION! At a “modest” 500% rate by 2022 we’d be looking at almost a billion. Have to ask, why would someone with this good a crystal ball still be working for a living and why share? Just asking.

[Tens of Thousands await Stock Market Guru's #1 Stock Pick for 2022. Here's why... – Investing Outlook](#)

NOT AN AD

Deena suggested that I include this as we and some close friends have found it to be a useful tool. Hard to explain and not cheap and although I’m still not sure we’re not being scammed, it does seem to work. It’s called NuCalm and here’s the company pitch.

Imagine living in world where you have access to an all-natural, safe, reliable, and easy to use technology that allows you to change your mental state on demand, from the deepest moments of sleep to the highest feelings of focused intensity. At Solace Lifesciences, Inc., that is what we have been developing for more than 20 years. We are a neuroscience company with a singular purpose and conscious agenda... to help people live happier, healthier, richer lives by solving big problems with non-invasive, all-natural neuroscience solutions.

Founded in 2002, we pioneered the use of multiple technologies to naturally guide the brain and body to transition from a state of high stress, fear, and anxiety, to a state of deep calm and relaxation within minutes, without drugs. In 2009, we launched NuCalm®, the world’s first and only neuroscience technology clinically proven to lower stress and improve sleep quality without drugs. In 2015 the company was awarded a patent for “systems and methods for balancing and maintaining the health of the human autonomic nervous system”. (U.S. Patent Registration No.: 9,079,030).

[NuCalm](#)

MOTLEY FOOL ISSUES RARE “ALL IN” BUY ALERT

Investing \$100,000 in This Basket of Dividend Stocks Should Give You \$4,000 in 2022 Income

Most of us don't just have a spare \$100,000 lying around. But if you did, investing in equal parts of Yamana Gold ([NYSE:AUY](#)), Kinder Morgan ([NYSE:KMI](#)), and Autoliv ([NYSE:ALV](#)) should earn you \$4,000 off dividends alone in 2022 while exposing your portfolio to multiple industries.

Remember – Total Return, NOT dividends. How about a 10% “dividend” return for 10 years? Give me \$100,000 and I’ll send you a \$10,000 “dividend” per year for 10 years like clockwork. Of course, there would be nothing left at the end as I’d simple sent you your own money back. While the annual return was 10% the total return was ZERO!

Looking at these three stocks I found the dividend and stock buyback payments for the last 10 years was indeed about 4%. Unfortunately, the total annual return was also only about 4% compared to the S&P 500 (IVV) of almost 16%.

REMEMBER! Focus on TOTAL return (and don’t forget expenses, taxes and risk).

Good thing the “alert” is rare.

[Investing \\$100,000 in This Basket of Dividend Stocks Should Give You \\$4,000 in 2022 Income](#)

LOOKING BACK

Occasionally I like to look back at investment recommendations. Here’s a few of the top picks for the 35 Best Funds 2007 by *Smart Money*



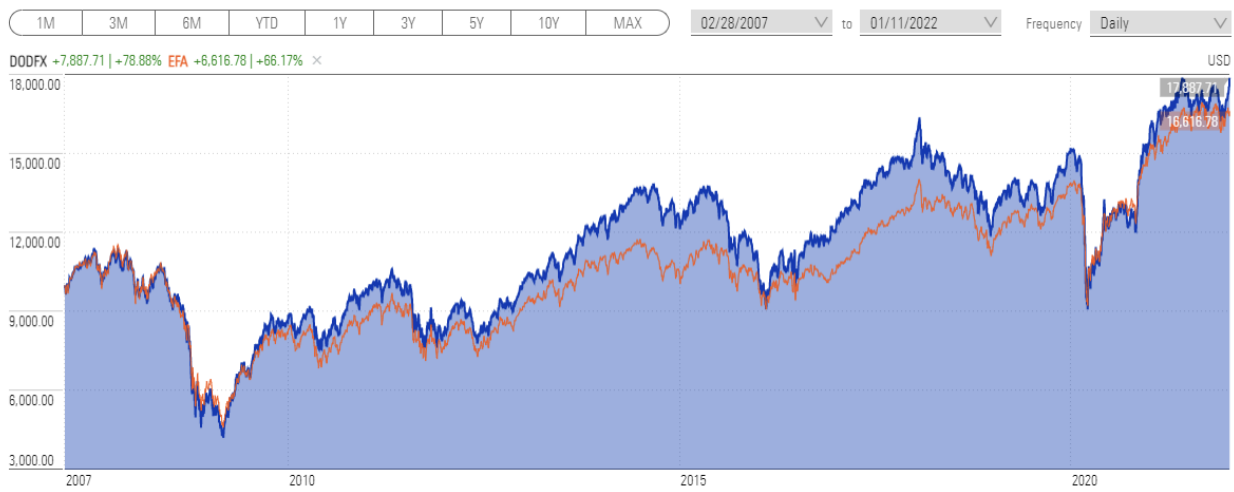
How did it do over the ensuing 14 or so years?

TR Price Growth vs iShares Russell 1000 Growth

Sharpe Ratio	TRowe...1.23	iShare...1.31
Tax Cost Ratio	TRowe...1.28	iShare...0.28

Looks like a not very successful index fund – higher risk and more tax inefficient.

Dodge & Cox International Stock was the International pick.



Dodge & Cox International vs iShare EAFE

10 Year Sharpe	D&C...0.47	iShare... 0.78
Tax Cost Ration	D&C...1.01	iShare...1.03

It looks actively managed and reasonably tax efficient but the modest outperformance was a result of significantly greater risk.

Smart Money's last paper edition was in September 2012. Guess it didn't predict its future any better.

1957

- I'm afraid to send my kids to the movies anymore. Ever since they let Clark Gable get by with saying "damn it" in Gone with the Wind, it seems every new movie has either 'Hell" or 'damn" in it. If cigarettes keep going up in price, I'm going to quit 25 cents a pack is ridiculous.
- They raise the minimum wage to one dollar nobody will be able to hire outside help at the store.
- When I first started driving who would have thought gas would someday cost 29 cents a gallon guess we better off leaving the car in the garage.
- If they think I'll pay 50 cents for a haircut forget it.
- Did you see where some baseball player just signed a contract for \$75,000 a year just to play ball? Wouldn't surprise me if someday they'll be making more than the president.
- I'm just afraid the Volkswagen cars going open the door to a whole lot of foreign business.
- There's no sense in going to Lincoln or Omaha anymore for a weekend because nearly \$15 a night to stay in a hotel.
- No one can afford to be sick anymore \$35 a day in the hospital is too rich for my blood.

WHAT A RIDE



GOOD ON YA SEC

The [SEC's Regulation Best Interest \(Reg BI\) rule](#) requires SEC-registered broker-dealers to act in their clients' best interests when making an investment recommendation. Among the recommendations covered by the rule are rollover recommendations for clients' retirement funds (such as assets in IRAs or 401(k) plans), for which the broker-dealer must assess "reasonably available alternatives" to demonstrate that the

recommendation is in the client's best interests. Prior to Reg BI's enactment in June of 2020, rollovers were often significant sources of abusive sales practices, with a subset of less-honest broker-dealers in their role as "advisors" convincing retirees to roll over entire accounts into products that would generate a hefty commission for the broker-dealer; the rule was designed to curb such abuses by requiring more transparency about the costs and benefits of executing a rollover to catch those 'bad apples'.

At least that is how it would work in theory; in practice, however, it seems that many broker-dealers have yet to fully comply with Reg BI's requirements, and are receiving deficiency letters from the SEC detailing their failures to complete and document the required assessments. Among the various deficiencies are the failure to standardize, digitize, and supervise representatives' obligation requirements, as well as allowing representatives to "self-attest" that they have performed their duty-of-care obligations by simply checking a box on a form, without providing any of the actual data used to make the assessment (thereby taking the advisor's word that they fulfilled their obligation, which would presumably do little to prevent any abusive behavior by a dishonest advisor who could simply self-attest whether or not they actually performed the assessment).

[B-Ds Are Getting Reg BI Deficiency Letters From SEC, Compliance Exec Says \(fa-mag.com\)](https://www.famaq.com)

I LOVE IT

My associate Marcos just introduced me to the Inverse Cramer ETF. The newsletter argues that real market success comes from doing just the opposite of Jim Kramer's recommendations.

"We've seen Jimmy's calls have a real market impact without real accountability attached to them, I am here to help by providing that data as a public record."

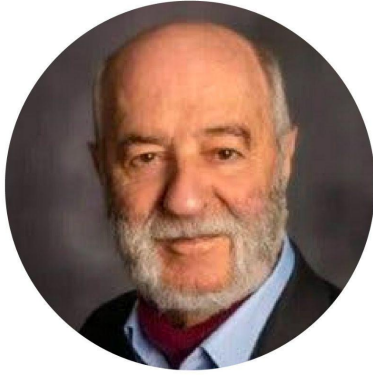
Here's a recent example:

Inverse Cramer ETF (Not Jim Cramer)
@CramerTracker

Jimmy's **\$NFLX** buy recommendations

Company	Ticker	Rec. Date	Rec. Price	% Change	Current Price	Investment	Balance
Netflix	NFLX	7/29/2021	\$514.25	-30.59%	\$356.96	\$10,000	\$6,941
Netflix	NFLX	8/19/2021	\$543.71	-34.35%	\$356.96	\$10,000	\$6,565
Netflix	NFLX	9/23/2021	\$634.81	-43.77%	\$356.96	\$10,000	\$5,623
Netflix	NFLX	10/15/2021	\$628.29	-43.19%	\$356.96	\$10,000	\$5,681
Netflix	NFLX	10/20/2021	\$625.14	-42.90%	\$356.96	\$10,000	\$5,710
Netflix	NFLX	11/1/2021	\$681.17	-47.60%	\$356.96	\$10,000	\$5,240
Netflix	NFLX	11/29/2021	\$663.84	-46.23%	\$356.96	\$10,000	\$5,377
Netflix	NFLX	1/3/2022	\$597.37	-40.24%	\$356.96	\$10,000	\$5,976
@CramerTracker						\$80,000	\$47,114

[Jimmy sinks the ARKK \(beehiiv.com\)](https://www.beehiiv.com)



Harold Evensky

FOUNDER

EVENSKY & KATZ / FOLDES FINANCIAL WEALTH MANAGEMENT

Important Disclosure Information

Please remember that past performance may not be indicative 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 Financial Wealth Management ["EK-FF"]), 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 EK-FF. EK-FF 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 EK-FF'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 EK-FF client, please contact EK-FF, 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 EK-FF 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 EK-FF 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 EK-FF 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, EK-FF 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 EK-FF by any of its clients. ANY QUESTIONS: EK-FF's Chief Compliance Officer remains available to address any questions regarding rankings and/or recognitions, including the criteria used for any reflected ranking.