



EVENSKY & KATZ / FOLDES
— WEALTH MANAGEMENT —

NEWSLETTER VOLUME 15, NO. 4 | AUGUST 2022

DEAR READER:

HELPFUL SIGNS





0



AND HELPFUL WEATHER FORECASTS

“Forecasters Call for Weather on Monday” *Pittsburg Post-Gazette*

BEWARE

Some good tips on today’s hottest scams from AARP

Google Voice Scam

Let’s say you’ve posted a notice online—an item for sale, for example, or a plea to find a lost pet—and included your phone number. In this scam the crook will call you, and feign interest, but say they want to verify first that you aren’t a scammer. They tell you that you are about to get a verification code from Google Voice (their virtual phone and text service) sent to you and will ask you to read it back. Here’s what’s really going on: They are setting up a Google Voice account in your name. “They can go on to perpetrate scams and pretend to be you, hiding their footprint from law enforcement,”

Rental Assistance Cons

Over 583,000 older adults were behind on their rent in mid-2021, opening the door for scammers to impersonate government or nonprofit employees and to request personal info and money up front for applications.

Fake Amazon Employees

One-third of business-impostor fraud complaints involve scammers claiming they’re from Amazon.

Cryptocurrency ATM Payments

Pretending to be government officials, utility agents or sweepstake representatives, they direct you to pay a purported fee, bill or handling charge by sending cryptocurrency bought at these ATMs to an untraceable digital wallet.

Local Tax Impostors

Scammers are impersonating state, county and municipal law enforcement and tax collection agencies to get you to share sensitive personal information or send money to “settle your tax debt.”

‘Favor for a Friend’ Gift Cards

You receive an email from a friend asking for a quick favor. She's having trouble with a credit card or store account and, annoyingly, can't buy a gift card she needs for a birthday present. Will you buy the card and call her with the numbers on the back? She'll pay you back. But this favor's really a fraud.

How to stay safe? – Don't take anything at face value on the web. Never share verification codes, passwords, or bank account/credit card info; ignore calls, text messages, and email or social media messages about suspicious account activities, raffles or unauthorized purchases. Ignore any request to pay in cryptocurrency, and ignore any money request without directly verifying the request with the person making it .

[8 Red-Hot Scams in 2022 - AARP](#)

METAMORPHOSIS, COCKROACH MIRACLE CURE

Joey Skaggs is one of our longest-tenured clients and unquestionably one of the most unique.

[Click this link to his latest oral history film.](#) Password: abracadabra

[Click here for information about the whole series.](#)

Given what we see in the media today, we need more folk like Joey Skaggs.

MORE GOOD ADVICE

From my friend Professor Taft

If your reaction to the stock market looks like the reaction on these faces, you know you're not invested correctly.



OH MY

"Bruce Sutter has been around for a while, and he's pretty old. He's 35 years old. That will give you an idea how old he is." Baseball Announcer Ron Fairly

MAYBE PROFESSIONAL INVESTORS KNOW SOMETHING

Andrew Lo, Alexander Remorov and Zied Ben Chaouch, authors of the January 2019 study *Measuring Risk Preferences and Asset-Allocation Decisions: A Global Survey Analysis*, sought to answer that question. One of their key findings was that individual investors tend to mostly extrapolate past performance in their asset allocation (they are subject to recency bias), while institutional investors are mostly contrarian in their investment decisions (rebalancing leads to selling during bull markets and buying during bear markets)—and the differences in the reactions were highly statistically significant and very large. These findings held around the globe.

As an example of the differences in behavior, they found that following a decline in the S&P 500 of 10-20 percent, while 44 percent of individuals would decrease equity allocation, just 17 percent of institutions would do so. At the same time, 67 percent of institutions and 52 percent of advisors would increase equity allocation versus just 17 percent of individuals. With a rise in the S&P 500, the results reversed: For individuals, 30 percent would decrease allocation and 32 percent would increase it versus 68 percent and 9 percent for institutions. Thus, on average, individual investors would change their allocation in the same direction as a recent S&P 500 move (recency bias), while institutional investors would change their allocations in the opposite direction.

In other words, institutions were likely rebalancing, adhering to their asset allocation plans, while individuals were performance chasing, leading to panic selling during bear markets. This was especially true of younger investors.

Add to this Daniel Elkind, Kathryn Kaminski, Andrew Lo, Kien Wei Siah and Chi Heem Wong's study *When Do Investors Freak Out? Machine Learning Predictions of Panic Selling*, published in the Winter 2022 issue of *The Journal of Financial Data Science*. Using a dataset of 653,455 individual brokerage accounts belonging to 298,556 households, they documented the frequency, timing and duration of panic sales, defined as a decline of 90 percent of a household account's equity assets, of which 50 percent or more was due to trades, over the course of one month.

A couple of observations

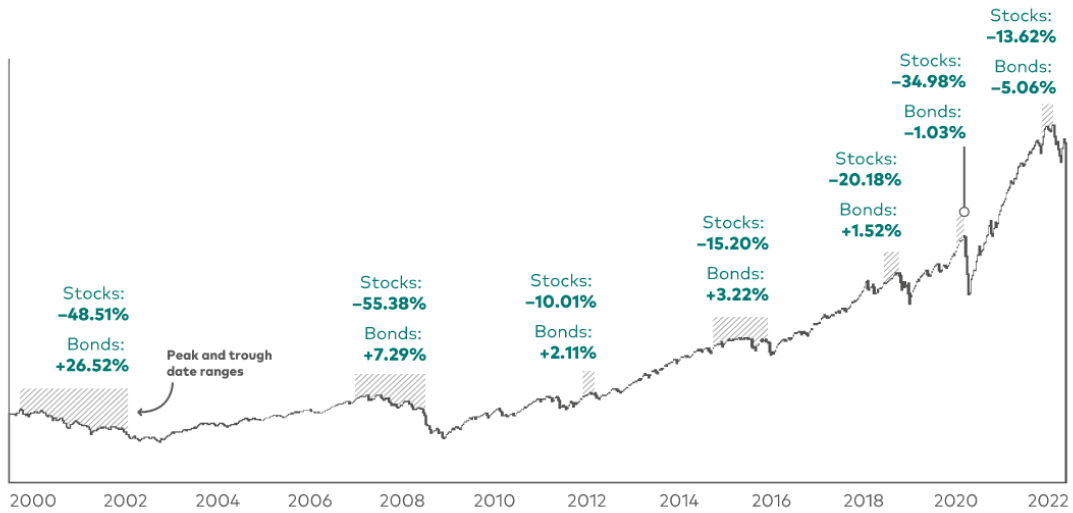
- A higher proportion of investors who were male, above the age of 45, married, or had a greater number of dependents tended to freak out.
- Those who declared themselves to have excellent investment experience or knowledge were more prone to engage in panic selling. Those who declared themselves to have no investment experience were less likely to panic sell or freak out.

Overconfident men, take heed.

[Men are more likely to panic than women | TEBI \(evidenceinvestor.com\)](https://www.evidenceinvestor.com/men-are-more-likely-to-panic-than-women/)

WHY BONDS?

Bond returns provide balance in past stock market corrections: 2000–present



Note: Stock performance is measured by Vanguard Total Stock Market Index Fund Investor Shares; bond performance is measured by Vanguard Total Bond Market Index Fund Investor Shares. The 2022 correction is based on the March 14, 2022, low point since peaking in January 2022 and isn't intended to state a firm low point of this market cycle.

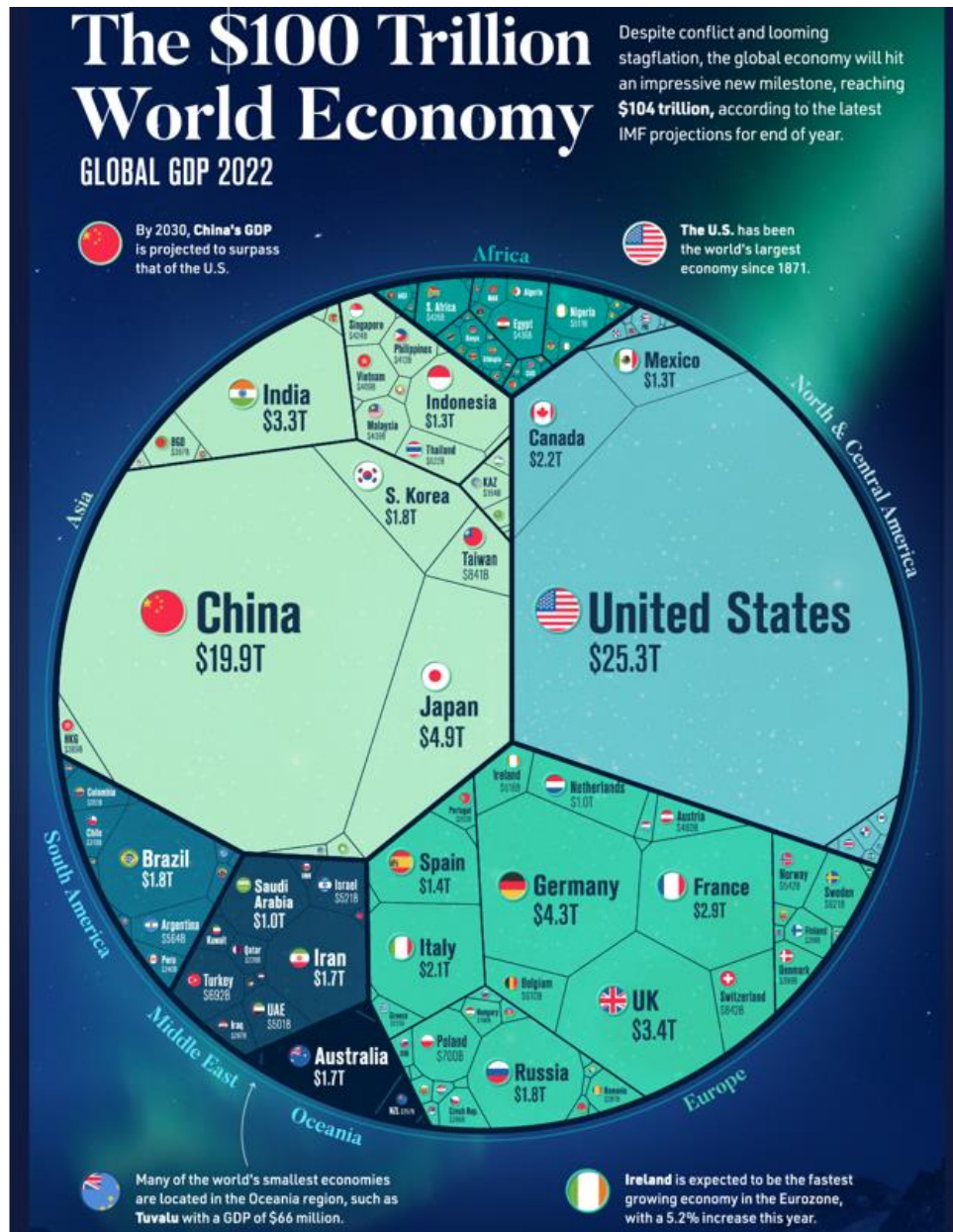
[3 bond questions you should consider | Vanguard](#)

AH SO



... and that is WHY the chicken crossed the road.

COOL GRAPH



[The \\$100 Trillion Global Economy in One Chart - Visual Capitalist](#)

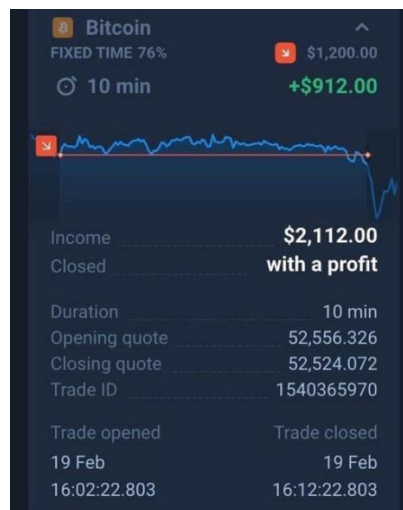
FUNDRAISING MYTH & SCIENCE

If you have any involvement with a nonprofit charitable organization, you owe it to yourself and your organization to read the amazing work of Russell James, Professor of Charitable Financial Planning at Texas Tech. Russell's newsletter — [Fundraising Myth & Science - Reviewing experimental findings, theory, and real-world practice related to fundraising](#) — provides actionable ideas for your fundraising efforts, and it's fun to read, too.

MINUTE TRADING; A NEW MEANING TO DAY TRADING



February 19 – 10 minutes! Give me a break....



14 STOCKS PAYING HUGE DIVIDENDS TOTALLY BURN INVESTORS

One more time — focus on total return, not dividends...

So far this year, 14 stocks now yielding 4% or more, including financial T. Rowe Price real estate firm Simon Property Group and VF, pounded investors with 20% net losses even after adding in a full year of current dividends. That means the fat annual dividend investors looked forward to for the full year, and then some, is wiped out for now by the decline in stocks.

It's not just an unlucky handful of S&P 500 stocks that dropped so much this year. It's a pretty typical occurrence.

More than 50 stocks in the S&P 500 pay a dividend of 4% or more. That's seemingly pretty lucrative if you figure the SPDR S&P 500 Trust only yields 1.5%. But here's the problem. Roughly 70% of those high-yielding stocks have fallen this year by much more than 4%. And that erases this big dividend's net benefit.

It may come as a bit of a surprise to S&P 500 dividend investors they're actually losing money. And it's more the rule than the exception, now. The SPDR S&P Dividend ETF Total Return is now down 0.7% this year. That more than wipes out its dividend yield of 2.9%

Some historical perspective (as of 7/31//2022)

| | <u>1 yr</u> | <u>3yr</u> | <u>5yr</u> | <u>10yr</u> | <u>3yr Tax Cost</u> |
|-----------------------------|-------------|------------|------------|-------------|---------------------|
| SPDR S&P Dividend ETF (SDY) | 5.7% | 10.7% | 10.6% | 12.5% | 1.18% |
| SPDR S&P 500 ETF (SPY) | -4.7% | 13.3% | 12.8% | 13.7% | 0.67% |

[S&P 500: 14 Stocks Paying Huge Dividends Totally Burn Investors | Investor's Business Daily](#)

COVID TESTS

Every home in the U.S. is eligible to order a third round of free at-home tests. [Order yours today.](#)

DOGS OF THE DOW

Another dividend story...

This old-school investing strategy 'hasn't been in fashion' in recent years. Now it's beating the S&P 500 by 19 percentage points.

This is a perennial story that seems to pop up every few years. Here's the most recent story.

When markets are hot, investors sometimes tend to eschew tried-and-true strategies in favor of hunting for the next big thing. But markets are cyclical. And when things finally come back around, it can be a swift reminder that the classics are classics for a reason.

Take the so-called "Dogs of the Dow" strategy, which focuses on high-dividend paying stocks in the Dow Jones Industrial Average. So far this year, had you built a portfolio based on this old school rule, you'd be down less than 1%, compared with a 13.5% slide in the broader down and a nearly 20% dip in the S&P 500.

"It hasn't been in fashion since late last century [wow, "last century"], but it may make sense to start thinking about the Dogs of the Dow," says Robert Gilliland, managing director and senior wealth advisor with Concenture Wealth Management.

A related article suggested a way to implement this "terrific" strategy.

It's that time of the year again: Time to look at the 10 stocks that will be the next year's "Dogs of the Dow" ...

As seasoned dividend investors know, the "Dogs of the Dow" theory is easy to understand and put into practice. It's based on buying the 10 members of the Dow Jones Industrial

Average that have the highest dividend yields at the end of the year, on the basis that those names have the potential to outperform in the year ahead.

One way of effectively putting that plan into place is with the Invesco Dow Jones Industrial Average Dividend ETF (DJD). .. DJD is an effective avenue for accessing the dogs of the Dow while defraying some risk and bolstering income.

Using DJD as a proxy, it's true, at least through 7/29. DJD is only off 3.1% (not 1%) while the S&P is down 12.6% (indeed, value looks better—S&P 500 Value is only off 6.3%). A great strategy if you're into market timing, but not so good if you're a long-term investor

| | 3 Year | 5 Year |
|-----|--------|--------|
| DJD | 8.5% | 9.7% |
| IVV | 13.1% | 12.4% |

The moral? Stop looking for “good stories” and just go with the flow—i.e., invest in the market, not stories.

[Why 'Dogs of the Dow' are beating the S&P 500 in 2022 \(acorns.com\)](#)
[Use This ETF for "Dogs of the Dow" Exposure | ETF Trends](#)

THE CASE FOR DIVIDENDS

“Over the last few years when non-dividend paying growth stocks were delivering significant double-digit gains in the span in months, it was easy to ignore the benefits of equity income.”
Stephen Dover, Chief Market Strategist, Franklin Templeton Institute

Seems like it's also easy to ignore the benefits of total return versus equity income.

The “Investment” is the Franklin Equity Income, and [Morningstar's](#) US Mid-Cap Value.

| | 1 Year | 3 Year | 5 Year | 10 Yr |
|------------------------------------|--------|--------|--------|-------|
| Franklin Equity Income Adv (FEIFX) | -3.6% | 10.2% | 9.8% | 10.7% |
| Morningstar Mid-Value (IMCV) | -1.0% | 10.5% | 8.2% | 12.0% |

GOOD GIG

Who knew that LA lifeguards—who work in the sun, ocean surf, and golden sands of California—could reap such unbelievable financial reward?

Top-Paid LA Lifeguards Earned Up To \$510,283 In 2021. Our auditors at OpenTheBooks.com found 98 LA lifeguards earned at least \$200,000 including benefits last year, and 20 made between \$300,000 and \$510,283. Thirty-seven lifeguards made between \$50,000 and \$247,000 in overtime alone. And it's not only about the cash compensation. After 30 years of service, LA lifeguards can retire as young as 55 on 79percent of their pay.

[Top-Paid LA Lifeguards Earned Up To \\$510,283 In 2021 \(substack.com\)](#)

INVESTING CAN BE FUN

How to open a Brokerage Account. Investing can be fun, but you need a brokerage account to do it. Fortunately, it's easy to get started.

Scary! As Charles Ellis advised ...investing is the area second only to health where you want life to be boring. Easy to do, inherently interesting and makes a whole lot of difference. Books like that sell, so does crack.

[How to Open a Stock Market Account – Kiplinger](#)

SPEAKING OF FUN

THE MONEY GAME

Masters of the Bubbleverse - Secretive hedge fund Tiger Global changed the rules on tech investing. Then it all went bad. —

The guy who started as a shy analyst would put up impressive gains for years, then suffer mind-boggling losses—\$25 billion (and counting) as of June—a record figure even in the lofty world of hedge funds...

The meltdown at Coleman's firm, named Tiger Global in a nod to his mentor, is one for the ages. "Their losses look to be the biggest in the history of hedge funds" ...

This year, Tiger Global's hedge fund fell an astonishing 52 percent through May, according to an investor letter—much more than the overall market (down 20 percent) or the tech-heavy Nasdaq (down 33 percent). Its long-only fund has fallen even more—some 60 percent this year. That means Tiger Global has lost about three-quarters of the gains made for investors since launching the hedge fund in 2001.

Having fun yet? Might want to heed the advice of Warren Buffett later on in the newsletter.

[Tiger Global: 'Poster Child' of the Tech Meltdown \(nymag.com\)](#)

BUFFETT LIGHTENS UP ON STOCKS (?)

Based on the table in the article (5/2002) representing the biggest buys and sales in the fourth quarter, the net reduction in equities was 0.31% of the portfolio. Wow! *Kiplinger* and I have a very different interpretation of the concept "Lightens Up."

To add to the confusion, [a May 16 article](#) says, "Berkshire Hathaway CEO Warren Buffett is a bull once more! The Oracle and his team entered eight new positions and added to others in a big way."

JUST THE COST OF DOING BUSINESS

Equitable Financial Fined \$50M for Failing to Disclose Annuity Fees

The Equitable Financial Life Insurance Company will pay \$50 million to settle fraud charges as it misled 1.4 million variable annuity investors using statements that omitted or greatly reduced investor fees...The regulator also found that Equitable continued to omit the information after being informed about the lack of disclosure by a school district in 2017.

Equitable agreed to pay the fine to harmed investors, most of whom are public school teachers and staff members...

Since at least 2016, Equitable "gave investors the false impression that their quarterly account statements listed all fees paid during the period," according to the SEC's order." In reality, the regulator found that "more often than not" the statements showed \$0.00 fees, omitting almost all charges and costs and instead listing only those fees investors infrequently incurred.

"When considering how to invest their hard-earned money and save for retirement, it is essential that investors not be misled about the fees they are paying," Gurbir S. Grewal, director of the SEC's Division of Enforcement...

[Equitable Financial Fined \\$50M For Failing To Disclose Annuity Fees \(fa-mag.com\)](https://www.fa-mag.com/news/equitable-financial-fined-50m-for-failing-to-disclose-annuity-fees)

OH MY

Life is tough. How much billionaires lost in the first half of 2022

Elon Musk lost \$61.8 billion, now worth \$208 billion
Jeff Bezos lost \$62.7 billion, now worth \$130 billion
Bill Gates lost \$23.4 billion, now worth \$115 billion
Warren Buffett lost \$14.1 billion, now worth \$94.8 billion

However, there is still petty cash for toys...

Elon Musk looks set to splurge on an all-new Gulfstream G700, estimated to cost a bare minimum of \$78 million. Despite being a single-aisle narrowbody, it is large enough to accommodate up to five separate living areas, including a six-place dining room and a bedroom complete with shower.

MINDBOGGLING

[86% of SMBs View Accountants as Trusted Business Advisors](#)

[E&Y](#) - Our trust journeys help clients create confidence and transparency within all levels of their organizations. We examine our clients' critical relationships and develop pathways to trust that drive ongoing strategic returns and protection of critical programs.

RIGHT!

Ernst & Young LLP admitted that dozens of its audit personnel cheated on the ethics portion of the Certified Public Accountant exam and that the firm misled U.S. regulators probing the misconduct, according to the Securities and Exchange Commission.

The SEC announced on Tuesday (6/28) that EY would pay a \$100 million fine—the largest ever penalty for an audit firm. In addition to violating accounting rules, EY didn't cooperate with a key part of the regulator's probe, the agency said...

Almost 50 EY audit employees improperly shared answer keys to the ethics portion of the CPA exam between 2017 and 2021, and hundreds more cheated on continuing professional education courses, the SEC said...

"It's simply outrageous that the very professionals responsible for catching cheating by clients cheated on ethics exams," Gurbir Grewal, the head of the SEC's enforcement division, said in the statement. "It's equally shocking that Ernst & Young hindered our investigation of this misconduct."

['Simply Outrageous:' ELY Hit With \\$100 Million Fine After Audit Employees Cheat on CPA Ethics Exam – Bloomberg](#)

YIKES!

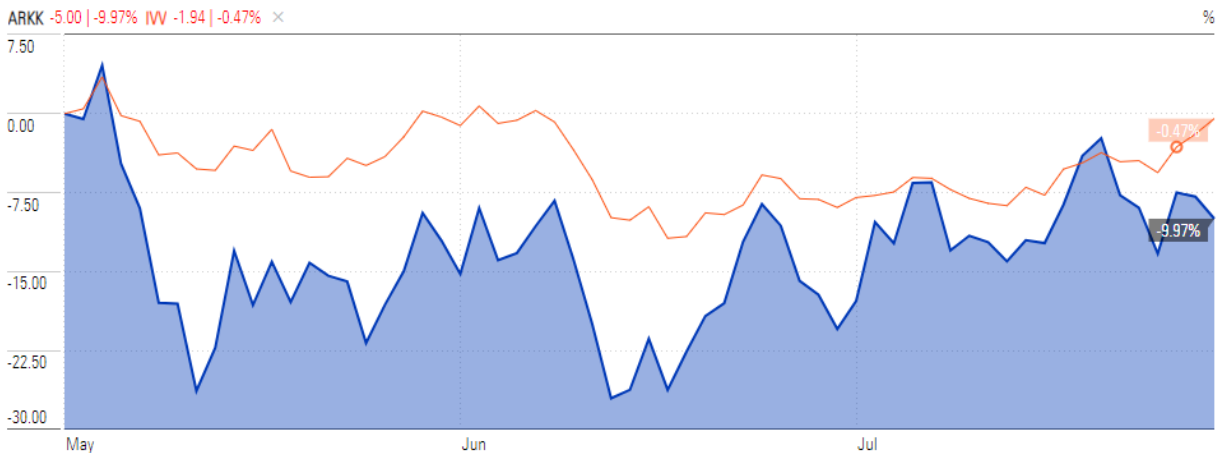
It's a sobering number, but raising a middle-class child will set you back \$286,000. That's the total of raising a child for a middle-class U.S. family, according to the U.S. Dept. of Agriculture, with additional data from CNBC. The \$286,000 figure comes from older USDA data that shows the cost of raising a child from birth to 17, for a middle-class family of four, factoring in recent inflation.

And that doesn't factor in the enormous cost of college that's outpaced daycare, wages, and even healthcare costs.

[Here's What it Costs to Raise a child in the U.S. Today – The Street](#)

RALLY IN CATHIE WOOD'S FUND OFFERS HINT OF OPTIMISM IN SLUMPING MARKET

"Shares of the fund, which is largely populated by growth-oriented technology companies, have advanced 17% since bottoming May 11. They have outpaced the S&P 500, which has edged up 4.4% over the same period." (6/5/2022)



It seems less than a month was a little early to call victory.

[Rally in Cathie Wood's Fund Offers Hint of Optimism in Slumping Market - WSJ](#)

OVERCONFIDENCE AND WISDOM NOT HIGHLY CORRELATED

About 39% of millennials own cryptocurrencies, higher than the percentage of those owning mutual funds and about equal to the number of millennials who own individual stocks, according to a report.

According to a study by investing firm Alto, millennials aged 25 to 40 who own cryptocurrencies are likely to include them in their retirement portfolio.

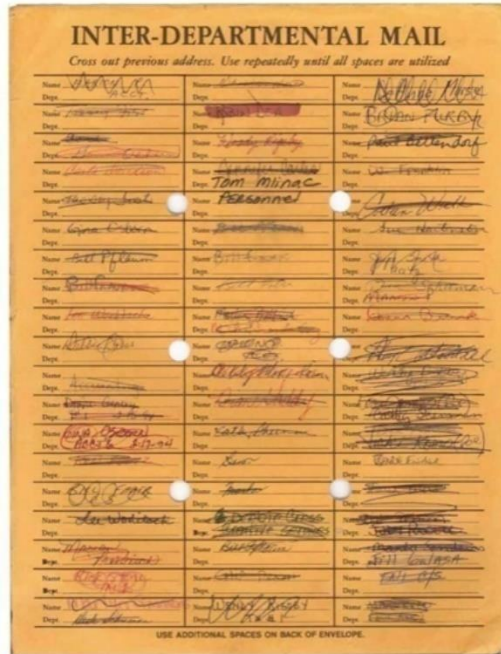
[About 39% millennials own crypto: Report | Mint \(livemint.com\)](#)

AN AGE TEST

Do you remember this?

Office communication when I started. How can I explain this to my daughters?

#communication



I do

NOT SO GOOD NEWS

Social Security Needs Saving Again

“Social Security is a perennial crisis. Eighty-three percent of Generation X and 77% of millennials say they worry that the program will run out of money in their lifetimes, according to a June 2021 Harris poll for the Nationwide Retirement Institute. The latest report of the Social Security Trustees backs them up, finding that the Old Age and Survivors Insurance trust fund “will be able to pay scheduled benefits on a timely basis until 2034, one year later than reported last year.” That’s only 12 years from now.

When Congress passed the Social Security Act of 1935, 42 people worked for each 65-year-old retiree. The trust fund ran surpluses for years. But as life spans grew longer and birthrates declined, fewer wage earners were called on to support more retirees. By the start of the Covid pandemic, there were only 2.7 workers per retiree.”

[Social Security Needs Saving Again - WSJ](#)

PROGRESS LOOKIN' GOOD

1959



NOT JUST DIFFERENT... BUT BETTER!

Over the years Western Electric has made a long list of ever improving telephones and telephone equipment. Now new Western Electric engineers and their partners at Bell Telephone Laboratories are working on still better telephones for tomorrow and better telephones — Western Electric's new line of the Bell System — and it adds up to more interesting telephones for you.

Western Electric — new things and new ways to the Bell System.

1962



Some day all beer cans will open this easy!

Now only Schlitz brings you—coast to coast—the world's easiest opening beer can! The new aluminum Softop can! **real gusto—real easy!**



The Beer that made Milwaukee Famous... simply because it tastes so good © 1962 Am. Luth. Brewing Co., Milwaukee, WI, Seattle, WA, Los Angeles, CA, Kansas City, Mo., Tampa, Fla.

1965



Above: Three panels from Capital Beltway roadmap showing locations of all McDonald's Drive-In Restaurants in suburban Maryland and Virginia—Distributed by McDonald's as a public service. ©1965 A. Horn & Co., Baltimore, MD; Kummerlowe Archive.

1977



What the heck is Electronic Mail?

Honeywell

1978



This is GE Performance Television. **GENERAL ELECTRIC**

1985

**LEAVE THE COMPUTER...
TAKE THE DRIVE!**

With Maynard's Transport™—the Original Portable Hard Drive!
Now you can leave that heavy "portable" computer on the desk where it belongs and carry up to 20MB of data between home and office. Transport™ comes with easy-release cable and convenient carrying handle. Call or write today for product specifics.

Your Assurance of Quality:

- plated media, double shock-mounted drive
- extensively tested against rigorous performance standards
- backed by industry-leading 1-year warranty

Available in 10MB or 20MB. Purchase your Transport™ and receive a carrying case at no cost (limited time offer).

TRANSPORT

Maynard Electronics
Shaping Tomorrow's Technology
4315 SEVIERMAN BLVD., CASSELBERRY, FL 32707
305-331-8402 Monday 227

OR MAYBE NOT

...AND REMEMBER, BOYS AND GIRLS, YOUR SCHOOL—LIKE OUR COUNTRY—IS MADE UP OF AMERICANS OF MANY DIFFERENT RACES, RELIGIONS AND NATIONAL ORIGINS. SO...

... if YOU hear anybody talk against a schoolmate or anyone else because of his religion, race or national origin—don't wait: tell him THAT KIND OF TALK IS UN-AMERICAN.

HELP KEEP YOUR SCHOOL ALL AMERICAN!

MORE WISE INVESTMENT TIPS

... From Seth Klarman, the billionaire boss of Baupost Group—who's been heralded as the next Warren Buffett.

"I'm of the view that every stock is a potential buy at one price, a hold at another price, and a sell at a higher price. What that means is that risk is related to what you pay, not just to what you buy."

"Warren Buffett never tried to make the most money. He never tried to get rich quick, he tried to get rich slow. That's what [value investing](#) is — it's a philosophy that stays away from the hot, flashy, trendy investments and focuses more on never losing big."

Can't beat good old common sense.

[Seth Klarman Talks Investing Strategy, Bear Markets, Limiting Losses \(businessinsider.com\)](#)

TWELVE COMMANDMENTS FOR SENIORS

From the Fabulous '50s on Facebook

- #1 - Talk to yourself. There are times you need expert advice.
 - #2 - "In Style" are the clothes that still fit.
 - #3 - You don't need anger management. You need people to stop pissing you off.
 - #4 - Your people skills are just fine. It's your tolerance for idiots that needs work.
 - #5 - The biggest lie you tell yourself is, "I don't need to write that down. I'll remember it."
 - #6 - "On time" is when you get there.
 - #7 - Even duct tape can't fix stupid, but it sure does muffle the sound.
 - #8 - It would be wonderful if we could put ourselves in the dryer for ten minutes, then come out wrinkle-free and three sizes smaller?
 - #9 - Lately, you've noticed people your age are so much older than you.
 - #10 - Growing old should have taken longer.
 - #11 - Aging has slowed you down, but it hasn't shut you up.
 - #12 - You still haven't learned to act your age and hope you never will.
- ... And one more:
"One for the road" means peeing before you leave the house .

EVER CONSIDER?

We hang petty thieves and appoint the great ones to public office. *Aesop, Greek slave & fable author*

Those who are too smart to engage in politics are punished by being governed by those who are dumber. *Plato, ancient Greek Philosopher*

When I was a boy I was told that anybody could become President; I'm beginning to believe it. *Quoted in 'Clarence Darrow for the Defense' by Irving Stone.*

Politicians are people who, when they see light at the end of the tunnel, go out and buy some more tunnel. *John Quinton, American actor/writer*

I offered my opponents a deal: "if they stop telling lies about me, I will stop telling the truth about them". *Adlai Stevenson, campaign speech, 1952.*

A politician is a fellow who will lay down your life for his country. *Texas Guinan, 19th-century*

American businessman

Instead of giving a politician the keys to the city, it might be better to change the locks. *Doug Larson, English middle-distance runner who won gold medals at the 1924 Olympic Games*

Suppose you were an idiot. And suppose you were a member of Government. But then I repeat myself. *Mark Twain (1835-1910)*

I don't like political jokes, but a lot of them get elected.

WOW!

- If you take the deepest image ever created of the distant Universe, the Hubble eXtreme Deep Field, and extrapolate over the whole sky, you'd estimate there were ~170 billion galaxies in the observable Universe.
- A detailed theoretical simulation predicted far more faint, small galaxies than we've seen, upping the expected total to closer to 2 trillion.
- But recent observational evidence shows that even that estimate is far too low. Instead, there are between 6 and 20 trillion galaxies out there. Carl Sagan's "billions and billions" was far too low of a guess.

[There are more galaxies than even Carl Sagan imagined – Big Think](#)

WHY INVESTORS ARE DUMPING PASSIVE INVESTING FOR ACTIVELY MANAGED FUNDS

"2022 has thus far seen a sizable pullout from passive index funds like the SPDR S&P 500 Trust ETF (SPY) in favor of actively managed funds. While this might be surprising to those who believe that the logic is bullet proof that passive index investing is a superior method of investing to active investing, when you take a look under the hood at what funds like SPY really are, the trend away from such funds in favor of actively managed funds in the current environment makes much more sense.

The reasoning behind this shifting behavior is revealed when we see the top four actively managed funds by net new assets in April. Only one of the four listed is an equity fund. The others are a money market fund, inflation managed bond fund and a commodity fund."

Give me a break! The one equity fund in the list (JP Morgan Equity Premium ETF) has only been around since May 2020, and the performance compared to SPY as of 7/29/2022 was:

JEPI 12.2% vs. SPY 35.4%

I BOND RESET!

I bonds are currently paying a 9.62% annual rate through October. Because of the low amount you can buy, they may not be too useful for you, but they may be a great vehicle for kids, grandkids, or great grandkids.

And, don't forget. When you create a TreasuryDirect account to buy I bonds, it's important to add what's known as a beneficiary designation, naming who inherits the assets if you pass away.

Without this designation, it becomes more challenging for loved ones to collect the I bonds, and may require the time and expense of going through probate court, depending on the I bond amount

[Experts answer three tricky questions about Series I bonds \(cnbc.com\)](https://www.cnbc.com)

I DO



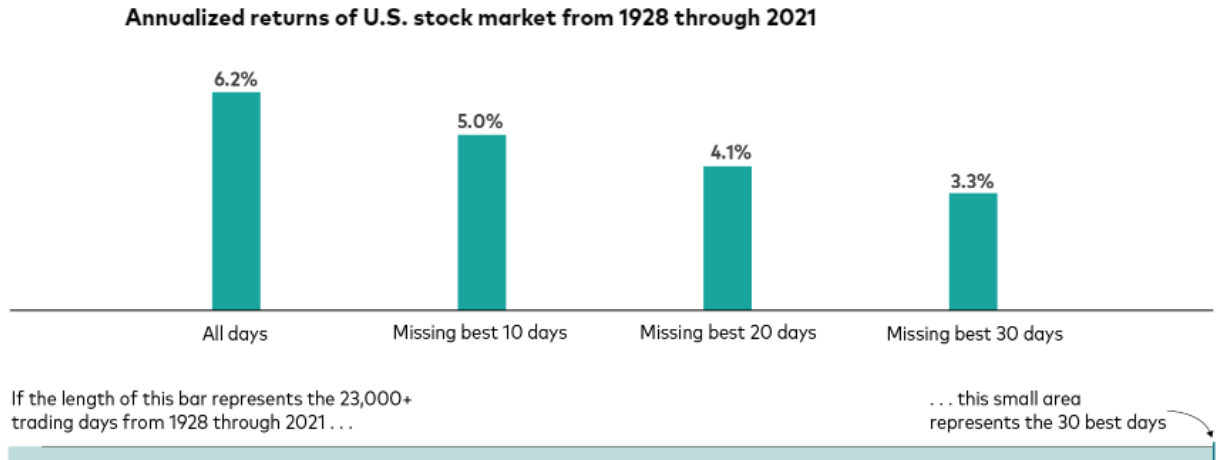
93% THAT'S A NICE ROUND NUMBER

NFT trading volume had seen a wild uptick back in the bull runs of 2021. By the start of 2022, the market had begun to reach its peak as interest blossomed. However, after hitting an all-time high in January of 2022, the volume had begun to dwindle. The following months would see lower values, and by June, it was down 93% from its all-time high.

[NFT Volume Down 93% Since January, Is This The Beginning of The End? – bitcoinist.com](https://www.bitcoinist.com)

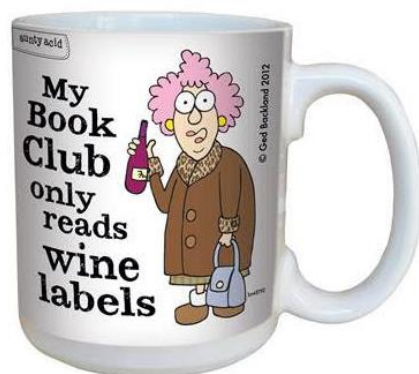
UPDATE OF AN OLD CLASSIC

From 1928 through 2021, there were more than 23,300 trading days in the U.S. stock market. ***That's almost 100 years!*** Out of those, the 30 best trading days [days, NOT months or years!!] accounted for almost half of the market's return. Being out of the market at the wrong time is costly. And many of those best trading days were clustered closely with the worst days in the market, making precise timing nearly impossible.



[Why strategic asset allocation still makes sense \(vanguard.com\)](http://vanguard.com)

MY KIND OF BOOK CLUB



HOPE SPRINGS ETERNAL

T. ROWE, SCHWAB SAY TIMES CALL FOR CHANGING INVESTMENT APPROACHES

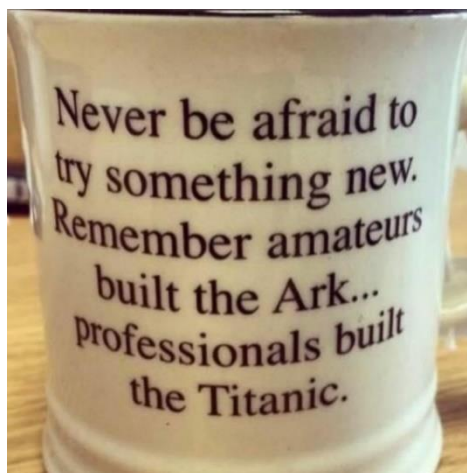
“Active management can deliver a better life for advisors’ clients. But advisors need a skilled active manager, not an average one, to reap benefits for clients.” CIO T. Rowe Price...

I’m not sure T. Rowe would qualify as “skilled.” Below is a comparison of a few of their core funds with the performance of an ETF alternative that reflects the “sandbox” Morningstar says the manager is playing in.

| | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
|--------------------------------|---------------|---------------|----------------|
| T. Rowe Price Dividend Growth | 10.8% | 11.7% | 13.0% |
| iShare S&P 500 | 11.2% | 11.9% | 13.3% |
| T. Rowe Price Blue Chip Growth | 5.4% | 10.7% | 13.9% |
| iShares S&P 500 Growth | 12/8% | 14.4% | 14.7% |
| T. Rowe Price Equity Income | 8.4% | 8.2% | 10.2% |
| iShares 500 Value | 8.1% | 8.3% | 11.0% |

Financial Advisor Magazine June 2022

FOOD FOR THOUGHT



A NEW SECTION

As regular readers of my NewsLetter may have noticed, I'm not a big fan of active investing (i.e., guru investing) or Bitcoin, and the items regarding these "investments" have become so numerous I decided they deserve their own special section, so, here's BITCOIN and HOPE SPRINGS ETERNAL. If you could care less about Bitcoin (good for you), just skip this section. ***As I close this edition out 8/15/2022 Bitcoin is trading at \$24,094.*** Keep this number in mind as you read the following. Time for a new crystal ball?

CRYPTOCURRENCY – BITCOIN

Bitcoin and the general cryptocurrency market took a hit after the release of U.S. inflation figures that soared to 9.1%. As reported by Finbold, Bitcoin wiped out about \$15 billion in market capitalization within 10 minutes after the release of the CPI report.

[Negative headlines may indicate Bitcoin bottom is near, says crypto consultant \(finbold.com\)](#)

COMMENTS ON BITCOIN

As I was perusing the comments in the Yahoo Finance Bitcoin section, I came across some very wise and witty observations...

As they say, if you can't drop it on your foot, it's not an investment.

Don't forget to reinvest your dividends.

Bitcoin is a store of value the same way a funnel is a store of water.

I'm selling bitcoin and buying Confederate currency. Much more stable!

BITCOIN COULD HEAD AS HIGH AS \$150,000, TRADER SAYS, BUT THERE'S A CATCH

Bitcoin's recent breakout likely has legs, but investors should be cautious with how much of the cryptocurrency they own, says Inside Edge Capital Management founder Todd Gordon.

"I think it should be a part of client portfolios, but a small part," Gordon told CNBC's "Trading Nation" after Bitcoin hit a new all-time high on Tuesday. "We actually don't have resistance until about \$125,000 to \$150,000, so ... I do think it'll get there." Eventually??

I think the catch is, it may not; ever.

[Bitcoin could go as high as \\$150,000, trader says, but there's a catch \(cnbc.com\)](#)

I GUESS THEY DIDN'T GET A NEW CRYSTAL BALL YET

Crypto community with 80% historical accuracy sets Bitcoin price for June 30, 2022

Specifically, the crypto community on CoinMarketCap predicts that Bitcoin's price will surge by 83.6% from its present level to trade at \$39,002 by June 30, 2022. This prediction is based on the average of votes cast by 40,760 users.

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FIDELITY PLANS HIRING SPREE TO EXPAND CRYPTO SERVICES

6/1/2022 – Wonder if they still plan on this?

6/1 - \$30,467

[Fidelity Plans Hiring Spree to Expand Crypto Services to Include Ethereum Trading and Custody – bitcoin.com](https://www.bitcoin.com/news/fidelity-plans-hiring-spree-to-expand-crypto-services-to-include-ethereum-trading-and-custody)

ROBERT KIYOSAKI WARNS US DOLLAR IS 'ABOUT TO IMplode,' ADVISES BUYING BITCOIN, ETH, SOL (3/28/2022)

Businessman and author of the personal finance book *Rich Dad Poor Dad*, Robert Kiyosaki has returned with his latest warnings about the impending collapse of the U.S. dollar, as well as a recommendation for investors to purchase some cryptocurrencies.

Kiyosaki tweeted Monday, March 28, warning, “National debt to go through the roof,” and emphasizing that the dollar is “about to implode.”

As of July 16

“The value of the U.S. dollar is the strongest it has been in a generation, devaluing currencies around the world and unsettling the outlook for the global economy... The main way to gauge the dollar's strength is by indexing it against a basket of currencies of major trading partners like Japan and the eurozone. By that measure, the dollar is at a 20-year high, after gaining more than 10 percent this year, a huge move for an index that typically shifts by tiny fractions each day.”

[What a Strong Dollar Means as Global Economic Worries Grow - The New York Times \(nytimes.com\)](https://www.nytimes.com/2022/03/28/us/politics/dollar-implosion-warnings.html)

Poor Dad, still waiting...

NOT EVERYONE IS A PESSIMIST

Bitcoin: The Next Bull Market Will Likely Start Soon

Summary

- Bitcoin's decline has been epic, but the bear market is probably not over yet.
- Bitcoin doesn't need to produce anything. The digital asset is the closest thing to a global currency.
- The tightening monetary atmosphere creates a challenging environment for Bitcoin, however, as the Fed begins easing again, Bitcoin should surge.
- Don't give up on Bitcoin. The next bull cycle should be massive, and Bitcoin will likely hit a new all-time high much higher than \$70,000.

ADDING INSULT TO INJURY

It's bad enough losing money owing to market actions, but to lose even more to crooks? Really...

Although the cryptocurrency market and its flagship asset Bitcoin (BTC) have been struggling in the first half of 2022, a study has shown that this period has also seen a major uptick in criminal activity in the space.

Since January 1, 2022, cybercriminals have managed to get away with \$1.97 billion from 175 crypto project hacks.

[Crypto hackers loot \\$2 billion in H1 2022 as cybercriminals thrive \(finbold.com\)](#)

BITCOIN OWNERS EXPECT A REBOUND TO \$55,000 IN SIX MONTHS (2/1/2022)

Bitcoin owners, on average, expect the crypto's price to rise to around \$55,223 in six months, according to the report. People who hold more than \$500 in Bitcoin are the most bullish, expecting the crypto to climb to \$62,439 in the next six months. In contrast, U.S. adults, on average, including those who don't own the digital asset, believe that Bitcoin's price will be at around \$27,136 for the same period.

[Bitcoin owners expect a rebound to \\$55,000 in six months, study finds - MarketWatch](#)

BITCOIN SURPASSES \$41,000 AS TECHNICAL ANALYSTS PREDICT BOUNCE

Bitcoin climbed above \$41,000 (4/13/2022), advancing along with equities after China indicated it's about to loosen its monetary policy.

The largest cryptocurrency rose as much as 0.6% to \$41,500 on Thursday, gaining for a second day. Katie Stockton, cofounder of Fairlead Strategies LLC, said technical indicators she follows suggest Bitcoin could be due for a **short-term bounce** to as high as \$51,000, assuming it can break through its 200-day moving average, which stands at just above \$48,000.

[Bitcoin \(BTC USD\) Crypto Price Today Surpasses \\$41,00 - Bloomberg](#)

BITCOIN, OTHER CRYPTOCURRENCIES STABILIZE AFTER MULTIDAY SELLOFF

5/10/2022 Major cryptocurrencies showed tepid **signs of stability** Tuesday following a five-day rout.

Bitcoin, the world's largest cryptocurrency by market value, rose 4% from its 5 p.m. ET level Monday to trade at \$32,332.07. The moderation followed the cryptocurrency dropping almost 22% over the previous five trading days—its worst such stretch since May 2021, according to Dow Jones Market Data.

[Bitcoin, Other Cryptocurrencies Stabilize After Multiday Selloff – WSJ](#)

BITCOIN RECOVERED

6/15 Bitcoin eases from 18-month low as **crypto market stabilizes**. Bitcoin recovered on Wednesday [\$22,573] after diving to an 18-month low [\$22,207], buoyed by the U.S. Federal Reserve's tough stance on inflation....

I read this release on 6/15. At the time I thought that a 1.6% increase in value reflects much of a “recovery” or “stabilization.”

[Bitcoin eases from 18-month low as crypto market stabilizes – Reuters](#)

Must be a different interpretation of “bounce,” “rebound,” “recovery,” and “stabilizing” than I’m used to.

Making fun of Bitcoin is a bit like shooting fish in a barrel. I must admit that as a long-time non-fan of Bitcoin, I am enjoying this trend.

HOW ON EARTH DO THEY GET AWAY WITH THIS?

From the Bitcoin chat stream in Yahoo Finance. If E&K (or a broker or advisor) marketed anything remotely like this, they would put us in jail!

March 2 - DM me to start investing online

The process isn't hard: All you need to understand is that with the aid of an account manager, all your investments would be tripled and will also retain their growth.

July 20 - Trust me, it's not about the money anymore. Believe it, the money is good. But it's about changing lives, giving back to others, shoot me a DM, and earn a guaranteed \$17,000 weekly.

September

NEW MONTH OFFER

Invest

- \$2000 earn \$24,500**
- \$3000 earn \$37,250**
- \$4000 earn \$50,000**
- \$5000 earn \$60,900**

Payout is guarantee
100%

October 26 - Invest \$2000 earn \$21,500 in 7 working days. Also, you can invest \$3000 and earn \$2,850 daily profit. My strategy is unique and efficient testimonies are available.

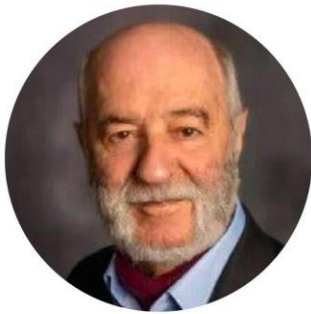
FINALLY, IN CLOSING.....

MIGHTY PROUD

... Of my partners and associates working on Habitat for Humanity



All my best,



Harold Evensky

FOUNDER

EVENSKY & KATZ / FOLDES FINANCIAL WEALTH MANAGEMENT

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