



EVENSKY & KATZ / FOLDES
— WEALTH MANAGEMENT —

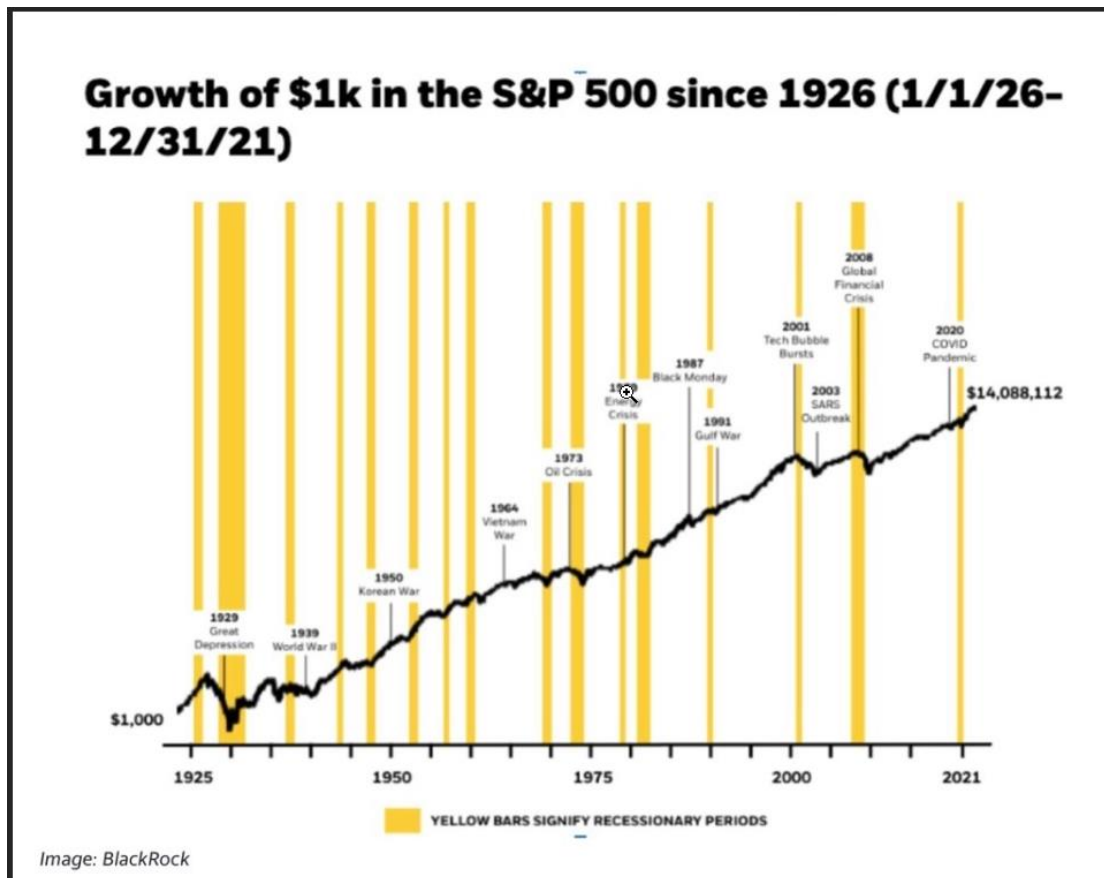
NEWSLETTER VOLUME 15, NO. 5 | OCTOBER 2022

DEAR READER:

PERSPECTIVE

From my partner Roxanne...

“95 years ago, your crystal ball reveals: Russian debt default, LTCM fail, DotCom implosion, 9/11 attacks, financial crisis and great recession, pandemic killing millions, 3 market crashes. Would you put your money into stocks? No? You missed a 10X return.”



AND “INSIGHTFUL” PLANNING OBSERVATION

“It’s hard to plan for exactly how much money you’ll need in retirement because it depends upon a number of factors, including where you live and what sort of expenses you have.”

[How Long \\$250,000 Will Last in Retirement in Each State](#)

HOW BIG IS THE UNIVERSE?

BIG!!!

[How big is our Universe?](#)

GOOD ADVICE

Particularly during turbulent and scary times such as now.

My biggest mistake was that I always sold stocks way too early. In fact, I got a call from Warren Buffett in 1989. My daughter picks up the phone and says, "It's Mr. Buffett on the line."

And I pick up the phone and I hear, "This is Warren Buffett from Omaha, Nebraska." You know, he talks so fast. "And I love your book, *One Up On Wall Street*, and I want to use a line from it in my year-end report. I have to have it. Can I please use it?"

I said, "Sure. What's the line?" He says, "*Selling your winners and holding your losers is like cutting the flowers and watering the weeds.*"

That one line he picked up in my whole book has been my greatest mistake.

Peter Lynch

Forbes India, Collectors Edition – November 2017



MORE GOOD ADVICE

From my friend Ross who is full of good advice.

Fees, not fines – Market fluctuations aren't a punishment for being an investor. They're the admission price.

SEEMS LIKE A LESSON INVESTORS NEED TO LEARN OVER AND OVER

"The 60/40 portfolio strategy saw its worst performance in the first half of 2022 than at any point in decades, but a senior Morgan Stanley strategist says it's due for a comeback — and soon, according to news reports.

"The Bloomberg index that tracks a portfolio with 60% in stocks and 40% in bonds plunged 17% in the first half of this year, the worst drop since 1988, Bloomberg writes. That's due to equities

entering a bear market just as rising inflation and the U.S. Federal Reserve raising interest rates caused volatility in bond prices too, according to the news service. [Wow, who knew?]

“But Andrew Sheets, Morgan Stanley’s chief cross-asset strategist, believes the classic strategy is merely “resting” and is far from broken despite tighter Fed policy.”


And, this is my favorite part of the article...

“Sheets admitted that previous market tumbles ‘left investors wishing they had held more fixed income, this year has left investors wishing they didn’t own anything.’” [Hindsight is wonderful.]

[60/40 Approach Set for Comeback: Morgan Stanley Strategist](#)

AND EVEN MORE GOOD ADVICE

John Wayne.. His 5 Rules to Life..



1. Money cannot buy happiness but its more comfortable to cry in a Mercedes than on a bicycle.
2. Forgive your enemy but remember the bastard's name.
3. Help someone when they are in trouble and they will remember you when they're in trouble again.
4. Many people are alive only because it's illegal to shoot them.
5. Alcohol does not solve any problems, but then again, neither does milk.

ONE-UPMANSHIP

Mozart: I wrote a whole Opera at only 12 years old

Beethoven: Ya well I was the first to introduce choir to orchestras

Tchaikovsky:



WORTH A WATCH

The Clydesdales

[Budweiser Clydesdales Demonstration](#)

OVERCONFIDENCE

A recent paper, “Confidence Without Competence: Online Financial Search and Consumer Financial Decision-Making” by Professors Ward, Grillo, and Fernbach, warns that relying on the Internet for information may shape decision-making in consequential domains by elevating confidence without necessarily improving competence... Using Google to access financial information elevates financial confidence and increases financial risk-taking, even when it does not improve relevant financial knowledge or performance.

In layman’s terms, a fool and their money are easily parted.

[Confidence Without Competence: Online Financial search and Consumer Financial Decision-Making](#)

MORE OVERCONFIDENCE

Citigroup: Could Be Undervalued By At Least 64.65%

I think that any prediction using two decimal places is the definition of “overconfidence.”

[Citigroup: Could Be Undervalued By At Least 64.65% And Pays A 4.16% Dividend Yield](#)

WHOOOPS

More gurus bite the dust...

Norway’s sovereign wealth fund suffers worst first half loss after stock and bond rout

The Oslo-based fund, which is the biggest owner of publicly traded companies, was set up in 1996 to invest Norway’s energy earnings.

Norway’s \$1.2 trillion sovereign wealth fund, the world’s largest, recorded its worst ever loss in the first half of 2022 as fears about inflation and recession pummeled both stock and bond markets.

[Norway's sovereign wealth fund suffers worst first half loss after stock and bond rout - MarketWatch](#)

WHO KNEW?

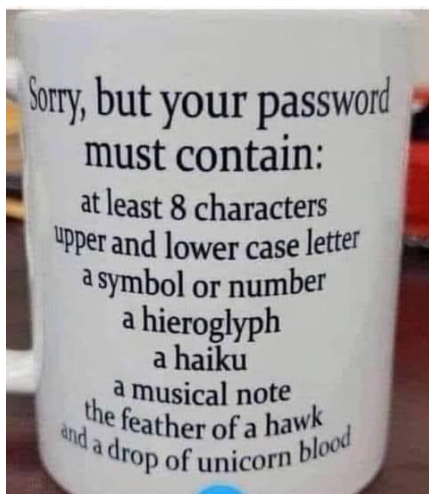
Out of all the olives harvested in the world, 90% of them are destined for oil production (per *Olive Oil Times*). It takes about 11 pounds of olives to extract only one quart of extra virgin olive oil, according to D'Olivo. That means it takes about 5,200 to 8,000 olives to produce just 32 ounces of olive oil (via Olive Emotion). Given that most mature olive trees produce about 33 to 44 pounds of olives annually (only enough to extract 3 to 4 quarts of virgin olive oil), it's a small output by any measure. Since extra virgin oil is only made from the first press without using heat, solvents, refining methods, or chemical processes, the yield costs more than other types of olive oil.

[The Ridiculous Number Of Olives That Go Into A Single Bottle Of Olive Oil](#)

MORE HELPFUL SIGNS



We're not going to make it, are we...





GOOD STORY

Gold and crypto have been called 'inflation-proof' investments—so far in 2022, neither seems to be a great hedge.

But like a lot of good Wall Street stories, reality is not so good.

"Bitcoin, the world's most popular digital coin, is down nearly 71% from its all-time high of \$65,000 in November, as of Sept. 23. And gold prices were also down nearly 20% as of Friday, from their recent March peak."

[Gold and crypto have been called 'inflation-proof' investments – so far in 2022, neither seems to be a great hedge](#)

A DREAM WORLD?

More Clients Now Want To Retire Early, MMI-Aon Survey Finds

The psychological effects of the pandemic, global conflict, and economic uncertainty have wormed their way into younger clients' attitudes toward retirement, creating a new set of challenges for advisors, according to a new survey. A survey of more than 1,500 affluent and high-net-worth investors found that 20% intended to retire earlier than they had planned prior to the pandemic, with a heavy tilt toward younger investors.

In fact, 45% of the survey participants under 35 years old, and 39% of investors from 35 to 44, have changed their minds about their retirement age specifically because of the pandemic, said *2022 Advisory Solutions: Expectations and Experiences*, the first report in a three-part series conducted by the Money Management Institute (MMI) and Aon plc.

Ideally, these investors say, they will be retired at 55, or 62 at the outside.

[More Clients Now Want To Retire early, MMI-Aon Survey Finds](#)

America's \$7 Trillion Retirement Crisis Is Only Getting Worse

Americans have been warned for years of an impending retirement crisis. Yet the situation is getting worse. Even when everything was going right—inflation was nonexistent, interest rates were low, and stocks were in an extended bull market—there was a multi-trillion-dollar savings shortfall.

Then came a pandemic, war in Europe, decades-high inflation, the fastest rate-hiking cycle since the early 1980s, and fears of a recession. The resulting market turmoil erased some \$3.4 trillion from 401(k)s and IRAs in the first half of 2022, according to Alicia Munnell, director of Boston College's Center for Retirement Research.

And that's just for the people who have retirement accounts. About half of private-sector workers don't have an employer-sponsored retirement plan, and many of those who do have one end up saving very little.

[America's \\$7 Trillion Retirement Crisis Is Only Getting Worse](#)

I'm rooting for "retire early," but I fear the reality is "it's only getting worse."

FULL DISCLOSURE

Any regular reader of my newsletter knows I'm passionate about the need for financial advisors to adhere to a fiduciary standard. The risk of dealing with an advisor who does not opens the client to a myriad of potential financial risks. While they might not rise to the level of fraud, the cost of a percent or so drag on returns over the long run may result in the failure of even the best-laid plans.

It's popular today for brokerage firms to avoid referencing "fiduciary standard" but to tout the benefits of "full disclosure," suggesting that the client will be protected by this knowledge. Unfortunately, this is horsepucky! Here's an example my partner Marcos sent me from J.P. Morgan. "Full disclosure" is NOT a fiduciary standard.

Investment Principles and Potential Conflicts of Interest

Conflicts of interest will arise whenever J.P. Morgan has an actual or perceived economic or other incentive in its management of client accounts to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in a client's Account):

(1) when J.P. Morgan invests in an investment product, such as a mutual fund managed by a J.P. Morgan affiliate, such as JPMIM or JPMPI; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from a J.P. Morgan affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's Account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's Account. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

The biggest potential performance drain arises from the selection of proprietary investments. As an example, here's a comparison of Morgan's (\$19.8 billion) US Equity Fund (JUEAX) and iShares S&P 500 (IVV).

	3YR	5YR	10YR	Annual Expenses	Tax Cost Ratio
JUEAX	15.3%	13.4%	13.6%	0.94	2.34
IVV	13.1%	12.4%	13.2%	0.03	0.54

Not so bad in a sheltered account but not so good in a taxable account.

As a general matter, J.P. Morgan prefers J.P. Morgan managed strategies. J.P. Morgan expects the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations. J.P. Morgan may allocate a significant portion of the assets in the Program to J.P. Morgan Funds. That portion varies depending on market or other conditions.

While J.P. Morgan's internally managed investment strategies generally align well with J.P. Morgan's forward looking views, and J.P. Morgan is familiar with the investment processes as well as the risk and compliance philosophy of the J.P. Morgan, it is important to note that J.P. Morgan receives more overall fees when internally managed investment strategies are included.

I'd say **VERY IMPORTANT** to note!

The following chart shows the allocation of assets between J.P. Morgan and non-J.P. Morgan Funds by Fund type for each Investment Strategy (including applicable municipal fixed income and U.S. focused strategies).

Investment Strategy (as of March 30, 2022)	J.P. Morgan Funds	Non-J.P. Morgan Funds	J.P. Morgan Cash
Income	0%	98%	2%
Conservative	0%	98%	2%
Balanced	0%	98%	2%
Balanced ESG	0%	98%	2%
Growth	0%	98%	2%
Aggressive Growth	0%	98%	2%

Allocations shown here are illustrative only, do not necessarily represent actual use of J.P. Morgan Funds and non-J.P. Morgan Funds represented in any particular client's Account, and can change without notice. JPMPFI has full discretionary authority to select Funds and is not required to adhere to the illustrative allocations pictured here.

VERY hypothetical. Wonder what happened to the note above “in fact up to 100 percent.”

Protect yourself. Ask whoever is providing you advice to sign the Fiduciary Oath. If they do not, it's time to look elsewhere.

[Fiduciary Oath](#)

THE BEST DECADE

[The Fabulous Fifties](#)

[100 Songs Kids in the '50s Grew Up With](#)

SPAM – YUCK!

You can report spam calls and messages to your carrier by texting 7726—easy to remember because it spells “SPAM.”

If you received a spam text message, you can forward, or copy and paste, the message to your carrier. (When doing this, take care not to open links that were sent to you.) If it's a call, you can send the caller's number to your carrier.

Some carriers, like [AT&T](#), may also provide online forms that allow you to file a spam complaint with more detail. Many popular US carriers also have apps that enable additional call-blocking features that aren't already included in your phone subscription. These apps, like [T-Mobile's ScamShield](#), may include a specialized area where you can report individual unwanted communications. Verizon's app is called [Call Filter](#) and AT&T's app is called [ActiveArmor](#).

This Man Sued a Spammer for \$1,200—and You Can, Too.

[Tired of Unwanted Calls and Texts? This Man Sued a Spam Caller and Won \\$1,200. Here's How](#)

MOVING THE GOAL POST

One more caveat emptor ... *Funds Exploiting SEC 'Loophole' to Hype Products with Sub-Par Returns*

“In a paper titled ‘Moving the Goalposts? Mutual Fund Benchmark Changes and Performance Manipulation,’ the University of Central Florida's Kevin Mullally and the University of Arizona's Andrea Rossi wrote that an analysis of more than 2,800 fund prospectuses showed some funds mislead investors by ‘freely changing their benchmark indexes and, implicitly, the historical returns to which they compare their past performance.’

“The SEC requires funds to show comparisons of their past one-, five- and 10-year returns within fund documents by comparing their strategies to at least one benchmark index of a fund manager's choosing. And by swapping benchmarks or adding new ones, funds can make ugly-looking past performance tables more palatable by applying the new benchmark to past periods, the researchers write.”

YES!

70% of U.S. households have a pet—a new high.

[AARP.org/Bulletin](https://www.aarp.org/Bulletin)

GOOD GIGS

Highest paid NFL quarterbacks

1. Aaron Rodgers, Packers: \$50.3 million (3-year, \$150.8 million contract)
2. Kyler Murray, Cardinals: \$46.1 million (5-year, \$230.5 million contract)
3. Deshaun Watson, Browns: \$46 million (5-year \$230 million contract)

Highest paid NFL edge rushers

1. T.J. Watt, Steelers: \$28 million (\$112 million over 4 years)
2. Joey Bosa, Chargers: \$27 million (\$135 million over 5 years)
3. Myles Garrett, Browns: \$25 million (\$125 million over 5 years)

[Highest paid NFL quarterbacks: Top-paid QBs in 2022 salary rankings](#)

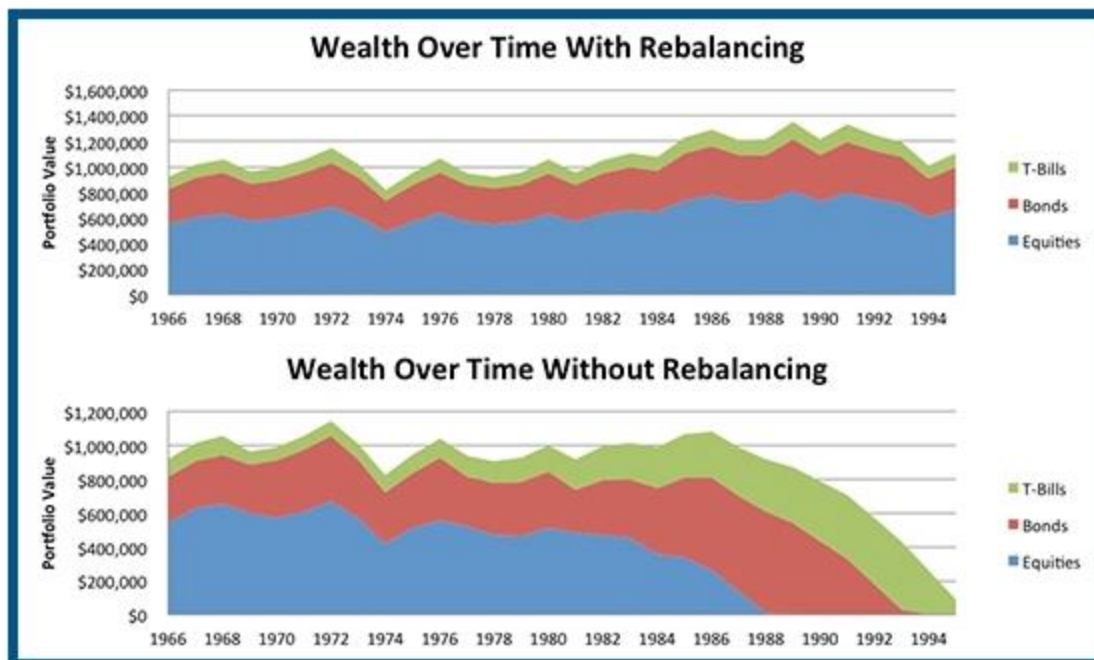
[Highest-paid NFL edge rushers: The salary for the Top 32 in the league](#)

REBALANCING

It works!

From a study by Michael Kitces

The chart below shows the retiree's results if retirement begins in 1966, assuming a 4% initial withdrawal rate and distributions that are arbitrarily taken pro rata (60/30/10) from each asset class at the end of every year. The rebalanced portfolio is rebalanced back to its original 60/30/10 allocation at the start of each year.

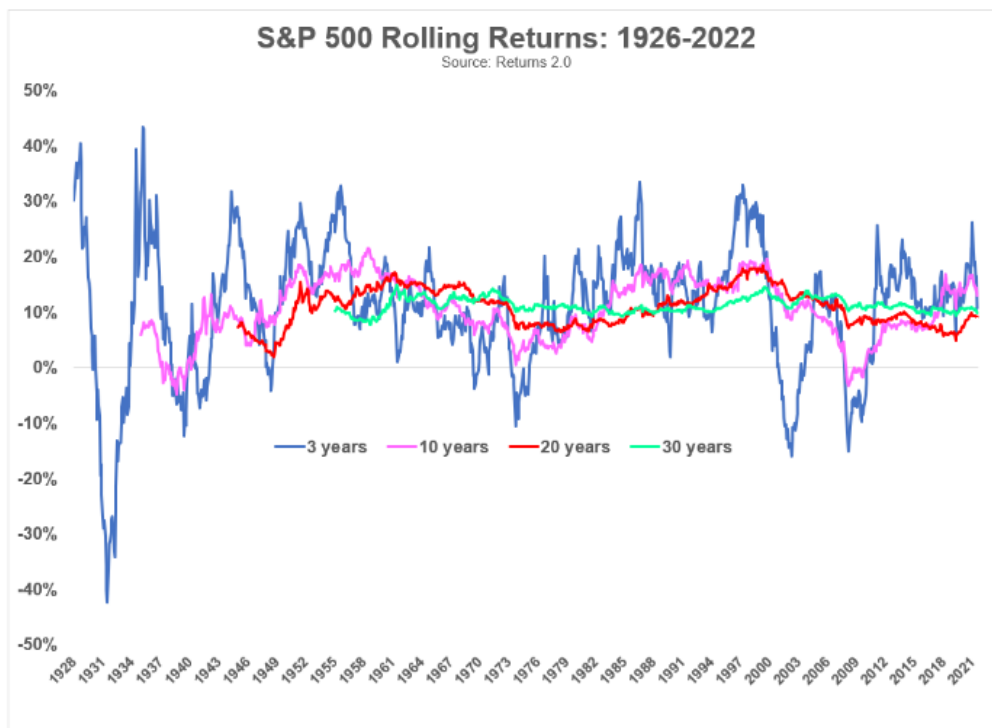
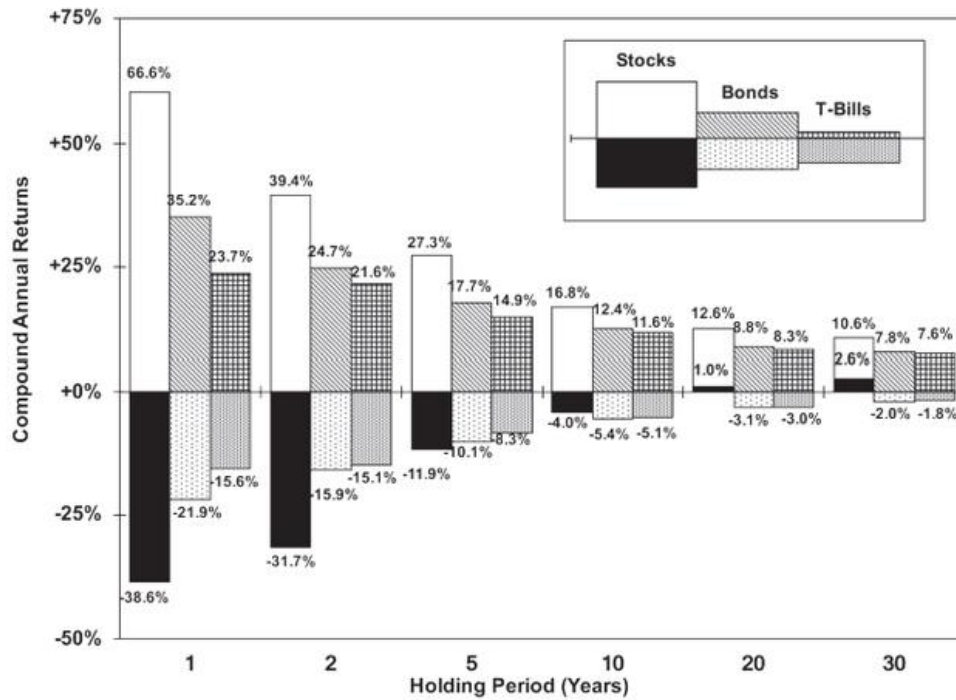


[Managing Sequence Risk: Bucket Strategies Vs Total Return \(kitces.com\)](http://kitces.com)

PATIENCE PAYS

The following table shows that generally stock returns outperform bond and T-bill returns and the longer the time frame the higher the probability of outperformance.

Holding Period	Time Period	Stocks Outperform Bonds	Stocks Outperform T-Bills
1 Year	1802-2021	59.5	63.2
	1871-2021	62.3	68.2
2 Years	1802-2021	61.2	64.4
	1871-2021	64.9	72.2
3 Years	1802-2021	67.2	70.2
	1871-2021	68.7	73.3
5 Years	1802-2021	69.0	69.4
	1871-2021	70.9	75.5
10 Years	1802-2021	73.5	74.9
	1871-2021	79.5	85.4
20 Years	1802-2021	84.1	88.1
	1871-2021	95.4	99.3
30 Years	1802-2021	91.6	91.6
	1871-2021	99.3	100.0



“There are no guarantees when it comes to investing in the stock market. As much as some people would like to think so, the stock market does not work like a casino. You don’t know the exact odds before placing a bet (or trade).

“But we do know that history tells us the longer you invest in the stock market, the greater your odds of success when it comes to beating safer assets.”

[Stocks for the Long Run \(awealthofcommonsense.com\)](http://awealthofcommonsense.com)

THE FUTURE



APPLES AND ORANGES

I'm constantly amazed at how often the financial media misleads its readers by basing stories on misleading benchmarks. The following is a good example.

Why Cash Isn't Trash: Here's How Fund Managers Are Beating the Market

“Actively-managed mutual funds are having their best year since 2009, according to an analysis from Goldman Sachs, which found many active funds decisively beating their benchmarks and, in many cases, the overall market. ...

“Compare these three very big value funds to the overall market, as represented by the S&P 500 Index:

- S&P 500 Index (SPX): -16.77%
- Fidelity Low-Priced Stock Fund (FLPSX): -10.75%
- JPMorgan Equity Income Fund Class I (HLIEX) : -6.79%
- American Funds American Mutual Fund Class F-3 (AFMFX): -5.58%”

It's a bit confusing when the story says “found many active funds decisively beating their benchmarks and, in many cases, the overall market,” and uses the S&P 500 as its benchmark. So, when I read this story on 9/28, I looked at these funds' performance compared to ETFs that invested in a similar universe (i.e. appropriate benchmarks). Here's what I found for performance from 12/31 to 9/27.

Mid Value

FLPSX	-17.6%
IJJ	-17.1%

Large Value

HLIEX	-12.4%
AFMFX	-12.9%
IVE	-15.9%

While HLIEX and AFMFX indeed did a tad better (i.e., they lost less) than appropriate investable alternatives (FLPSX didn't), the difference was nowhere near the difference in comparison to the inappropriate S&P 500 benchmark used in the story. The moral: Beware of misleading comparisons, especially ones that are based on absurdly short time horizons.

[Why Cash Isn't Trash: Here's How Fund Managers Are Beating the Market](#)

I CAN'T BELIEVE I MISSED THIS OPPORTUNITY

Tiffany's sells out custom Cryptopunk 'NFTiff' pendants for \$50,000 each.

Good thing I'm retired; no way could I explain this to my clients.

[Tiffany's Sells out of custom cryptopunk 'NFTiff' pendants for \\$50,000 each](#)

HISTORY

Times Square



Planes fly between the towers and pedestrians cross as part of the celebration of the opening of the Golden Gate Bridge in May of 1937

FUN

If liars' pants really *did* catch on fire, watching the news would be a lot more fun.

HORSEPUCKY!

I read some amazing nonsense. This story ranks with the best.

How to Create an Interest-Only Retirement Plan

“An interest-only retirement plan aims to create a long-term investment portfolio that enables savers to live off the interest generated by their investments and leave the portfolio principal intact. Once the portfolio owner retires, the retiree should be able to live off the interest gained on the investments without having to touch the portfolio principal.”

To address all of the issues with the silliness of this story would take many pages so I'll just highlight a few items from it:

“You will need a large retirement portfolio to be able to cover your expenses with the generated interest.” No kidding. In fact, if it's large enough you can simply keep your money in your mattress.

“As a result, setting up an interest-only retirement plan requires significant planning, as there are numerous factors that can prevent the plan from being successful, including declining interest rates, inflation and unexpected expenses.” Good news! The only problems might be “declining interest rates, inflation and unexpected expenses.”

“Laddering U.S. Treasuries can help you lock in rates of around 3% right now with a high level of safety, since the investor receives the principal back at maturity.” Of course, taxes won't be a problem.

“An interest-rate only retirement plan is feasible, but it also has some drawbacks. ‘If you're aware of all the nuances of an interest-only retirement planning strategy and you remain flexible, that strategy can work.’”

Just a FEW MINOR nuances—tons of money, declining interest rates, inflation, unexpected expenses and taxes.

[How to Create an Interest-Only Retirement Plan](#)

THE SECRET TO SUCCESS

Don't pick the wrong fund.

“Over the past five years through 2021, the Top 50 hedge funds collectively generated net annualized returns that trailed a red-hot S&P 500 by just several percentage points, but did so with significantly less risk...

“The 2021 performance hurdle had a substantial impact on this year's list, eliminating several highly ranked funds that had perennially made the survey.” Two-thirds of the funds on this year's list also made the 2021 survey. Of course, that means 1/3 didn't... “The top-performing fund in the last two surveys[] was up only several percentage points last year and failed to make the cut. Through the first half of 2022, the fund was down 65 percent.”

[The Most Consistently Profitable Hedge Funds Continue to Prove Their Edge](#)

SAFFIE GOES TO THE PARK

Our niece Maddy took our Saffie to the park with her sorority friends and had a photo op with Raider Red (to his right).



GOOD NEWS

“Here are 3 proven ways to get rich during a recession—without having to risk a bunch of money to do it.”

I always wonder, if it's so easy why is the author not already rich; why is he wasting his time writing as a reporter?

[Here are 3 proven ways to get really rich during a recession - without having to risk a bunch of money to do it](#)

GOOD LORD!

A must see

[He is 83 years old and she is 79 years old and they are back on the ice.](#)

CAVEAT EMPTOR!

Study: Bad Advisor Behavior Persists Under State Insurance Regimes

Advisors with histories of serious misconduct who exit the brokerage industry often continue to provide advice under state insurance regulations and are likely to reoffend in the future, according to a recent Stanford Law study.

[Study: Bad Advisor Behavior Persists Under State Insurance Regimes](#)

DEPRESSING

From a posting by Michael Finke. Michael is a former professor at Tech and is now Professor of Wealth Management at the American College.

“This (the graph below) is the relationship between basic investment literacy... and whether people think they can invest better than a pro. The less you know, the more confident you are.”



[Michael Finke – This is the relationship between basic investment literacy...](#)

SURE WISH I HAD BEEN THERE

WOODSTOCK
MUSIC AND ARTS FAIR

 **JIMI HENDRIX**   **JANIS JOPLIN**

🎵 **AUGUST 15-16-17 - 1969** 🎵
THREE DAY PEACE AND MUSIC FESTIVAL

★ **FRIDAY THE 15th** - Joan Jaz, Eric Burdick, Richie Havens, Sly & The Family Stone, Tim Hardin, Nick Benes, Sha Na Na

★ **SATURDAY THE 16th** - Canned Heat, Creedence Clearwater, Melanie, Grateful Dead, Janis Joplin, Jefferson Airplane, Incredible String Band, Santana, The Who, Paul Butterfield, Keef Hartley

★ **SUNDAY THE 17th** - The Band, Crosby Stills Nash and Young, Ten Years After, Blood Sweat & Tears, Joe Cocker, Jimi Hendrix, Mountain, Keef Hartley

AQUARIAN EXPOSITION
WHITE LAKE, NEW YORK

MORE CAVEAT EMPTOR

From a recent academic paper

Do Stock Retail Investors Show Better Portfolio Performance When They Hold Passive ETFs?

We investigate the portfolio performance of retail investors who combine stocks and passive exchange traded funds (P-ETFs) by relying on both proprietary trading records and survey data... The risk-adjusted performance remains negative for all retail investors, irrespective of their exposure to P-ETFs. Nevertheless, retail investors who hold P-ETFs generate higher risk-adjusted returns than those who trade individual stocks only.

[Do Stock Retail Investors Show Better Portfolio Performance When They Hold Passive ETFs?](#)

MS. WOOD

I've written about Ms. Wood's Ark Innovation in the past. Doesn't seem like things have improved.

Cathie Wood's ARKK Sees Biggest Monthly Outflow In Nearly A Year (2022)

"Cathie Wood's fans turned tail last month, pulling out the most money from her flagship fund in nearly a year as it continues to flounder.

"The \$8 billion Ark Innovation ETF (ticker ARKK) saw \$803 million rush out in August, the biggest monthly outflow since last September, according to data compiled by Bloomberg. The exchange-traded fund saw daily inflows in only six days last month.

"The surge of outflows underscores a stark shift of sentiment, after money flowed in for much of this year even as the innovation-themed fund plummeted. Investor loyalty may now be reaching a limit, with the ETF down 60% this year, compared with the S&P 500 Index's 18% drop, and prospects dim for a revival anytime soon." [As of 9/27 -60.9% YTD and -67.1% 1-year.]

I think that my son David got it right when he sent me this link:

"Be happy for what we do—the mighty always crash and burn."

[Cathie Wood's ARKK Sees Biggest Monthly Outflow In Nearly A Year](#)

I KNEW YOU'D WANT TO KNOW

What's the difference between an ale, lager, and IPA? Learn for International Beer Day 2022.

[What's the difference between an ale, lager and IPA?](#)

AGING—A FEW THOUGHTS...

- “The older we get, the fewer things seem worth waiting in line for.” – Will Rogers
- “Old age comes at a bad time.” – San Banducci
- “Inside every older person is a younger person wondering what happened.” – Jennifer Yane
- “Old age is like a plane flying through a storm. Once you are aboard there is nothing you can do about it.” – Golda Meir
- “Always be nice to your children because they are the ones who will choose your retirement home.” – Phyllis Diller
- “Nice to be here? At my age it’s nice to be anywhere.” – George Burns
- “Aging seems to be the only available way to live a long life.” – Kitty O’Neill Collins
- “At my age, flowers scare me.” – George Burns
- “As you get older three things happen. The first is your memory goes, and I can’t remember the other two.” – Sir Norman Wisdom
- “The older I get, the better I used to be.” – Lee Trevino
- “I was thinking about how people seem to read the Bible a lot more as they get older, and then it dawned on me—they’re cramming for their final exam.” – George Carlin
- “At my age ‘getting lucky’ means walking into a room and remembering what I came in for.” – Unknown
- “You know you’re getting old when you stop to tie your shoelaces and wonder what else you could do while you’re down there.” – George Burns

AND FINALLY

“Old age isn’t so bad when you consider the alternative.” – Maurice Chevalier

DEPRESSING

I guess it’s naive of me to expect intelligent advice from institutional investment professionals. The following are comments from Bank of America’s (a Merrill Lynch firm) head of U.S. equity and quantitative strategy.

“The worst thing to hold is the S&P 500 wholesale,” she tells CNBC. “Although following the benchmark index has worked well over the past decade... The S&P 500 right now is expensive—it’s super crowded. It’s the most crowded ticker in the world if you think about it from an index perspective... If you’ve got a 10-year time horizon, hold the S&P 500 and watch and wait,” she recommends. “But if you’re thinking about what’s going to happen between now and let’s say the next 12 months, I don’t think the bottom is in.”

[Warren Buffett’s top investing advice is still valid but the S&P 500 is ‘the worst thing to own’ in the near term, says top US stock strategist](#)

“Investing” for 12 months or less isn’t investing, it’s market timing.

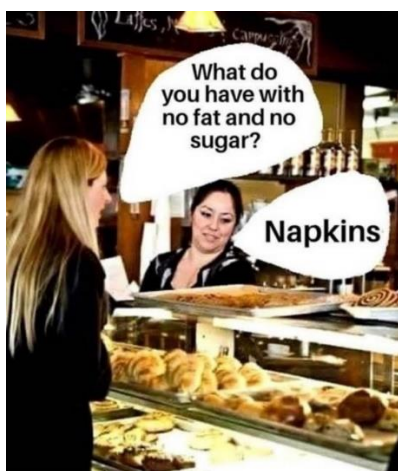
Maybe that’s why the performance of BOA stock (BAC) looks like it does compared to the broad market.

	1-Year	3-Year	5-Year
BAC	-27.29%	10.82%	32.73%
Morningstar US Market Total Return	-17.53%	26.90%	53.66%

*As of 9-30-22

SMILES

From my friend Alex

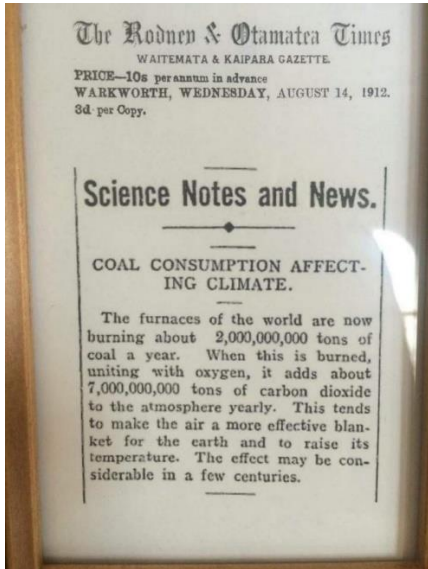


Who remembers



the first search engine?





OLD

Want to feel old?

Bonanza premiered 60 yrs ago.
The Beatles split 50 yrs ago.
Laugh-In premiered nearly 52 yrs. ago.
The Wizard of Oz is 80 yrs old.
Elvis is dead 42 yrs. He'd be 84 today.
The Thriller video is 36 yrs old.
Jimi Hendrix and Janis Joplin dead 49 yrs.
John Lennon dead 39 yrs.
Mickey Mantle retired 51 yrs ago.
Back to the Future is 35 yrs old.
Saturday Night Fever is 42 yrs old.
The Ed Sullivan show ended 47 yrs ago.
The Brady Bunch premiered 50 yrs ago.
The triplets on My Three Sons are 50.
Tabitha from Bewitched is 55.
The Corvette turned 66 this year.
The Mustang is 55.

MORE GURU STUFF



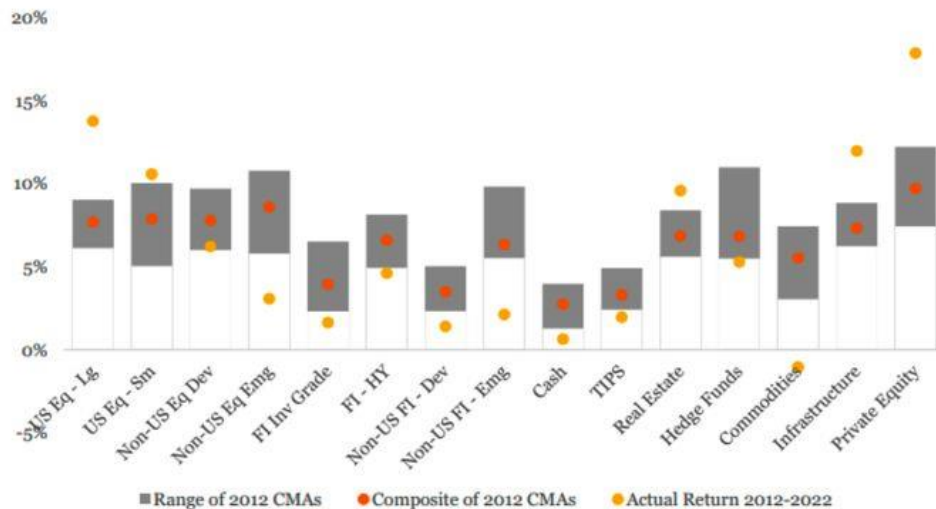
Wall Street's prediction on the direction of the stock market is often wrong—way wrong

This is an excerpt from an article by Mark Hulbert, a commentator I've quoted in the past and an acute observer of money manager performance. Mark references a study by investment consultant Mike Sebastian who compared the projected asset class returns from 17 firms in 2012 to what actually happened over the subsequent decade. As reflected in the chat below, not so good.

14 of the 15 asset class projections fell outside of the 2012 minimum-maximum projections.

Not even close

2012 return projections of 17 Wall Street firms, versus actual subsequent 10-Year returns



Source: Mike Sebastian

Mark notes: “The lesson here isn’t that you need to find a better research firm than the prominent ones in Sebastian’s sample. Those firms’ analysts are some of the best and brightest people you’ll ever find in the investment arena, sporting impeccable educational and real-world backgrounds. And yet they still sometimes get it wrong, and not just by a little.”

[Opinion: Wall Street’s prediction on the direction of the stock market is often wrong – way wrong](#)

And a few final thoughts from my friend (also Mark) in the U.K.

“It is often said there are two types of forecasts ... lucky or wrong!”

Control magazine, published by The Institute of Operations Management

"Those who have knowledge don't predict. Those who predict don't have knowledge. "

Lao Tzu, 6th-century BC Chinese poet

BITCOIN

From comments on the Yahoo Bitcoin chat site...

I just love sophisticated investors. Actually, what comes to mind is sadness and the feeling that a fool and his money are easily parted.

- “I feel the secret behind bitcoin is buying at a lower price and selling higher. I really need to invest in bitcoin before it goes more higher than this. Moreover, I need another source of income.”
- “The stock crash is just inevitable that why you just have to understand that. Yeah investing in crypto trading will be the wisest thing to do.”
- “Profit = Current Price - Purchase Price.”
- “Listening to Theresa Munoz analysis on BTC each week and taking a 1-hour crypto course has given me what I hope will be the foundation of my day trading career.”—
Wow! A whole hour!!!

GO FIGURE

JPMorgan CEO Jamie Dimon, who has long been a critic of cryptocurrencies, made it clear to lawmakers that his opinion hasn’t changed, at least on one type of them, according to news reports.

“I’m a major skeptic on crypto tokens, which you call currency, like Bitcoin,” Dimon said in congressional testimony before the House Financial Services Committee on Wednesday, according to Bloomberg and Barron’s. “They are decentralized Ponzi schemes, and the notion that it’s good for anybody is unbelievable.”

[JPMorgan Chief: Crypto Tokens Are “Decentralized Ponzi Schemes”](#)

Major organizations and financial institutions are yet to recognize these assets as legitimate. However, there have been a few exceptions who have been trying to study and embrace the new technology since its inception.

Among these exceptions, one of the most influential finance-based giants that has shown support for the cryptocurrency sector is JPMorgan Chase. The Wall Street giant has historically been one of the few banking organizations to recognize and introduce cryptocurrencies as an investing option.

[JP Morgan Opens Its Doors to Cryptocurrency Professionals – Now Hiring Web 3 Developers](#)

HOW CAN I GO WRONG?

Data Science: Bitcoin Data Visualization & Price Prediction – Only \$14.99!!!
Learn to Forecast the Price of Bitcoin 30 Days into the Future using Facebook Prophet.

Look for me on my yacht in a few months!

[Data Science: Bitcoin Data Visualization & Price Prediction](#)

TIME FOR A NEW CRYSTAL BALL?

Or maybe stop voting...

Based on the votes of 20,683 community members, the crypto community on CoinMarketCap forecasts that Bitcoin's price will increase by more than 30% from its current level to an average of \$29,346 by the end of September 2022. As I close this section out on 9/28, Bitcoin is trading at \$19,562.

[Bitcoin price consolidates above \\$21,000 as big move imminent for BTC](#)

OH MY

Over 50% of all Bitcoin trades on exchanges are fake

And I thought the only thing to worry about was the price and theft.

“The widespread practice of wash trading, which is a kind of phony or fake volume, and the lack of adequate oversight across crypto exchanges are two of the most prevalent criticisms leveled against Bitcoin.

“An investigation on 157 cryptocurrency exchanges came to the conclusion that around 51% of the daily trade activity recorded for Bitcoin was most likely fake, *Forbes* reported in its analysis...”

[Over 50% of all Bitcoin trades on exchanges are fake, new analysis reveals](#)

PRETTY SHORT RECOVERY

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... Bitcoin was trading on 9/28 at \$19,562.

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

STILL, THERE ARE A FEW ROARING OPTIMISTS REMAINING

MicroStrategy CEO Michael Saylor remains bullish. In fact, he not only sees a revival for the cryptocurrency but expects plenty of upside above its previous high.

"I think that the next logical stop for Bitcoin is to replace gold as a non-sovereign store of value asset and gold is a \$10 trillion asset right now. Bitcoin is digital gold, it's 100x better than gold..."

["100x better than gold": Michael Saylor says Bitcoin is the next big "store of value asset" and will soar 2,500% within 10 years—here are 3 easy ways to bet on it](#)

FINALLY, IN CLOSING

Congratulations to my partner and friend John on his HOLE-IN-ONE!!! **12,500 to 1**—the odds of an amateur golfer making a hole in one on a par 3 hole!



Lubbock Country Club – Hole 5 – Par 3 – 140 yards – 8 iron. Time to buy a lottery ticket?

THIS IS WHAT 80 LOOKS LIKE

Not too excited about the number, but very happy to be around for it.

Had a great dinner with fantastic wines and a combo playing '50s music (my favorite) arranged by my partners Katie and John and friends Wan and David Cho.



All my best,



A handwritten signature in black ink, appearing to be "Harold Evensky".

Harold Evensky

FOUNDER

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