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skv three things



January is commonly a time when investors look at last year's results and are strongly tempted to chase "hot performers". We humans like to extrapolate. The perils of chasing hot, short-term returns are well documented. The financial landscape is littered with examples of what worked last year, not working this year....this data is at the core of why we recommend routine portfolio rebalancing, and lean contrarian— *buying what has not worked recently rather than what has--* when adding new money to portfolios. ***"Luck plays the dominant role in one-year returns. So when you pick the previous year's top performer you're following someone who was for the most part, lucky. The reversals in year-to-year rankings are therefore a reflection of little more than how rare it is to be lucky two years in a row,"*** Aye Soe, managing director, S&P Dow Jones Indices.



My crystal ball says...(imagine a drum roll here)....there is an over 70% chance the market will go up in 2022. Boom! Write that down. 😊 That is not a wild-eyed prediction, but what the historical data reveals. From the Civil War, through the Great Depression, two World Wars, the Disco Years....the U.S. markets odds of rising have remained pretty steady and solidly over 70% in any given year. So why all the routine bearishness? I don't know....hard to understand why with nothing but progress behind us, some see nothing but decline ahead...*pessimists are often failed investors.*



In 2022 I want to: learn a new skill, be more courageous, procrastinate less (or maybe I'll tackle that in 2023?), eat a veggie once a...month, make amends.... If I actually keep 50% of my New Year's resolutions in 2021---I will be healthier, wealthier, wiser....and 100% shocked! I am guessing your resolutions might include one or two about fitness? According to a new study published in the British Journal of Medicine,



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*“people who sat 8-10 hours daily, but managed to clock about 11 minutes of moderate-to-vigorous exercise a day, were less likely to die than those who only got about two minutes of exercise a day.” We can do 11 minutes a day, right!? Raking the yard is considered a moderate exercise. So mix in a few wind sprints between leaf piles to add some rigor. “Any movement is an improvement on none, more is usually better, and ***it is never too late to start***,” Daniel Lieberman, biology professor, Harvard. “The evidence is pretty clear that physical activity does help reduce peoples’ vulnerability to a wide range of respiratory tract infections.”*

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***

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