

## **4th Quarter 2014 Commentary**

By  
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### **Unexpectedations**

Michael, that's not even a word.....yet. But, "unexpectedations" fits the bill perfectly. How often, in our business are our expectations met with surprises instead? Unexpectedations. So, who in January 2104 expected the S&P 500 Index to establish fifty-three new all-time highs during the year: Or for the DJIA to close above 18,000 for the first time ever; Or for the NASDAQ Index to approach its' previous all-time high (reached in 2008) of 5,000: or for our US equity markets to extend their Bull Runs to sixty-nine months, for the 4<sup>th</sup> longest bull without a 20% correction in its history; or for oil prices to collapse to under \$50 a barrel by October; Or for the Federal Reserve not to raise interest rates, again; or for the United States economy to continue its' expansion; or for the European Central Bank to drop its discount rate to a minus .1%; or for only 47% of Americans, despite this fourth longest running Bull, to remain unenthusiastic about stocks?

Our 24/7 totally interconnected world hardly takes a pause for breath today. It is so difficult to stay on top of the numerous changes. Whatever I write is old news by the time I finish my thoughts and place them in print. These comments seem out-of-date by the time you receive them. All the more so, when this commentary on the 2014 year arrives to your door in June. Sorry for this, I couldn't get my thoughts together before tax season was upon us.

While our major Large Capitalized indexes made progressive new highs during 2014 and closed with handsome gains for those who invested in them, it appears that stocks outside of these indexes lagged. I haven't been able to ascertain the reasons for this, yet. I surmise that the computer driven trading programs stick with the major indexes to harvest their dollars. Furthermore, foreign money, seeking refuge from the turmoil in the rest of the world lands only in the same baskets for safety and liquidity. Where else do you think all of that Russian, Ukrainian, European and Middle Eastern money goes? Our Big Caps and their dividends have proven to be the best of alternatives for cash. Meanwhile, investments outside of these indexes wait for earnings growth or takeovers to drive their value up. For

some of our holdings, this wait continues even today several months past the end of 2014. For emerging market investments, such as our holdings in Brazil, and our oil and commodity related investments, such as our Canadian Oil Trusts, this wait continues. These investments hurt our overall performance in 2014. These may prove to be greater values today than they were when we initially bought them. Only time will tell. One thing we do know, they are out of favor now. They shouldn't be in the future.

Your performance reports are enclosed. Please give us a call should you wish to discuss.

For 2015 we are all the more cautious in committing new dollars into equities and continue to lean, as we have since January, towards accumulating the cash our dividends and interest are generating in our portfolios. As we enter into what has historically been "the worst six-months in the markets" (the period between May and October), we select those stocks that we wish to own and wait for the opportunity to buy.

We continue to believe that our US economy will continue its moderate expansion and are optimistic for the long-term. However, we also believe that our stock markets don't necessarily march to the same tune and will move up and down with the emotional tone of world events. We have already invested sufficient capital; we wait for a better time to buy before we add more.

Meanwhile, let's keep focused on what's really important, that is our health and our state of being. Our work is to assist you in attaining your financial goal and objectives. Whether these are to generate sufficient monthly income for to maintain your livelihood or to plan your estate properly or whatever else your defined financial goals with us are. The money, when invested wisely and diversely, will help us achieve these. What are your present financial goals? We should redefine these with you at least once each year. Please call and make some time to do exactly this during the slower summer months.

A new client recently left our office and noticed a picture I bought and placed in our lobby after the 2000 crash. I promised that I would transcribe its message and send it to her. So, here it is for all of us to recall.

## How To Relax About Money

By Sark

Relax. Your money is not your life! It just seems that way sometimes. True wealth is inside of you. Learn to cultivate money miracles. Go back to money innocence. Be who you truly are and the money will follow. You are safe. If you find yourself worrying about money, why were you lost in the first place? Read "Money and how it gets that way" by Henry Miller. Make friends with money. Money is like love- the more you give away, the more comes back. Watch the movie "It's a Wonderful Life". When any money flows in for you, it's time to help others. Help them now. Money was invested to be shared. Start a revolution: refuse to believe in recessions. We need to rewrite recession to read: Money recess.

Remember recess? You got to go outside, kick a ball, and feel free from school. We all need to feel free about money! Take a deep breath. What you are worth is not about money.

Relax. You are safe.

Thank you, as always, for your continued business and confidence. We look forward to hearing from you.