



In This Issue

Spring
2024

Page 1

Phillip T. Anderson
The Best
Holding Period is...

Page 3

LEADERSHIP Ashtabula County
Mardi Gras Masquerade

Page 4

2024 Forbes
Best-In-State

Page 5

Daniel M. Huffman
Navigating the Cyber Wild West

Page 6

No Obligation 20-Minute
Consultation Available Now!

Page 7

Solar Eclipse Glasses,
Embraces Positive Outlook

The Best Holding Period is...



Phillip T. Anderson MBA
Associate Vice President - Investments
Financial Consultant

“In the short run, the market is a voting machine but in the long run, it is a weighing machine.”

– Warren Buffett, 1987 Letter to Berkshire-Hathaway shareholders

“Distinguishing the signal from the noise requires both scientific knowledge and self-knowledge: the serenity to accept things we cannot predict, the courage to predict things we can, and the wisdom to know the difference.”

– Nate Silver, “The Signal and the Noise”

If you have spent much time looking at historical stock market returns, you know that they can look pretty random. Take, for instance, the chart below of S&P 500 returns from 1926 through 2023. I think its fair to say that it lacks any sort of discernable pattern. If we had perfect foresight, we might be able to anticipate every wiggle in the economy and its implications for the various market sectors well in advance, pricing them in smoothly and without any major shocks. That is not how things work in the real world.

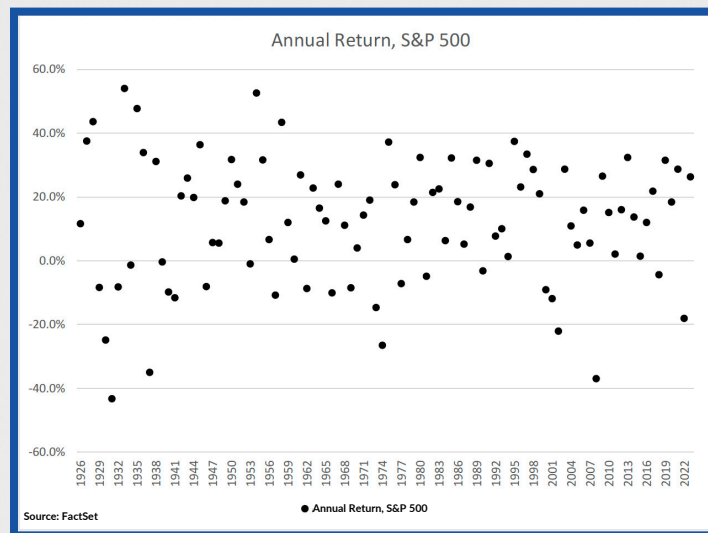
Continued on pg. 02

Investment and Insurance Products are:

- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

The Best Holding Period is... continued

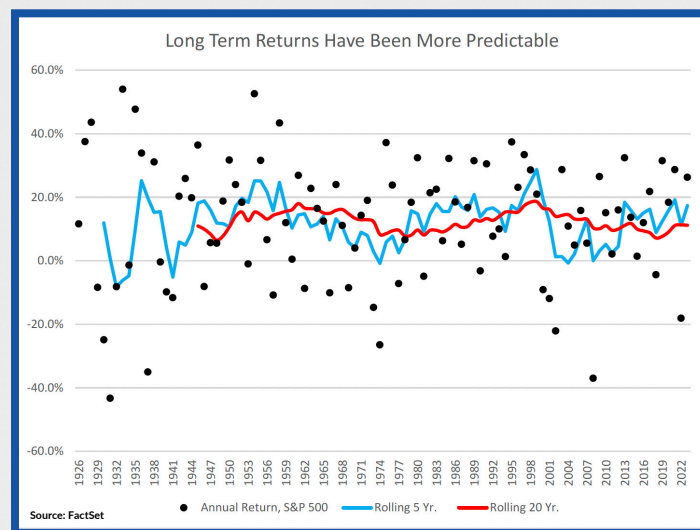
Simplistically, market prices for stocks try to anticipate current and future earnings and cash flows and place a fair value on them today. This is always challenging, but for unprofitable companies it's even trickier, because you have to figure out when and if the company will become profitable and come up with a reasonable estimate on its growth rate in order to get the valuation right today.



Public equity markets are pretty much pure capitalism – you express an opinion on whether something is under or over-valued and put your own money behind that opinion. These markets are the best way of determining appropriate valuation that we have, a feature that economists call “price discovery.” However, even with all of the time and resources that investors put into valuing securities, markets get surprised quite often. Every day of earnings season you can turn on the financial news and see that some company “beat” or “missed” expectations, and we sometimes misunderstand the growth potential for companies (or whole industries) for years at a time. To quote Yogi Berra: “It's difficult to make predictions, especially about the future.” It isn't hard to see why individual investors can become frustrated with the vagaries of the stock market and decide not to participate – especially if we are focused on short term earnings and returns.

We would suggest that a one or even three-year perspective on the markets is inappropriate for most people – the majority of us are going to work for 40 or more years and will need to save and grow our savings for that whole time in order to retire comfortably. So, what if we look at returns over a longer time frame? The second chart below overlays the rolling 5 year return for the S&P 500 in blue, and the rolling 20 year return in red with our original data set. The clear point here is that while investing over a longer time period doesn't give you “better” results, it does give you a clearer idea of what kind of returns you can expect – just the kind of information you need to estimate in order to successfully plan for retirement.

This principal can work over longer time periods too – for the 30 year period ending December 31, 2023, the S&P 500 averaged 9.7% per year. That 30 years would have included the Dot-com bubble, 9/11, the Global Financial Crisis, COVID-19, multiple wars, and inflation unseen for 30 years, and yet the average market returns were still pretty respectable. As a longer-term investor you will likely participate in both the good and bad market years, but you also greatly reduce the impact of elements that are out of your control – things like trading costs, and the distorting effects that getting in or out of the market at a particular extreme can have on your long-term returns.



At its core, this is a risk management idea. We take something that's unpredictable in the short-term and could give us really good or bad results and spreading it out in hopes of following a strategy for the long-term and by continuing at it for a long time.

We understand that for plenty of people those “down 40%” dots in the chart above are terrifying – but you don't need to be an “all stock” investor to own stocks either. In fact, for many of our clients who are in the “distribution” phase of investing, diversification becomes the most important risk management tool. By adding bonds and other assets whose performance isn't tied to the stock market, we can further help to try and reduce volatility and increase the odds that a client can sustain distributions through what we hope is a very long retirement. To finish the title of this piece with another slightly cheeky quote from Mr. Buffett “When we own portions of outstanding businesses with outstanding managements, our favorite holding period is forever.”

**Past performance is not an indication of future results. An index is not managed and is unavailable for direct investment.*

*** Diversification does not guarantee a profit or protect against loss in a declining market.*



SAVE THE DATE!

SHRED-IT & FORGET IT
SATURDAY!
 Saturday May 4, 2024 9 AM - Noon
 3705 State Rd. Suite 100
 Ashtabula, OH 44004

Clear out your papers and help protect your identity with complimentary shredding, coffee, and doughnuts. You'll also have the chance to make a voluntary check donation payable to United Way. Patti Baldwin Andersen, Executive Director, will be on site to collect donations. United Way seeks to improve lives by mobilizing the caring power of communities around Ashtabula County to advance the common good, and we are truly proud to support them.

**CONGRATULATIONS
TO OUR TEAM!**

Forbes

**BEST-IN-STATE
WEALTH MANAGEMENT TEAMS 2024**

SHOOK® RESEARCH

© 2024 FORBES LLC - USED WITH PERMISSION

**HUFFMAN • MAYER
RECOGNIZED AS A 2024 FORBES
BEST-IN-STATE WEALTH
MANAGEMENT TEAM**

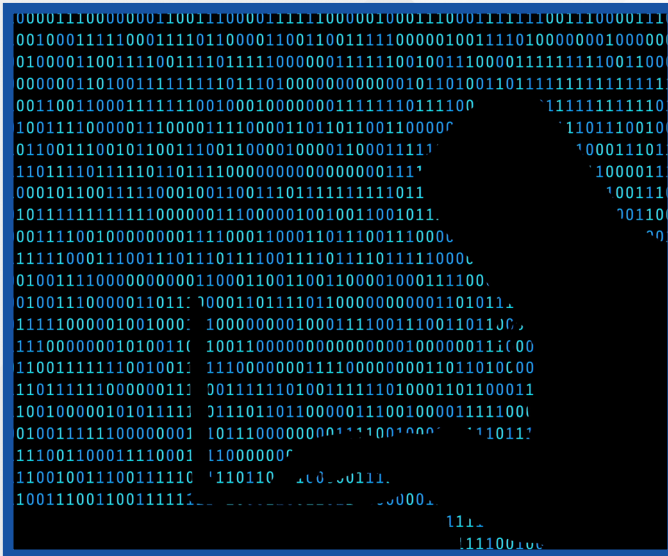
Source: Forbes.com (Awarded January 2024) Data compiled by SHOOK Research, LLC based on the time period from 3/31/22-3/31/23. Fee paid for use of marketing materials. The Forbes Best-in-State Wealth Management Teams rating algorithm is based on the previous year's industry experience, interviews, compliance records, assets under management, revenue and other criteria by SHOOK Research, LLC. Investment performance is not a criterion. Self-completed survey was used for rating. This rating is not related to the quality of the investment advice and based solely on the disclosed criteria.

Navigating the Cyber Wild West

Lessons Learned from a Brush with Online Fraud



Daniel M. Huffman *CMP®*
Managing Director - Investment Officer



a problem with the internet, a hiccup in the app itself, or some combination of the two. I tried using the app a few more times in the ensuing week but to no avail, hence a call to “Tech support”. Now you all know I’m not necessarily the brightest bulb in the room, but I looked up this company’s tech support number through a search engine, and dutifully called them. What followed was a bewildering array of confusing instructions, requests, call back numbers (one of which I was dumb enough to use) and, finally over an hour worth of communications with what turned out to be a fraudulent call center. To make matters worse, we get annual training at our firm to be alert to such technological shenanigans.

Recently, at the World Economic Forum in Davos, Switzerland, Jamie Dimon, the CEO of JP Morgan (the World’s fifth largest bank), said that their financial institutions across the globe are experiencing 45 million hacking attempts per day. While the internet has created more ease of access for transactions and resources, it has likewise enabled far greater nefarious activity. For comparison, there are only about 4,000 bank robberies per year in the United States. Bottom line, the ease of access to the internet is a double edge sword – the bank robbers today can make hacking attempts from the comfort of their own homes. Suffice it say that with billions of internet users with potentially unfettered access into our home computer systems it pays to be on our guard. Allow me to share a recent personal experience.

I, not unlike many of you, am getting used to using apps and online access for nearly everything. Recently, while using my “cash app” to pay a restaurant bill the payment was repeatedly rejected. I figured it might be

Ultimately, I did the next best thing and ordered new credit cards, changed multiple passwords, and called the major credit bureaus, putting them on alert to my stupidity and the potential criminals that might follow me on the ‘dark web’. All in all, it could have been much, much worse – but, a lesson learned.

There is a well-established legal term that one is “innocent until proven guilty”. Frankly, when it comes to navigating the internet, my advice is to regard this axiom in reverse: assume every contact on the net is guilty until you can verify their innocence.

Written by Dan Huffman

HUFFMAN·MAYER
WEALTH MANAGEMENT GROUP
of Wells Fargo Advisors



“Unlock Your Retirement Path: No Obligation 20-Minute Consultation Available Now!”

Navigating the complexities of retirement, Social Security, and market influences can often lead to a myriad of questions.

Whether you're pondering when to retire, the financial requirements for a comfortable retirement, or seeking guidance on retirement planning, we're here to help.

Take advantage of our complimentary
“20 Minute Ask Me Anything” session.

This is your opportunity to address all your queries, concerns, or even get a second opinion on your retirement plan.

www.20MinuteAskMeAnything.com



**Scan the QR Code if you are
interested in scheduling a time!**

Finance Team Trades Charts for Solar Eclipse Glasses, Embraces Positive Outlook



HUFFMAN·MAYER
WEALTH MANAGEMENT GROUP
of Wells Fargo Advisors

ASHTABULA
3705 State Road, Suite 100
Ashtabula, OH 44004

By Appointment:
CONCORD
7466 Auburn Rd.
Concord OH. 44077



“We Help YOU
Retire with Confidence.”

(440) 992-1515 • WWW.HUFFMAN-MAYER.COM

Follow Us on Facebook  

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC,
a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. PM-09062025-6457669.1.1