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of Wells Fargo Advisors

"Human progress has always been driven by a sense of possibility and a belief in a better future. Pessimists sound smart, but optimists get rich."

- Morgan Housel

Let me begin with a confession: I remain an unrepentant optimist.

And I recognize that optimism — especially in today's climate — can feel like a radical stance.

Markets are noisy. Headlines are alarming. The stakes feel high. And the mind naturally drifts toward concern. That's not a character flaw — it's evolution at work.

The Brain Is Wired for Fear

Humans are biologically programmed to be more attuned to threats than to opportunities. Psychologists call this **negativity bias** — the well-documented tendency to give more weight to negative events and emotions than to positive or neutral ones.

It's not irrational. In fact, it helped our ancestors survive. If you heard a rustle outside your cave and assumed it was a sabertooth tiger, you lived to see another day. If you ran out hoping to pet a kitten, well... your genes didn't make it into the future.

Because of this **survivor bias**, we are all descendants of humans with highly tuned “threat detection” systems. And while this worked well in a hunter-gatherer world, it is far less helpful in a modern society — particularly when making long-term decisions about investing, leadership, or the legacy you're building for your family.

The Amygdala Hijack

Much of this threat response is governed by a part of the brain called the **amygdala** — our fear and threat processor. When it detects danger (real or perceived), it triggers the **fight, flight, or freeze** response. This bypasses rational analysis and hijacks our ability to make calm, calculated decisions.

In modern life, it's not sabertooth tigers — it's market volatility, political headlines, inflation fears, AI disruption, and social unrest. The threats may be abstract, but the brain responds just the same. That's why a 10-second market update can induce anxiety disproportionate to the actual risk.

Scarcity Brain: Why We Can't Look Away

Michael Easter's *Scarcity Brain* offers a compelling lens on this. He explains how modern media, social platforms, and algorithm-driven news cycles exploit our ancient wiring by flooding us with novelty, conflict, and fear — the exact triggers our brains are wired to prioritize.

This constant stimulus makes it feel like *everything is urgent and everything is bad*. In reality, what we're often consuming is a curated, exaggerated stream of worst-case scenarios — delivered in real time, around the clock.

When you combine this with our evolutionary predisposition toward pessimism, it's no wonder optimism feels hard-won. But it is **worth winning**.

"Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence."

- Helen Keller

Why It Feels So Hard to Stay the Course

We also need to acknowledge another powerful force working against investors: **Loss Aversion** — a foundational principle in behavioral finance.

Loss aversion, first studied by Kahneman and Tversky, tells us that **the pain of losing money is psychologically twice as powerful as the pleasure of gaining it**. This isn't weakness — it's human. And it leads to predictable patterns:

- Selling in fear after markets fall
- Holding onto cash in search of certainty
- Chasing the headlines rather than a disciplined plan

In moments like these, one of our most important roles is to stay above the emotional fray — to remain clear-eyed when others can't.

As Kipling wrote in his timeless poem *If*—:

*"If you can keep your head when all about you
Are losing theirs and blaming it on you..."*

That's what we aim to do — not only in how we steward capital, but in how we help you and your family navigate uncertainty with confidence and calm. What you're feeling is **completely normal** — and that's precisely why we've built a system designed to protect you from it.

At Bespoke Private Wealth Group of Wells Fargo Advisors, we don't build portfolios in isolation — we begin with your goals, align them with a thoughtful plan, and then design your portfolio to serve that plan. This is where real durability comes from. Resilience isn't something we scramble to find in moments of stress — it's built in from the outset.

"Success in investing doesn't correlate with IQ... what you need is the temperament to control the urges that get others into trouble."

- Warren Buffett

The Case for Optimism

Yes, problems exist — they always have, and always will. But step back and look at the broader arc of human progress, and the evidence is overwhelming.

We Are Living at the Apex of Human Progress

- **Life Expectancy** has more than doubled in the past 100 years — from 35–40 years globally to over 73 years today. In developed nations, it's now pushing 80 and beyond.
- **Infant Mortality** has dropped by over 90% in the U.S. since 1900.
- **Extreme Poverty** has fallen from 36% of the global population in 1990 to under 9% today. That's **1.2 billion** people lifted out of poverty in a single generation.
- **Literacy Rates** have skyrocketed — from 12% in 1820 to over 86% globally today.
- **Access to Electricity** rose from 71% in 1990 to over 90% of the global population today.
- **Vaccines and Disease Eradication:** Smallpox is eradicated. Polio is nearly gone. Lifesaving vaccines are now developed in months, not decades — as we saw during COVID.
- **Standards of Living:** The average person today has access to more knowledge, comfort, mobility, and health care than a king did centuries ago.

These aren't opinions. These are facts. And they're rarely the focus of the evening news.

through inflation, recessions, crashes, pandemics, and uncertainty. And yet, the long-term trend is clear: progress. This isn't just a line of market returns—it's a reflection of American innovation, adaptability, and the world's most productive companies delivering value through challenge and change. It's why we believe in owning great businesses. It's why we remain long-term investors. Most importantly, it's why we remain optimistic—because the real risk isn't in temporary declines, but in abandoning the strategy that builds lasting wealth.

"To remain optimistic in the face of uncertainty is not a flaw—it's the foundation of every breakthrough humanity has ever made."

- Bespoke Philosophy

Why This Matters to You

As first-generation wealth creators, you are not only investing in portfolios — you're investing in people, businesses, ideas, and futures.

And yes, uncertainty is part of the equation. But uncertainty is not new — and progress has never been smooth. Still, the arc bends upward.

What you've built, what you're building — for your families and the institutions you care about — rests on the same foundation that has always propelled humanity forward: resilience, creativity, and intelligent risk-taking.

That's why we remain long-term optimists. Not because the world is perfect — but because history, science, and the facts are on the side of those who keep building.

Coming Up

In next month's edition, we'll share our current thinking on the intersection of innovation, capital allocation, and long-term wealth stewardship — and how we're positioning portfolios to harness progress while protecting against volatility.

Until then, thank you — truly — for the **trust and confidence** you continue to place in our team at Bespoke Private Wealth. Your loyalty and support are never taken for granted. We are inspired by the lives you lead, the businesses you've built, and the missions you pursue — and we're honored to walk alongside you as stewards of the wealth that supports it all.

If this message resonated with you, we invite you to share it with others who may benefit. The more we elevate the conversation — the more we shift attention away from fear and toward progress — the more we can shape a culture rooted in resilience, optimism, and purpose.

At Bespoke, we've long said we're in the *happiness business*. But perhaps it's more than that — we're in the business of helping people live their best lives, and in doing so, help elevate the communities and causes they care most about.

We're always here — for questions, conversations, planning, or simply perspective.

Warm regards,

Robert Reich, CEPA

Managing Director-Investments

Bespoke Private Wealth Group of Wells Fargo Advisors



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