
C F O February 2021 Newsletter

From the Heart

By: William Cummings CPA/PFS

February 14th is the day we celebrate Saint Valentine. So, I thought I would just write from my heart and share with you what's on my mind.

As we move into this new year, the number one question I've been asking myself and others is, "How do we transform the challenges of 2020 into a much better 2021?"

We can't control what's going on in the world right now like the awful effects of the pandemic. What I do believe we can control is how we think about it. That takes a proper mindset. Meaning; if we want a better 2021, we must accept the positives from 2020.

In early January, I looked back at 2020 and listed all the positive things and then listed all the things that didn't work. What would I have done differently with '2020-hindsight'? I never thought we would experience a pandemic, but we did and are and now must change the way we carry on in our daily lives. For example, Concierge Financial Organization could not meet with our clients in person, so we took advantage of the technology of Zoom to meet with you virtually. Nothing about the pandemic has kept us from helping and servicing your needs. We will continue to be available to you virtually or by phone. Another good thing is that all of us here were able to work remotely without any interruption (not counting my cats) to servicing your needs. On a personal and positive level; we were in more frequent contact, using Zoom with our adult kids, family, and friends.



Who was Saint Valentine?

By: Tim Keeperts, MBA

February 14th can strike fear in many a young person's mind (if not their heart) as they contemplate sending a Valentine's Day card or finding just the right gift. I imagine we can all relate to standing in the card aisle in the week or day before or perhaps on the 14th trying to find the right balance. This might even bring back some distant memories of the past as we handed out our cards in grade school with sweaty palms.

There are many conflicting origin stories including multiple Saint "Valentines" who lost their lives during the Roman era by defying the emperor's orders to not conduct marriages of young men since they made the best undistracted soldiers...or so it was thought. This led to the ultimate punishment and for at least three identified Valentines, their eventual canonization. This holiday is also believed to be associated with early spring "fertility festivals" celebrated as the seasons changed and animals began the mating season. In some European countries, young men and women were "paired" during the festival resulting in many a marriage.

Fortunately, we no longer have to worry about Roman emperors or forced "pairings". We are also lucky to have had Hallmark step in as the arbiter of what makes an acceptable card, so it's almost too easy to just send your own thoughts via a simple signature. In looking back at some of the very early Valentines cards from the late 1800s and early 1900s - they were truly awful and the ones intended to spurn a suitor - were extremely blunt. I don't think those cards would make it past any current marketing department.

So as you prepare for your own special day, maybe just take the pressure off and utter those the three little words we all need and want to hear... "Bucs Win Big!"



What does a change in Administration mean for my portfolio?

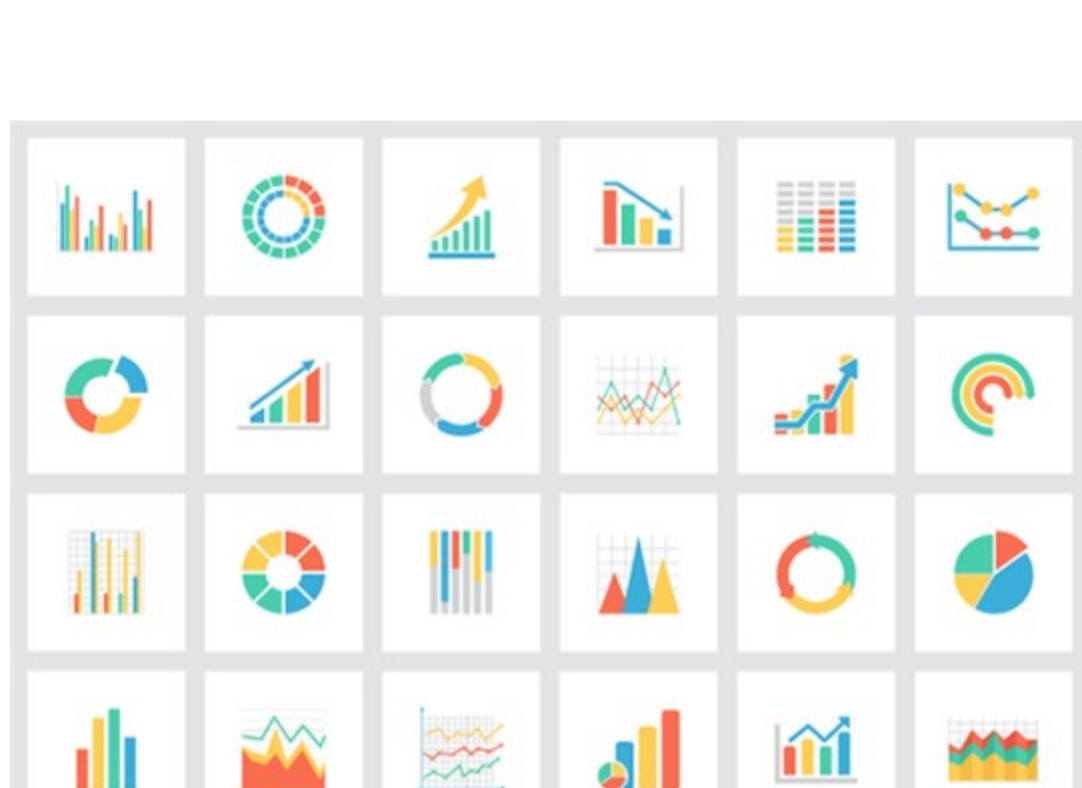
by Robin Delaney

Some of you have asked if the incoming Biden administration will be good or bad for portfolios? Since my Crystal Ball is broken, I cannot give you a short-term outlook. Presently, the fight to conquer the COVID-19 pandemic is clouding the picture. But I can tell you that historically, the stock market has increased over time under both Republican and Democratic administrations. So far, it is looking as though the big, institutional investors are cheered by the prospect of a Biden Administration.

Barring any unforeseen and scary events in the next few months the market should be relatively smooth, that is, not very volatile. Think of volatility as waves in the ocean; there are always some little waves. But when there is a storm, the waves get bigger. If the storm is very severe, the waves get really big and scary. Occasionally, we get a "storm" that will increase the size of the "waves" in the market. The up part of the wave is not what scares us, it is the trough. Sometimes storm waves create a trough of 3-5%; sometimes bigger, like in April 2020 where the trough was 30%. However, the market has always recovered just as the oceans return to small, gentle waves. An important thing to remember about investing in stocks is they give us a better return over bonds or CD's or other safer investments because of volatility.

We here at CFO have structured your portfolios to weather these short-term ups and downs in the markets. Ocean going ships are loaded strategically to prevent sinking in rough seas. This is called ballast. We do the same thing with our portfolios by using bonds to provide ballast in rough markets. The amount of bonds we use is determined by your ability and willingness to accept market risk.

If you wish to discuss your portfolio with your advisor in advance of your scheduled review, we encourage you to call.



The Queen's Gambit

by Scott Russell

Who would have thought that the popularity of chess would have made a comeback in 2020? Maybe it's because everything else seems turned upside down lately, so why not. Actually, as you probably already know, it's because of the Netflix miniseries, The Queen's Gambit. If you haven't watched it, I thought it was really good. It's a bit dark but the acting and cinematography were excellent.

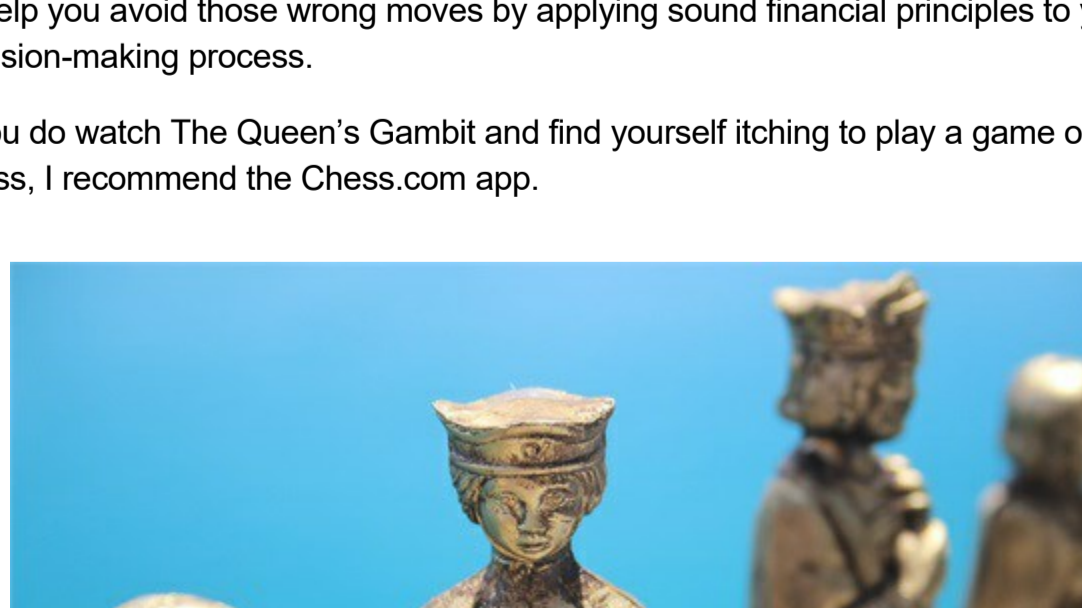
I've always enjoyed the game of chess. By no means am I a student of the game like serious chess players, but I know some basic strategic principles, and have certainly used The Queen's Gambit opening myself. I have to rely more on in-game analysis and thinking through many possible moves and outcomes in advance, which is why I'd be HORRIBLE at the speed chess depicted in the series. For folks that know me, I'm sure this comes as no surprise, since I am much more comfortable taking time to think through solutions to problems as opposed to attempting quick off-the-cuff answers. I think this is why I enjoy what I do so much.

In our firm, we start off our client engagements by creating a financial plan. Starting out this way allows me the time to truly understand a client's situation and lay out the best strategy to achieve their goals after analyzing (and self-admittedly probably over analyzing) a multitude of ways to do it. While I haven't been serious enough about chess to study the history of different strategies, this is not the case in my professional life. As with professional chess players, I believe an investment professional has to understand the history of their area of expertise to be able to make good recommendations.

This is particularly true with investing, which I think has many similarities to the game of chess. For example, many times in chess you might be tempted to make a particular obvious move, like capturing an opponent's unguarded pawn. However, your opponent might be baiting you to take it in order to open up that part of the chess board. Something similar occurs when making investment decisions. Occasionally investors see a certain stock or asset class outperforming others and feel they have to buy into it or lose out on the opportunity. In reality though, an understanding of how financial markets have behaved in the past would teach you that a currently overperforming investment might just underperform other alternatives in the future because you'd be paying a high premium for it.

Although making a dumb move during a game of chess can be very frustrating (yes, I've been accused of being a bit competitive at board games), it certainly doesn't take as long to get over - as making the wrong financial move. Our goal at CFO is to help you avoid those wrong moves by applying sound financial principles to your decision-making process.

If you do watch The Queen's Gambit and find yourself itching to play a game of chess, I recommend the Chess.com app.



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