

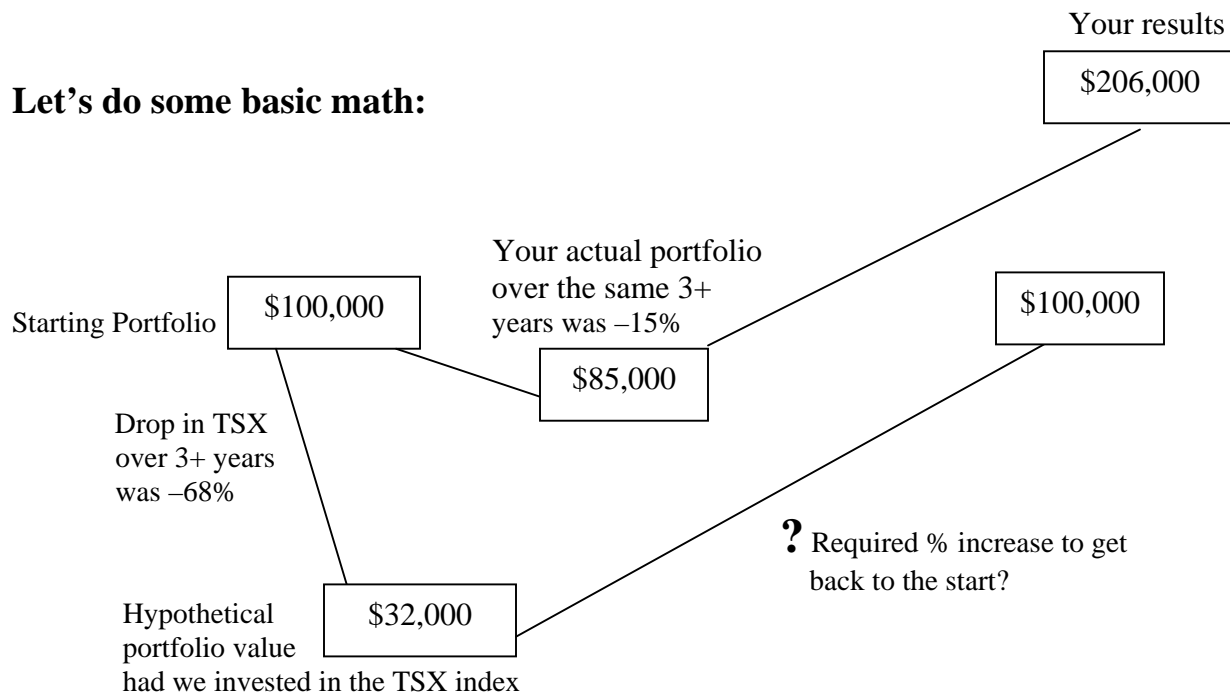
My View

By Victor Didkowsky, CFP

What is the value I have brought to your portfolio?

I am sure that I do not have to remind you of the obvious but, what we have just lived through in the markets has gone down as the *second largest correction in history* (the Great Depression was #1), and add to that, it was the *longest downturn in history* (we were it).

Let's do some basic math:



Question #1

To go back up to \$100,000, which is your break even point, what percentage would the Index portfolio have to go up by? (Answer: 136%)

Question #2

If your portfolio went down by 15% to \$85,000, what percentage would your portfolio have to go up by? (Answer: 30%)

Question #3

When the index portfolio recovers to \$100,000 (and it will), what dollar level would your portfolio be at? (Answer: \$206,000)

Bottom line: that's \$106,000 more or 106% more than the hypothetical portfolio.

From a straight numbers perspective, my added value has always been to minimize the losses while positioning the portfolio for the inevitable growth. The market's job is to provide that growth.

No one can control the market, but with skill, discipline, and patience, we can minimize the downside leading to significantly enhanced long-term gains.

I guess another way to look at it is: if your portfolio over three years averaged 8% per year, that would be a cumulative gain of 24%. If your best friend's portfolio during that same three-year time period grew by 130%, that being a difference of 106%, what would you say? By golly, you may want to have your friend's portfolio!! That's the average added value I brought to my client's financial dreams. Be it positive or negative numbers, out performance is just that.

Just to let you know, I am very appreciative of your, heartfelt thank-you's, as well as the introductions to individuals who you have cared enough for and who you have wanted to assist in the achievement of their financial dreams.

“That is my view.”

Happy New Year.

Victor