

Author: Joseph Eschleman, CIMA® President

NO NO, I REALLY AM *A LONG TERM INVESTOR!*



info@towerpointwealth.com

Twitter: @twrpointwealth

1.916.405.9140

TOWERPOINT
WEALTH

500 Capitol Mall, Ste. 1060 | Sacramento, CA, 95814

No No, I Really AM a Long-Term Investor!" - 10.15.2021

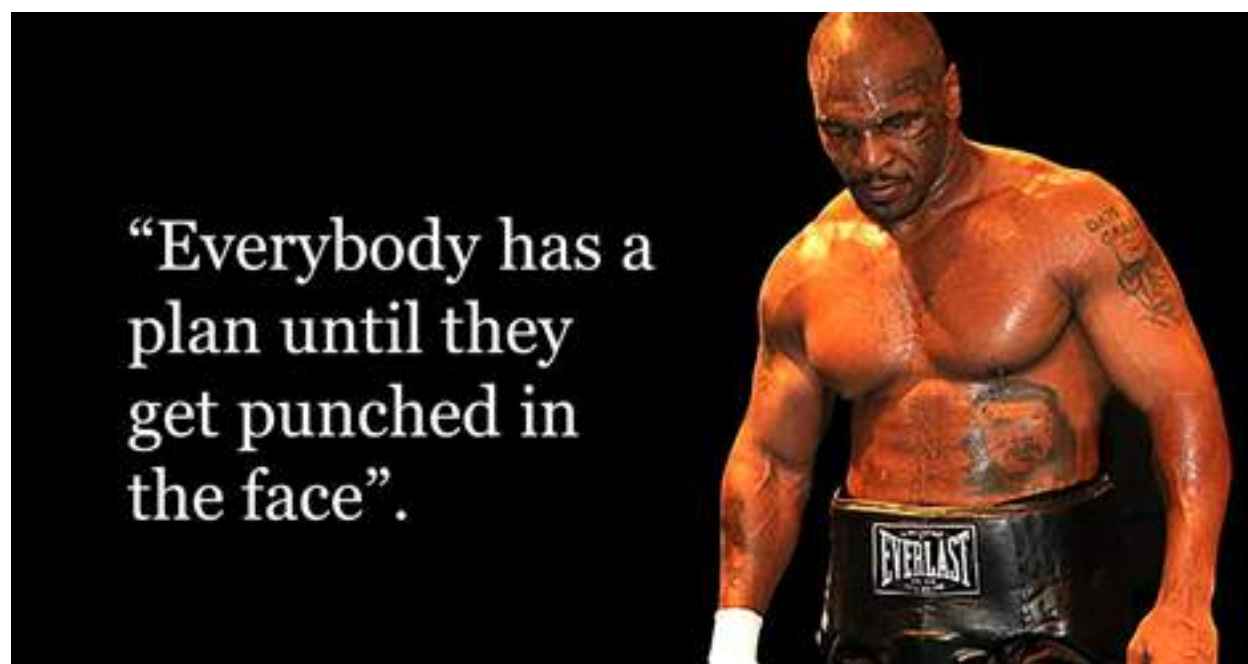
"I'm definitely a long-term investor."

"I don't get worried about the negative news headlines."

"Declines happen – I get it."

We have heard these lines uttered by the most well-intentioned and intelligent investors time and time again. Sometimes, they hold true to their word. Sometimes, the polar opposite. [Saying you are a long-term investor](#) is easy; *behaving* like a long-term investor is much more difficult, as this is clearly easier said than done.

Put differently, as the great boxer [Mike Tyson](#) said:



When things are relatively “normal,” investing seems easy. However, when things get (pick your favorite adjective): crazy, volatile, unbelievable, explosive, unpredictable, turbulent, harrowing, and/or unsettling, it becomes much more difficult to tolerate, endure, and absorb a major body blow to your “nest egg” (read: a consequential drop in value). Watching your money SHRINK can be a very emotional and traumatizing experience. And while there is no perfect recipe for becoming a successful long-term investor, at [Towerpoint Wealth](#) we believe it all starts with three basic ingredients:

1. *Consistent objectivity*
2. *Measured behavior*
3. *Disciplined thinking and execution*

In addition to the inherently [emotional nature of money](#), there are a myriad of uncontrollable variables populating the external environment we live in: The movements of the stock market. The vicissitudes of the US and global economy. The fickle nature of the political winds. Increases and declines in interest rates, income taxes, and inflation. Just a few examples from a very lengthy list of items that are out of our control. And while it is human nature for us to think (even to outright believe) that we have some control over many of these things, the truth is, if we want to truly be a successful long-term investor, we must *recognize* and *accept* the things we do not control.

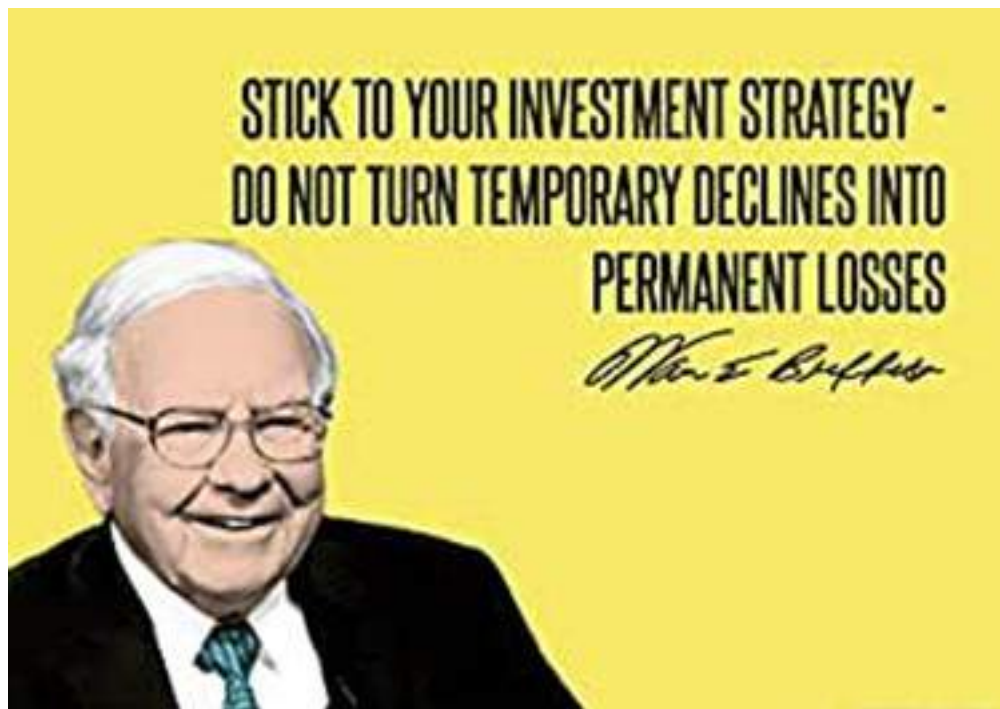
At Towerpoint Wealth, we believe that the most successful long-term investors and wealth-creators have a somewhat-unique capability, a skill, that allows them to maintain appropriate perspective, [to exhibit a high degree of humility](#), and to be laser-focused on the bigger picture. Fortunately, this is a skill that can be coached, cultivated, and learned, and is something that we have a relatively high degree of control over.



BEHAVIOR GAP

Let's make this more tangible – below are seven key principles that, at Towerpoint Wealth, we believe are necessary to be a successful long-term investor:

1. [Be humble, be aware of, and accept, things that are out of your control](#)
2. [Keep your emotions in check, and be acutely self-aware of the *fear* and *greed* that we may feel when considering our finances and investments, especially in periods of extremes](#)
3. [Plan to live a long life](#), which we do have some control over!
4. Einstein was right: [The power of compound interest](#) is the eighth wonder of the world. He who understands it, *earns* it; he who doesn't, *pays*
5. [Volatility should be expected, embraced, and taken advantage of, not feared nor averted](#)
6. [Unless you have the unique ability to consistently AND accurately predict the future, stay properly invested and diversified, regardless of what you believe may happen in the market and in the economy](#)
7. [Have a plan and a strategy](#), and be disciplined in sticking to it, regardless of the things you have no control over



In opining about what we believe it takes to be a successful long-term investor, we would be remiss if we did not directly integrate [Warren Buffett's \(aka the "Oracle of Omaha"\)](#) wisdom on this subject into this newsletter. Please click below to watch an **excellent** *YouTube* video, featuring a 2016 CNBC interview of Warren, where he outlines his FIVE best tips for successful long-term investors:



Do you have a plan to properly manage and coordinate all of your financial affairs and a strategy to grow and protect your wealth and investment portfolio, *even during turbulent times?*

If so, are you being disciplined in consistently following it? If you have concerns, or simply would like to discuss how you can apply the long-term investment principles discussed above, we welcome having a conversation with you. Click [HERE](#) to message us, as we regularly have no-strings-attached conversations about these issues, and are happy to be an objective resource for you as you begin to consider your personal and financial circumstances further.





What's Happening at TPW?



Our Director of Research and Analytics, [Nathan Billigmeier](#), took last Friday off to spend time in [Wheatland, CA](#) at [Bishop's Pumpkin Farm](#) with his two boys, Ethan and Grayson, specifically helping Grayson celebrate his 2nd birthday!



Our President, [Joseph Eschleman](#), devouring a Philly cheesesteak (the only way a cheesesteak should be ordered, a “[wiz, wit](#)”) before jumping on a flight back to Sacramento earlier this month. *Fuhgeddaboutit* if you think you will find a better cheesesteak than [Pat's!](#)



Graph of the Week

Yikes – [inflation](#) is at a 13 year high!

If you have **any** exposure to [bonds](#) in your portfolio, we strongly feel that it is time to take a hard look at:

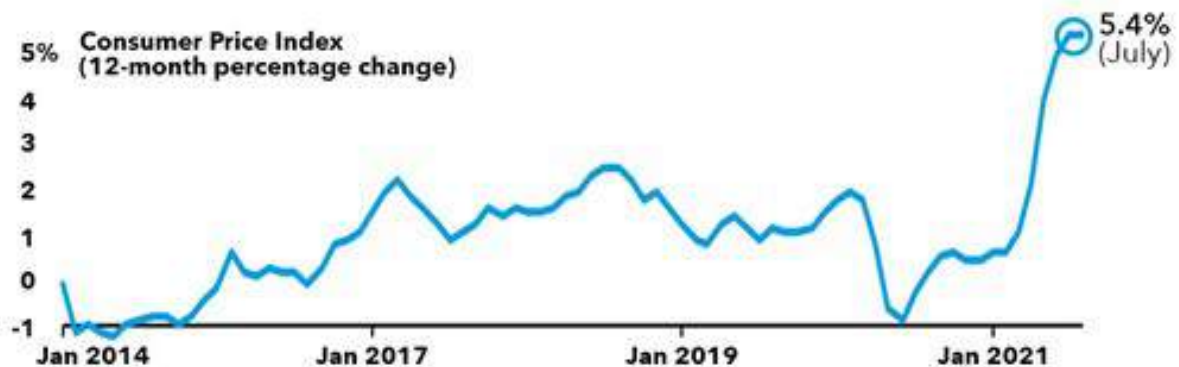
How you are allocated within bonds

Your exposure to [interest rate fluctuations](#) (specifically, to rates going UP) due to inflation

Whether the risk you are taking is appropriate for your set of unique personal and financial circumstances

At [Towerpoint Wealth](#), we have been successfully modeling what the value of a client's portfolio would look like if interest rates INCREASE by $\frac{1}{2}$, 1, or even $1\frac{1}{2}$ % over the next year or two. Message us by clicking [HERE](#) if you would like this custom analysis done for you.

Inflation recently hit a 13-year high. Rethink your bonds.



Source: U.S. Bureau of Labor Statistics. Data through 7/31/21.



Cartoon of the Week



Issues with global supply chains will impact the holiday season...



Trending Today

As the 24/7 news cycle churns, twists, and turns, a number of trending and notable events have occurred over the past few weeks:

- [Inflation spike! Social Security announces +5.9% COLA for 2022](#)
- [The weekend cancellations of more than 2,000 flights were "not a result of Southwest employee demonstrations," Southwest spokesman Chris Mainz said Monday](#)
- [What is this "Squid Game" everyone is talking about? "Squid Game," is a Netflix drama about adults competing in deadly children's games for a chance to escape debt](#)
- [A two-headed, six-legged baby turtle is thriving at a Massachusetts wildlife center](#)
- [A twin-engine Cessna C340 crashed into the residential neighborhood in the San Diego suburb of Santee and destroyed two homes and damaged nearly a dozen more](#)
- [DC Comics this week announced that Jon Kent, the son of Clark Kent and Lois Lane, will come out as bisexual](#)
- [Treasury Secretary Janet Yellen says there could be shortages of goods and services in the coming months as supply chain issues continue to mount](#)

As always, we sincerely value our relationships and partnerships with each of you, as well as your trust and confidence in us here at Towerpoint Wealth. We encourage you to reach out to us at any time (**916-405-9140**, info@towerpointwealth.com) with any questions, concerns, or needs you may have. The world continues to be an extremely unsettled and complicated place, and we are here to help you properly plan for and make sense of it.

- Joseph, Jonathan, Steve, Lori, Nathan, and Michelle - Joseph, Jonathan, Steve, Lori, Nathan, and Michelle



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