

Solid Data

We've living in strange times. We must be very careful about what information we use to base our decision on because much of the information we're being fed is simply wrong. We're data based in everything we do and for the past few years now we've been unable to trust the general media for the financial information we've historically been fed. We now have to dig into reports to see the truth and make sure nothing is spin based or a narrative machine. This is just an extra step for us as we have plenty to do above and beyond determining what information is valid and what is noise.

The media and the political complex have completely lost their way. Rather than doing a real job of providing news to us they have gone down a road that leads to their own demise. I can see a place where in the not too distant future the "mainstream" media will become the alternative media for society as a whole. The information published and discussed today on national television and national print media is not even a close fraction of what it once was. The media and political class has degraded to the point I consider most of what it produces drivel and I try to avoid it.

I'm far from alone, many of you have told me the same thing and you only use the internet now to gain the news as it is the true news, in the right places, it's not filtered, biased or narrative based twist and from the true news one can make a valid decision coming from solid ground. We see the same nonsense coming from the political class. I've never seen such a sad state of affairs when the people in positions of power are no longer interested in doing the right things. They're more interested in keeping and gathering more power rather than doing what is for the public good. We've got people on national platforms espousing the benefits of socialism with a twist. They call it Democratic Socialism. Please define that for me? It appears to look like a duck, walk like a duck, quack like a duck, It's a duck. Note how things are looking in Cuba last year or in Venezuela today. This big sell on socialism it's nothing more than a power grab for the political class and will not likely get very far in America but it's sad that it's part of a

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British Humor

These are actual ads place in the newspapers across the U.K. They certainly have a wonderful sense of humor.

FREE YORKSHIRE TERRIER.

8 years old, Hateful little bastard. Bites!

FREE PUPPIES

1/2 Cocker Spaniel, 1/2 sneaky neighbor's dog.

FREE PUPPIES. Mother is a Kennel Club registered German Shepherd. Father is a Super Dog, able to leap tall fences in a single bound.

COWS, CALVES: NEVER BRED. Also 1 gay bull for sale.

JOINING NUDIST COLONY!

Must sell washer and dryer £100.

WEDDING DRESS FOR SALE.

Worn once by mistake.

Call Stephanie.

And the WINNER is FOR SALE BY OWNER. Complete set of Encyclopedia Britannica, 45 volumes.

Excellent condition, £200 or best offer.

No longer needed, got married, wife knows everything.
(Statement of the Century)

Thought from the Greatest Living Scottish Thinker--Billy Connolly:

"If women are so bloody perfect at multitasking, How come they can't have a headache and sex at the same time?"

Continued on page 3, Actual U.K. Ads

national dialogue. We also see the political class turning into Santa Claus as they promise everything. It's become a joke, who can give away more free things to buy votes? Stop the madness please the American people are smart. Certainly there are some that'll buy into this madness, sadly many indoctrinated youth and the academic community, but the producers and thinkers never will. So sad today we're now in a situation where the politicians can flat out lie about so much without any ramifications. When big tobacco lied the Fed's rightfully took them to the cleaners and the tobacco firms paid big for false advertising. Big Tech is currently under scrutiny for misbehaving with our data and censoring some, they'll have their day in court. Big oil polluted some places and they'll clean up those places and pay the government piper dearly. Big Pharma is currently on the ropes for concocting these drugs that are highly addictive and ruined the lives of millions, they've just begun paying the piper for those wrongs.

When will we have rules and ramifications for the political class when they do wrong? They seem to be the expert at doing wrong! They brainwash those who can be and they twist things into things they are not. They're trying to rewrite history and it's painful to watch. They can now constantly lie, they can blurt out any nonsense to the American people and keep getting away with it? They are above reproach legally but are simultaneously the dregs of society. Today is August 4th and the Congressional approval rating is 14%. Who keeps their job if 86% of the customers are unhappy? Nobody! These congressional hearings are a circus act today, not intended to flush out good information for improving outcomes, but simply to make people look bad. They will question experts, insult them, and not allow them to reply. They'll use their power in ways to fabricate a narrative to go along with what they're looking for. Enough is enough it's a pathetic joke. Stop the madness.

We need compliance for the political class. They keep telling us they can spend their way out of a debt problem. They keep telling us they'll do the right things just give them more power. Folks, they cannot operate the DMV or the Post Office without being perpetually broke, how on earth are they going to run anything of importance? The Unaffordable Care Act has caused insurance prices to go up 3-400% for most and that system is now about to burst. The college tuition scenario at play in the country is also like a stretched rubber band that will soon snap back into reality, taking down a lot of people and institutions when it does.

The bottom line here is make sure you're using solid information as the basis for any decisions you're going to make in life. So much out there today is noise and this is common in my business. I don't think it was so common in normal life as it has become today but the need for us to be smart consumers has never been greater. Many of you have told me you listen to 2 news sources now or read 2 newspapers just to see how wildly different the takes can be on the same subject. It's super interesting to watch this play out but it's crazy to think we'll be living in a world soon where the media we know today is no longer there or perhaps a shell of their former selves. We watched Sears go away and that was sad, but others have stepped in to do what Sears once did and they do it better. It'll be interesting to see who is the new replacement for today's media. They can replace the political class ASAP as far as most we hear from are concerned.

We've had so many people in here in the past months excited about some new technology, some new invention, some new system, a narrative in one form or another. At the end of the day, each and every time it was a very cool story. Now turning that narrative into dollars is another thing entirely.

Most people want to find the next big stock that will take them to the Promised Land. People often use Apple as the example as they've led many to financial freedom. They certainly did great, but there are some simple businesses that did much better than the tech giant did. How about Fastenal? They just sell screws, bolts, washers, things that connect other things. How about a pizza place? The biggest winner of the past few decades is Papa John's, it's not that healthy but it's well loved and super profitable. Trex, a decking company? National Beverage is a supplier of drinks with a really cool ticker symbol, FIZZ. These are not exciting or game changing but brutally profitable and fun to be in when they're on their big runs.

We're numbers people so we need to make sure the investments we're considering have an economic justification to their existence. We've got a lot of sexy things today in the marijuana space, the tech space, the biotech space and all over the place that sound great and have a wonderful narrative, but little to no economic backbone. We're cautious at best over going after these narratives, they certainly may do well and as long as people have faith that can persist. Remember at the end of the day a security is only worth the discounted present value of its future cash flows, period. We love it when a simple company is unloved for any reason and it's selling for a discount to its book value. That's hard to find today because so many things are so hyped up they're selling for 10 or 20 times book value. There is no margin of safety in these issues, there is in fact a giant chasm of risk that isn't understood by the investing public.

Most don't even care, as long as the price is going up everyone is happy. Once the music stops, then people ask questions and wonder what happened. We'll never be those people, we're looking for earnings and low debt levels and simple companies, but nothing speculative. We can certainly get caught in bad info, value traps and frauds in the deep value space. We will never get caught in a momentum play that has gone past its welcome.

Today the narrative is wearing thin, there are a few sectors that are simple and beat up beyond belief. These represent fertile grounds for planting seeds for future sowing. We love the material space, the commodity space, the natural resources, some pharma, some retail and energy today. Good values that will ultimately see a snap back to their means as the momentum crowd has shorted them into oblivion. The narrative is missing, but the numbers just work! I love math! ☺

Noteworthy News!!!

- Congratulations to the Huyghebaert Family on the birth of grandbaby Fenner Voss!
- Congratulations to Crystal Merrifield on her recent retirement!
- Congratulations to Jeff McChristian, Esq. on his new position at Ford & Paulekas, LLP!
- Our condolences to the Perry family on the passing of Richard, a wonderful man, father, grandfather, brother, uncle and friend. A fearless man who operated cranes on top of skyscrapers!

Question & Answer

Ask any financial question you have and we'll address it here.

Q: Why is the financial media calling Jerome Powell a plumber, he's the head of the Federal Reserve?

That is a wonderful question the simple answer is sarcasm. I love the angle, they are talking about his job in terms of adding liquidity to the economy or taking liquidity away. As the God of liquidity, he's referred to as a plumber because of course your local plumber can control all of the liquids in your home or factory as they flow through lines throughout the facility. Mr. Powell controls the financial liquidity in the entire financial system in America, the most powerful financial engine on earth. One could argue the Fed also keeps the pipes of the financial system working properly and if anything is wrong they fix it. They do indeed act as the most powerful people in the financial system and they're currently embarking on a process that takes our entire financial ecosystem out on a limb.

The limb we're on is based on debt and a whole lot of it. We're cranking around at 22 Trillion of debt these days and in 2008 we had 8 Trillion. Something seem wrong with that equation? Our nation was founded in 1776 and from then to 2008 we accrued 8 Trillion in debt, in the past 11 years we've accrued 14 Trillion in debt? That's almost 1 Trillion/yr. Houston, we have a problem! Here is the debt clock in NYC, the pic isn't new but we've all seen it:



Actual U.K. Ads! (cont'd from page 1)

Now for some priceless kid humor: Children Are Quick:

TEACHER: Why are you late?

STUDENT: Class started before I got here.

TEACHER: John, why are you doing your math multiplication on the floor?

JOHN: You told me to do it without using tables.

TEACHER: Glenn, how do you spell 'crocodile?' GLENN: K-R-O-K-O-D-I-A-L'

TEACHER: No, that's wrong

GLENN: Maybe it is wrong, but you asked me how I spell it. (I Love this child)

TEACHER: Donald, what is the chemical formula for water?

DONALD: H I J K L M N O.

TEACHER: What are you talking about?

DONALD: Yesterday you said it's H to O.

TEACHER: Winnie, name one important thing we have today that we didn't have ten years ago.

WINNIE: Me!

TEACHER: Glen, why do you always get so dirty?

GLEN: Well, I'm a lot closer to the ground than you are.

TEACHER: Millie, give me a sentence starting with 'I.'

MILLIE: I is...

TEACHER: No, Millie.... Always say, 'I am.'

MILLIE: All right... 'I am the ninth letter of the alphabet.'

TEACHER: George Washington not only chopped down his father's cherry tree, but also admitted it. Now, Louie, do you know why his father didn't punish him?

LOUIS: Because George still had the axe in his hand.....

TEACHER: Now, Simon, tell me frankly, do you say prayers before eating? SIMON: No sir, I don't have to, my Mom is a good cook.

Money Quiz



This month's challenge is on College. What percentage of millennials regret taking out as much college debt as they did? ☺ Last month's quiz was won by Sal Municci, 58% of American's participate in their company 410(k) plan. 07/04/1776 and the population of the 13 colonies was 2.5 million. 07:15:19:10

Credit Cards & Credit

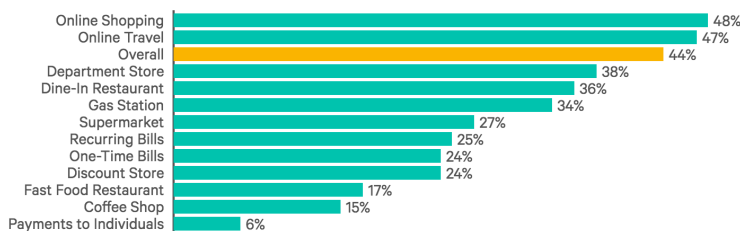
Depending on how you use them, a credit card can be a profitable tool or a financial disaster. If you pay off your balance in full each month and pay no interest, pay for purchases 7 – 59 days from the date of purchase and get points or cash back it's a profitable tool. A very profitable tool indeed. We get 5-6k/yr. in cash back from our cards. This is a combination of the personal and business cards and we put everything we can on cards, but we pay them off each month.

If you leave a balance on the card month to month, you're charged interest on every purchase from the second of purchase and you pay a large interest rate, sometimes penalties and fee's, and you lose a tremendous opportunity cost on the use of the cards this way. This isn't the way to fiscal freedom or health. We try to get people to fear having a credit card balance and only using cards if you pay them off every month. Never, ever carry a credit card balance month to month. If you cannot pay the balance this month, do not make the purchase, end of story.

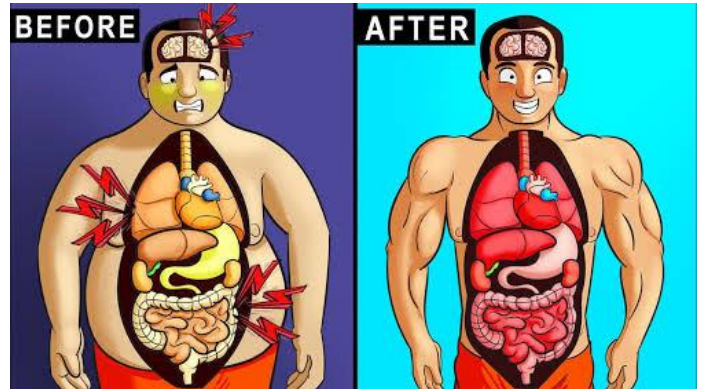
A few interesting credit card statistics:

- 3.1 cards per person in America
- \$6,354 is the average balance per person, double it per household
- 675 is the average credit score
- 30% is the average utilization rate
- Over 1 Trillion is how much people owe on cards
- 67% of the population has a credit card

How Likely Are Consumers To Use A Credit Card: by Purchase Category



Fit or Fat?



We all want to be in the fit category but how do we live our lives? If we're couch potatoes that eat tons of sugar we're going to be fat. If we are always in motion and eat a green meal or two a day we'll be fit. The planet knows that passive leads to bad things in every way. With a sit around job like mine, I need to work hard to move around as much as possible when I'm not at work.

Now let's move that paradigm to the investment world. Passive investing is in today, just buy the market, the index, which is really buying mostly the FANG stocks as they dominate every index known to man. As long as indexes are high it'll look like a rock star. That and Quant investing now account for 80% of the markets. SCARY!

So, what's good for the human body isn't good for the pocketbook? I think it's a little trickier than that as the passive thing has been very successful for the past few years. It will not be successful forever, markets ebb and flow and right now they're 2 standard deviations away from normal so the bounce back will give the passive crowd some pain that the active crowd will not feel. Many in the active management crowd may actually profit once the cycle completes itself, so those looking good now could end up looking bad and those who look okay could become superstars in a couple of years.

This massive push into passive and quant do 2 things, they extend trends for periods beyond which they were meant to be, and they leave schrapnel in their wake. Much of that schrapnel is truly exciting as the money is ignoring solid assets selling at a discount. The passive crowd has pushed the indicies into nosebleed territory and once that bubble pops, the beat up crowd will get their day in the sun. I feel the sun coming out from around the clouds as a deep value investor. The past few years were tough but the seeds planted are about to prosper!

Inspirational Quotes

- Pain can burn you up and destroy you, or burn you up and redeem you, Marianne Williamson
- The more we ignore our childhood wounds, the more they fester and grow, Marianne Williamson
- Life begins where fear ends, author unknown
- Life moves pretty fast, if you don't stop and look around once in a while, you could miss it, Ferris Bueller
- Fill your mind with truth, your heart with love and your life with service, author unknown
- Fear can keep us up all night long, but faith makes one fine pillow, author unknown
- You were born to make an impact!



We can piece the puzzle together and make your money work for you!

Do your kids or grandkids have adequate face to face social skills? The generation of young people today spend so much time on devices, many of them lack the ability to communicate effectively face to face. I see the kids today texting each other when they're in the same room, in the same building, even in the car together. I also see them making all kinds of silly faces as they send pictures to one another. Apparently this is all they need to communicate, silly faces. Sad but it's where they are.

These youth need to learn how to have the eyeball to eyeball conversations you and I have always had since we didn't have these devices when we grew up. The harder the conversation, the more important it is for that to be done face to face. I even see kids who are pretty good with a casual and happy face to face resort to digital media whenever the conversations get heated. They lack the confidence and skills in themselves to do it while the heat is on.

They are going to spend their lives conversing with family, coworkers, bosses, customers, clients, friends, spouses etc. The sooner these conversational skills are mastered on an eyeball to eyeball level the better the kids will do longer term in life. Constant use of social media and devices actually hinders their ability to do live and without a mastery of that it's going to be a very tough go at maximizing their lives. This generation is commonly referred to as the silent generation and I wonder why. They're not silent with words on devices that's for sure. They are very quiet with actual spoken words and tend to camp out for hours and days on devices.

The risk here is real, these kids can develop poor outcomes with too much of the digital talk and too little of the actual talk. Social isolation, arrested social development, stifled personal growth can all be outcomes experienced by not having the proper interpersonal communication skills. Let's get them talking!

If anyone you love or care about would benefit from receiving our newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart!

Name _____ Email _____

Address _____

City _____ State _____ Zip Code _____

Name _____ Email _____

Address _____

City _____ State _____ Zip Code _____

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