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“HAPPY NEW YEAR” RUSSELL W. KETRON, CFP®

Uncertain Times?

Everywhere you are hearing, reading or seeing the Media “talking heads” telling us about inflation, supply chain issues and so many other problems in our economy and the effects on our current financial affairs. Major deficit spending, housing market slowing, employment issues, dysfunctional federal, state, local government spending, politicians proposing tax raises, trillion-dollar deficits, and time bombs imbedded in our public and private pensions are part of the financial picture.

Health care, the aging of America, issues such as the wars in Russia and Yemen and potential problems with China and Taiwan are constantly mentioned. The problems in education, with social media, the dominance of gigantic international corporations and the impact of too much government are all part of the dialogue. Are we going to have a recession, the continuing discussions of climate change and the continuing impact of Covid and long Covid on our world. The list goes on.

Despite these problems the markets have provided us with excellent returns over time. It is important to remind ourselves that the stock market and the issues around our economy and financial system are not the same thing. Sure, they often coincide, but the stock market is as likely as not to follow a path paved with entirely different cobblestones. This is especially true if you look at our world as a whole and not just from the U.S. point of view.

When I started in the planning profession in 1969, the US represented over 37% of the world’s economy. In 2021 it was 13.6% of the world’s GNP with only approximately 6% of the world population. Experience has taught us the US is not the “be all and end all” of the world economy.

All of these and other issues can be discussed and debated with many varying points of view, especially how they are going to affect our personal and financial futures. There is no question that change is happening faster and faster, yet there are many countries which are struggling with their own economic, political, and social issues. This has caused the American dollar to stay strong, yet there are now signs that the stronger dollar era is slowing and this may bring other economic issues as well as opportunities.

Despite these difficult times, we believe, with patience and time, we can help add value to your portfolios and continue to help you with your personal financial goals and plans. If you have not done so think about utilizing Courtenay’s excellent planning skills and the use of advanced software to help you to continue to plan for your future. Please review Glen’s article and his thoughts on the markets.

Thanks to those of you who have been utilizing our services in making intelligent, informed financial and life planning decisions. Please feel free to call us with your questions and concerns. We hope you had a wonderful Holiday Season and may 2023 bring you the blessings, good health and times we all like to enjoy. Happy New Year! Russ

Inside this issue

Office Move News— by Ruth Aguirre	2
Market Volatility Tips —by Courtenay Wise	2
Market Volatility Tips, continued —by Courtenay Wise	3
Portfolio Thoughts—by Glen Calkins	4
Glen’s Portfolio Thoughts, continued	5
Pollyanna Principal—by Ruth Aguirre	5
Charity List	6

“My favorite things in life don’t cost any money. It’s really clear that the most precious resource we all have is time.”
Steve Jobs

OFFICE “MOVE” NEWS ~ RUTH AGUIRRE

When Covid hit and we began working from home in March of 2020 we realized at some point we would need to downsize our office space. Working from home does not prevent us from taking care of our clients but we want to have a space in town big

enough for a conference room. Right now we are looking into various options. Smaller office spaces are available in our same building so we may be able to stay on the second floor. That way we would keep our suite 204 number. Hopefully early in the

new year we will find out where we are to settle. Once our move is confirmed, we will send out a notice with our new office space location.

~ Ruth Aguirre



“Life begins with a quest of the child to discover the adult and ends as a journey by the adult to rediscover the child.” ~ Laurens van der Post

Tips for Dealing with Market Volatility ~ Courtenay Wise

TIPS FOR DEALING WITH MARKET VOLATILITY

**Invest Regularly-
In good times and bad**

**Avoid jumping out of
the market**

**Maintain an
investment strategy**

**Don't forget
history**

**Talk with your
financial advisor**



Tips for Dealing with Market Volatility Continued from page 2 ~ Courtenay Wise

The U.S. is experiencing a financial downturn. This is not the first, and likely not the last, in our lifetimes.

During times like these when the newspapers, magazines, TV and radio are full of disparaging news, we can become anxious feeling out of control and uncertain about our security.

It's hard to see your retirement investments go up in value one day and down the next. It's even harder to see them go down day after day. As recent volatility shows, no strategy can guarantee positive returns. Still, it's worth remembering long-term fundamental principles of investing, especially in difficult market environments.

Here are a few tips that might help to give you a greater sense of control, calm you, and in the long run, provide a more stable financial platform to move forward:



Invest Regularly—In good times and bad.

Instead of fearing a down market, view it as an opportunity to invest in good companies at potentially lower prices.



Avoid jumping out of the market

Successful market timing is very difficult because it requires getting out at the right time and getting back in at the right time.



Maintain an investment/financial strategy

- Reassess your monthly budget. Evaluate your budget every month to see what expenses can be reduced.

- Contribute to your emergency fund. Set aside 5–15% of your income to create a nest egg of 6-12 months' salary to sustain you in the event of job loss, accident, or illness.

- Debt Reduction. Focus on paying off high interest debt first.

- Stick with your investment program.



Don't forget history

In the worst of times, it's easy to forget that market declines — even steep ones — have been a natural part of the economic cycle. Yes, it's true that past performance is no guarantee of future results. But we can get an idea of what's most likely to happen with the stock market by evaluating its history. Stock market recessions are nearly always followed by strong and prolonged rebounds.



Talk with your financial advisor

As financial professionals we can help you analyze your investment goals, time horizon, risk tolerance and financial circumstances to make sure your investments still make sense.

~ Courtenay Wise

"A graduation ceremony is an event where the commencement speaker tells thousands of students dressed in identical caps and gowns that 'individuality' is the key to success." - Robert Purvis

Glen's Portfolio Thoughts ~ November 30, 2022

I mention the date above because when this is read, the world, the market, the level of optimism or pessimism will have changed. We look forward and back to assess risk and opportunity. There are always clouds of concern, yet most of the time, in our lifetime, the United States stock markets rise, their trend line is positive. Occasionally we have a bear market, more often we have a shorter downturn based on some real concerns; (example we had a few weeks of decline as the fear of Covid struck). That drop was short, but the decline was on average over 30%.

This market has been in decline for over a year, it is a bear market. But it is not a normal bear market. The businesses represented in the stock markets are not collapsing. Most of the quarterly reports are beating expectations both in revenues and earnings. That was not true in 2009 where averages of both sales and earnings were down. There was insufficient cash, and the Federal Reserve saved the day, so to speak, by creating trillions of dollars of new cash.

This time we do not lack cash. Arguably we have too much cash. The Covid economy was a significant economic shutdown, which drove governments to crisis spending and central Banks to create currency. I am sure that colleges and universities will study what happened and this and/or that decision could have been better if only politicians had perfect knowledge, made perfect

decisions, cooperated with each other, and oversaw perfect implementation.

Most of us survived and now the stock market reacts to the inflation triggered by an imbalance of supply (products and services) and demand (currency and purchase decisions). The Federal Reserve cannot overcome market manipulation by changing the supply or price of oil. They do not opine on the spending decisions of Congress. They have rather imperfect but effective tools to speed up or slow down the economy. Creating currency has helped us survive the Mortgage Crisis 2009 and the Covid Crisis. But when spending exceeded supply, occasionally, we find supply manipulation.

The textbook example of supply shortage suggests that prices increase followed by suppliers rushing to get those abnormal profits. This dynamic moves supply from a shortage to a surplus and the prices fall. This system can be manipulated by getting the suppliers together and controlling output to keep the prices elevated. OPEC serves as supply control mechanism if there is an advantageous imbalance. There may be many examples, but this one is publicly viewable.

The Fed can increase or decrease short term interest rates to banks. These changes trigger other rate changes, typically instantaneously, at least on the upside. The Fed can buy and sell government debt. They would buy at government debt auctions. As the debt becomes due the Fed can

fail to repurchase, therefore making more debt available to other purchasers. The Fed can also "jawbone" (talk). They project what the problem is and what they are ready and willing to do. This is very effective. The interest rates have jumped in anticipation of Fed action.

Unfortunately, blunt instruments cannot target like surgical instruments and the damage done is likely to hurt the financially weaker elements. Unemployment rises, home values sink, cost of goods and services rise and often stay at those higher levels, many businesses with insufficient funds fail or become dangerously weak, unable to maintain their historic competitive level.

Those with more cash can get bargains. Vulture capitalists can gain huge profits. Example: Around 2009 Warren Buffett observed that Bank of America was precarious in its cash reserves and potentially in line to collapse. The stock price had dropped over several years from near \$80 to under \$4. Buffett offered to lend billions for a loan rate reportedly 2% above market and also received massive stock options based on the then current price. Opportunities like this are why Buffett will sit on billions in cash for years. He is a problem solver, an opportunist, a vulture capitalist. He has what is needed in crisis, and he knows how to price his contribution. Others will buy undervalued assets. Cash becomes king.

This is also true in a bull market, where investors bid up

Continued from page 4 Glen's Portfolio Thoughts

prices on select growth opportunities in the open auction market. Prices are not set by "net asset value". In a bull market they represent perceived future value. In a bear market, prices are more representative of fear, but they are further pushed down by short selling. Watching fundamental growth in companies at the same time their prices declined has been a meaningful part of this bear

market. History assures us that bear markets end and fundamentally strong companies tend to gain in price faster than market averages.

Looking forward to serving you in the new year.

Thank you,

Glen Calkins
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"The ordinary "horseless carriage" is at present a luxury for the wealthy; and although its price will probably fall in the future, it will never, of course, come into as common use as the bicycle." Literary Digest, 1899

THE POLLYANNA PRINCIPAL ~ RUTH AGUIRRE

With so much going on in the world that is focused on the negative it may help to choose to focus on things that are positive.

The movie "Pollyanna" gets fun poked at it often but it is an example of one person trying to find the good in things and situations where the bad was obvious.

It can be enlightening to ask yourself periodically, "what do I need to make me happy?" If there are no big things that come to mind, start with something small. Simple things that mean so much if you don't have them. Food, shelter, clothing, running water, source of heat, etc. can easily be taken for granted.

We all know the adage "money doesn't buy happiness". If we expect something or someone outside of ourselves to make us happy it's like expecting money to buy us happiness. Those outside good things are happening all the time but it takes work and is a choice to see them. That can really take some work if your life has challenges that can seem overwhelming. Shifting your focus to try to see what you can be grateful for can lead to more gratefulness.

Start by making a list of who or what you are grateful for. It may be as simple as someone giving you a pleasant smile all the way to an unexpected gift of someone's time.

Another helpful activity is to check in with yourself and ask what are your positive attributes and review them periodically. As you continue to focus on the positive you will find other attributes to add to your list.

I was so grateful for the generosity of our clients during the holiday season with so many giving back to others through our charity gift matching program. Combined with the giving of so many in the communities it can add up quickly to help others in need.

May your new year be filled with choosing a positive outlook. ~ Ruth Aguirre

2022 CHARITABLE CONTRIBUTION LIST

By KETRON FINANCIAL, LLC

AFRICAN AMERICAN HISTORICAL & CULTURAL SOCIETY
ALL SAINTS CHILDREN'S CENTER
ALAMEDA COMMUNITY FOOD BANK
AMERICAN LEPROSY MISSIONS
BLUE STAR MOMS
BOY SCOUTS OF AMERICA (MARIN)
BULL LAKE RURAL FIRE DISTRICT
CALIFORNIA REENTRY INSTITUTE
CFP BOARD, CENTER FOR FINANCIAL PLANNING
CITY OF HOPE
COLLEGE OF MARIN FOUNDATION
COLORADO SCHOOL OF MINES FOUNDATION
ELIM LUTHERAN CHURCH
FACES S.F.
FIRST NATIONS DEVELOPMENT INSTITUTE
F.I.S.H.
FOOD FOR THE POOR
FOUNDATION FOR FINANCIAL PLANNING
GILEAD HOUSE
GOODWILL
HELP HEAL VETERANS
HILLSDALE COLLEGE
HUMANE SOCIETY - VARIOUS
INTERACT CLUB OF NOVATO
INTERNATIONAL CHILDREN'S CARE
KEEP TAHOE BLUE
KENNEDY MINE FOUNDATION
KID SCOOP NEWS
KQED
LEAGUE TO SAVE LAKE TAHOE
LEUKEMIA & LYMPHOMA SOCIETY
L.I.T.A. (LOVE IS THE ANSWER)
MACULAR DEGENERATION RESEARCH
MARIN CURSILLO
MARIN HUMANE
MARIN & S.F. FOOD BANK
MARIN OAKS
MARIN VILLAGES
MARYVILLE COLLEGE
MEALS OF MARIN
MELISSA PRANDI FOUNDATION
MISS MARIN COUNTY SCHOLARSHIP PROGRAM

NEW BEGINNINGS
NOVATO FIRE FOUNDATION
NOVATO HISTORICAL GUILD
NORTH MARIN COMMUNITY SERVICES
NOVATO HIGH SCHOOL VARIOUS PROJECTS
NOVATO HUMAN NEEDS CENTER
NOVATO ROTARY ENDOWMENT
NOVATO SEVENTH-DAY ADVENTIST CHURCH
PACIFIC LEGAL FOUNDATION
PETALUMA EDUCATIONAL FOUNDATION
PLANNED PARENTHOOD OF NAPA
PRESBYTERIAN CHURCH OF NOVATO
PROJECT OPEN HAND
RED CLOUD INDIAN SCHOOL
RED CROSS
REDWOOD EMPIRE FOOD BANK
RESPECTING OUR ELDERS
RICHARDSON BAY AUDUBON CENTER & SANCTUARY
RITTER CENTER
ROOTS OF PEACE
ROSS VALLEY PLAYERS
ROTARACT OF NOVATO
ROTAPLAST
SAFE & SOBER GRAD OF NOVATO
SALVATION ARMY
SAN GERONIMO VALLEY COMMUNITY CENTER
SAN MARIN HIGH VARIOUS PROJECTS
SCHOOL FUEL
SHARE OUR STRENGTH/NO KID HUNGRY
SHELTER BOX USA
SHRINERS HOSPITAL
SIDE BY SIDE
ST. JUDES CHILDREN'S RESEARCH HOSPITAL
SUSAN G. KOMEN
THE NATURE CONSERVANCY
THE WAY TO MY HEART
TRUCKEE DONNER HISTORICAL SOCIETY
UNICEF USA
UNITED STATES HOLOCAUST MEMORIAL MUSEUM
UNIVERSITY OF MICHIGAN, SCHOOL OF PHARMACY
VARIOUS ROTARY CLUBS & ROTARY FOUNDATIONS
VILLAGE LEAGUE TO SAVE INCLINE ASSETS
WOUNDED WARRIOR

"I never lose. Either I win or learn." Nelson Mandela



Ketron Financial, LLC

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Financial, and Lifetime Planning Decisions.*

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