[The Political Sell: Bad Choice or Horrible Choice?]

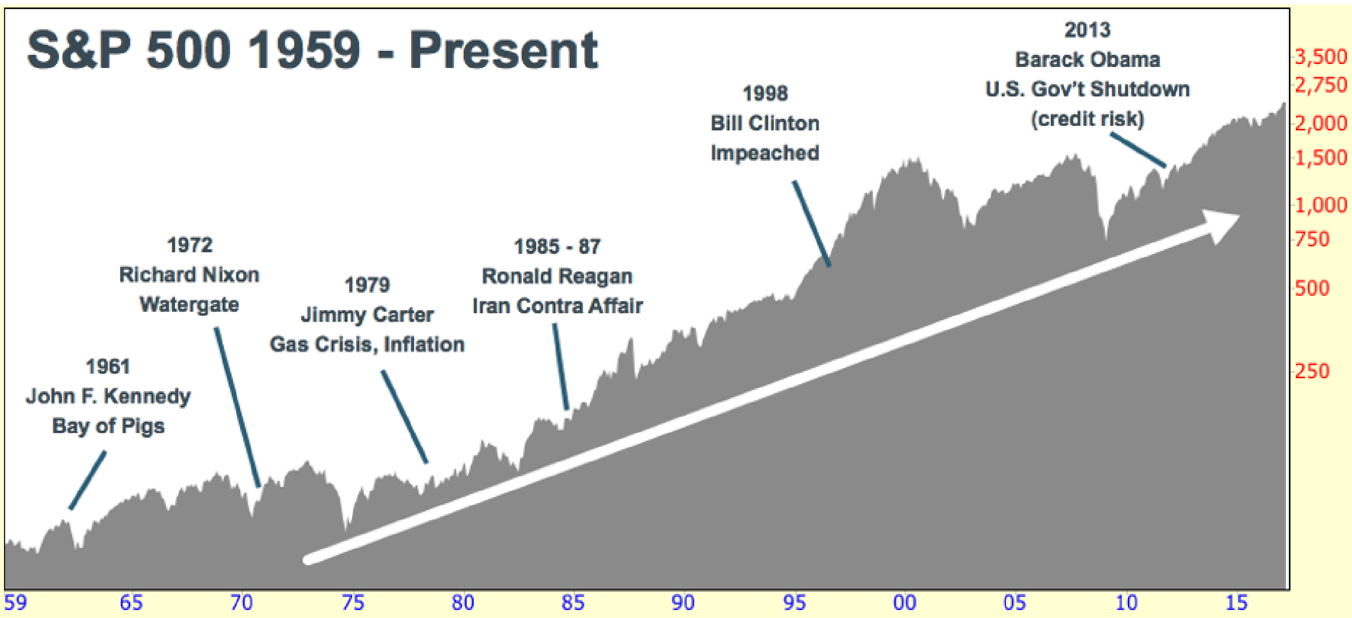
Today, as I was watching CNBC and other news outlets, the coverage was primarily centered around a tweet that President Trump made earlier in the day. No one really knew what the tweet meant, but the fact that everyone was trying to figure it out was interesting to me.

Back on May 17, the market fell 1.8% on the news that there could possibly be an impeachment. President Trump and his dealings with Russia would come back to bite him, and take him out of office. The news outlets, again, were going crazy with the news.

All this recent fascination with President Trump had me thinking: What if someone sold their stocks every time the President did something stupid? How would that strategy work out?

Below is a chart of the S&P 500 along with some stupid things that Presidents have done in recent memory.

As you look at it, ask yourself the following question: *“Would I have been better off selling my stock when this event occurred or holding onto it?”*



Judging from the table above, this would certainly have been a losing strategy—possibly as dumb as the political misstep that made you want to sell to begin with.

I am fortunate to talk with dozens of people every day about their finances, and one of the recurring worries I hear is that there will be a market collapse because of a president. To all those worrying, my advice is this: **Relax. The efficiency-tending and self-correcting nature of our capitalistic system is that this country will outlast any imperfect political action.**

In fact, the nature of our capitalist system will make it so that economic conditions will consistently prove over the long-run (just look at the table above if you have any doubts). With over 25 years of investment management experience, and after coaching thousands of investors, the best strategy my partner and I have seen is staying true to your investing process and your investment goals.

It is true that there will be temporary pullbacks in the market following dumb political decisions—of course. However, our goal for our clients—and all people in general—is that they not follow these poor political moves with even poorer financial moves. One of the greatest parts of my job, as a personal investor and advisor, is capitalizing on poor political moves and helping others benefit from the market's ability to self-correct.

Special Offer for Newsletter Subscribers:

On Saturday, June 17, I (Brett Pattison) have been invited to speak at an online investor conference at 2:00pm Eastern. My topic is "An Investors Guide to Beating a Benchmark."

The Online Investor Conference will go from 9:00 – 5:00pm Eastern. Other topics will include Leveraging Options in an Investment Account, technical analysis (including ATR & an Intro to Ichimoku), and other options topics.

To attend for free or to receive further information, please email iiug_group@outlook.com and mention that you are an Iron Gate guest.

[Mistakes: Everyone Makes Them, The Average Repeat Them, The Greats Learn From Them]

Mistakes. Everyone makes them. The greats learn from them while the average joe repeats them.

In this week's Market Commentary we are talking about how some of the best money managers ever have made mistakes and how learning from them is what made them great.

And let's just say this – in the midst of a bull market, like we're in, mistakes become more common place and euphoria can take over. Doesn't mean don't ride the bull. Just means that we should be applying the rational, thoughtful, time-tested lessons of managing money described in the video.

So watch the video and assess yourself on how well you learn from investing mistakes.

What We're Reading

5 things I've learned from Charlie Munger – David Clark shares the 5 things that he's learned from Buffett's right hand man, Charlie Munger. We can't focus on just one because all five are just fantastic! We agree with all of them.

The SEC Introduces 4x Leveraged ETFs. For those that like to dabble in the markets, you can now buy ETFs that are 4x leveraged vs. the market. Meaning the market goes 1% and you make 4%. Our advice – these are nothing more than chocolate covered hand grenades. Please don't trade products that you don't understand and that can explode on you overnight. That's all we have to say about those types of products.

Tweet of the Week. This information is INSANE! Ben Johnson shares the average holding period for the 10 largest ETFs. These ETFs are supposed to "passive" investments and the average holding time is a little over four months. No wonder investors underperform the market! Remember folks, the more active you are, most likely, the more you will underperform the market.

The Next Apocalypse: Or What The Media Wants You to Believe

This month's market commentary video is chalk full of fun topics at the top of everyone’s mind.

Like: After this bull run is the market cheap or expensive? Should I invest now or hold back? How do I deal with the (next) apocalypse the media is touting?

As always we have an Iron Gate perspective that I believe you’ll appreciate.

Enjoy the video.

What We’re Reading

You’re not as good an Investor as you think you are: In celebration of the Bull Market’s 8th birthday, one of our favorite writers, Jason Zweig, discusses how psychology can wreak havoc on investors as they try to go at it alone.

The Downfall of the Popular IPO: With Snapchat going public this week, we’ve heard a TON about IPOs. In fact, I was on the ski lift and the ski instructor started talking about Snap’s IPO! Uh oh! Here’s a great article by Ben Carlson discussing the downfall of the popular IPO. Buyer, beware.

Merrill Lynch cuts its top rate on fee accounts. Now, an article that is a flat-out joke! Merrill Lynch is change its maximum permitted from 2.7% to just 2.2%. What? This is insane! If you’re getting charged this, you better find a different Advisor. That kind of fee is just ridiculous! The worst part of it is, Merrill thinks they are doing a great service!

Market Commentary: Inaugural Year Lessons and What You Should Be Doing

It’s once again time for our monthly Market Commentary and I am discussing three things that anyone with any money invested anywhere should be considering.

They are:

- Lessons learned from the transition of Presidential power as it affects the markets;
- The way to approach hitting the eighth year of a bull market; and
- What to expect this year along with the “must dos” for any investor right now

I know there are all kinds of expectations for the market in the coming year. We hope you’ll approach this year as any: with deliberate, probability-based decision making that removes emotion and optimizes your potential.

What We’re Reading

Buffett Bought $12 Billion of Stock From Election Through Friday. We LOVE this story. It’s the perfect example of not letting politics get in the way of sound investing. We discuss this more in the market commentary video. What a great example for us all!

Howard Marks – The One Thing You Need To Be A Superior Investor. Howard Marks is another one of those investors that we respect more than most. We put him in the same category as Warren Buffett and Charlie Munger. In this article he explains what you need to be a "superior investor." That superior quality is the reason why most people fail on their own.

Berkshire Hathaway has made around $358 million on Apple. The reason we love this story is because of the time when Berkshire made this investment. Apple was thrown out as a has-been. Carl Icahn just dumped it and the media was overwhelmingly negative surrounding the company. This is when we, like Berskhire, like to buy assets as well. Our clients will know exactly what we're talking about as they have seen us do this. (Please note that this is not a recommendation to buy Apple. This is for educational purposes only. For full disclosure, we do own Apple in some of our clients' portfolios.)

January Market Commentary: Are You A Pessimist or an Optimist?

If you know a pessimist when it comes to the markets, you have to get them to watch this Market Commentary. Hopefully, it will change the way they invest.

Why? Because we talk about wise investing for the long term and how there is **almost no time in history when optimism hasn't won out**.

I'll also talk about performance. Usually in our Market Commentaries we are focused on the prior month and discussing performance.

This time around however, we're looking at 2016. Wow. What a year. So many excellent lessons epitomized by this past year.

Finally, we talk about your money and how you should have it managed with us, or someone with a philosophy like ours. We have **a process based on probabilities that will optimize your chance at success** and minimize your likelihood of failure.

So many people I talk to simply have a terrible plan in place that reduces their chances of success. I want to help anyone in that situation. So watch and then **let's talk**.

What We're Reading

Michael Lewis says this book is the best ever written on stock trading. This is a fantastic book! If you're a trader, then you MUST read it.

Why I Don't Focus on the Overall Market. The idea of building a portfolio with 5 – 8 great businesses is obviously something we agree with. Chris Mayer has a similar thought process that we do. You're not just buying stocks, you're buying businesses. Scale down the number of stocks that you buy and only buy the best.

10 Things You Can't Learn from a Backtest. A large number of our newsletter subscribers are traders. Out of those many have done or at least thought of doing a backtest to see the results of a particular investing "system." This article points out the problems with a "backtest."

The Holly Jolly of a Post-Election Rally: December Market Commentary

'Tis the season to be jolly, especially as we have watched the markets rally in this post-election atmosphere.

In this month's market commentary I talk about sector-by-sector performance in that post-election rally. I also talk about the value of patience in the markets and how not chasing what is "popular", i.e. dividend centric stocks recently, can help your portfolio’s performance. Finally, I talk about December and how it often performs historically.

I hope you enjoy as you click through and review recent market events.

What we’re reading:

Some of the Wisest Words Ever Spoken About Investing. This is a fantastic article written by Jason Zweig of the Wall Street Journal. My favorite line of the article is “Evaluating yourself honestly is at least as important as evaluating your investments accurately. If you don’t force yourself to learn your limits as an investor, then it doesn’t matter how much you learn about the markets: Your emotions will be your undoing.” For more wisdom, click here.

Charlie Munger’s Value Investing Principles Checklist. We don’t need to say any more than this. We love Mr. Munger’s checklist, his style and his blunt way of saying what needs to be said. This checklist is a must for any investor.

Tweet of the Week. Back in January RBS came out with a stance on the market of “sell everything.” This tweet from Charlie Bilello shows the returns that have occurred since that, well, current fatal call. You will often hear pundits or even respectable firms come out with comments like this. The key is having a plan and being disciplined to stick with it!

November Market Commentary: Elections, Market Fluctuations and Thanksgiving Appreciations

This month for our market commentary we have a discussion on the implications of presidential probabilities. Because let's face it when it comes to investing its the probabilities that matter regarding the election – not the specific outcome. We also discuss Novembers historically and how they perform as well as talk about what we're doing specifically in light of current market conditions.

And of course we show our appreciation for some of the things we're grateful for in this the Thanksgiving month.

Please enjoy our take on the markets in November:

What We're Reading:

The Art of Stockpicking by Charlie Munger. This is a classic! If you're at all interested in learning from one of the best money managers and stock pickers of all time, you must read this! We have received designed much of our investing process from what is found in this letter.

Nike co-founder shares 'the only advice any of us should ever give' – This is an article and interview about Phil Knight. It's a great article on the idea of persistence, building something out of nothing, and patience. We love stories about people working hard and turning nothing into something. There are a lot of life lessons that can be learned by studying such people’s lives. We also like in the interview, the idea of paying the right price for endorsements. This reminds us of value investing. Don’t overpay for anything!

Tweet of the Week. When Amazon came out with earnings the stock immediately fell 6%. People were not happy with the short term results. We see this a lot in the market. There is such a focus on short term results that people often don’t see the bigger picture. Michael Batnick helps point this out in one Amazon chart. Well done Mr. Batnick!

The Presidential Candidates and The Markets: What It Means

In this month’s market commentary we take a look at what’s on everyone’s mind: Presidential Politics. How do the candidates affect the markets? What have we seen historically in similar situations? How should you behave financially before an election? We discuss it all.

[Are These Market Highs Too High? September Market Commentary]

The market has gone nowhere but up since Brexit. Is this sustainable?

The summer doldrums never really happened as we have seen indices up across the board. Does that mean something has changed in the markets?

September (and to a lesser extent October) is one of the historically lower performing months of the year. How should you think about your portfolio in light of this?

All time highs, or near them for the Dow, the S&P 500 and the Nasdaq. Will the trend continue?

These are all questions you should care about and that we discuss in this month’s Market Commentary.

What we’re reading:

The Stock Market is Vanishing: This is an interesting article pointing out that there are fewer stocks than there has been in a long time. This could be a reason valuations could head higher? While we believe the low interest rate environment is the cause, we don’t have an opinion whether this is good or bad for the market.

Ex-NFL player, Mega Millions winner press $7.8M claims against Morgan Stanley: This is sad, but we see it a lot. Brokers, who have no legal responsibility to take care of their clients, often put them in products and services that are not what the client needs or should in any way have. We believe you should always look for a Fiduciary, someone that is legally responsible to put your interests above their own. This article is another reason why.

The cartoon of the week: Sadly, this coincides with the article above. This should be more about crappy annuities than mutual funds. (Although most of them are crappy too!) Our advice . . . if it's too good to be true, IT IS!

[Market Commentary – What History Has To Say About Lethargic Markets]()

The markets have gone sideways for well over a year now. History has a little bit to show us about what that might mean and how we may want to think about the next few months.

In this month's Market Commentary we're going to review historical references of when the markets looked similar to what we see today. It's an interesting view on why being consistent, and focusing on probabilities is the approach that is most likely to yield results.

And below the video we have our "[What We're Reading]()" section to give you some of our favorite articles. Enjoy.

What We’re Reading

What’s Your Plan B for Retirement? This is a great article about the importance of a well-built portfolio as well as the need to make retirement about more than just money. Read the full article here.

Buy-and-hold fund prospers with no new asset bets in 80 years. This is a fascinating article that shows how a portfolio was built, using a value based investing model, and how it has performed over the last 80 years. It’s another example of the power of investing vs. trading. Read the full article here.

No matter what, the long-term investor comes out ahead of the short-term trader. This is one of our favorite articles detailing how hard it is to actually make money actively trading your entire portfolio. Can one of the best traders of all time outperform one of the most passive traders? Read it and find out. I think you’ll be surprised. Full article here.