



IT'S A JUNGLE OUT THERE!

By Ryder Taff, CFA, CIPM

Before heading into the Malaysian jungle, we pulled to the side of the road for a quick prayer. Besides tigers, the jungle had elephants that could trample us in our sleep, dangerous rivers to ford and generally treacherous roads that intimidated me even from inside the safety of my friend Adam's 4x4 Land Rover with a 10,000 lb. winch. A prayer for safe passage was very much on the order of the day.

Our first challenge was a muddy ascent that stumped each truck in our convoy. The Land Rover had to be winched backwards at one point, and some natives helpfully chipped in with shovels to reconstruct the road as we climbed. We splashed through waist-deep water and took a few very wrong turns before it was even lunchtime.

Racing up a smooth dirt track was exhilarating, but the muddy descents were hair-raising. While we navigated the best we could, there were points at which the jungle forced us to turn around and find a different way.

Fortunately, we did not get attacked by tigers, and the elephants that we detected did not smash through our campsite (though we saw ample evidence of their destructive powers!). Spending a day and a night exploring the jungle was an awesome experience, but the risks of the jungle demanded our respect.

Being invested in the market this year has been like traveling through the jungle! We have had an 8% climb, a 12% decline and the VIX hit 37! (The VIX is a measure of volatility—the bumpier the ride, the higher it goes.) It takes care and patience to navigate the market, but just like Adam knew, the biggest threats could be unseen, looming off of the beaten track.



A car lurching in the wrong direction has a way of focusing our attention to the present. Every time the market is down a few points, people want to know when to bail. Even when we know we are on the right path, the bumps in the road can shake our confidence. The market, however, does not present the only source of risk in a client's portfolio.

More complex are the risks that something doesn't go as planned. Wanted or not, retirement may come early, before you've reached your target account balance. Major purchases may be more expensive than planned, and people living longer than ever all put a strain on your portfolio.

To navigate the jungle of a market, you have to keep your eyes on more than just the path ahead of you. We strive to understand your entire financial picture so that we can understand hidden risks looming in the background. While your own financial jungle may be dense and foreboding, navigating through to experience your own financial independence is worth the journey!

Japanese folklore says if you are having trouble sleeping, it is because you are awake.