



## Mentor Monthly Missive

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We're pleased to present the first of Mentor Capital's monthly electronic newsletters.

Designed to bring clients and friends information about personal finance that they can use, the Mentor Monthly Missive will focus on the type of personal wealth management that is practiced by our associates: Smart, objective and comprehensive.

Written by our staff of fee-only financial planners, the Mentor Monthly Missive will explore current issues as well as topics related to general personal finance. It is our intent to make the newsletter informative, opinionated and sometimes amusing. Please let us know how you like it or if you have topics you'd like to see addressed.

If you are a current client, we thank you for your business. If you're not currently a client, you should be one. Call an advisor to schedule a no-obligation initial consultation to find out how we can help you.



*"The investor's chief problem – and even his worst enemy – is likely to be himself."* Benjamin Graham in his book "The Intelligent Investor."

Graham was referring to the dumb things that individual investors tend to do. It's why most investors, acting on their instincts or what they read in the news, fail.

Most investors know that the best deal is to buy low and sell high. But what they do is often the opposite of what they know is best.

Right now we're in a bear market, which many define as a decline of 20% or more in the Dow Industrial Average. By instinct, today many investors are fearful, and they are inclined to sell. That's selling low.

We remember in the late 1990s, during the technology boom, that investors couldn't get enough of any stock associated with the internet. Whatever they bought went to the moon. Many got overconfident and greedy and plowed everything they owned into tech stocks. They were buying high, and when the bust began in February 2000, many panicked and sold.

To be honest, we don't know how long this bear market will last or how low the stock markets will go. We do believe, though, that over time, stocks will revert to their mean – that is, they will provide returns in excess of

returns on bonds - and that investing in stocks for the long-term is the only way to achieve investment growth.

The best way to weather stock market downturns is to be patient and to have your assets allocated across a broad range of classes and in a manner that is appropriate for your time constraints and risk tolerance.

Boom follows bust follows boom. You can count on it. If you are confident in America, its people, its economy and its markets, as we are, you invest for the long term and keep your eye on the horizon. It's sometimes painful, but it works.



Financial success requires access to capital. That's true for individuals just as it is true for companies. But unless you have good credit, your access to capital is limited or expensive. That's why it's so important to make sure your credit history is accurate.

The three U.S. credit-reporting agencies – Transunion, Experian and Equifax – are required by law to provide you with a free credit report each year. If you're not checking your report every four months, you're risking your good credit.

Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) to get your free credit report. (DO NOT go to [www.freecreditreport.com](http://www.freecreditreport.com), which is an attempt by Experian to get you to subscribe to a service with a fee.) Check your report for errors. Are accounts listed that you did not establish? Are collections reported that you know nothing about? Are accounts listed that are inactive?



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