



Wealth Care LLC February 2020 Commentary

White Coast Investor Conference

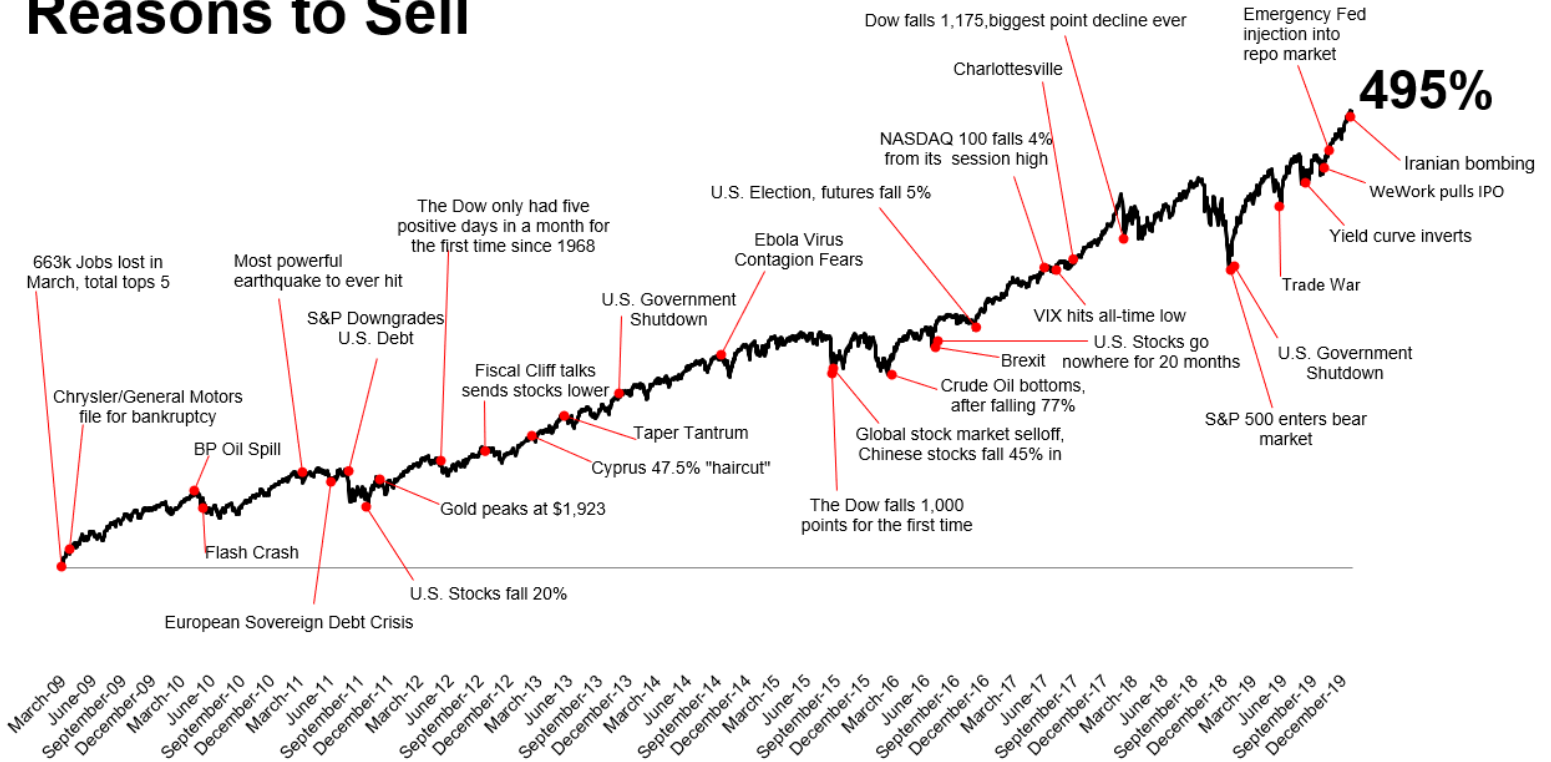
Steve will be speaking at the White Coat Investor Physicians Wellness and Financial Literacy Conference in Las Vegas in March. This conference will have over 700 physician attendees and talks by many well known financial experts.

INVESTMENT THOUGHTS

Look at these two graphs of the same last ten-year period of S&P 500 index gains. The first has just some of the reasons you would have been told to sell your investments. The second graph conversely tells you all the reasons to buy. Best idea-stay invested with your long-term funds and ignore the financial press.



Reasons to Sell



Data Source: StockCharts.com. S&P 500 Total Return

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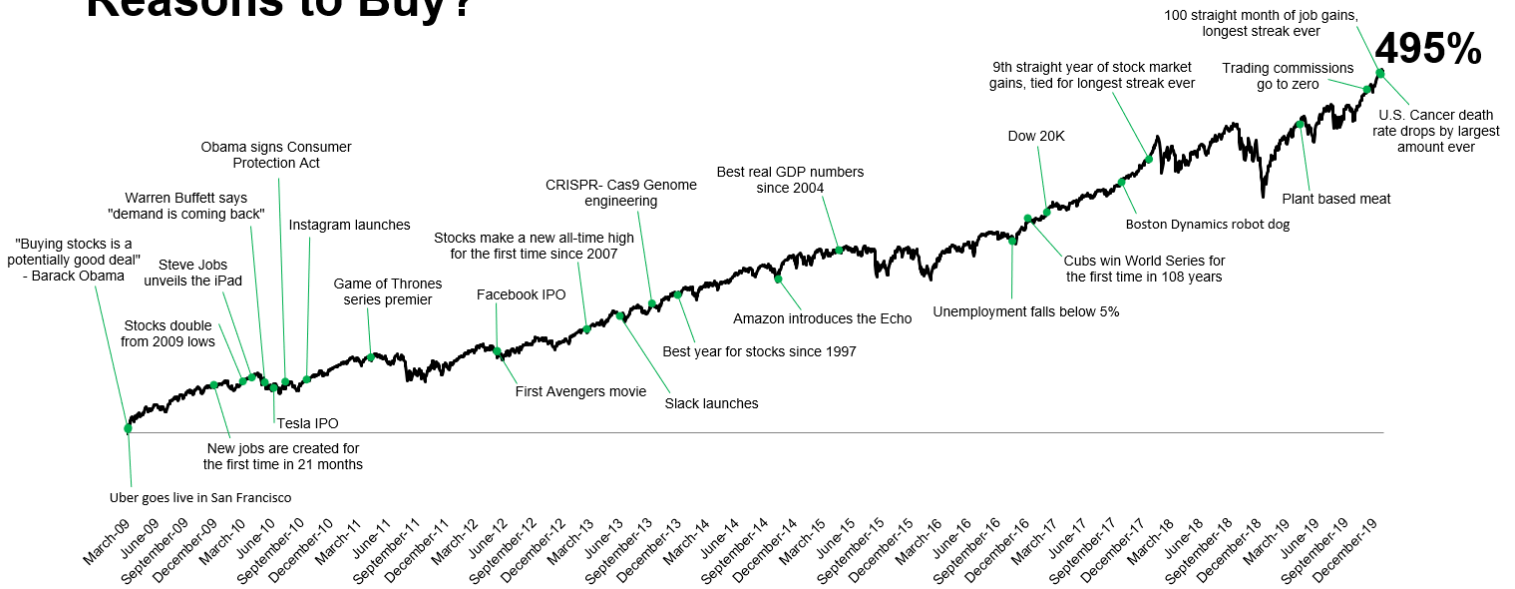
Steven Podnos MD, MBA, CFP® P. 321.543.1099 E. Steven@wealthcarellc.com • Rachel Podnos J.D., CFP® P. 321-505-7592 E.

Rachel@wealthcarellc.com

Lauren Podnos, CFP® P. 321-537-7502 E. Lauren@wealthcarellc.com



Reasons to Buy?



Pizza or Google?

Who would have guessed that owning Domino's Pizza stock was much more rewarding than owning Google?



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Miscellaneous

SECURE ACT CHANGES TO ESTATE PLANNING DOCUMENTS

The new SECURE Act mandates that both Roth and Traditional IRAs distribute all assets at any time up to 10 years following the original owner's death. Many Wealth Care LLC families have a trust as either the primary or secondary beneficiary for their IRAs. These trusts may now need to be modified.

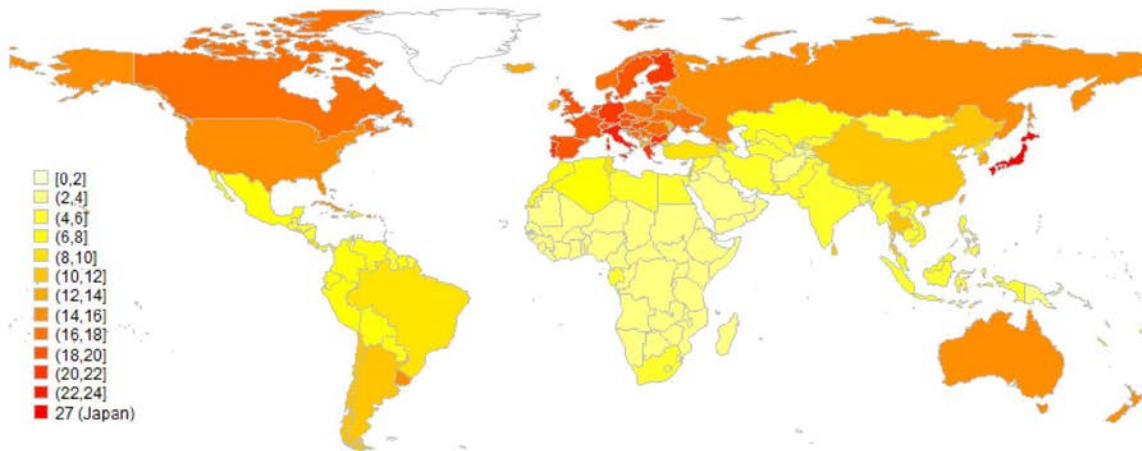
The old "conduit" trust that states that any required minimum distributions pass through to the inheritor won't work, as there are no required distributions until the last day of the tenth year. The old accumulation trust that gives the trustee discretion to dispense funds should still work but exposes retained income to higher trust brackets. The trustee would probably want to distribute out income at least annually to the inheritor to let that be taxed in the inheritor's bracket. The ultimate payout at ten years could be retained in the trust if that is desirable for asset protection or control. If your IRA has your trust as a beneficiary, please discuss with us or your estate planning attorney.



The Western World is Aging

EXHIBIT 5: SO FAR, AGING HAS MAINLY BEEN A STORY OF ADVANCED ECONOMIES...

Percentage of population aged 65+ in 2017



Sources: United Nations, World Population Prospects: The 2017 Revision, Goldman Sachs GPS

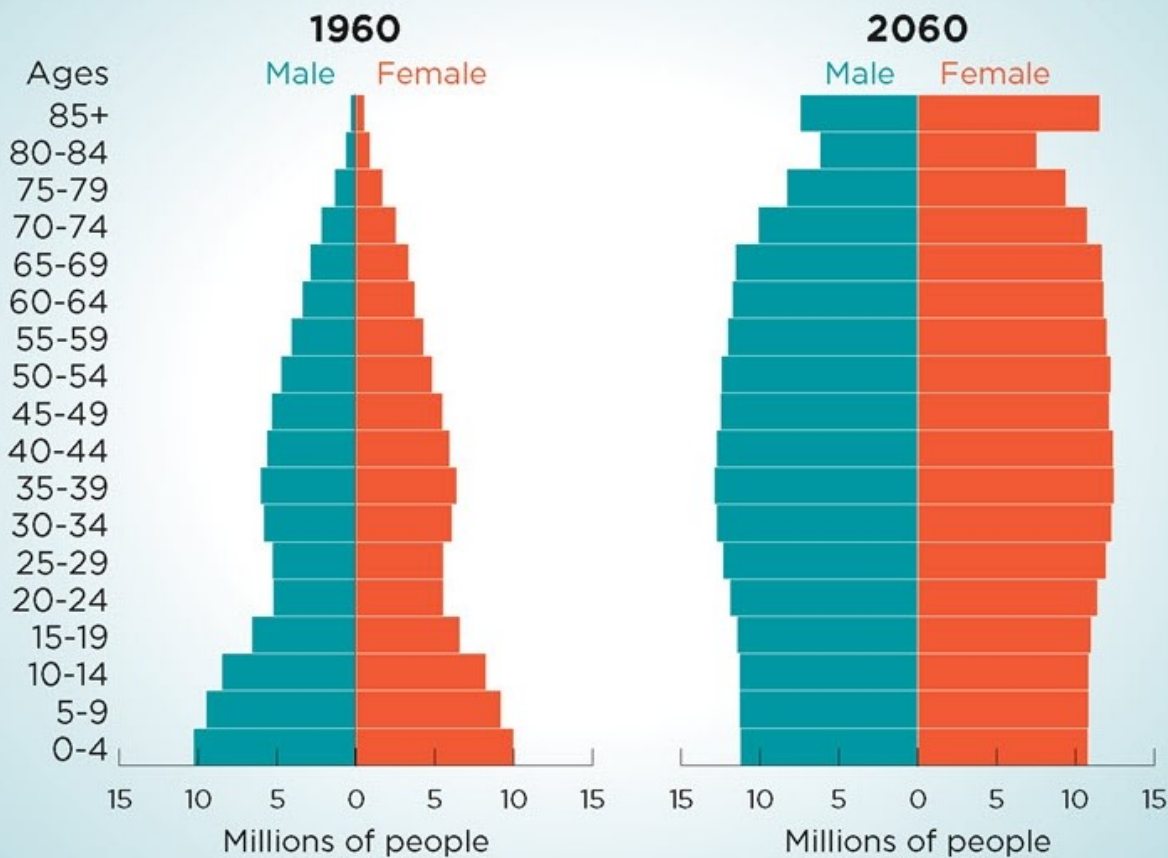
Exhibit 6, however, shows that **aging is spreading to developing countries**. For instance, between 2017 and 2050, the share of population aged 65+ is expected to rise by 15.7 pp in China and by 14.4 pp in Brazil. The largest increases should happen in South Korea (+21.4 pp) and Taiwan (+21 pp.).

Closer to home, look how our US population will be aging over the next forty years. The implications are important.



From Pyramid to Pillar: A Century of Change

Population of the United States





Looking for an Interesting Book to Read?

<https://fs.blog/reading-2019/>

Random Notes

“The big question about how people behave,” [says Warren Buffett](#), “is whether they’ve got an inner scorecard or an outer scorecard. It helps if you can be satisfied with an inner scorecard.” To make his point, Buffett often asks a simple question: Would you rather be the world’s greatest lover, but have everyone think you’re the world’s worst lover? Or would you rather be the world’s worst lover but have everyone think you’re the world’s greatest lover?

When we compare ourselves to others, we’re often comparing their best features against our average ones. It’s like being right-handed and trying to play an instrument with your left hand. Not only do we naturally want to be better than them, the unconscious realization that we are not often becomes self-destructive. There is one thing that you’re better at than other people: being you. This is the only game you can really win.-Shane Parrish

Parachutes were so precious to the Apollo program that only three people in the nation were qualified to hand-pack the parachutes for the Apollo 15 capsule: Norma Cretal, Jimmy Calunga and Buzz Corey, who in 1971 — the year of that mission — all lived in Ventura County. Their expertise was so vital, they were not allowed to ride in the same car together for fear that a single auto accident could cripple the space program.

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10 years ago, BlackBerry had 42% market share of smartphones, Microsoft had 18% and Palm had 6%. Today, combined they have ~0% market share and no one even thinks about them. Things can change fast.

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