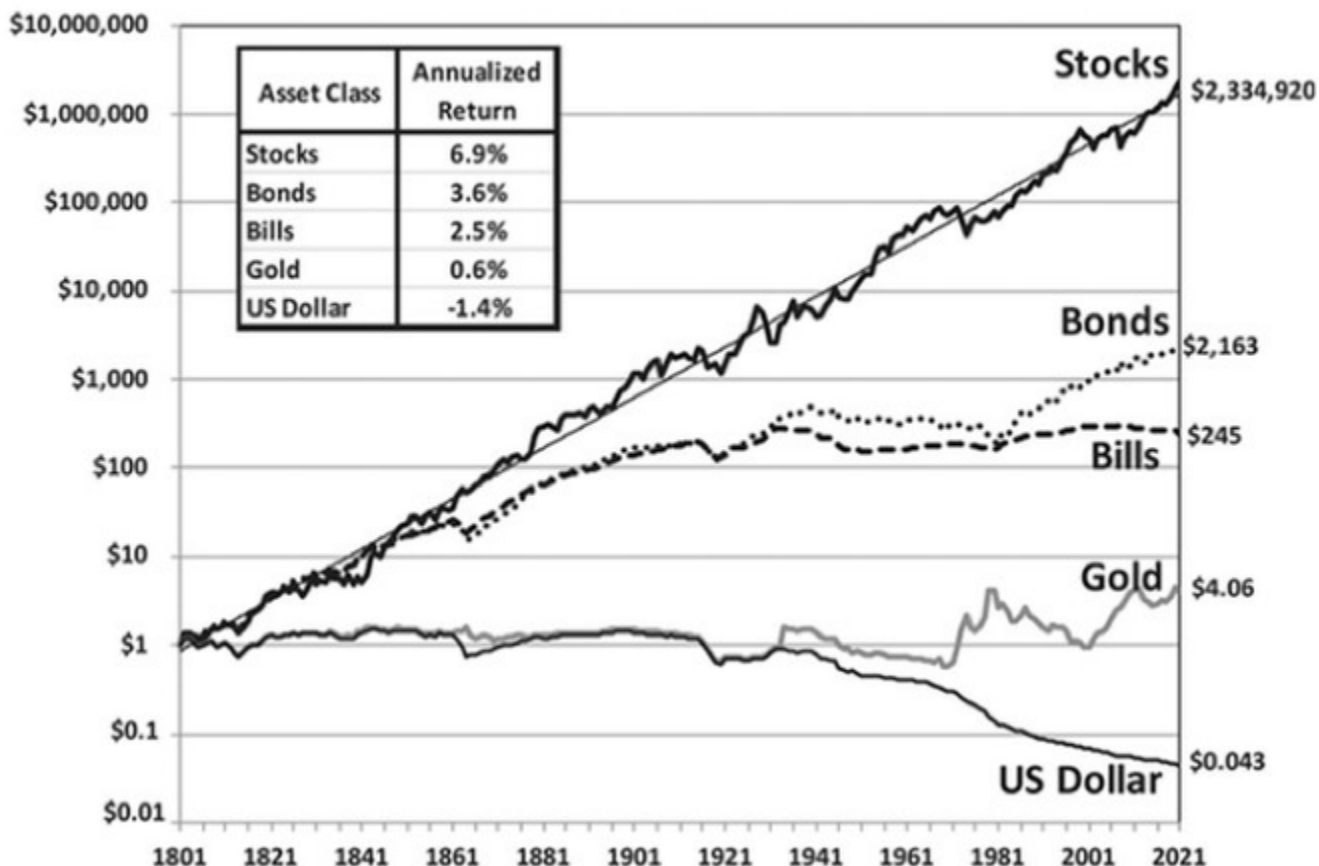




Wealth Care LLC January 2024 Commentary

Happy New Year! We want to again thank the Wealth Care LLC family for their support in working with us to be financially successful! We love hearing from you and look forward to another good year!

As we write this in mid-December 2023, it looks like markets have had a good year (after a not so good 2022). The broad US stock market is up over 20%-despite a torrid rise in interest rates and fears of a recession.





We can make a number of observations from the last year.

The overwhelming consensus of the financial experts and the media was that we'd see a recession in 2023-much due to the fastest rise in interest rates in decades. We did comment earlier this year that a recession seemed unlikely with virtually no unemployment nationally. Indeed, no recession.

We noted the devastation of fixed income prices with the rapid and large rise in interest rates. Our mostly alternative income funds (high yield, preferred stock, global income) held up better than most traditional bonds and are recovering well at year's end.

At this writing, we have had excellent calendar year gains (double digits) in the US stock market. Who predicted that? This middle week of December saw all time highs in several stock indexes. The chart below reminds us that patience wins out in investing.



LONG TERM S&P 500 DATA

BY COMPOUNDING QUALITY



Chances you make money

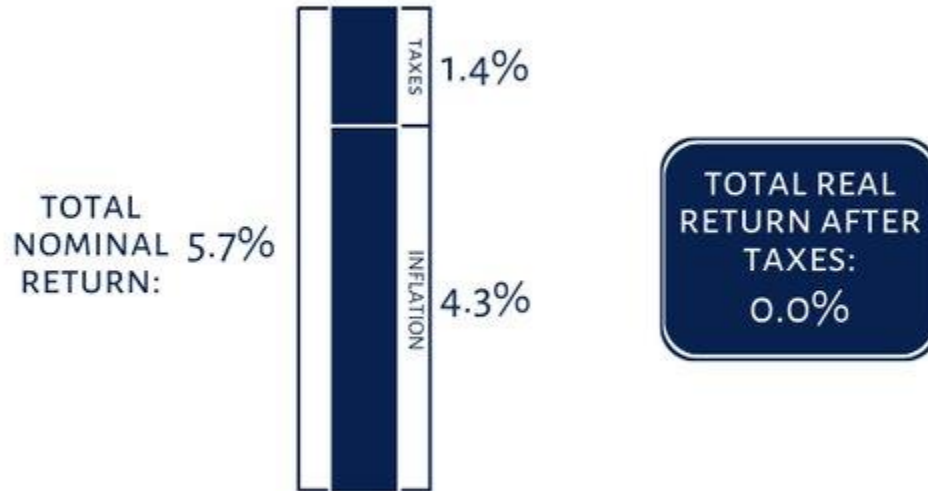
Time Frame	Positive	Negative
Daily	54%	46%
Quarterly	68%	32%
One Year	74%	26%
5 Years	86%	14%
10 Years	94%	6%
20 Years	100%	0%



Even though yields on fixed income are much higher-so is inflation. Often, the best we'll do (outside of times with steadily dropping interest rates) is to "keep up" with inflation and taxes when owning bonds and CDs.



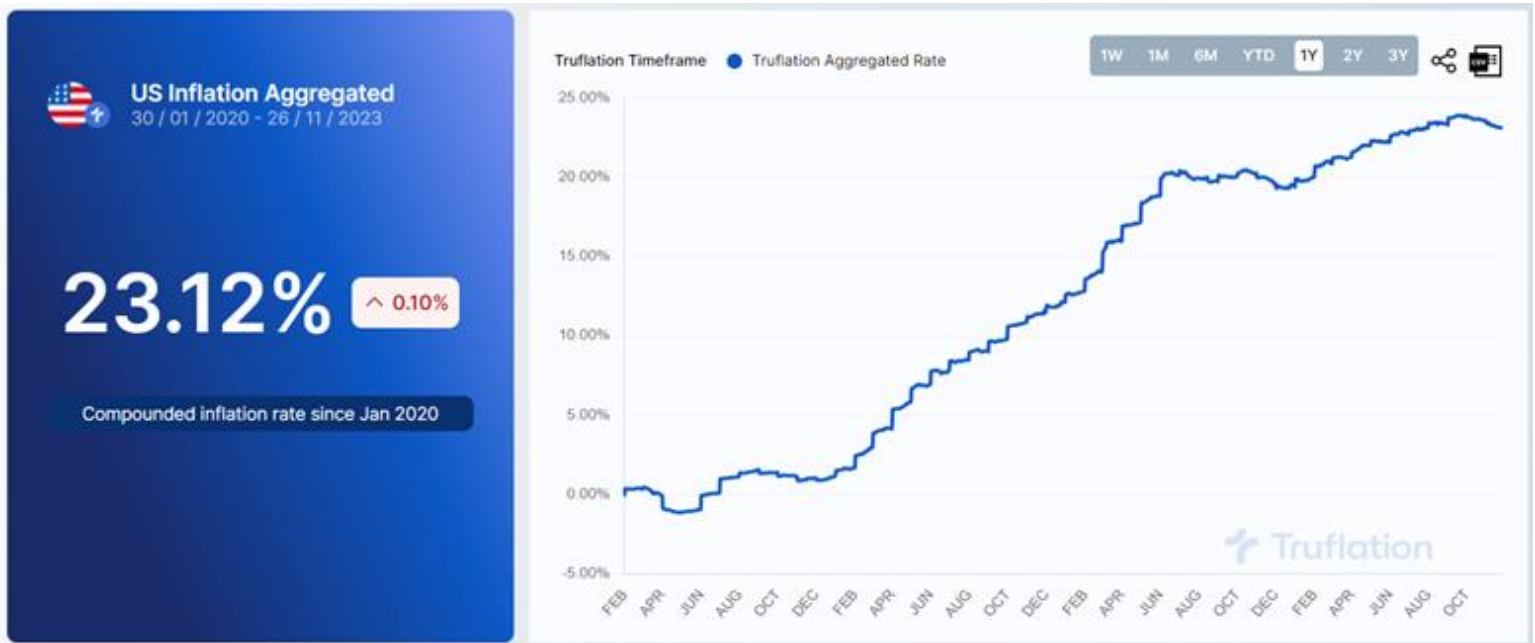
THE "HUGE RISK" OF BONDS*



*VISUAL REPRESENTATION OF WARREN BUFFETT'S DESCRIPTION OF BONDS IN HIS 2011 BERKSHIRE HATHAWAY LETTER TO SHAREHOLDERS.



Indeed, it appears that the dollar has lost almost a quarter of its purchasing power just since January 2020:



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Finally, a reminder that mortgage rates are not historically unusual. What was unusual was the suppression of rates following the great recession of 2008 and then amplified with the Covid pandemic in 2020:

Weekly average 30-year fixed-rate mortgage



Miscellaneous

Online file conversion

<https://cloudconvert.com/>

Good News:

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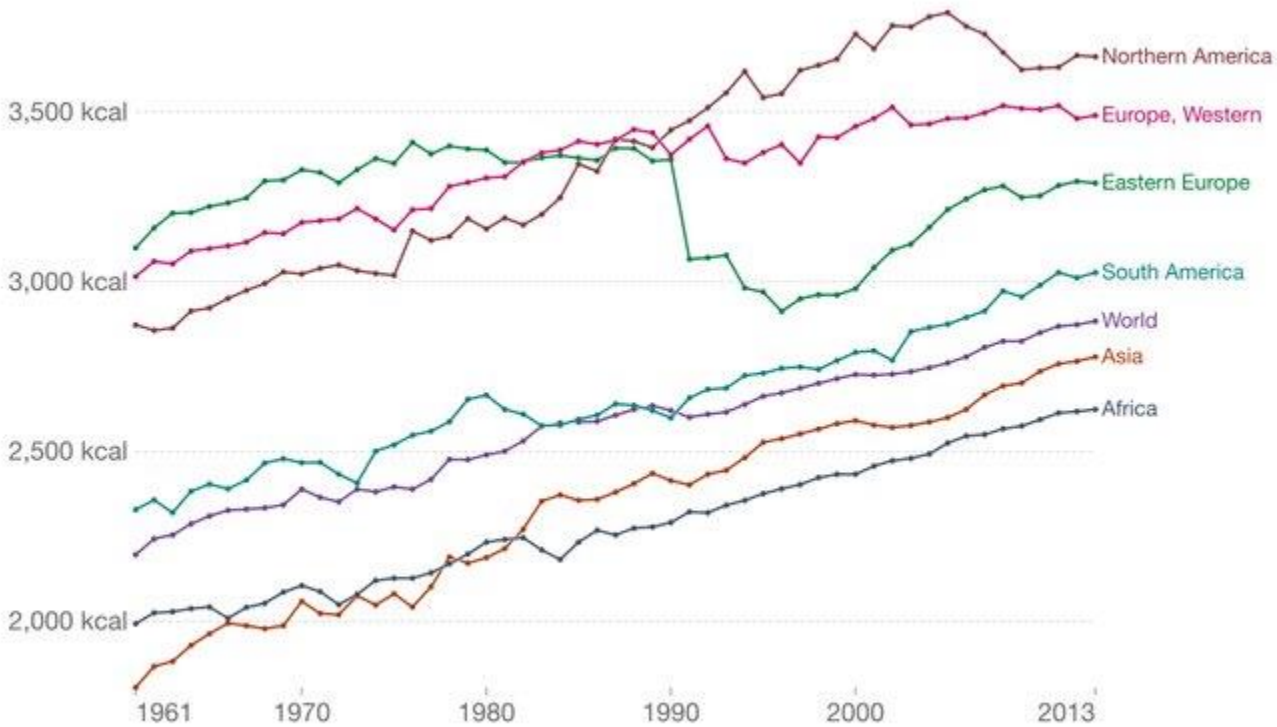
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Daily supply of calories, 1961 to 2013

Caloric supply is measured in kilocalories per person per day.



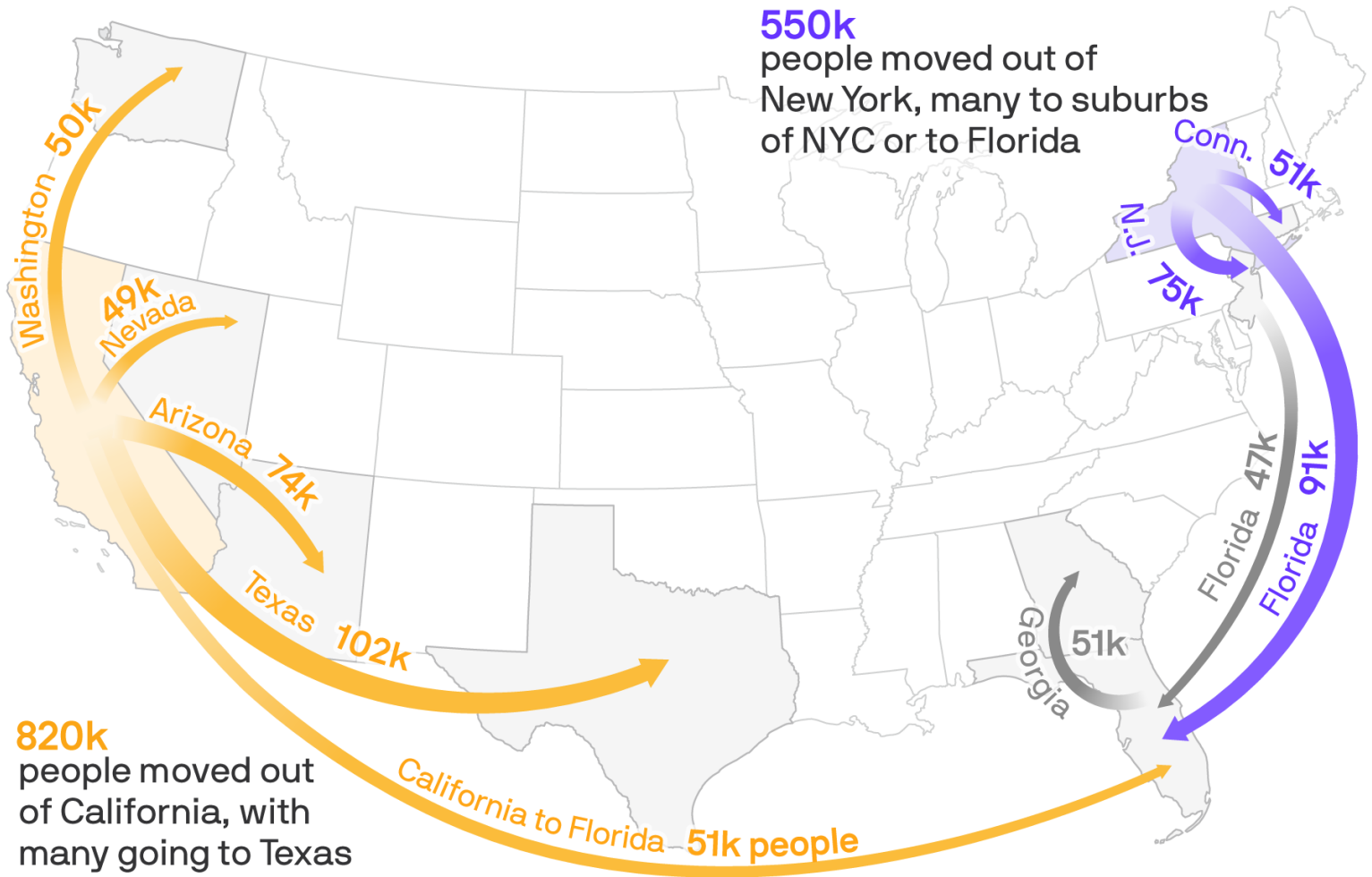
Source: UN Food and Agriculture Organization (FAO)

OurWorldInData.org/food-supply · CC BY

Note: Data measures the food available for consumption at the household level but does not account for any food wasted or not eaten at the consumption level.



Top ten moves between states, 2022



Random Notes

The strongest-held beliefs are usually on topics with the most uncertainty. No one is as passionate about geometry as they are about religion.-Morgan Housel

I always say I want to know where I would die so I can never go there-Charlie Munger



It's been six months since I joined the gym and still no progress. So, I'm going there in person tomorrow to see what the problem is.

**DO YOU EVER GO OUT, AND
WHILE YOU'RE OUT, YOU
THINK, "THIS IS EXACTLY
WHY I DON'T GO OUT"?**

The Wealth Care LLC Team January 1, 2024