

KEEN ON RETIREMENT



Is the Housing Market Boom Headed for Another Bust?

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski: Hello everybody. And welcome back to keen on retirement. I'm your cohost, Steve Sanduski. And with me as always is Bill Keen and Matt Wilson. Hey guys,

Bill Keen: Hey, Steve, how are you doing today?

Steve Sanduski: Fantastic. Just got back here a few days ago from the Bitcoin conference in Miami. So that was, that was a lot of fun. I know we did a Bitcoin show here recently and

had a chance to get down to Miami and. soak it up with 12,000 of my Bitcoin friends.

Matt Wilson: Oh,

Bill Keen: Wow. Oh goodness. Now, is there anything new that you learned now? That's probably a loaded question since we did our podcast. Just last episode. So now you have all this new information in our podcast. We did last time to update it already, Steve or

Steve Sanduski: No no Bill, because of course I already know everything.

Bill Keen: Yes.

Matt Wilson: Oh, I forgot that. Yes that's. Are there any new terminology?

I, you know, Bitcoin's got their own language. You got Hodel. Diamond hands, laser eyes. I don't know what's going on with

Bill Keen: Bitcoins

Steve Sanduski: Yeah, it's definitely got its own language, for sure. For sure. Yeah.

Well, Hey before we hit the main topic today, which is talking about the pros and cons of downsizing a home, and I know we've got some really good information and interesting things that we're going to be talking about here, as it relates to the real estate market, which of course has been on fire here.

But I think before we get to that bill, I want to hear about your new job.

Bill Keen: It's been an interesting start to the summer at the Keen household. I shared, I think in the last episode or two, we had, a couple of graduations one from engineering school, one from a medical school. We had a wedding. Uh, My oldest daughter graduated medical school, got married.

It was a joyous time. But along with all that, Steve, my wife Carissa approached me and said, you know, I'd really liked for our 12 year old Emma to have a sport this spring. And I'd like for her to play softball, if possible in a rec league up by our neighborhood. And, and I said, well, you know, It's kind of that time to be heading down to the lake this time of year.

And so I thought, well, let's consider what the time commitment would be. And, and she said, well, you know, look, the practices would be on Sunday nights and games would be Mondays and Wednesdays. So, you know, just for eight weeks, it probably wouldn't interfere too much with you know, our lake time. yeah.

And so I said, okay, you know what? And I think it's a great thing. I really, they do. So I said, sure, let's do that. Uh, Let's commit her to playing on that team. And then about three days later, Steve, I had a conversation with Carissa and she says, Hey, I couldn't remember if I shared with you a detail about the season this year. We are the head coaches of the team.

Steve Sanduski: ah,

Bill Keen: So, it took me just a moment to digest the information and simply really, because I'd played little league baseball myself when I was younger, my son played competitive little league baseball. So I have a lot of knowledge, a decent amount about that, but never 12 and under girls, fast pitch softball.

So, over the last five weeks or so Chrissa as the Head coach and me as the assistant coach have had quite a time. So actually I was a little resistant at first, but it's been a really fun experience. And every time I walked by Carissa for about the first two, three weeks after we committed to it, she would be walking by watching YouTube videos and it was always about how to run a girls softball practice, how to pitch underhand.

A girl's softball, so here's where we come. We're our record is two and two right now to just let you know that we went ahead and got the girls full uniforms. So we kind of feed into them names on the back numbers.

We've got a couple of collegiate coaches that we've, contracted with to come out and give some training to the girls. And so it's turned out to be a really fun time. So

Steve Sanduski: Very very nice while

Bill Keen: that was my new quote job for eight

Steve Sanduski: Yeah. And, I noticed how slyly Carissa was able to get you to be the head coach that she just sorta real G in there with Emma's going to play softball. And then a few days later, oh, I may not have told you that we're the coaches.

Bill Keen: Okay. Yeah. You know, and you know, I had advisors and mentors that I talk to about things, business and personal and all the feedback I was receiving from my advisors were Bill. The answer is yes, it is going to be a fun time. So to feed into our daughter and the rest of the girls.

So it's working out perfect. Sometimes you know, that our wives know better, what we need than we do.

Steve Sanduski: Well, that is very, very true. And I know Linda d Did that to me many years ago with this thing called destination imagination, which was an organization for kids. And she corralled me into coaching one of our kids through destination imagination, and some of the people listening into this might know what that is.

I would not have normally volunteered myself to do that. So, so she volunteered me and it, and it was actually, it was great. We, we ended up going to the national competition in Tennessee and just really had a fun time with it. So it was

cool.

so I think our spouses oftentimes know best.

Bill Keen: actually think so. And I will, not afraid to say that publicly

here.

Steve Sanduski: Me either. All right, let's talk real estate. So, which one of you two here wants to set this up, talking about real estate, talking about the pros and cons of downsizing.

Matt Wilson: Yeah, we get a lot of questions about should we have a mortgage in retirement? And we've talked about that, you know, handful of times over the years on the podcast and how to think about having a mortgage and you pay it off and, you know, with rates so low it's, you know, you can make a. A good case for either scenario, you know, when it comes to that.

So we help people think through that a lot, but you know, more recently we've gotten a lot more questions about, well, should I sell my house? The market's really strong right now. you know, that is a very common thing that people will go through in their retirement planning. You know, typically they might say, yeah, this is our forever home.

But in reality, you know, a lot of people do transition into some sort of retirement community, you know, into some sort of maybe assisted living later on in life. But you know where the market's at right

now. There's a lot of people interested in seeing, Hey, can we sell our house for, but on the flip side, you also have to go buy one depending on what you're going to do.

But you know, I think Bill, you just had some experience with some home purchases recently in your family.

Bill Keen: We did my daughter Haley very proud of it who went to the University of Central Florida and lived in Delray beach, Florida with her husband who that wedding happened last year, a lot of weddings.

Yeah. Things, great things happening She recently moved into Kansas City and with her husband, it was transferred up They bought a house in the what's called the Brookside area. Steve, I don't know if you're familiar. You are. Cause you have a sister that lives here.

You probably know the Brookside area. It's just south of the Plaza by about 10 blocks or so really, really cool area, very desirable area.

Matt Wilson: Now, did you tell her you would pay for her house if she lived in, moved in your neighborhood?

Bill Keen: Yes. I was kind of playing a joke on it. You know, how parents are, they want their kids right around them, but I've always told them I don't want for the pressure on him like that.

But of course, then they, you know, so I said, Hey, what if I were to buy you a house? But you have to live on our street. You said. Absolutely not they're very, self-sufficient very, they're able to take care of their business and so forth. And, she said, no, absolutely not.

They, she knew where she wanted to live. So they got, they bought a house down in the Brookside area. And my daughter that just graduated from medical school and got married, also just bought a house a little bit south it's in the Leawood area, about a hundred third street here in the greater kansas city area.

On the Kansas side. And in both cases it took them 6, 7, 8, I think. I think my Taylor, Dr. Taylor, nine houses. They tried to bid on over the course of a three or four week period. They tried to purchase, tried to purchase. Yes. they learned a term.

I learned a term called escalators having escalators in your bid price, which means if they're asking, let's say three 50 for a house you could bid three 50 or you could bid lower, but the idea of bidding lower, like we're all used to and in life is no longer did 30,000 over. Or you could say.

I'm going to make a bid on this house. It's three 50, I'm going to bid three 50, fundamentally, maybe you two know how this actually works, but you can say in \$2,000 increments or any increment that you decide, we will pay up two, 400, let's say almost like a silent auction where you put your max bid in increments all the way up to a certain level.

They both had to do that multiple times and missed houses multiple times. They both ended up in houses and they're happy and it's, it's all good, but it was just an interesting thing to see both my

daughters going through that in dealing with this real estate market, you know, that we're going to be talking about today because it, it really has a lot of people concerned excited.

Afraid not understanding what might happen. And a lot of people remember back, oh, 8 0 9. I know the 10 years ago where anything real estate you wanted to run for your life and now all of a sudden the opposite's happening. So I think it's a great timing on this, on our episode here to at least discuss some of the reasons that this is happening and some of the details.

Yeah. from an economic standpoint, that is a common concern. It's like, okay, are we in some sort of, you know, real estate bubble, 2.0, you know, we experienced this in the early two thousands up kind of leading up to the great recession of oh 8 0 9. This was. Real estate was one of the things that was kind of tied to all that and the loans and how they were giving people loans, no income, no job, no assets, ninja loans.

People were speculating in real estate in developments that had zero business doing that. I remember hearing from my parents, that they had a friend who was a pilot who was building homes now, building homes. What does he know about that? I don't know, but he thinks he's gonna make some money.

And I don't think it worked out too well for him as it didn't work out for a lot of people in that situation. But that was a scenario where we had access to again, cheap money. And with very few you know, restrictions to access that money and, you know, supplies were cheap and there was a huge oversaturation in building too much building

supply and demand.

Okay. Right.

Matt Wilson: Yep. And people were chasing these things, but it was just kind of, not at all really there. the

Bill Keen: whole except of spec homes, right. You always heard that spec homes and we have clients that are builders and they talk about spec homes. Well, how many spec homes are you carrying? Well, back 10, 15 years ago.

Huh? spec homes, being speculative homes. That's what you're hoping that someone buys it right about the time you're done building it. And a lot of the smart builders that I know that stayed around just, well, of course they completely stopped spec homes. It's all just private build jobs. And you know, I'm sure some of them have created some spec homes today again, but, the cycle sure has played out.

Yes,

Matt Wilson: that's right. And now we're in a situation where You know, the aftermath of the Great Recession. Oh 8 0 9. It slowed down the building process so much that there is now no inventory. Ultimately it's a supply and demand issue. I I mentioned, we had more people getting into the real

estate market, building these speculative homes, as Bill mentioned that really didn't have any business doing that.

And then the Great Recession of oh 8 0 9, there was such a dramatic drop off in real estate. And there was a lot of foreclosures, a lot of things happening that there was just not much being built. So new inventory hasn't been added at nearly the pace that it needed to be added. To keep up with the demand, because right now we have all the millennials, which they're more millennials than baby boomers moving out of the home and maybe moving out of the city if they lived in the city for some time and looking for single family homes and, you know, new bill jobs are down, but also people aren't listing their existing homes for sale. No there's data here that we have that says actively listed homes are down 52% in March of 2021 compared to a year earlier. So you've got all these people looking to purchase and not enough supply on the market. Which speaks right to the situation that your daughters faced

Bill Keen: when they were buying their homes, classic supply and demand and, and what are some other reasons that you can think of? I can think of several that maybe aren't as obvious,

Steve Sanduski: Yeah. Well, I think one of them is just think about what's happened here with the pandemic. Of course, you know, everybody was basically most people. we're forced to work from home if they had a job that allowed them to work from home. And so a lot of these companies realized that, okay, I guess some of these jobs actually can be done remotely.

We don't have to require people to come in the office. So I think some people are saying we, can work from home and therefore, like, if I want to get a new job, I don't have to relocate to another state to take a new job because that company might allow me to work remotely. So I think there's fewer homes going up for sale because fewer people are relocating for jobs.

And part of that I think was caused by the pandemic. And so I think that definitely is a factor. I'm not sure how much play that's getting in, in the national media, but that's definitely part of it that people are staying put longer.

Bill Keen: You know, another aspect of the pandemic. You all might remember that a lot of folks had discretionary funds to spend when they weren't traveling. And we weren't doing much last year. So one of the biggest demands was remodeling of existing homes. A lot of people accelerated the remodel of existing homes they were going to do, or they thought of new things to do to their homes while they were spending so much time there.

Hence making those houses. Livable for them, for the foreseeable future, keeping them off the market. And we've talked before about the lack of supply of employees and help right now for businesses all across the country, that was a place to where you had to be careful. What kind of projects you started in your re the remodel of your home, because you wanted to make sure that you could keep the crews on the job even to finish them, that's another story, but I think that feeds into it as well.

Steve Sanduski: Yeah, this whole supply and demand. I think obviously it ultimately comes down to that and we would think that, okay, the free market is going to take care of this, that if there's a huge demand for housing units, then the market is going to supply those housing units and it will, but housing has such a long lead time that it definitely is taking a while for the market to catch up.

I think the other issue we have to think about too is how supply chains got disrupted because of the pandemic. And I think we're still catching up with that. I know I've got personal experience with that, trying to buy some home appliances here. So we did some remodeling. We remodeled our kitchen last summer and it took months and months and months for us to get our dishwasher, which was the last piece of our new appliances in the kitchen.

it just took forever to get it. And. We had problems with

lumber, and of course, that goes back to some of the tariffs we have in place with you know, as part of some policies. And so that affected our ability to import lumber from Canada, for example.

So I think we're working through those issues as well. And. Looking at some of the data too. I know the number of new homes, single family housing units that are being built is still below the peak that we reached back in about 2006. So we're still trying to catch up from this massive peak that we had about 14, 15 years ago.

And we're still not there yet. So yeah, I think there's a lot of factors. There's a confluence of factors here that are really affecting why we've got such a robust housing market right now.

Bill Keen: You know, an obvious one too, and, and it might not even need to touch on it because it's so obvious, but is the interest rates. I mean, the interest rates that, you know, both my daughters recently were able to achieve were under 3%. It's just unheard of really, I guess, this environment it's not unheard of.

Steve Sanduski: Yeah. think as this relates to. People that are retired. Okay. A couple things. And you guys have, once you guys to elaborate on this one is if I'm retired, is this a good time? Should I be thinking about selling my home? Because I can probably get a really high price, but if that's the case, well then where am I going to go?

And so

we want to talk about possibly downsizing. So how should we be thinking about this as someone who's retired? Should I be selling? If I sell, do I downsize? If I downsize, what are the pros and cons of downsizing?

Matt Wilson: what we find is there isn't many that are looking to downsize significantly. What the issue is, especially here in the Midwest is that the cost to downside is actually usually higher. So it's not a downsize and I will free up some of that equity that I have. And then use that either to supplement or retirement income or just pull it out.

It is just a lifestyle situation. You know, clients are looking at this and saying, you know, I just want to live somewhere else. I don't want to live where I'm at anymore. You know, the next 20, 30 years in retirement. But also where are the kids at? I mean, that's probably the number one reason people move.

You know, when we look at all the data, not only with our clients, but also surveys, you know, across the industry, where do the kids end up because they want to be close to their children. And, you know, how do you do that? And what's the best way to do that because there's a lot of stress with moving to, I mean, it's not a fun process.

I remember we moved back in 2016 and we had a one of our planters move recently. And it's just not a fun thing. I wouldn't want to go through that on a regular basis.

The other aspects when you think about, okay, if we are going to move. How close are services. I mean, sometimes people want to move to a warmer climates and now that might be moving them farther away from their family. And, you know, again, it's all personal decision, but if you're moving, where are the, you know, medical providers and your doctors because that is a common concern.

I mean, healthcare is big issue. And also, you know, one of the things you want to make sure that you have access to. We have some clients that moved down to the lake and, you know, fortunately here we do have pretty good health care providers down at the lake, but you know, it probably depends on the situation.

may not be at the best hospital, depending on what you're going through at that time.

Bill Keen: What about the emotional attachment? I mean, a lot of people forget that because we run numbers and spreadsheets and always looking at that kind of thing and which is good. You have to, but you know, a lot of folks we've seen that have tried to make these decisions end up having some kind of attachment to their home.

They've lived in for many years and, and it's, it's just something to consider. And I would suggest make sure both spouses are on the same page with.

Matt Wilson: It is now of course, you know, we hear some that are going through it. They just look at it like, what are we doing with all this stuff? Do our kids even want it?

And how do we get rid of it? Yes. Everything you've accumulated over 30, 40, 50 years. Yeah. we had a blog post on that too. I mean about cleaning up your financial life, but also, you know, kind of in relation to Marie condo at that time. Right. I mean, with her method of organization, I, if you're not using something 80% of the time, you probably could get rid of it It's a difficult conversation, you know, and, and decision point, because we do have many spouses, one wants to move. One has no desire to move. And, you know, navigating that and how do you get through that process? And, you know, how do we help clients think through the pros and cons and really help them make a decision?

Steve Sanduski: Yeah, the situation about one spouse wants to move. And the other doesn't, that was exactly the situation with my parents going back about, let's go back 15, 18 years ago, my mom wanted to move because they had been living for decades in a two-story home. The master bedroom was on the second floor. My mom was tired of going up and down the stairs.

Had a couple of knee replacements, that sort of thing. And my dad, no way in the world is he going to move? And so, you know, they're back and forth, back and forth, and she's looking at places and he won't even come. He won't even come with her to look at another place and she's really frustrated. And then my dad says, well, why don't we put in one of those ramps that takes you up the stairs. And so my mom said, okay, so they put the ramp up. So now she's going up and down the stairs in the ramp. And she puts the laundry basket on the ramp to take it from upstairs to the main level, which is, you know, actually the laundry is in the basement. So she still had to carry it down to the basement.

Then my dad says, well, I'll carry the laundry down to the basement for you. So my dad was starting to do everything he could to like, not move out of it. This house,

Bill Keen: Yeah.

Steve Sanduski: for 10 years.

Finally. My mom said, that's it. I can no longer live here. So she went and she found this other place and she said, I don't care if you're coming with me or not.

I'm moving, you know, you gotta decide what you want to do. He finally said, okay, I'll move. So that was like, oh gosh, going on six years ago, now

that they moved they moved, probably I'm going to say to three miles away. Off of a busy street. They've got all the amenities that they need They're still in Omaha. And they moved to this duplex. It's got everything, two bedrooms, the master bedrooms on the main, you know, the main floor and everything. And now dad absolutely loves it.

Bill Keen: Yeah. See there's that speaks to how we opened the show. Doesn't

Steve Sanduski: yeah. yeah. And now here's the thing. Now my mom is like, But it's lonely here because I, you know, we don't really talk to our neighbors

and, you know, so bridge is my mom's outlet, so she still got bridge.

And now she's like, prior to the pandemic, she wanted to move to, one of these kind of retirement living type places where she could just walk down the hall and talk to her neighbors. My dad, no way. I'm not moving, I'm not moving.

So anyway, yes, that's a long winded story to say that. That can be an issue when, one spouse does not want to move

Matt Wilson: We had a similar situation. We had a client come in one time and a husband, wife. And she said, I bought a house and we're like, shocked, like a little something going on, you know, with the marriage. And she said, Nope, I didn't want to live in that house anymore. He refused to sell it. So I just bought a house. Yeah.

Bill Keen: We're both in Kansas City. They used

Matt Wilson: different houses. Well, he moved in with her and now I think they are selling the old house. So she got her away. So

Bill Keen: there's yet another example. Yep.

Steve Sanduski: that's right. And it's interesting that it's the wife in both cases that wanted to move. And it was the husband that was being stubborn.

Bill Keen: Yeah, that's right.

Steve Sanduski: Us men were just set in our ways. We

Bill Keen: That's right. we are. Well, we think about making those moves and, you know, we talk about the real estate market today and just how, hot it is for sure. And were talking a little bit about downsizing for years, Matt we've, talked to clients though about, and this is before all this crazy real estate market.

We said, you know, you, you want to move to a smaller home square footage wise and maybe one that has some amenities taken care of, maybe the yard mowed or something. But even before this. To downsize it physically was typically still an upsize in price. Yes. Even then. So now it's exaggerated. But still it could make sense.

Like we said, to do that, if the place is too big or the home doesn't currently meet your needs, or neighbors have changed, things have changed and it's just time to have a new beginning. And we've seen people like we've just described very practically Steve, your story and Matt, your story there, and, and, and many others that it's been very productive for folks.

know, I think about some of the drawbacks. for downsizing, other than we just said, the prices would be too high. think about taxes. Do you want to comment a little bit on, on what the tax situation might be? Matt think most people are probably okay with this as far as long-term gains on homes and so forth.

And the tax ramifications.

Matt Wilson: Yeah. Fortunately in the um, the IRS tax code, there are exclusions. So an individual. Can't exclude a gain of up to 250,000, a married couple, \$500,000 from paying tax and that's a gain. So meaning you purchase the home and then it appreciated in value up to 250 or \$500,000 before you would have to pay any capital gains tax on that sale.

And as long as you live there, two of the last five years, that's considered your primary residence. So then you're qualified for that special capital gains treatment on that sale. So, you know, fortunately for us in the Midwest, not as much of an issue, I think in the coast, maybe a little bit different, but we don't have to deal with that very often.

Bill Keen: I think it's important too, to remember when you're talking about those taxes, that if you have made some substantial upgrades to your home additions certain expenses you want to track, you want to do, you want to keep a good file on those things, because that add to your cost basis on your home. So if you aren't getting close to being a single person, like Matt said at 250,000 of gain or a married couple of 500,000, you want to make sure you have some documentation case you were to get audited on actually what you have invested in your home over and above.

Just what the price was that you paid for it? Well, I think we've covered some really, really interesting things here today. It's been a practical episode. I wanted to mention before we go and get your two opinions on this, I'd be happy to give you mine. And I think our listeners are probably thinking it and if they're not, they'll, they'll be glad we talked about it.

And the question is this hot market that we're seeing in real estate. Is it something to be worried about? Is it a bubble? Will there be a crash? if so, if we think so, how do you protect yourself? And if not, that's fine too. don't believe that this is going to be equal.

Quote crash in the real estate market for a number of reasons, but I'd to get your input, both of you.

Matt Wilson: no, I agree. I don't see this as a bubble territory, by any means, not even, you know, any scenario, really close to what we saw in 2005, 2006, when it kind of created back the last time.

And again, it's all relative to inventory and supply and demand. We've got good quality people, purchasing homes. They have, access to capital. Again, it's not extremely restrictive, but it's not nearly as easy as it was to get mortgages as if, you know, back then as it is today and rates are low and there's, again, there's no inventory and I believe that will maintain itself for some time.

Now, maybe prices aren't going to just keep. Exploding higher. Like they have been over the last couple of years. I just there could be a slow down there, but I don't see prices cratering though,

Bill Keen: either. Yeah.

Steve Sanduski: Yeah. I would just add a couple things. I agree with everything that you just said there. A couple other things I would add is one is we have corporate buyers in the market now, so we've got large. The investment entities that have raised billions of dollars who go out and buy up single family homes.

And then they turn around, they fixed them up a little bit and then they rent them. And that's typically on the lower end of the market. So these people don't. Always care so much about price. So that is sweeping up a huge amount of the inventory for lower priced homes. And then a second thing is to build

a new home today is extremely expensive because of the labor costs because of the input costs of the materials of the lumber of the appliances and so on.

And some people would certainly suggest. Part of that is due to the massive increase in the money supply that we have. And so as long as we continue to have inflation, I think you're going to continue to see housing prices rise. And like you said, there on the supply side, we still are not building homes at the same rate as we did back in.

05, 06. So we're not building a lot of new inventory. And the new inventory that we're building is several hundred thousand dollars minimum because you

economically can not build a new home for \$200,000. I mean, you just, you

really can't. And so these are high end expensive homes that are being built.

Not everybody can afford those. And then I would say a third thing at the very high end of the market is wealthy people for. years have considered real estate to be a store of value. And so you see a lot of people who are buying big penthouses in New York and the major cities in Vancouver, Canada, they're buying real estate as a way to store their cash.

And so that, I think also supports these prices here. So, yeah. I agree with you guys. I don't think a crashes eminent at all in the real estate market.

Bill Keen: And I think it's good to hear that for folks that are in that market to purchase homes or that have just exactly like my daughters that I shared with you they both have got great heads on their shoulders. And so does their husbands. And I think that they just want to know that they didn't just get suckered.

You know, they've just paid way too much. Are way more than they should have for a home. And that it's going to, be a negative hit to their balance sheet. And I, I just don't think that's the case. And of course buy a property it's you've always heard location, location, location.

That's a key thing. and also just take care of your property. And I think, the purchases are being made today going to be looked back at and say, even though they were higher than they would have been a year ago, there still were good investments from over time. But that doesn't mean that you shouldn't.

Continue to fund your 401ks and your Roth IRAs and your savings and stick to your financial plan as well. On in addition to your real estate holdings,

Steve Sanduski: Very good. All right guys. So I think we will wrap it up there. And for all of you listening, you can get all of the details at keenwealthadvisors.com. We've got all of our past podcasts episodes. We've got show notes for every podcast. We also have. Blog posts. So pretty much any topic you might be interested in, I will bet that we do have a podcast or a blog post that addresses that topic.

The website is fully searchable as well. So that's keenwealthadvisors.com. Please check it out. And guys, thanks for the time today, we look forward to the next episode of Keen on Retirement.

Keen Wealth Advisors is a Registered Investment Adviser. Nothing within this commentary constitutes investment advice, performance data or any recommendation that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. Any mention of a particular security and related performance data is not a recommendation to buy or sell that security. Keen Wealth Advisors manages its clients' accounts using a variety of investment techniques and strategies, which are not necessarily discussed here. Investments in securities involve the risk of loss. Past performance is no guarantee of future results.