



## 2025 Q4 Client Letter

Dear Friends,

Better late than never, right? I've published most of the components of this letter over the last few weeks, but here is the full letter.

### **Business Update**

We finished the year with a flurry of activity, onboarding some large clients, and planning for the future. While our focus is on the quality of our offerings, we are gratified to see clients trusting us with more and more assets. Our assets under management grew about \$50 million in 2025, to \$105 million. Getting to nine figures has been a long-standing goal, so this is very gratifying. We do not take this responsibility lightly and strive to be excellent stewards of every single dollar.

Because of our growth in assets under management, we will transition at the end of 2026 to SEC registration from state registration. While that will probably not be noticeable to you, the client, it is a milestone for us. Jenn is hard at work researching SEC regulations to learn where the rules differ from our current state registrations.

### **Personal Update**

Jake: The fourth quarter was a fun one, with Baby JT's first Thanksgiving, first Christmas, first New Year, and second Los Angeles Dodgers World Series victory. The first one was when he was about two months in vitro, so he didn't appreciate it. He didn't really appreciate this one either, as the noise at Dave & Buster's where we watched Game 7 was above his comfort level when Miguel Rojas saved the season with a game-tying home run. I'm sure he will appreciate it someday. Thanksgiving was particularly special as my siblings came home to celebrate, marking the first time all five cousins were together.

Larson: Q4 2025 was full of family time for the Patty's. We are in a stage of life where travel as a family is more limited but were blessed with visits from both sets of parents. We have enjoyed an unseasonably warm fall and winter so far. The anticipated snow shoeing and

skiing was replaced by long family walks and time at the park. Duncan is now 18 months old. He loves anything with wheels or fur. His favorite books are Sheep in a Jeep and Goodnight Tractor. Hannah and I are hoping we can move on to some fresh titles soon.



## 2025 Q4 Economic Update and Outlook

Economist and investor John Hussman [stated it well](#), “The defining feature of every bubble is the same: a growing *inconsistency* between the long-term returns that investors expect *in their heads* – based on extrapolation of the past, and the long-term returns that properly relate prices to likely future cash flows – *based on valuations*. Every bubble smuggles the same tragic past into the same tragic future by packaging it with new wrinkles that convince investors that “this time is different.” Ultimately, they still end the same way.”<sup>1</sup> How realistic are current expectations? The average Gen Z survey respondent expects to reach financial independence at the age of 32. 60% think that working a full-time job will not allow them to reach their goals.<sup>2</sup> And apparently, financial independence doesn’t mean living in a tiny house and buying second-hand clothes. 72% think they will be wealthy.<sup>3</sup> We could dismiss this as the fantasies of the young, but this mindset has infected the culture at large. In 2023, Natixis did a survey of investor expectations and

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<sup>1</sup> (John Hussman, 2026)

<sup>2</sup> (Gottsegen, 2025)

<sup>3</sup> (Davis, 2022)

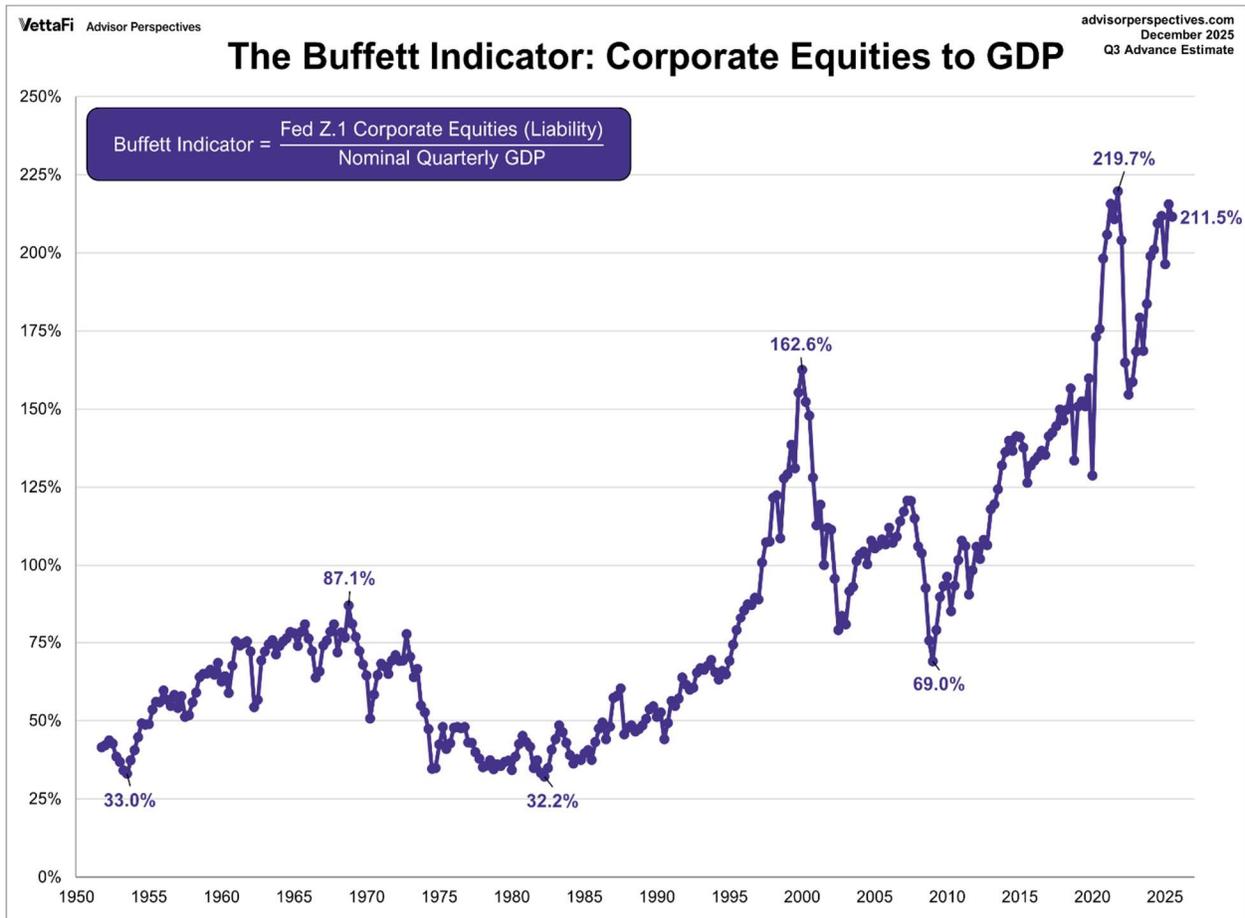
found that the average investor expected returns of 15.6%, while financial advisors expected a less shiny 7%. While this data is now two years old, two more years of strong market returns probably haven't hurt sentiment. The generic portfolio is 60% stocks and 40% bonds. We know that the ten-year treasury bond yields 4.2%, so we can back into an 8.9% implied return on the stock part of the portfolio to hit the 7% number (ignoring fees). While that is a little below the long-term average of 10%, part of the historic return is from the earnings multiple expanding. For instance, over the last thirty years (roughly corresponding with the internet being commercial), the price increase of the S&P 500 averaged 8.4% per year, while the dividend yield over that time averaged 1.77%, for a total return of a little over 10%. Earnings only grew 4% annualized during that period, however, meaning that the rest of the return (~4% annualized) was from the market getting more expensive relative to earnings. If we assume stocks have reached a permanently elevated plateau, and that earnings continue to grow at 4% per year, US stocks will earn a little under 6% going forward. Even financial advisors may prove overly optimistic, though they look like a bunch of stick-in-the-muds compared to the public. If stocks go back to historical average multiples, returns could be negative for a decade.

I recently heard the founder of an investment company give his view on markets. He described stocks as "fairly valued", which means they are not a bargain, but not clearly overpriced either. I asked how he could say that when the Cyclically Adjusted Price/Earnings Ratio (CAPE) is at a level only surpassed once in history (right before the tech bust in 2000). He replied that a metric that includes ten years of earnings is not useful because it doesn't give credit to what companies are doing now. This is the point, though. Earnings are cyclical, largely driven by the profit margin cycles. Quoting Hussman again, "Over a century of market cycles, we find that price/revenue ratios and margin-adjusted price/earnings ratios are more reliable than raw P/E multiples, because profit margins vary considerably over time. A single year – or even decade – of earnings can be unrepresentative of long-term outcomes."<sup>4</sup> A few years of above-average growth is more likely the result of a strong cycle, not a new paradigm where competition relaxes and companies can earn permanently higher margins. Using revenue-based metrics or expanding the number of years evens out these cycles. Otherwise, we pay "peak multiples on peak earnings." History has shown that the CAPE is more predictive of future returns than a one-year P/E, but even the trailing twelve-month P/E is about 50% above its fifty-year average and about 25% above its thirty-year average. Other metrics corroborate extreme multiples – Price/Book Value has surpassed the tech bubble high. Price/Sales is above its 2021 peak, and over 100% above its median level this century. The chart below compares

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<sup>4</sup> (John Hussman, 2026)

the value of the market to the size of the economy. This doesn't even account for the unprecedented number of very large private companies.



Profit margins are a commonly overlooked aspect of earnings cycles. This is how much of a company's sales are left over for the shareholders after all expenses. This is important because margin growth or shrinkage can be as powerful as revenue growth in determining earnings growth. Profit margin is cyclical – it generally expands in good economic times and then falls in a recession. T. Rowe Price [notes](#) that margin grew throughout the 1990's, peaking at 12.2% in 2000 before dropping to 9.1% in the tech bust. While a few percentage points may seem like no big deal, it corresponds to 25% drop in profits. From there it quickly bounced all the way up to 14.2% in 2007, before dropping to 11.5% in the GFC, a drop of about 20%. Profit margin then resumed its climb, reaching 16.4% in late 2025.<sup>5</sup> This means that companies are now making about 25% more profit on every dollar of sales than they were at the peak of the tech bubble. Profit margins have

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<sup>5</sup> (Corris, 2025)

experienced short cycles in a secular climb. Each peak and trough has been higher than the previous one. We should ask why that is and whether it will sustain. If company management is more enlightened and less competitive or the business environment is somehow significantly better, or the economy has shifted to more profitable industries, this trend may be a permanent shift, rather than just a long-term trend that will reverse. There is some evidence for each of these explanations, but more powerful is what has happened with taxes and interest rates. T. Rowe Price cited a 2023 paper showing that the share of Earnings Before Interest and Taxes (EBIT) going to interest and taxes decreased from a high of about 60% in the early 1980's to about 25% in 2022, which fully explained the faster growth rate of earnings in that period relative to prior periods. (In other words, quicker profit growth was due to lower tax and interest rates.) This also explains the vast majority of the increase in profit margin. Looking forward, there are a few possibilities: 1) interest and tax rates continue to fall, boosting earnings growth, 2) rates stabilize and earnings growth rates slow to historical levels, 3) rates start to rise back toward historical levels reducing profit margins and slowing earnings growth or even turning it negative, 4) companies adjust to lower rates and compete more vigorously for employees and customers, bringing profit margins down. While I don't expect interest or tax rates to go back to early 1980's levels, I don't expect them to fall further and could see some increase in response to the large US fiscal deficit and national debt. The last couple of decades have seen massive new industries dominated by a small number of competitors (or oligopolists) such as personal computers, software, internet search, online retail and electronic consumer products. Each of those areas is now mature and the dominant companies are entering into competition with each other for the highly profitable cloud services and highly unprofitable artificial intelligence. Both of these are much more capital-intensive relative to the capital light businesses these companies have historically dominated. This is a recipe for falling margins, driving slower or even negative earnings growth.

For the last quarter, International Stocks beat US stocks, and US Value beat US Growth. It was a strong finish to a strong year, with nearly every asset class making money, and most exceeding their long-term returns. Value and small both lagged growth stocks, but the new year has started strong for both. We maintain a tilt to value and small, which have historically earned better returns than the US large cap space, the last decade notwithstanding.

YTD Total Return	1 month Total Return	3 month Total Return	6 month Total Return	1 year Total Return	3 year Total Return	5 year Total Return	10 year Total Return
Emerging Markets 34.4%	Emerging Markets 3.0%	World exUSA 5.3%	Emerging Markets 16.3%	Emerging Markets 34.4%	US Growth 31.2%	US Growth 15.3%	US Growth 18.1%
World exUSA 32.5%	World exUSA 3.0%	Emerging Markets 4.8%	US Small 14.9%	World exUSA 32.5%	S&P 500 23.0%	Commodities 14.7%	S&P 500 14.8%
US Growth 18.6%	US Value 0.7%	US Value 3.8%	US Growth 11.8%	US Growth 18.6%	World exUSA 18.3%	S&P 500 14.4%	US Value 10.5%
S&P 500 17.9%	Muni Bonds 0.1%	S&P 500 2.7%	S&P 500 11.0%	S&P 500 17.9%	Emerging Markets 17.0%	US Value 11.3%	US Small 9.6%
US Value 15.9%	S&P 500 0.1%	US Small 2.2%	World exUSA 11.0%	US Value 15.9%	US Value 13.9%	World exUSA 10.0%	World exUSA 9.1%
US Small 12.8%	Aggregate Bonds -0.1%	Muni Bonds 1.6%	US Value 9.3%	US Small 12.8%	US Small 13.7%	US Small 6.1%	Emerging Markets 8.9%
Aggregate Bonds 7.3%	Commodities -0.3%	US Growth 1.1%	Commodities 5.1%	Aggregate Bonds 7.3%	US Real Estate 6.9%	US Real Estate 4.9%	Commodities 6.1%
Commodities 7.1%	US Treasuries -0.3%	Aggregate Bonds 1.1%	Muni Bonds 4.6%	Commodities 7.1%	Aggregate Bonds 4.7%	Emerging Markets 4.7%	US Real Estate 5.8%
US Treasuries 6.3%	US Small -0.6%	Commodities 1.0%	Aggregate Bonds 3.2%	US Treasuries 6.3%	Muni Bonds 3.9%	Muni Bonds 0.8%	Muni Bonds 2.3%
Muni Bonds 4.2%	US Growth -0.6%	US Treasuries 0.9%	US Treasuries 2.4%	Muni Bonds 4.2%	Commodities 3.9%	Aggregate Bonds -0.4%	Aggregate Bonds 2.0%
US Real Estate 3.8%	US Real Estate -2.1%	US Real Estate -2.3%	US Real Estate 0.7%	US Real Estate 3.8%	US Treasuries 3.6%	US Treasuries -1.0%	US Treasuries 1.4%

Past performance is no guarantee of future results. You cannot invest directly in an index.

\*Data as of 12/31/2025

## The New Federal Reserve Chairman Appointee

While Kevin Warsh still needs to be confirmed, he is expected to be the new Fed Chair. Sometimes called the most powerful person in the world, the Fed Chair is closely watched by the market for clues about what will happen with US monetary policy.

To learn more about Warsh, we look to economist and Fed Watcher Ed Yardeni. Warsh has indicated that he is interested in reducing the Fed Funds rate and also reducing the size of the Fed balance sheet.<sup>6</sup> These seem to be contradictory moves. For the layperson, the Fed only sets the short-term rate – the rate that banks can borrow at the discount window. Longer-term rates are set by market dynamics, and are heavily influenced by short-term rates, expectations of future Fed action, and supply and demand in the market. Historically, the Fed moving rates around have been likened to pushing on a string. It moves the front end of the string much more than the back end. By encouraging banks to borrow money and lend, the Fed hopes longer-term rates will fall. This works, but not perfectly. In the Great Financial Crisis (GFC), the Fed reduced the Fed Funds rate to 0%

<sup>6</sup> (Yardeni, 2026)

but wanted to do more. Not wanting to pay banks to take money, and wanting to more directly impact the longer-term rates, it began buying longer-term government bonds with conjured money. This increase in demand pushed the rate curve downward. This was called Quantitative Easing, or QE, and was supposed to be a temporary emergency measure. It was popular, and the public always wants more economic growth (with less concern about the long-term effects), so the Fed followed with an encore – QE2. And then three and four... Pundits started calling it QEternity. As is common with government policy, what is meant to be temporary becomes an entitlement. When the Fed finally started reducing its bloated balance sheet, pundits referred to Qualitative Tightening, instead of just normalizing. After years of shrinking its holdings at a glacial pace, the Fed has paused. Mr. Warsh advocates continuing to bring the balance sheet back toward historical norms and again letting market forces set the long-term rate, while the Fed goes back to focusing on the short-term rate.<sup>7</sup> The impact of cutting the short-term rate and reducing the balance sheet would likely be to have higher long-term rates and lower short-term rates. While Mr. Marsh claims this is good for Main Street and pulling support away from Wall Street, banks tend to borrow in the short-term and lend long-term. Mortgage rates could go higher, but shorter-term credit card and car loan rates may go lower. Maybe.

It's important to remember that there are twelve voting members of the Federal Open Markets Committee (FOMC) and that the chair only gets one vote on interest rates. While Chairman Warsh would be able to set policy on how the Fed communicates, and would become the primary spokesman, his one vote may not change actual policy. He has been critical of the Fed, so he may have a challenge getting the other 11 voting governors to come around to his view.

### **Educational Spotlight: Regret**

Make the most of your regrets; never smother your sorrow but tend and cherish it till it comes to have a separate and integral interest. To regret deeply is to live afresh.

Henry David Thoreau

Part of being human is making mistakes and then living with the memory, and sometimes the consequences of these mistakes. Some mistakes are mistakes of omission – we squandered our time and wasted our opportunities. Some are mistakes of commission – we made a bad decision and hurt or embarrassed ourselves or someone else. Any of these can cause regret. Regret is natural, and can be healthy to a point, but it

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<sup>7</sup> (Yardeni, 2026)

can also rob us of our joy and keep us stuck in the past, and unable to live in the moment or to prepare for the future. Sources of regret can be categorized into two groups. First, we may have regret for bad choices we made. A moral lapse, an unkind word, an overreaction, or a thoughtless deed or comment can generate regret. Second, we may have regret for decisions we made that did not turn out like we wanted. We may have made the best choice we could with the information we had at the time, but inevitably, through lack of knowledge or simple probability, some of our choices will fail to give the results we expected. These two sources of regret should be dealt with differently.

When we make bad choices, experiencing regret can be very healthy to learn and improve. Ignoring our mistakes in the interest of “moving on” can be hurtful to others involved and robs us of the opportunity to learn. Remorse is appropriate, but it is not the end. We should ask, what can I do? If I hurt someone, I can apologize, and I can take steps to repair the damage I caused. If my mistake only hurt myself, I can reverse course. If I made a foolish investment decision, I can cut my losses and exit the investment. Then, I can learn from my mistakes and make plans to do better. In relations with others, what are the triggers that prompt me to be insensitive or hurtful? How can I avoid these, or at least be more aware of them? In regards to finances, I can try to understand what drew me into the bad decision. We may overspend or have a tendency toward get-rich-quick schemes or fancy sales pitches, for instance. When we detect that behavior in ourselves, we can take steps to protect ourselves. Sometimes people discover investments they don’t really understand, but that promise exciting upside. These can draw in investors who would be better served by a prudent plan instead of one-off opportunities. We can remind ourselves of our plan and how deviating from it is not in our best interest. In my early days of investing, long before I was a professional, or even knew what I was doing, I tried day trading. Unfortunately, my first few trades were wildly successful. (It was the final months of the tech bubble.) I thought I was brilliant, and made larger trades, quickly losing what was at the time a significant portion of my net worth. I decided to consider the financial setback tuition for learning about investing.

Finally, forgiveness is important. We should seek forgiveness when we have harmed others, and then we should be willing to forgive ourselves for our own mistakes. Everyone makes mistakes, but those mistakes don’t need to define us.

The second category of regretful decisions are ones that do not involve poor judgement but simply did not pan out as expected. While some things in life work mechanically, many do not. When I start my car, the engine will ignite, and when I put the car in gear and press the accelerator, I will move forward, but I have no guarantee that the route to work I usually take will be the fastest way today. Being delayed because of an accident does not mean I made a poor choice. Much of life works that way – we do what

has the best probability of a favorable outcome but must accept that this particular time could yield a different result. This is often the case in investing. The result looks obvious in retrospect, but this is an illusion. Nobody knows the future, and the best we can do is to make sensible decisions with the information we have, and then to accept whatever happens. It's easy to judge a decision by its result. If I buy a stock and it goes up, I must have been smart, and if it goes down, I messed up. We play armchair quarterback and feel vindicated when our call works or a contrary call fails. This is a logical fallacy. A good decision may be one which succeeds 55% of the time (or 10% of the time if successes are much larger than failures.) The only way to know in retrospect whether a decision was good is to make the exact decision many times, which isn't possible for most decisions. Rather than beat ourselves up over results, we should examine the process. If our reasoning was sound and our actions made sense with the information we had, there is nothing to feel bad about, even if things didn't turn out well. If not, we can learn how to improve our decision-making for the future.

Obsessing over mistakes in the past, or on near misses (or catastrophic failures) only saps our confidence and ruins our mood. Instead, we should focus on what is in our locus of control. Every day is a new opportunity to make good choices. Importantly, we need to realize that we are not ultimately in control. This may seem terrifying, but it is really freeing. Those of us who believe in God can rejoice that He is able to redeem our mistakes and reimburse our losses. The Bible says, "I will repay you for the years the locusts have eaten - the great locust and the young locust, the other locusts and the locust swarm— my great army that I sent among you." (Joel 2:25, NIV), and "And we know that for those who love God all things work together for good" (Romans 8:28, ESV).

What does this have to do with financial planning and investing? Everything. Making poor financial decisions is generally much easier than making wise decisions. Further, even smart decisions can yield disappointing results from time to time. It is easy to be haunted by regret and to lament how far we are behind where we should be. Examining our past is useful if we are going to learn from it and do better, but being paralyzed by regret is not useful. Making specific investment decisions is likely to cause regret. I often get asked about a one-off investment idea, but this is sort of a trap. At best, I can determine whether it is slightly more likely to outperform the market than to underperform. Either decision can lead to regret. If we invest and lose money, we regret our loss, but if we don't invest and the foregone idea does well, we regret missing the opportunity. I remember a time as an analyst when I recommended a stock and it surged, but the portfolio manager was upset because we did not buy a bigger position (which was my fault, for not being convincing enough, of course). In investing, it is prudent to consider regret in advance. Think through the possible outcomes and seek to minimize regret. This may mean

reminding ourselves that investing is a probabilistic endeavor. Given enough time and opportunities, we should expect our results to converge on the efficacy of our process, but for any given decision, a poor outcome is possible, particularly over a short period of time. Individual choices may not live up to our expectations, and so we should ensure we can accept that outcome without emotional damage.

In conclusion, mistakes are a part of life. Regret can be healthy if it motivates us to correct our errors and to learn and improve. Considering potential regret before making a decision can lead to better decisions and less regret. While acknowledging the past and owning our mistakes is healthy, we should focus on our locus of control – what we can do right now. Finally, it is helpful to acknowledge that we are not ultimately in control. The fate of the world, or even our own future, depends on more than us.

### **Book Review: The 5 Types of Wealth by Sahil Bloom**

Bloom introduces the concept of the “arrival fallacy” which holds that meeting a goal will bring a lasting sense of satisfaction. He shares his own journey. He was financially successful, but a friend pointed out that since he only saw his parents once a year, he would probably only see them about fifteen more times before they died. That got his attention, and he began to examine his life and what was really important to him. “I had prioritized one thing at the expense of everything.” It is easy to fall into the trap of single-mindedly pursuing financial wealth, but this won’t bring satisfaction. Instead, he offers four other types of wealth that most people want – time wealth, social wealth, mental wealth, and physical wealth. Financial wealth is important as well, but mostly because it can be used to achieve the other four types of wealth. “Your wealthy life may be enabled by money, but in the end, it will be defined by everything else.” Bloom notes the folly of pursuing more money than we need at the expense of the other types of wealth. “Never let the quest for more distract you from the beauty of enough.”

Time wealth is the freedom to decide of how to spend your time and with whom, and “when to trade it for something else.” Social wealth is connection with others, which can be both personal and professional relationships. It is not about status, but deep connection. Mental wealth is connection to a higher purpose and meaning. This is the driving motivation in our life. Physical wealth is your “health, fitness and vitality”. Financial wealth is your assets minus your liabilities, but Bloom adds as a liability your expectations. If your lifestyle expectations are high, you need more assets to attain the same level of satisfaction. Bloom recommends we think through what we really want in each of these areas of our lives and then work backwards to medium-term goals to reach our long-term vision.

Bloom quotes James Clear, from *Atomic Habits*, “You do not rise to the level of your goals. You fall to the level of your systems.” Creating good goals is not enough. We must develop systems to accomplish those goals. We must become the kind of person who does what the goals require. “Systems are the daily actions that create forward progress. Leverage amplifies the output of a single unit of input. Combining the two ideas, high-leverage systems are the daily actions that create amplified, asymmetric forward progress.” Bloom notes that high achievers know how to focus their effort. They spend very little energy on things that make little difference, and work very hard on the high-leverage activities.

The keys to time wealth are to be aware of it and to resist the cultural mandate toward busyness. We are considered successful when we live in time-poverty to achieve financial wealth, but this isn’t always a smart move. There are seasons where we focus on building one area of wealth while only maintaining the others, but we should be thoughtful about this. The second key is to remember that all time is not the same. There are some times that are much more powerful for certain tasks or processes. Doing things in the right time leads to time wealth. Deep focus on one task is much more powerful than trying to do many things at once. The third key to time wealth is that more time is not necessarily better. There is a sweet spot. Too little time and we can’t enjoy ourselves. Too much and we feel bored and unfulfilled. Bloom summarizes time management techniques from popular personal productivity books. Prioritize, delegate, give yourself deadlines, etc.

Social wealth is important and easily overlooked. The Harvard Study of Adult Development, the longest running longitudinal study, found that social connections are the most important determinant of satisfaction, and that they even influence physical health. If you want to be happy, maintain close friendships. “The single greatest predictor of physical health at age 80 is relationship satisfaction at age 50.” (This hit home for me, as I will be turning fifty this year.) Bloom also stresses the value of spending time with your kids, stating that we have about ten years where we are the most important person in our children’s lives – their whole world. Then they start to develop outside friendships and interests that become important to them. If we lose the narrow window, we may never get another chance. “In twenty years, the only people who will remember that you worked late are your kids.” (This also hit home, as my son was born around the time I read this.) This does not mean we can’t work demanding jobs and have a good relationship with our children. It takes intentionality. Explain your work to your kids so they feel a part of it and understand when you do need to work late. Maximizing social wealth is best summarized by this great quote, “Happy people love people, use things, and worship the divine; unhappy people use people, love things, and worship themselves.”

Bloom defines mental wealth as being connected to a higher purpose and living according to that purpose. People with mental wealth have a growth mindset – they believe they can change for the better. They reflect on the past, but don't get stuck in it. A good method for self-improvement is to spend 30 minutes per day working on something for 30 straight days. Bloom suggests that of all the books we read, only a handful will truly change our lives, so we should reread those every year.

Physical wealth must be deliberately cultivated through a healthy lifestyle that includes exercise and nutrition. Bloom avoids the word “exercise” as if it is a dirty word, preferring the faddish phrase “move your body” as if that was synonymous. While moving throughout the day is important, simply walking to the bathroom is not enough for a high level of fitness. Bloom does recommend focusing on strength training, cardiovascular exercise and flexibility, but refers to them simply as “movement”.

Bloom warns against the illusion that we will be happy once we get a little more financial wealth. Many billionaires do not seem to be very happy and fulfilled. He noted that the ten richest people in the world, as of the writing of the book, had a total of 12 divorces among them. (He later updated this stat on LinkedIn to 13.) We have financial wealth when our lifestyle meets our expectations. If our expectations grow faster than our means, we will never get there. This is a trap. “When the future arrives, you just reset to the next material goal. It's natural, but it's a dangerous game, one that you will lose eventually. If you convince yourself that your satisfaction, fulfillment, and happiness are contingent on the next financial milestone – the next more, you will never find it.” Rather than focusing on having more, focus on blessing others. “Be frugal with yourself and generous with others.” Bloom also takes on the idea that hard work is overrated and that working smart is what matters. We need to work hard first, and then we figure out how to work smarter as we develop proficiency.

Conclusion: at times the book feels like an amalgamation of other popular books of recent years, but it does contain good wisdom that needs to be heard repeatedly. His key insight is that we have less time with our loved ones than it feels like we have, and our default lifestyle choices (perhaps imposed on us by our culture) do not necessarily serve our best interests. We need to consider what is truly important to us and then arrange our lives accordingly. The five types of wealth are somewhat arbitrary – one could come up with different categories – but the essential point is that focusing just on financial wealth misses other areas of wealth that are at least as important, and that financial wealth really only matters to the extent it enable these other areas.

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