

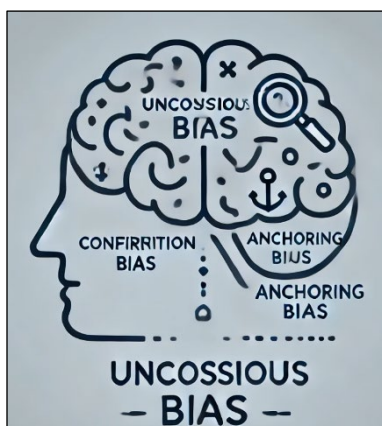
November 1st, 2024

Where Are Your Biases?

No, I'm not talking politics, though we'll cover a little on the election after the dust settles (hopefully) in a couple weeks. What I'm talking about is how our biases can affect our behavior as investors. Left unchecked, these biases can skew our judgment, clouding the path to optimal outcomes. Here's a look at some common forms of investor bias, along with some ways of combating their potential negative impact.

Confirmation Bias:

We often gravitate toward information that confirms pre-existing beliefs, tuning out contradictory data. It's tempting to focus on details that support a particular asset choice or market view, but doing so limits your ability to objectively evaluate risk. Keep in mind: just because information aligns with your thinking doesn't make it correct or relevant.



Overconfidence Bias:

There's a confidence boost that comes with success, but when it leads to overestimating our ability to predict the market or pick the "next big winner," it can backfire. Overconfidence can prompt us to take risks that aren't aligned with our financial goals. Self-awareness is the antidote.

Anchoring Bias:

Anchoring means relying heavily on the first piece of information we encounter, even if new, relevant data emerges or clinging to an initial valuation despite changes in a company's fundamentals. Stay flexible. Markets shift, and so should our perspectives. Instead of focusing on where a security or investment class "was" or where it "should be," concentrate on where it is today and how that fits into our broader strategy.

Loss Aversion:

Fear of loss is natural, but it can lead us to make emotional decisions that ultimately hurt performance. For instance, investors may hold onto underperforming stocks to avoid realizing a loss, hoping they'll "bounce back." Instead, take a hard look at whether these investments still fit within your financial goals...

Quote of the Day:

"Watching cable news should basically be taken in the same category as eating potato chips, by no means a huge deal but moderately unhealthy on net."

– Nate Silver

UPCOMING EVENTS

December 4 –

ALTIUS' Annual Holiday Client Event

TAKE A LOOK INSIDE

Where Are Your Biases?

Jenn's Jangle: Situational Awareness

ALTIUS' Capitalize Your Fridays Podcast is Back!

Don't Miss Out – Join Us at ALTIUS' Holiday Party

Math of Money: What's it Take?

Required Minimum Distribution Reminder

Taylor's Take: A Season of Harvest

Happy Halloween!

Where Are Your Biases? (cont.)

Recency Bias:

Recency bias occurs when we place too much weight on recent events. After a market rally, for example, some investors feel compelled to buy at highs, thinking it will continue. Or, following a dip, they avoid re-entry, fearing further losses. To counteract, step back and look at the bigger picture.

The truth is, we're all susceptible to bias. But by being vigilant and questioning our instincts, we can approach investment decisions with a clearer, more disciplined mind.

Jenn's Jangle: Situational Awareness

With so much of our focus on cybersecurity trying to keep up with advancing technology, I want to encourage *Situational Awareness*. With the decline of cash in today's world, wallets have been made a less desirable target, but all demographic boundaries and stereotypes are crossed in a crowd, and one thing we all have in common is a phone – which can potentially be more valuable than a wallet.

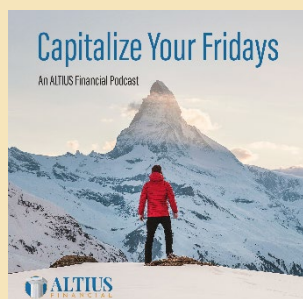
Be aware, pickpockets often work in groups and are highly active in tourist attractions, public transportation, restaurants/bars, and hotel lobbies. They can be stealthy but be mindful they can also use misdirection or distraction. Be cautious of big group scenarios and situations where something doesn't feel right.

Police departments only see petty larceny, but to the victim - the cost, time and worry come with aggravating grief of loss and violation. Spreading out your valuables in zippered pockets, money belts and using anchors when needed can be helpful in prevention. But more importantly, safeguard your phone by using location sharing, data/cloud backups, secure passwords (that you change frequently), and put locks on banking or other apps that have sensitive information. This should help prevent loss of data, photos, or funds in the case your phone is stolen.

Lastly, if your phone is stolen:

- Ask someone who has your phone's location to check it's location
- Lock your phone remotely
- Call your bank and lock your credit cards & any cash apps
- Call your cellular provider
- Change your passwords
- Contact your insurance company
- File a police report

Some of these steps may take time but be diligent in this very stressful situation. Have family or friends help if they can be as quick as possible to report this loss to keep your phone safe in a locked state as soon as possible to decrease the amount of damage the thief can cause with the sensitive information kept on the phone.



ALTIUS' Capitalize Your Fridays Podcast is Back!

After a hiatus while Taylor was on maternity leave and catching up on work, Mike and Taylor are back with ALTIUS' biweekly podcast: Capitalize Your Fridays. We're excited to have some new episodes coming soon including our Tax Loss Harvesting episode next week - so don't forget to capitalize your Fridays by tuning in!

Don't Miss Out – Join us at ALTIUS' Holiday Party

The holidays are right around the corner with Thanksgiving coming up fast. We know it's a busy time for everyone, but we would love to see you all at ALTIUS' Holiday Party on December 4th from 4:30-7:30pm.

We enjoyed seeing so many of you at our 25th Anniversary Party and we're excited to celebrate the holidays with you at the beginning of December. As this is the last 25th Anniversary year event, we want to finish out the year strong to share joy and cheer with our clients.

Make sure you join to receive a special ALTIUS gift at the Holiday Party to celebrate the end of ALTIUS' 25th Anniversary!

More details to follow. RSVP and stay tuned via [our website](#), or reach out to Jenn.



Math of Money: What's it Take?

Ever wonder what they mean by 1%er? Today, you need an annual income of \$788 thousand to crack the top 1% of wage earners in the US. Interestingly, Washington, DC has a higher income threshold than any state at \$1.21 million. West Virginia has the lowest hurdle to make the top 1% for their state at \$420 thousand.

How Many Billionaires Are There? The number of billionaires in the world as of 2024 is 2,781, up 141 from 2023. These billionaires combined are worth \$14.2 trillion, which is an increase of \$2 trillion from 2023. The U.S. has 813 billionaires, more than any other country. China, including Hong Kong, comes in second with 473. While it's a moving target and subject to their individual companies (often a firm they founded), today the richest billionaire in the world is a Frenchman, [Bernard Arnault](#), followed by [Elon Musk](#), and [Jeff Bezos](#).
(Source: SmartAsset)

Required Minimum Distribution Reminder

Has your 2024 Required Minimum Distribution (RMD) been satisfied? If you have not been in contact with Jenn to ensure you will not face tax penalties, please do so right away. If you are in need to set up standing instructions with another Non-Qualified Schwab Account (Individual, Joint or Trust) or a bank, please keep in mind these forms take time to get set up with Charles Schwab. There is also a day delay in moving funds.

Please don't wait any longer, call and take care of it with Jenn. She can also set it up to be taken care of before year end. If you are unsure your RMD was taken care of this year, it is an easy check in with Jenn!

Taylor's Take: A Season of Harvest



The weather is finally starting to cool off, which in Texas is an absolute blessing. The fall harvest often refers to gathering pumpkins & fall decor, cozy outfits, comforting foods, and looking forward to quality family time. It can also be a time of harvesting investments. While many people consider financial advisors as goal planners or trading experts, part of our role in managing your financial well-being is making decisions around when to “harvest” taxable gains (when a company may be close to fully valued) and taxable losses (possibly offsetting gains that were taken that year).

Capital gain/loss harvesting can make a significant difference in your portfolio, especially in terms of tax efficiency. Research suggests that tax-loss harvesting can generate what's known as “tax alpha,” which represents the additional return attributable to tax management strategies. Estimates of tax alpha typically range from 0.5% to 2% annually, depending on the market conditions and individual circumstances. Obviously, we need to pay attention to the “Wash Sale Rule” which disallows claiming a tax deduction if you repurchase the same or substantially identical security within 30 days, but you may notice more trading activity as we approach the year end and determine the best “harvest” strategy for each portfolio. If you're curious about tax loss harvesting, tune in to our upcoming ALTIUS podcast on Capitalize Your Fridays. If you have questions about your accounts- please don't hesitate to reach out! Happy harvest season!

Happy Halloween!

We hope your Halloween wasn't too spooky and, as I mentioned, in the next couple weeks we'll do a brief recap of the election results, the potential impact on the economy, the markets and more importantly our portfolios. In the meantime, take care and enjoy!

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