



"From Where I Sit ..."

A Personal Investment Testimonial!

Today (June 14, 2016) I received in the mail a free issue of a publication that had the hopeful expectation that I would take a subscription. It was a Special Edition for Summer 2016 titled BottomLine Personal. One article in the issue that caught my eye was entitled Warren Buffet's "Certain Advice for Uncertain Times."

The article cited four points of advice from the man Forbes Magazine ranks as the third richest person in the world. Although they were all good points, one of Buffet's point was: "*Realize that the market 'always' comes back.*" [Emphasis added.]

As a trustee with the CME Church Retirement Plan, I have continued to emphasize this point over the 14 years of my tenure as a General Officer. *The market has always come back.* Too many times, I have seen people overreact to a downturn in the market and, out of fear and desperation, have made some highly questionable adjustments in their portfolios. On other occasions, I have observed people, again out of the same fear and desperation, seek to "time" the market for getting back in and making new investments. Both of these approaches can be quite costly to an investment account. Granted everyone must make their own decisions about the investment over which they have charge, but in the end for each of us it is the bottom line that ultimately counts.



In 2003, with just a year under my belt as a General Officer, I opened a CME Retirement companion 403(b) account investing in Franklin Templeton Funds. Dr. Joseph C. Neal, Jr. (then General Secretary of Finance), as my financial advisor, recommended to me what became my investment allocation. Among the funds recommended was a R.E.I.T. (Real Estate Investment Trust) which is a type of security that invests in real estate through property or mortgages and often trades on major exchanges like a stock. For five years, until 2008, my 403(b) contributions continued to be invested in my allocation including the R.E.I.T. each month purchasing and accumulating more and more shares.

Then 2008 came along with the economic downturn that for me was primarily felt in the real estate market. I could have gotten out of my R.E.I.T. position and reinvested in another fund. However instead I made a decision to not only keep my R.E.I.T investment but to continue purchasing shares each month. Little did I know then that I was following another of Buffet's points of advice: "*Bad news is an investor's best friend.*" Although the shares that I had previously purchased declined significantly in value, the good news was that I could purchase double the number of shares each month now than I had previously and therefore continued to increase my overall number of shares. My decision was rooted in the belief that at some point in the future, before my retirement,



real estate would rebound and when it did ALL of my shares (those purchased before 2008 and those purchased afterward) would increase in value. And that is just what happened. A lucky guess ... maybe. A shrewd decision ... hopefully. But in the end, my bottom line proved that investment decisions must not be made based on fear

or desperation. These important decisions should be made after careful scrutiny and with a long-term plan in mind.

Now I'm not a financial advisor and neither am I certified to offer professional financial advice to anyone. I am only telling my story or my testimonial, if you will, and marveling at how a couple of my decisions have paralleled the advice of the third richest person in the world. I don't know what others may think, but somehow, I don't think I've done so bad. *Or at least that's the way it looks to me ...*"

"From Where I Sit"

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(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)