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# Did You Know...?

News you can use for your financial well-being

## March, 2007

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- ✓ Recent Market Volatility
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### Recent Market Volatility

The recent market volatility caused quite a stir, not so much for the magnitude of the decline (just over 6% at its worst levels), but more so because we hadn't experienced a sharp decline in a very long time (the 400+ point decline in the Dow on February 27 was the largest percentage decline in nearly three years). Much like the 4.0 earthquake we had a few weeks ago, ordinary and frequent events can have a much bigger psychological impact if it's been a while since the last occurrence (that little temblor made me jump out of bed!). As of March 19<sup>th</sup>, the stock markets were only down 1-2% for the year, and this readjustment in the marketplace from the "goldilocks" thinking to a more realistic/pessimistic sentiment is healthy and sets things up for second-half gains, much like last year.

### Are You Guilty of Financial Infidelity?

by Lorre Zuppan, President, branes, LLC

Did you know that half of all couples admit lying to their spouse about spending? Typically this financial infidelity is "white lie" spending, such as waiting for the right moment to bring out that new pair of shoes. After years of watching the spending of couples and businesses though, I'm not so sure it's our partners we lie to as much as it is ourselves.

Have you ever sat down to list your monthly inflows and outflows of cash? If you're like most, you end this exercise by puzzling about how all that extra cash flowed out. Whether your analysis reveals a bubbling brook or a raging river, these three tips will help you stay in control of the flow.

1. **Don't Copy Indiscriminately.** Committing to a spending plan that doesn't reflect your own values and priorities will leave you immensely unsatisfied, ultimately becoming worthless because it doesn't fulfill you to follow it. Whether it's cabernet or caviar you fancy, tailor your plan for what lights up your life, not to what someone else thinks you should have.
2. **Don't Deny, Replace.** Behaviorists tell us that bad habits aren't stopped; they're replaced with new behaviors. So don't focus on what you're going to deny yourself. Instead, focus on what new behavior or reward you'll use to replace it. Remember, it only takes 30 days to build a new habit.
3. **Build on Your Strengths, Everywhere Else Cheat.** We get what we focus on. Look for what you do well, and apply those abilities in other areas where you're not doing as well. And when all else fails, cheat. Don't bemoan your weaknesses. Use tools to make them moot. Balking on bills? Use a bill payment service. Recoiling from record-keeping? Download those transactions directly to a bookkeeping program.

Still not sure you can stay on track? Parents notice early on that whether intrinsic or as a bribe, the key to good behavior is reward.

So don't procrastinate. Forgive yourself for past transgressions, and get started today. You'll love the results.

Lorre Zuppan is the President of branes, LLC, where we help organizations struggling to unleash their potential. You can reach her at [zuppan@branes.com](mailto:zuppan@branes.com)

## SEI Select Advisor's Conference

While our greatest joy and most visible efforts is the work we do directly with you (the planning, strategizing, update meetings, etc.), we also do a great deal of research and learning on an ongoing basis that allows us to be at the forefront of offering you top-quality advice and solutions to meet your needs.

For example, I just returned from four days at the SEI Select Advisor's Conference in Southern California. The "SAC" conference is limited to SEI's top 200 advisory relationships throughout the world, so I was quite pleased to be included in this elite company. This was my third SAC conference, and while the amount of information I heard was too voluminous to share in this small space, here are some highlights of the agenda:

Saturday evening: dinner with SEI's Chief Investment Officer, who had just flown in from Hong Kong, so much first-hand information about the emerging markets conditions was shared

Sunday evening: dinner with SEI's founder and CEO, including broad overview of what SEI is doing to deliver better investments and services to clients like you

Monday: review meetings with SEI's heads of Global Equities and Global Fixed Income, discussing SEI's strategic thinking and portfolio design and performance

Tuesday: presentation of new "Distribution-Focused" portfolios designed to provide investors with a steady income in retirement, to be available later this year (potentially a phenomenal solution to the "how much income can I get from my investments" question)

Wednesday: review of upcoming service enhancements, including state tax withholding on IRA distributions, revamped statements, and new banking services including an FDIC-insured bank account linked to your investment account with free ATM and bill-pay features

We make investments of our time in learning experiences like this throughout the year, and much of the information you read in this newsletter or we discuss with you and use to your financial advantage comes from the fresh and insightful knowledge we gain through these experiences.

### **Timely Tidbits:**

- Look for a new page on our website, "What's New", coming online in April. This page, with a prominent link from our main page, will give you a quick way to see all of the timely info we have online.

**Quote of the month:** "I don't own a cell phone or a pager. I just hang around everyone I know, all the time. If someone wants to get a hold of me, they just say 'Mitch,' and I say 'what?' and turn my head slightly." **Mitch Hedberg** *American comedian (1968 - 2005)*

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