

Wasatch Capital Management Newsletter

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WCM Newsletter



New Year New Beginning

We hope that you all had a wonderful Holiday Season and a Happy New Year. We are ready to start this new year anew and help guide you through these markets.

2022 was a difficult for the markets and for many of you or those around you. We are so appreciative of the faith that you put in us at WCM and for your friendships. We do not take our position lightly.

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“Ben Franklin said, ‘An investment in knowledge pays the best interest.’ Let’s put 30% of your portfolio into publishing and 30% into education and 40% into research.”

DID YOU KNOW ?

Wasatch Capital Management website

Tax Loss Harvesting

This past year was a rough year in the markets. There were not many places to hide from the downturn. Being in a down turning market and end up having realized gains and a tax bill can be especially aggravating.

Item	YTD Change
S&P 500 Index	-19.44%
Dow Jones Ind Avg	-8.78%
EAFE Foreign Index	-16.29%
Emerging Market Index	-21.08%
Barclays Agg Bond Index	-21.79%
10-Year Inflation Forecast	2.30%
Unemployment Rate	3.7%

Many of you have noticed that we talked about and executed trades with Tax Loss Harvesting in mind.

In the coming months as you prepare to file your taxes or hand over your information to your CPA, understanding Tax Loss

Harvesting is very important. When selling investments to take advantage of Tax Loss Harvesting, just watch out for Wash Sales. If you want to understand Tax Loss Harvesting better you can ask your Financial Advisor in your next meeting.

Check out these [Five tips to avoid getting scammed at tax time.](#)

While we are familiar with the tax provisions of the issues presented herein, as Financial Advisors of RJA, we do not render advice on tax or legal matters. You should discuss tax or legal matters with appropriate professional.

If you have questions or need any assistance, please contact us at any time. As always, we look forward to speaking with you.

Chance Versus Informed Planning-

Article by Rees Peterson



While earning money, saving, and investing all involve taking a chance, those who conduct their business with the minimum of worry are people who minimize the possibility of adverse chance by planning ahead.

In business, and in living generally, there are some people who stake their capital, their talent and their time on the turn of circumstance; others use their talent to direct their capital and their time in an ordered way so as to gain the greatest chance of success.

The occasions when a person trips over a gold nugget, while strolling with their head in a cloud of wishful thinking, are few and far between. Indeed, making a living demands more and more that we watch not only where we are stepping at this moment, but what is coming up a half mile, or a mile ahead, next year, or ten years in the future.

It has been said that the gate of history turns on small hinges, and so do people's lives. We are constantly making small decisions, some of them apparently trivial. The total of these decisions finally determines the success, or failure of our lives.

This is why it is worthwhile to look ahead, to set a course, and so to be at least partly ready when the moment of decision comes. By anticipating events, we avoid mental confusion.

Informed planning is based upon the fact that phenomena do not occur singly. Every one comes preceded by many others, accompanied by many, and followed by many. The cause-and-effect relationship of things is paramount among the natural laws.

Chance in history

It is futile, but nevertheless interesting, to speculate on what might have happened if chance had not played a role in these events:

- For the Allied soldiers in 1940, forced into a pocket at Dunkirk by Hitler's soldiers, the hinge of history was an unseasonable fog that allowed 300,000 men to be evacuated to England, thus turning the tide of history in favor of the West.

Joseph Dombey was a French botanist who, in 1794, was on his way to Philadelphia to meet with first US Secretary of State, Thomas Jefferson. At the behest of the French government, Dombey was carrying with him rare cargo—a set of measurement standards called a meter and a kilogram (back then still known as a grave). Jefferson was keen to persuade Americans to adopt the French measurements, which later formed the basis for the metric system. So were many people in Congress eager to get rid of the British measurements. Having the standards presented by a respected scientist such as Dombey should have made it an easy task. Unfortunately, Dombey never made it to Philadelphia, as his ship was captured by pirates.[6] He tried to disguise himself as a Spanish sailor, but his accent and his poor understanding of the language gave him away.

- The pirates took him to Montserrat to ransom him to the French government. However, Dombey died in captivity. It would be another century before the US government adopted the metric system under the Mendenhall Order of 1893. Even today, however, most Americans are more familiar with the British Imperial units of measurement.

While Napoleon's determination to invade England in 1804 has been derided as overly ambitious, what if Robert Fulton's offer to outfit a steam-driven fleet had not become buried in committee? Fulton wrote to Napoleon: "I can remove the obstacles (wind and storm) which protect your enemies, and, notwithstanding his fleet, transport your armies to his territory at any time and within a few hours." Napoleon sent the proposal to his Minister of the Interior for instant examination by a special committee, with a covering letter in which he said the project "may change the whole face of the world." Nothing happened.

The Benefits of Planning

While chance happenings are a part of life, we should still take the steps necessary to bring about the end result we desire. By planning ahead, we become proactive and foresee issues, or road blocks that may come in our way.

There are several reasons why someone should begin financial planning as early as possible:

- **Time is on your side:** The earlier you start financial planning, the more time you have to save and invest for your future financial goals. This means that you can take advantage of the power of compound interest, which can significantly increase your wealth over time.
- **You can better prepare for unexpected expenses:** Financial planning helps you anticipate and prepare for unexpected expenses, such as an emergency home repair or a medical bill. By saving and investing now, you can have a financial cushion to fall back on in case of unexpected expenses.
- **You can make informed decisions about your finances:** Financial planning allows you to understand your financial situation and make informed decisions about how to allocate your resources. This can help you achieve your financial goals and live the life you want.
- **You can reduce stress and worry:** Financial planning can reduce stress and worry by giving you a clear plan for managing your finances and achieving your goals. When you have a solid financial plan in place, you can feel more in control of your financial future.

Over the past two years, in the depths of COVID-19 uncertainty, I shared this axiom with my family: "Action is the antidote to anxiety".

There is no avoiding the plain truth that chance does play a part in our lives. This was illustrated by the historical incidents. We are compelled to follow circumstances imposed upon us by our environment. While informed planning does not necessarily allow us to foresee potential issues, proper risk management in planning entails looking ahead to attempt to identify potential hazards and perils. As in a game of chess, we modify our tactics to meet those of our opponent.

Wise individuals prepare and plan their future. They take all the measures necessary to influence and ensure the fulfilment of their aims. They don't travel bumper to bumper, but keep their eyes on the road far enough ahead to anticipate and avoid trouble.

If you don't have a LifePath Plan with Wasatch Capital Management, call your Financial Advisor today and schedule an appointment to begin the discovery process. As a client, you benefit from our in-house research and the knowledgeable guidance of an extensively trained, experienced team who will work to do the following:

- Understand your needs - The process begins with getting to know you and your family while gathering information about your current situation, concerns and long-term goals.
- Design a comprehensive plan - Your custom financial plan is created, factoring in your time horizon and risk tolerance.
- Implement your plan - Your advisor puts your plan into action while working with other relevant professionals, such as a Raymond James specialist or your attorney or CPA, as needed.
- Manage your plan - Your financial plan is designed to evolve with you.

Financial planning is an ongoing process and it's essential to review the progress of your investments within the context of your goals, adjusting as necessary.

Rees Petersen, MBA, CFA

WCM Team This Month



Stan

Four generations together for Christmas

Jessica

Jessica and her family enjoying some time on the ice.



Reed

Reed hitting the slopes with the grandkids.



Nicola

Having a great time with family.

Rees

Rees and family at the "Friends" fountain on the Warner Brothers set



Matt

Family Holiday photo





John

John and his friend Wayne at MN Vikings Wildcard game this month.

Jon

Starting up rugby in this new year with Tai and his team.



WASATCH

CAPITAL MANAGEMENT OF

RAYMOND JAMES®

Stan Goodell, CFP®, Managing Director - Investments | 385-275-3792

Rees Petersen, CFA®, Vice President - Investments | 385-275-3607

John Clower, CFA®, Vice President - Investments | 385-275-3590

Reed Grant, Financial Advisor | 385-275-3797

John Bergerson, CFA®, MBA, Investment Portfolio Associate | 385-275-3608

Matt Brunner, Financial Advisor | 385-275-3795

Jon Metcalfe, MBA, Senior Registered Client Service Associate | 385-275-3793

Nicola Rand, Practice Business Manager | 385-275-3585

Susan Jackey, Senior Client Service Associate | 385-275-3799

Jessica Hymel, Senior Registered Client Service Associate | 385-275-3796

2750 E Cottonwood Parkway, Suite 520, Cottonwood Heights, UT 84121

1389 Center Drive, Suite 200, Park City, UT 84098

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