

A stone statue of the Roman god Janus, featuring two heads facing opposite directions. The background is a warm orange with faint, stylized patterns.

Looking Back

The Roman god Janus is depicted with two heads facing opposite directions, one looking back at events in history, and the other looking forward to the events yet to come. This is certainly a good metaphor for an investor's mindset as we move through time.



The past three years have brought us historic market volatility and shocking economic news. We've seen the market lose more than half its value in less than 18 months, and then climb back 85% toward the October 2007 highs. Washington has unleashed spending with 12 zeros attached. Some institutions of Wall Street once thought indomitable no longer exist.

What does it all mean? How will shifting global economic power impact my investments? What news and which forecasts should I heed as insightful or even predictive, and what should I discard as sensationalism? Do the old adages and conventional wisdom still hold water? How do I navigate these new waters with discipline and foresight? These are the questions with which I grapple continuously, with your portfolio in mind.

Perhaps the biggest challenge in this game called investing is making forward-looking decisions with only a rear-view mirror as a guide. We've all read the disclaimer, "Historical results do not guarantee future performance." While I don't have any crystal ball to answer the questions above, I am constantly reviewing market news, industry analysis, reviews of particular investments, and statistical data to manage your risk-reward ratios and to gauge trajectories of your nest egg, and of the available alternatives.

There's always plenty of pain in the past to dim our view of the future, but there are also encouraging signs that, when coupled with the analysis of the past, can provide a reasonably hopeful outlook for the future. Take a look at the back inside cover for some interesting detail on one metric I use to evaluate investment options.

Sincerely,

A handwritten signature in black ink that reads "John".

John D. VanDyke

A close-up of a calendar grid with numbers. The number 31 is highlighted in red. The background is a warm orange with faint, stylized patterns.

Looking Ahead