



FINANCIAL SERVICES ADVISORY

I N C O R P O R A T E D

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The Mayan Calendar and the Future

November Market Review From Your Portfolio Management Team—December 7, 2012

As if we didn't have enough problems to worry about, the media has picked up on the catastrophe to end all catastrophes—according to the ancient Mayan calendar (at least as some interpret it) the world will end on December 21, 2012. That's right—come to an end. No sense contributing to your 401k plans or saving for a rainy day, as the rainy days will come to an abrupt end in less than 2 weeks. No doubt there will be many “End of the World” parties as we approach that day. Of course, most scientists argue that the date merely represents the end of their calendar cycle, not the end of the world.

It is amazing how quickly we give credibility to ideas that are extreme, often without seriously studying the facts behind the ideas. Sometimes, the more outlandish the idea, the more willing we are to consider it or spread the idea to those we know. Usually the truth is far less spectacular than the rumors would have us believe. There is a good lesson for all of us to filter out the spectacular, especially when it impacts major parts of one's livelihood, such as the health of one's family, or home, or retirement nest egg.

Remember all the hysteria that surrounded what would happen to computers and electronic circuits after New Year's Eve 1999—the so-called Y2K bug. Many were convinced that the electronic world would grind to a halt on January 1, 2000, and yet, there were virtually no hiccups as the world moved comfortably into the new millennium. There was a tremendous amount of energy and money spent on this issue, and no doubt those efforts helped keep things working effectively; however, the world was obsessed over this issue in the late nineties, and much of the hysteria was unfounded.

Whether it's the Y2K bug, or the end of the world, or even the Fiscal Cliff, it is important to separate the ‘what is’ from the ‘what might be.’ Since no one knows the future we can only remember the past, observe the present, and try to make inferences and guesses about what the future may bring. That is why, at FSA, we spend so little time trying to predict the future; we merely react to the current conditions. We believe that the current prices of securities reflect the best information about the future prospects of that security. Securities that are moving higher reflect confidence by investors and that is where we want to focus our holdings. If there is some unexpected change in the information available that negatively affects prices, we have the FSA Safety Net® in place to help minimize the damage.

Assuming the world moves beyond December 21, we would like to extend our warmest wishes for a wonderful holiday season. We are truly thankful for your partnership and trust over the past year. And we look forward to a healthy and successful year in 2013.