

#### A Note from our Founder

The end of March was a beginning for One Day In July: we opened our second physical office. We are now gracing the great state of New Hampshire with our presence.

Paul Barry helms the ship in Portsmouth, and I couldn't be more confident. With 27 years in the financial industry behind him, Paul has seen it all. I'm not sure he wanted to see it all, but he has.

Beyond his unbridled passion for indexing, two of Paul's characteristics stand out: he cares more about ethics than money, and he works insanely hard for clients, at any hour of the day, any day of the week. Paul's industrious nature allows me to relax at coffee shops and stroll along the waterfront in Portsmouth, so I'm quite happy with the arrangement.

To reach Paul, call (603) 531-3773 or email paul@onedayinjuly.com.

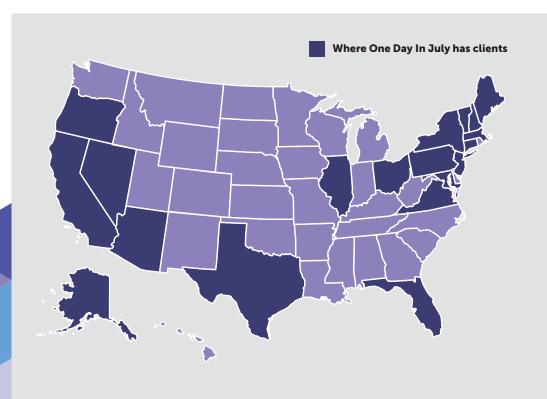
~ Dan Cunnnigham

p.s. Paul competed on Jeopardy years ago. Challenge him to a trivia match at your peril.

## Just to clarify.

While our ground operations are based in two states, our clients now, and those in the process of joining, inhabit nineteen. Roughly 20% of clients we have never met in person. We're still pretty nice to that group on the phone though.

We can accept clients in all 50 states pursuant to each state's regulatory restrictions with the exception of Louisiana. By midsummer we should have clearance in Louisiana as well. My wife is from New Orleans – there's no way I'm leaving Cajun Country out of our crusade.



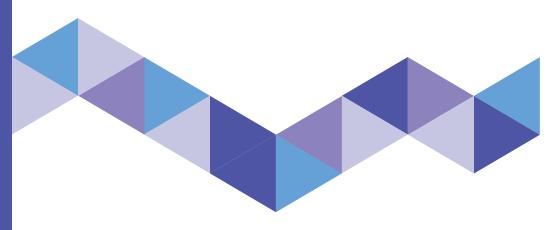
"Time is your friend and impulse is your enemy. It's the market return that's going to be your **best investment for a lifetime.**"

# A treatise on volatility.

Well, maybe not a treatise (sometimes I have big dreams with my titles, then realize the page size of this booklet). But you've probably noticed the markets are bouncing around more this year than the last two. Arguably this behavior is a return to normality.

Volatility creates greater spreads between high and low performing indexes, assisting our rebalancing efforts in our quest to buy shares priced low. In most cases volatility helps our models.

Keep in mind that Warren Buffett has described markets as a voting machine in the short term and a weighing machine in the long term.



### Control.

Markets are beyond anyone's control. And contrary to the messaging from much of the financial industry and news media, they are not predictable. Focusing on something that is important but not controllable is a recipe for anxiety.

Instead, pay attention to the factors that are controllable. These are:

- Asset class exposure: what is owned, and the historical risk profile of those assets.
- **Fees and expenses:** generally lower is better.
- **Timing of investments:** when investments are bought and sold.
- **Information intake:** how often the investor views performance.

The perception of control is enhanced by financial media. It's the sense that, if you watch it, you can control it. Max Planck, the late German physicist, would frown on this behavior, arguing that the act of observing something does not change the observed item in any way.

### A Paradox.

As an investor, if you are confident in your investment model, ignoring the markets and the day to day or even year to year performance likely will lead to better long term results. It likely will reduce anxiety and behavioral error.

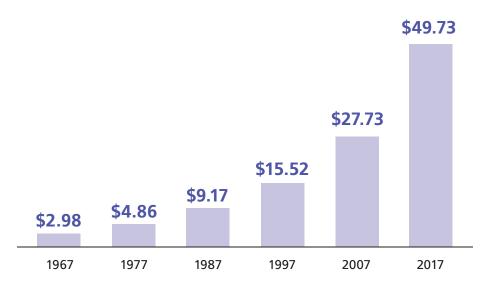
However, there are two areas where you always want to pay close attention:

- 1. Be vigilant that money is not leaving your account unexpectedly. This is a good security cross-check.
- 2. Watch how your advisors and fund managers are being paid, and how they construct their investment approach.



## Historical S&P 500 Dividends.

The S&P 500 is an index of the 500 largest public corporations in America. Below are the dividends paid, per share, stretching back 5 decades (not adjusted for inflation). Dividends from the S&P 500 have only declined in 6 years since 1960. Stock dividends help to protect against inflation.



Source: Aswath Damodarn, NY Stern School, Bloomberg Data

# **Sector Weightings.**

#### The industries that make up the S&P 500:

9	% OF INDEX
Technology	22.16
Financial Services	16.91
Healthcare	13.91
Consumer Cyclical	11.73
Industries	10.64
Consumer Defensive	7.83
Energy	5.74
Communication Services	3.29
Utilities	2.86
Basic Materials	2.68
Real Estate	2.25

Notice the dominant weight of the technology sector. From time to time, this happens. In the 1980's energy was dominant, a decade ago financials reigned supreme.

Source: Morningstar data as of 3/31/2018

"The ability to focus attention on important things is one of the defining characteristics of intelligence. Failure to focus attention on proper things is also one of the most common characteristics of human judgment errors."





# Simple for You.

At One Day In July, we strive to emulate the Google search engine by presenting a front-end that is simple and understandable for clients (think about how simple the search box is), yet under the hood accomplishes objectives that are difficult but meaningful (consider the complexity of "crawling" and categorizing the Internet).

One Day In July LLC is a Vermont and New Hampshire registered investment advisor. We accept clients in VT, NH, and the other 48 states pursuant to each state's regulatory restrictions. There are no quarantees of actual return. Investments may lose value. Content and statements made here are for educational purposes only and do not constitute investment advice or an offer to buy or sell any security.

