



January 12, 2017

## The Year of the Monkey

*"We live, my dear soul, in an age of trial. What will be the consequence, I know not."*

-John Adams to Abigail Adams, 1774

John Adams' words, written 243 years ago, appear to substantiate the claim that history repeats itself. Today, many Americans are concerned about the consequences of the current domestic and international environment, however you personally define them.

In no particular order, I have composed a selection of events that we, as a nation, have experienced during the past two plus centuries:

*The War of 1812*

*The Civil War*

*World War I*

*World War II*

*The Korean War*

*The Vietnam Conflict*

*The Iraq War*

*The War in Afghanistan*

*The Mount Tambora Explosion*

*The Industrial Revolution*

*Tsar Alexander's Assassination*

*The Irish Potato Famine*

*The Abolition of Slavery*

*First Transcontinental Railroad*

*The Great Railroad Strike*

*The Assassination of Lincoln*

*The Assassination of Garfield*

*The Assassination of Kennedy*

*The Assassination of McKinley*

*The Holocaust*

*The Great Depression*

*The Great Recession*

We have not only weathered these events, but we have survived and flourished.

### Wealth of Billionaires

Bloomberg News reports that as of December 27, 2016, for the year, the wealth of the world's billionaires had increased 5.7%<sup>1</sup>. No small potatoes in dollar terms. We are pleased to report that the DFA Global 60/40 Portfolio (DGSIX) finished up 9.2% for the year<sup>2</sup>. It doesn't take extraordinary resources already at your disposal to build wealth. Simple discipline and patience has proven to be effective throughout history.

### Emerging Markets

The suite of Dimensional Emerging Market portfolios (DFEMX, DFEVX, DEMSX, and DFCEX) all experienced double-digit gains in 2016<sup>3</sup>. This comes after several years of lackluster performance from

the emerging markets asset class. We have long heralded the need for a diversified portfolio that includes all global markets. Despite what active mutual and hedge fund managers would like you to believe, no one knows what sector or asset class will be the next big performer or when it will happen. Taking a diversified approach to a portfolio allows returns to be captured wherever and whenever they occur.

### **The Year of the Monkey**

Well, that was 2016. A lot happened last year. 2017 is the Year of the Rooster. It seems fitting as we are certain to hear much crowing about the coming good/bad times.

We believe that 2017, or at least a good portion of it, should be the year of financial planning. The new Congress may (or may not) make significant changes in existing laws affecting income tax, mortgage deductions, estate planning, capital gains and numerous other items. Our job is to help position our clients to succeed, whatever may come down the pike.

We remain optimistic about this New Year and *an age of trial*.

Best wishes to each of you in the Year of the Rooster.

John, Derek, Jon, & Stacie

<sup>1</sup> Metcalf, Tom & Witzig, Jack. "The World's Richest Made \$237 Billion This Year," Bloomberg, December 28, 2016.

<sup>2</sup> Source: Dimensional Fund Advisors, as of 12/31/2016.

<sup>3</sup> Source: Dimensional Fund Advisors, as of 12/31/2016.

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