

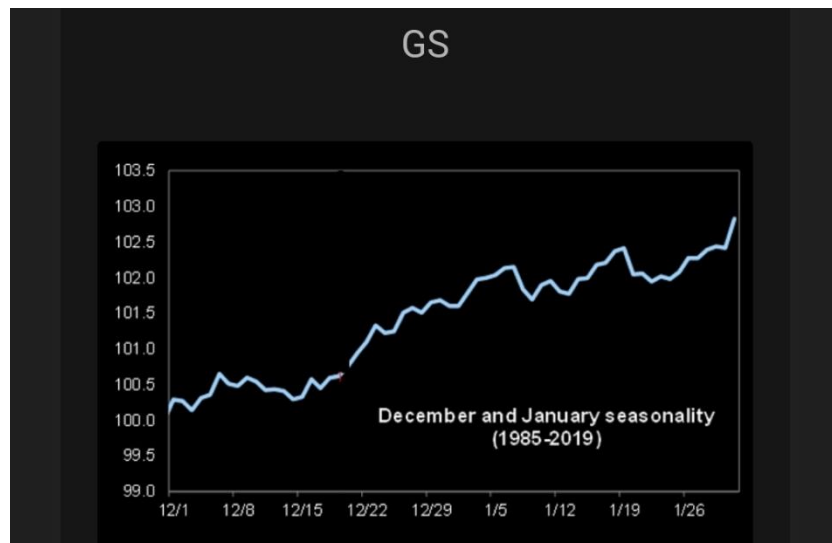


When my 5 siblings and I were young (and even when we became young adults), something to which we eagerly looked forward was the annual Christmas cash from my great Uncle Benjamin Rabe and Aunt Mary Rabe. Uncle Ben was an architect of some renown in Southern California and an artist who's paintings can be found for sale on Ebay (<https://www.ebay.com/itm/372691733608>). Aunt Mary was also an accomplished artist and sculptor. One of my favorite pieces of hers, which is prominently displayed by the front door in our home, is called "Sinuosity." My Uncle Ben had another name for it and we will let that pass for another time.

The two of them had no children, while he had a successful career earning large commissions building city halls, professional buildings and the like. Additionally, they both inherited sizable estates from their parents, so they were loaded and always sent \$20 (which increased over time to \$100) every year to all 11 of their grand

nieces and nephews from the early 60s until he passed in 2000. Each of us would receive an individual envelope which would be addressed "Master Thomas B. Paine" or "Madam ..." in formal handwritten script with a card inside. There was never a handwritten note other than "M.C. & H.N.Y" – Merry Christmas and Happy New Year. We never worried much about that as \$20 was a huge amount of money for an 8 or 10 year old in the 60s. Other than comic books, I don't remember much of what we bought, but I know we spent it happily.

(As a side note, unfortunately, my Uncle and Aunt had a poor attorney who failed to advise them properly on how to plan their estate and 55% of it was lost to the heirs due to estate taxes (take note those with large estates). I, and the rest of the grandnieces/nephews were to each get \$100k which turned into \$30k after the "generation skipping" tax was applied. Various family members suddenly became vocal opponents of estate taxes.)



I'm not going to go into any long details on the stock/bond markets other than to say the "Seasonality" or "Santa Claus" effect of markets going up in December (see graph showing average gains for Dec-Jan) seems to have taken hold and most of what was lost in the drops in late Nov and middle Dec has been recovered (as I type on Dec 29th). While we have been pretty aggressive lately in our accounts at Nationwide, I anticipate reducing those allocations in the coming weeks or month. I remain of the mindset 2022 will, overall, be another good year in the stock markets and I think it will be fairly volatile, much more so than 2021, with a distinct possibility of a 10% - 15% drop in the late winter/early spring.

You may recall the note I sent around Nov 9th (<http://www.tacticaladvisoryservices.com/11.09.2021%20Market%20Update.pdf>) wherein I discussed my long term thoughts on the next 18-24 months. While I believe there will be gains in 2022, I am not a Pollyanna and will be writing more about preserving assets as time goes by. I think we all know, freely borrowing money at the gargantuan scale of the last 2 years eventually will have negative consequences. Sometimes it takes longer than we think, but they will happen. We will be prepared.

I wish you a (belated) M.C. & H.N.Y.

Thomas B. Paine

Paine Financial Services

www.tacticaladvisoryservices.com

Centaurus Financial Inc.

6627-A Bay Laurel Pl

Avila Beach, CA 93424

805-473-6679

805-258-5476 (fax)

Supervisory Branch Office: 1186 E. Grand Ave., Arroyo Grande CA 93420; 805-473-6670

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