SATURDAY MORNING LIVE FOR DECEMBER 9, 2017 ~
"WE'RE LIVE – WE'RE ABOUT LIBERTY – WE'RE FOCUSED ON YOU!"

Today's Show:

Part 1: Kris Halterman will talk to EJ Ledet about how Whatcom County is proposing to "fix" Lake Whatcom.

Part 2: Kris Halterman will interview Jacob Deschenes, ERA Capital CEO, about what people should know about the coming tax changes, what steps they should be taking now to be ready for the end of the year which will benefit them economically, and a brief discussion on "what is a bitcoin?"

LIBERTY ALERTS:

Conversation with EJ Ledet on:
Action taken by the WC Council to create a new "special taxing district" in the Lake Whatcom Watershed.

Additional information received from Beneficiaries and studies of before-and-after the use of Clean Flo.

Teaser on next week's program. What doesn't the EPA test for in your water and how can we disinfect our potable water without exposing us to THM?

COMMON CENTS:

The need to make-a-financial plan and stick to it are fundamental tools to ensure that your economic security is in place for the soon-to-be days of full or semi-retirement.

Today we have so many opportunities to save and invest with personal investment tools online, or through a qualified investment firm.

Over the past two-decades the stock market has been on a steep trajectory upwards, with a few bumps in the road. Over the previous decade there was a lot of speculation about why this was happening. And, of late there has been what-some-would-call a Make-America-Great-Again resurgence in real growth in America.

All of this can leave the non-professional investor feeling queasy when trying to sort through all the data and leave you sleepless at night. Investing well should never be done emotionally, but how best can you take the emotion out of it?

Get yourself a financial advisor or data-system that will do it for you.

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Key things to know about the proposed tax changes:

Who will benefit?
How will they benefit?
When will this likely take place? 2018 or retroactive to 2017?
Changes instore for retirement and investment planning?

What should taxpayers know on how to prepare for their end of the year? Timelines? Tax deferment amounts?

What is a bitcoin? How is it used? What are the risks?

FORBES: A Common-Sense Defense of Active Investing

The *Financial Times'* *The End of Active Investing* is a typical example of how extensive the coverage has been. The author, Charles D. Ellis, wrote extensively about the past ten-year performance of active funds failing to beat their indexes: more than 80% trailed. He also noted that 40% of active funds performed so badly that they simply closed-down over the same ten-year period. The result of this extensive, polarized coverage is enough to make a contrarian excited.

There are multiple ways to continue analyzing this topic. The quants spend a great deal of time on "factor analysis," artificial intelligence and other mathematical improvements that they claim are enhancing their understanding of how markets work. The indexers focus on a "new age" of instantaneous information that purportedly makes fundamental analysis obsolete. Economists still assume stocks are valued at their clearing prices determined by seeking equilibrium between buyers and sellers. All the while, the ranks of the fundamental analysts quietly dwindle. BlackRock's recent strategy shift to deemphasizing active investing is a timely example of the latter. The current environment is so against fundamental analysis that it appears to be unprecedented.

I think the pendulum has swung excessively too far in the indexers' favor. I have not always thought this. In fact, I even opined about this topic in this very column about a sort of "cyclicality" of tradeoff between active and passive styles, reasoning that neither one is permanent. But this time there appears to be no public support for the concept of such cyclicality. My thoughts about this topic have evolved, and a different approach is needed to understand how we arrived at the current narrative. Instead of revisiting the statistics that have been over-analyzed, let's consider something more refreshing and intuitive: common sense.

Passive investing is based on the concept that markets are extremely efficient in price discovery. That is, all stocks are priced from the information publicly available, and are thus valued correctly. Investors call this the "semi-strong form" of market efficiency. It simply means that a stock's current price reflects all public information, and that neither fundamental nor technical analysis can lead to discovering undervalued (or overvalued) stocks. The only way investors could benefit would be from exploiting non-public information. Imbedded in the semi-strong form concept is a subtle but profound implication. *It implies that our abilities of critical judgment and interpretation of information are perfect.* But think about it for a moment; there is a big difference between raw data/information and the intelligent, insightful interpretation of raw data.