



Eastwood

WEALTH

2019 Annual Letter

I hope this finds you and your family doing well! In the late 1950s, several teenagers from England formed a high school band playing skiffle, a mix of blues, jazz and folk music. They had a persevering leader while the rest of the band was a revolving door. As they worked to establish their identity, the band's name was almost as fluid as the bandmates themselves. Early on, they were known as The Blackjacks, The Quarrymen and Johnny and the Moondogs. A nucleus eventually formed combining the talents of a 17, 16 and 15-year-old. All three members played the guitar, and the group branched out into rock and roll when they could find a drummer. By January of 1960, they found a drummer and, as a tribute to Buddy Holly and the Crickets, called themselves the Beatals before transitioning to the Silver Beetles then the Silver Beatles.

In the Summer of 1960, the band 'landed' in Hamburg, Germany. At this time, they were known by the name that would change music history forever: The Beatles. As they spent more time together, their skills improved and slowly a base of followers began to form. According to Malcolm Gladwell's book *Outliers* the band traveled to Hamburg five times between 1960 and 1962. Gladwell states, "On the first trip, they played 106 nights, five or more hours a night. On their second trip, they play 92 times. On their third trip, they played 48 times, for a total of 172 hours on stage. The last two Hamburg visits in 1962 totaled another 90 hours performing. All told, they played for 270 nights in just over a year and a half. By the time they had their first burst of success in 1964, they had performed live an estimated 1,200 times. Most bands don't perform 1,200 times in their entire career."

The groundwork had been laid well before The Beatles landed in New York City and played the Ed Sullivan Show in February of 1964. They were simply reaping the harvest of well sown seeds from prior years. Neurologist Daniel Levitin¹ states, "The emerging picture from such studies is that 10,000 hours of practice is required to achieve the level of mastery associated with being a world-class expert-in anything. In study after study, of composers, basketball players, fiction writers, ice skaters, concert pianists, chess players, master criminals, and what you have, this number comes up again and again. It seems to take the brain this long to assimilate all that it needs to know to achieve true mastery."

Twenty years ago last month, as a senior at East Carolina University, I was given the opportunity to begin my life's work of helping others with their financial planning and investment management. That Fall, I completed one job application and here we are two decades later. I remember being in such a hurry to finish college though all I have done since graduating is study and apply. I think Warren Buffett is right, "The best investment you can make is the one in yourself."

I think about time and apply its utility at Eastwood Wealth daily. In a world of instant gratification, I feel best served by thinking without finish lines. I have put in multiples of the 10,000 hour rule, but do not feel like a master of anything. There is always more to learn and work to do. However, I do feel that the deep investment of time, education and experience has led to a level of expertise and emotional centeredness that could not be gained otherwise.

Over the years, the main thread present in familial situations has been the pursuit of a specific and desired quality of life. I have found there are few paths shorter, and less encumbered, to a preferred destination than knowing oneself and what matters most. Consequently, I have found there is little more expensive, on many fronts, than one not knowing themselves and what matters most. Once the unknowns are known and mental debris is cleared, a defined plan of action can be formulated to pursue desires with relentless vigor. Today's vision precedes tomorrow's quality of life.

In 2002, Daniel Kahneman PhD, a psychologist that has reportedly never taken an economics course, was awarded the Nobel Prize in Economics. He surmised that investors enjoyed better results over time by making less investment decisions. A simple theory that works extremely well in practice. Investors who are using the equity markets to pursue their long-term goals should do just that and leave them alone. The results of doing so will not be a straight line up. In fact, at times, it can feel like you are taking the stairs up and the elevator down. Over a longer period of time the trajectory has been up and the markets have grown as the world grows. In due time, we will one day likely wish that we could buy at today's levels rather than discounting their current perceived loftiness.

Trying to time the financial markets is a losing game. If by chance, because that is what it would be, someone is fortunate enough to time it right once, they are then faced with having to do it again to get back in or out. If this pace could be kept up over time, they would be the first person to do it successfully in the history of the world as we know it. Thankfully, timing the markets is not required to achieve results over time. You have to be invested and ride out the normal ups and downs that occur. A simple, but not easy, practice. A savvy course would be to sit tight and cushion the downside in ways that can be controlled with proper planning. This avenue is much more important in creating positive outcomes. We should hold ourselves accountable rather than looking to the markets for a fall guy. Our future lifestyle could very well depend on it. There is too much living to do, too little time to do it in and too much riding on the outcome to do otherwise. Anything less is not investing.

Today, I feel that time is of the essence. Time is deceptive as we do not know the earthly boundaries it has for us. The mind makes us think we have plenty which is a figment of our imagination. Every day is a gift and it counts, whether we make it so or not. I encourage you to seize the day like never before in 2020 and enjoy the vibrant abundance that unfolds because of it. Figure out what matters most, control what you what you can control and let what you can't control help get you to the promised land over time.

As in years past, Eastwood Wealth has made a donation to several charities in your honor. First, to The Good Shepherd Center of Wilmington who continues to do wonderful work throughout southeastern North Carolina. We continue to prepare and serve dinner to those in need if you are ever interested in joining us. Second, is New Hanover Regional Medical Center's first lifestyle program, Lifestyle Reset, for prevention of chronic disease and enhancement of health and wellness. The focus is to eat well, move more, stress less and love more. Last, to the American Red Cross who is continuing to provide relief to hurricane impacted areas. I hope you will consider making a service or monetary contribution, of any amount, to someone or something that is near and dear to you during this season of thankfulness.

As always, thank you for being a part of the Eastwood Wealth family and for allowing us to be a part of yours. We hope your 2019 holiday season is the best ever and look forward to a prosperous 2020! By the way, John Lennon would have turned 80 years old on October 9, 2020. Where has all the time gone?

Best,

A handwritten signature in black ink that reads "Tim". The letters are cursive and fluid.

Tim Evans CFP® CLTC
Founder

The opinions expressed in this material do not necessarily reflect the views of LPL Financial

¹ Outliers, Malcolm Gladwell, 2008

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