

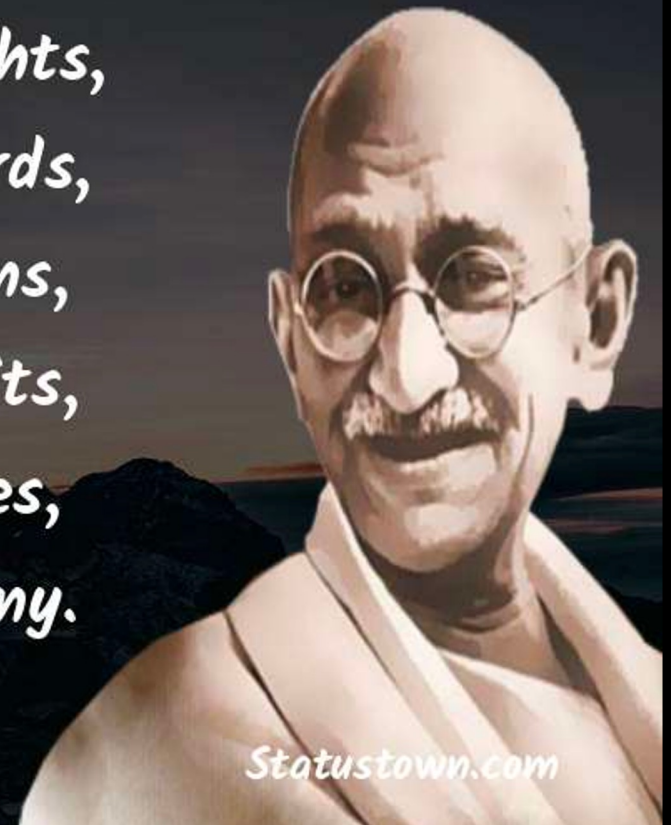
Invest like Family Physicians care for their patients

The power of Range

Misbah Keen, MD

*Your Beliefs Become Your Thoughts,
Your Thoughts Become Your Words,
Your Words Become Your Actions,
Your Actions Become Your Habits,
Your Habits Become Your Values,
Your Values Become Your Destiny.*

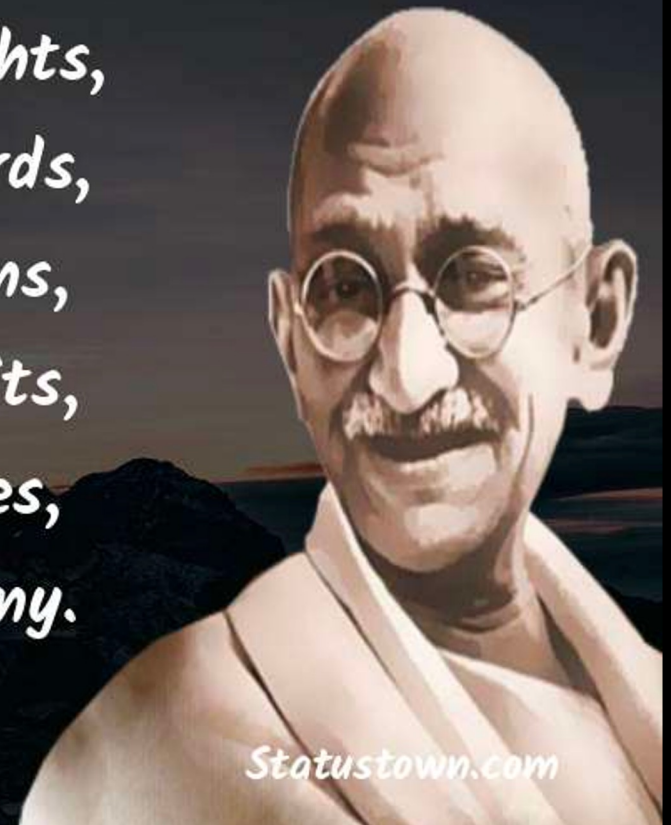
~ MAHATMA GANDHI ~



Statustown.com

*Your Beliefs Become Your Thoughts,
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Your Actions Become Your Habits,
Your Habits Become Your Values,
Your Values Become Your Destiny.*

~ MAHATMA GANDHI ~



Statustown.com

Beliefs determine Actions

Assumptions

- Little to no debt except mortgage
- Have been saving at least 10% (15 to 20% optimally)
- Familiarity with basic investment concepts.
- Have a rainy-day fund.
- Know how to invest in human capital.
- Know the hierarchy of saving.
 - Maximize match
 - Health Saving Accounts
 - Take advantage of Tax benefits

Pretest
Probability



Test



Post Test
Probability





It's Open Enrollment Season. Have You Taken a Good Look at an HSA?

For high-income investors, the high-deductible healthcare plan/HSA combo is close to a no-brainer.



Christine Benz • Oct 27, 2023

Share [↗](#)



only 50%

of those with an HSA contributed to it,



only 14%

of HSA owners contributed the maximum statutory amount,



and only 5%

of HSA owners hold assets other than cash, suggesting that few people take advantage of the account's long-term investing benefits.

Cost Comparison - 2024 Family Plan

- **Traditional UMP Classic**

- Premium per month: \$341
- Premium per year: **\$4092**

- Deductible: **\$750**

After the deductible is met, both plans have similar coverage, but CDHP has a higher out-of-pocket maximum.

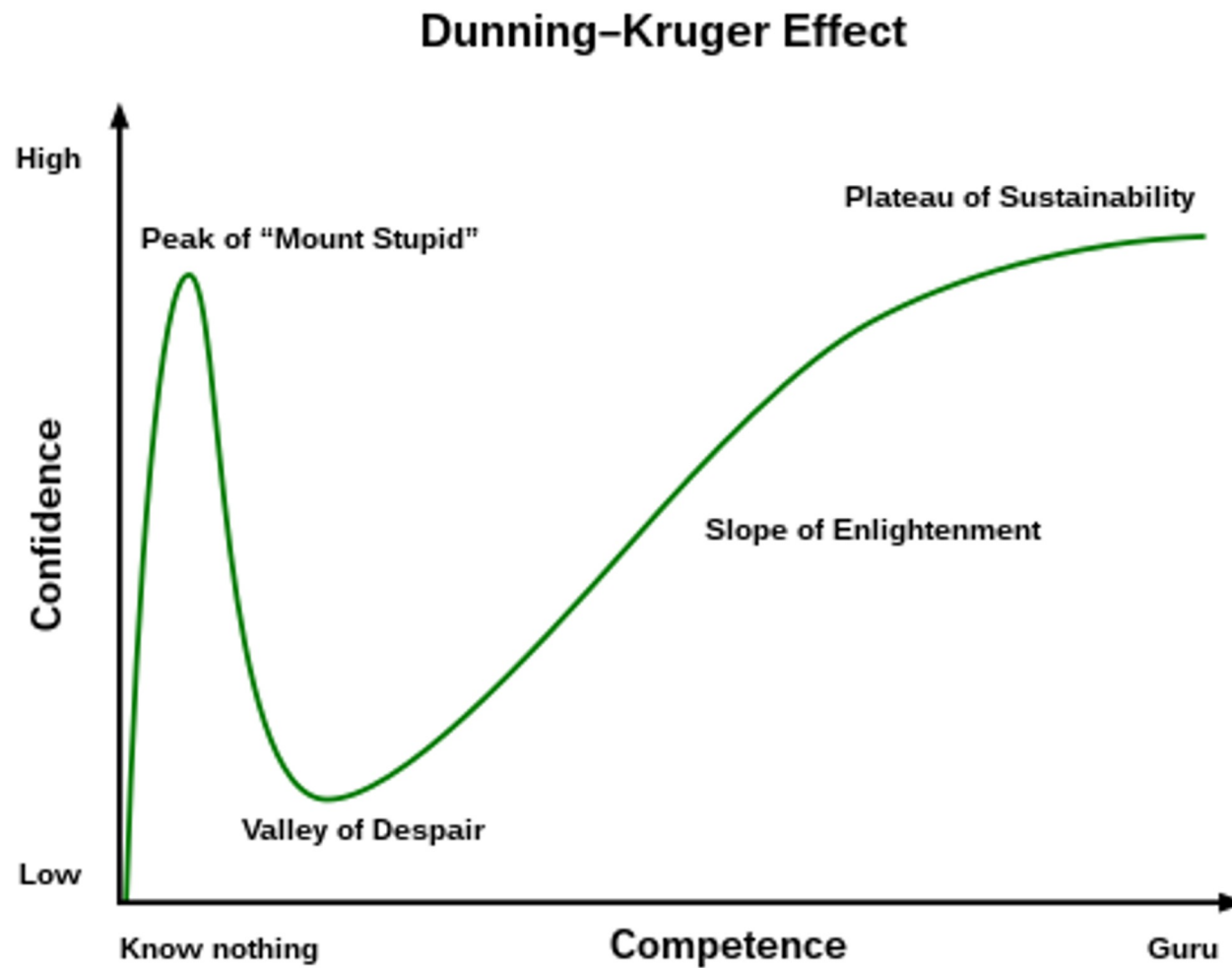
- **High Deductible UMP CDHP**

- Premium per month: \$96
- Premium per year: **\$1152**
- Premium Difference: - **\$2940**

- Deductible: \$3200/year
- UW HSA
Contribution: \$1400/year

- Effective Deductible: **\$1800**
 - CDHP Deductible - UW HSA Contribution

About me



RANGE

WHY GENERALISTS TRIUMPH
IN A SPECIALIZED WORLD



DAVID EPSTEIN

NEW YORK TIMES BESTSELLING AUTHOR
OF *THE SPORTS GENE*

ANNALS OF FAMILY MEDICINE™

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REVITALIZING GENERALIST PRACTICE: THE MONTREAL STATEMENT

Joanne Reeve, Marie-Dominique Beaulieu, Thomas Freeman, Larry A. Green, Peter Lucassen, Carmel Martin, Tadao Okada, Victoria Palmer, Elizabeth Sturgiss, Joachim Sturmberg and Chris van Weel; on behalf of the NAPCRG Advancing Generalist Expertise SIG

The Annals of Family Medicine July 2018, 16 (4) 371-373; DOI: <https://doi.org/10.1370/afm.2280>



The official journal of the College of Family Physicians of Canada

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What makes family doctors the leaders we need in health care?

William R. Phillips and Carol P. Herbert

Canadian Family Physician November 2022, 68 (11) 801-802; DOI: <https://doi.org/10.46747/cfp.6811801>

Family Physician/Generalist attributes

- ❖ Focus on the big picture
- ❖ Tools for dealing with uncertainty
 - Control what we can
 - Embrace new information
 - Long term thinking
 - Know when and how to use consultants
- ❖ Set realistic goals and expectations

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Open Access

Perspective

The Case for Whole-Person Integrative Care

by  Wayne B. Jonas ^{1,*}   and  Elena Rosenbaum ² 

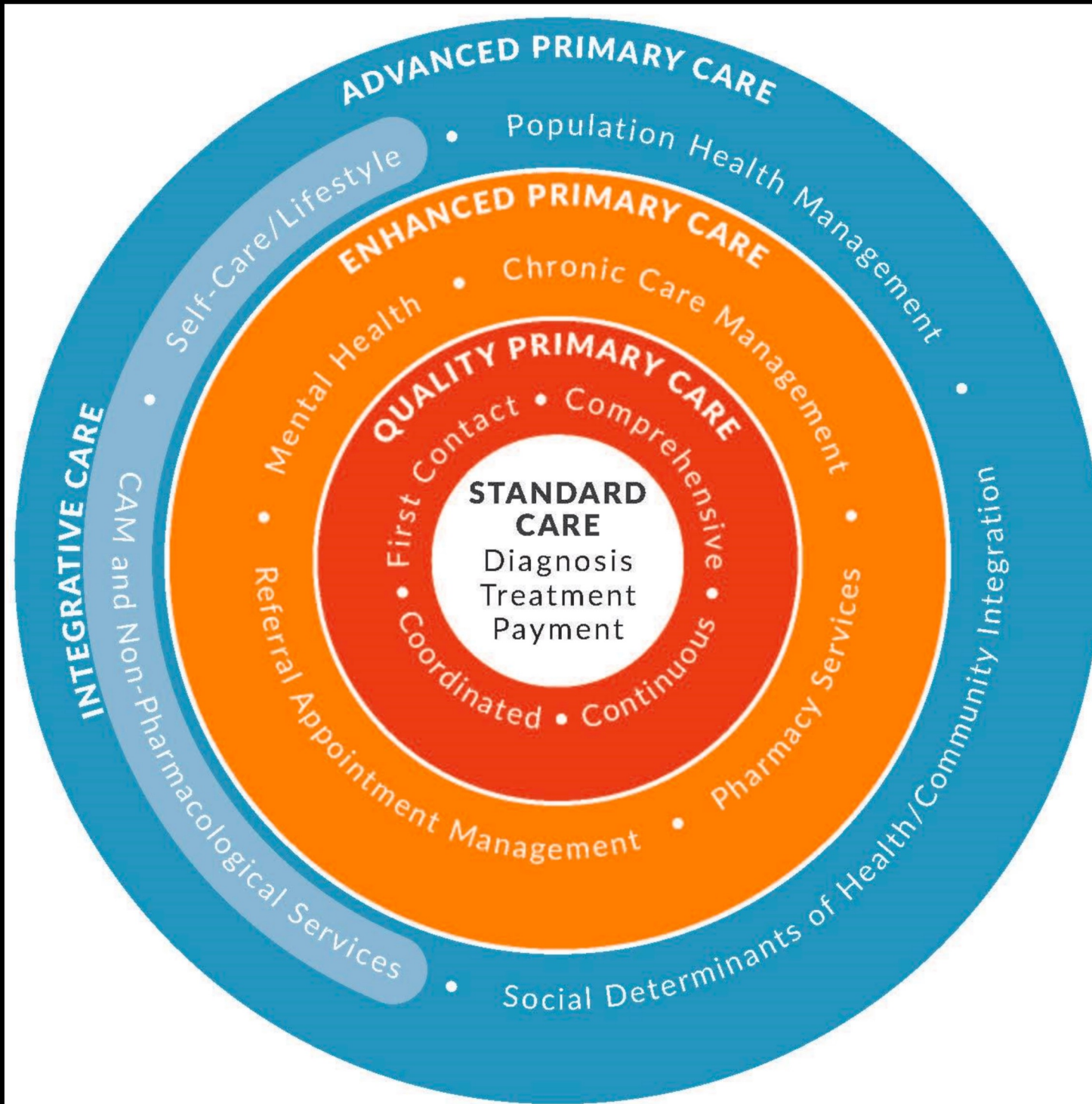
¹ Samuelli Foundation, Alexandria, VA 22314, USA

² Department of Family and Community Medicine, Albany Medical College, Albany, NY 12208, USA

* Author to whom correspondence should be addressed.

Medicina **2021**, *57*(7), 677; <https://doi.org/10.3390/medicina57070677>

Received: 18 May 2021 / Revised: 11 June 2021 / Accepted: 28 June 2021 / Published: 30 June 2021





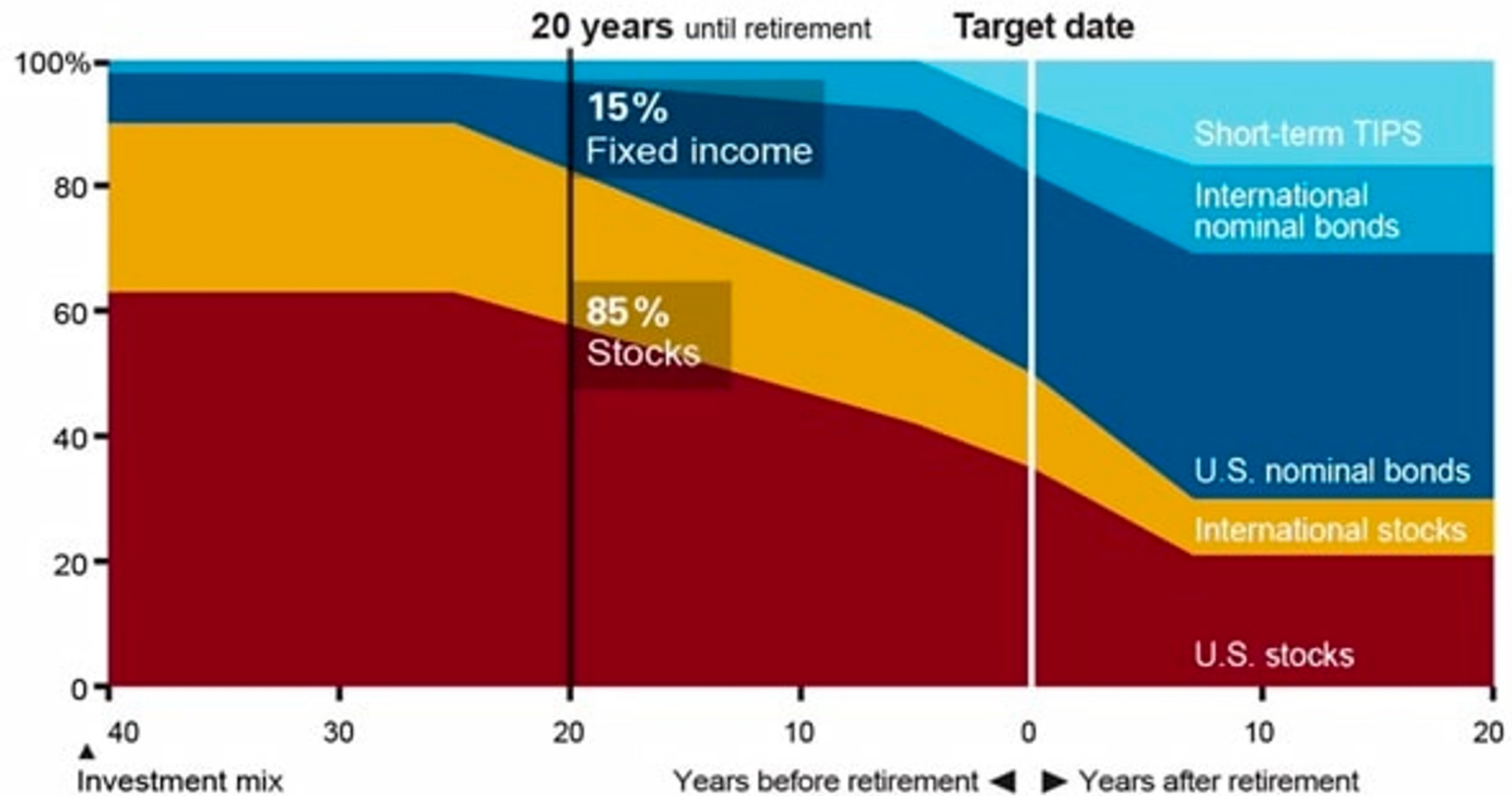
Family Physicians focus on the big picture.

- Macro asset allocation.
- Location Location Location

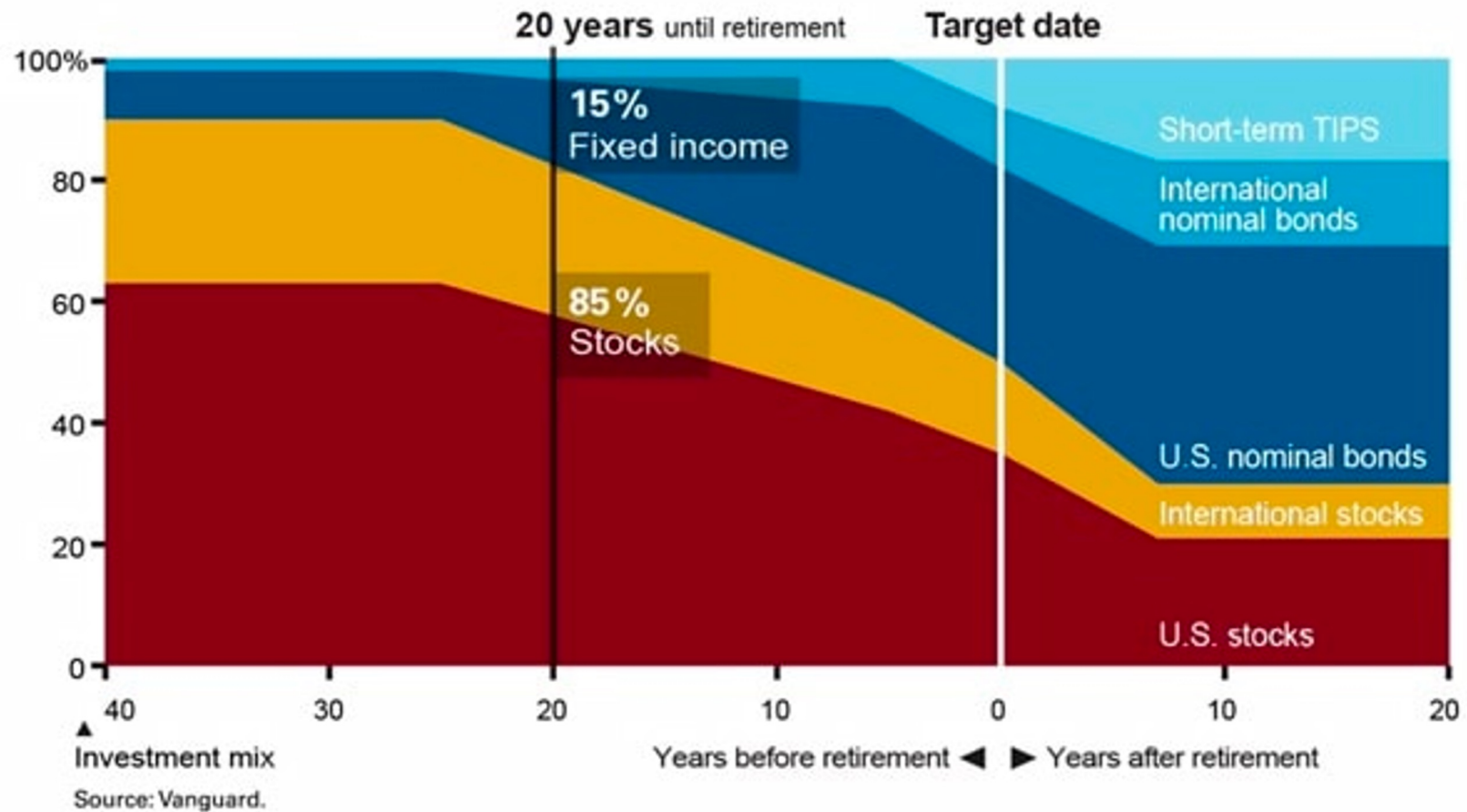
Family Physicians focus on the big picture.

The majority (approximately 90%) of investment growth relies on macro asset allocation, 5% relies on the investments you choose in your plan, and 5% is luck!

Macro Asset Allocation



Macro Asset Allocation



Target Date Funds

Location Location Location

- Where will the patient get healthy?
- Exercise: At age 45, you have \$1,500,000 in your total retirement savings. You want to retire at 65, and your target asset allocation is 60% equities and 40% fixed income.
- Assumptions: Equities earn 10%, and Fixed Income earns 4%
- The tax rate is 40% for Income and 23% for Capital Gains

Location Location Location

Total Assets \$1.5 million – 20 years to retirement

Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)

Non-Retirement Savings

500,000

60% (300K) Stocks,
40% (200K) Bonds

Stocks: 10% = \$2,198,422
Bonds: 4% = \$444,517

End Value: \$2,642,939
After Capital Gains Tax:
\$1,982,204

Traditional Retirement

500,000

60% (300K) Stocks,
40% (200K) Bonds

Stocks: 10% = \$2,198,422
Bonds: 4% = \$444,517

End Value: \$2,642,939
After Ordinary Income Tax:
\$1,585,763

Roth Retirement

500,000

60% (300K) Stocks,
40% (200K) Bonds

Stocks: 10% = \$2,198,422
Bonds: 4% = \$444,517

End Value: \$2,642,939
After-Tax - No Tax:
\$2,642,939

Balanced

Location + Taxation

Total End Account Value:

Before Tax: \$7,928,817

After-Tax: **\$6,210,906**

Location Location Location

Total Assets \$1.5 million – 20 years to retirement

Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)

Non-Retirement Savings

500,000

80% (400K) Stocks,
20% (100K) Bonds

Stocks: 10% = \$2,931,230
Bonds: 4% = \$222,258

End Value: \$3,153,488
After Capital Gains Tax:
\$2,365,116

Traditional Retirement

500,000

0% (0-K) Stocks,
100% (500K) Bonds

Stocks: 10% = \$0
Bonds: 4% = \$1,111,292

End Value: \$1,111,292
After Ordinary Income Tax:
\$666,775

Roth Retirement

500,000

100% (500K) Stocks,
0% (0-K) Bonds

Stocks: 10% = \$3,664,037
Bonds: 4% = \$0

End Value: \$3,664,037
After-Tax - No Tax:
\$3,664,037

Optimized

Location + Taxation

Total End Account Value:

Before Tax: \$7,928,817

After-Tax: **\$6,695,928**

Summary

Total Assets \$1.5 million – 20 years to retirement
Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)

Balanced

Total End Account Value:
Before Tax: \$7,928,817
After-Tax: **\$6,210,906**

Optimized

Total End Account Value:
Before Tax: \$7,928,817
After-Tax: **\$6,695,928**

FIGURE 2

Highest Federal Marginal Individual Income Tax Rate

Tax years 1913 – 2020



Sources: Joseph Pechman, *Federal Tax Policy*; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 2003; IRS Revenue Procedures, various years.

Notes: This figure contains a number of simplifications and ignores factors such as the amount of income or types of income subject to the top rates, or the value of standard and itemized deductions.

IRMAA – Income Related Monthly Adjustment Amounts

2022 IRMAA BRACKETS FOR MEDICARE PART B & PART D

If your filing status and MAGI in the tax year 2020 was:

File Individual Tax Return	File Joint Tax Return	Married Filing Separate	Part B (Monthly Premium)	Part D (Monthly Premium)
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10	Your Premium (No Surcharge)
Above \$91,000 – \$114,000	Above \$182,000 – \$228,000	N/A	\$238.10	Plan Premium + \$12.40
Above \$114,000 – \$142,000	Above \$228,000 – \$284,000	N/A	\$340.20	Plan Premium + \$32.10
Above \$142,000 – \$170,000	Above \$284,000 – \$340,000	N/A	\$442.30	Plan Premium + \$51.70
Above \$170,000 – \$500,000	Above \$340,000 – \$750,000	Above \$91,000 and <u>less</u> <u>than</u> \$409,000	\$544.30	Plan Premium + \$71.30

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- ❖ Focus on the big picture

- ❖ **Tools for dealing with uncertainty**

- Control what we can
- Embrace new information
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- Know when and how to use consultants

- ❖ Set realistic goals and expectations

> Qual Prim Care. 2011;19(3):175-81.

Dealing with uncertainty in general practice: an essential skill for the general practitioner

Margaret O'Riordan¹, André Dahinden, Zekeriya Aktürk, José Miguel Bueno Ortiz, Nezh Dağdeviren, Glyn Elwyn, Adrian Micallef, Mikko Murtonen, Marianne Samuelson, Per Struk, Danny Tayar, Janecke Thesen

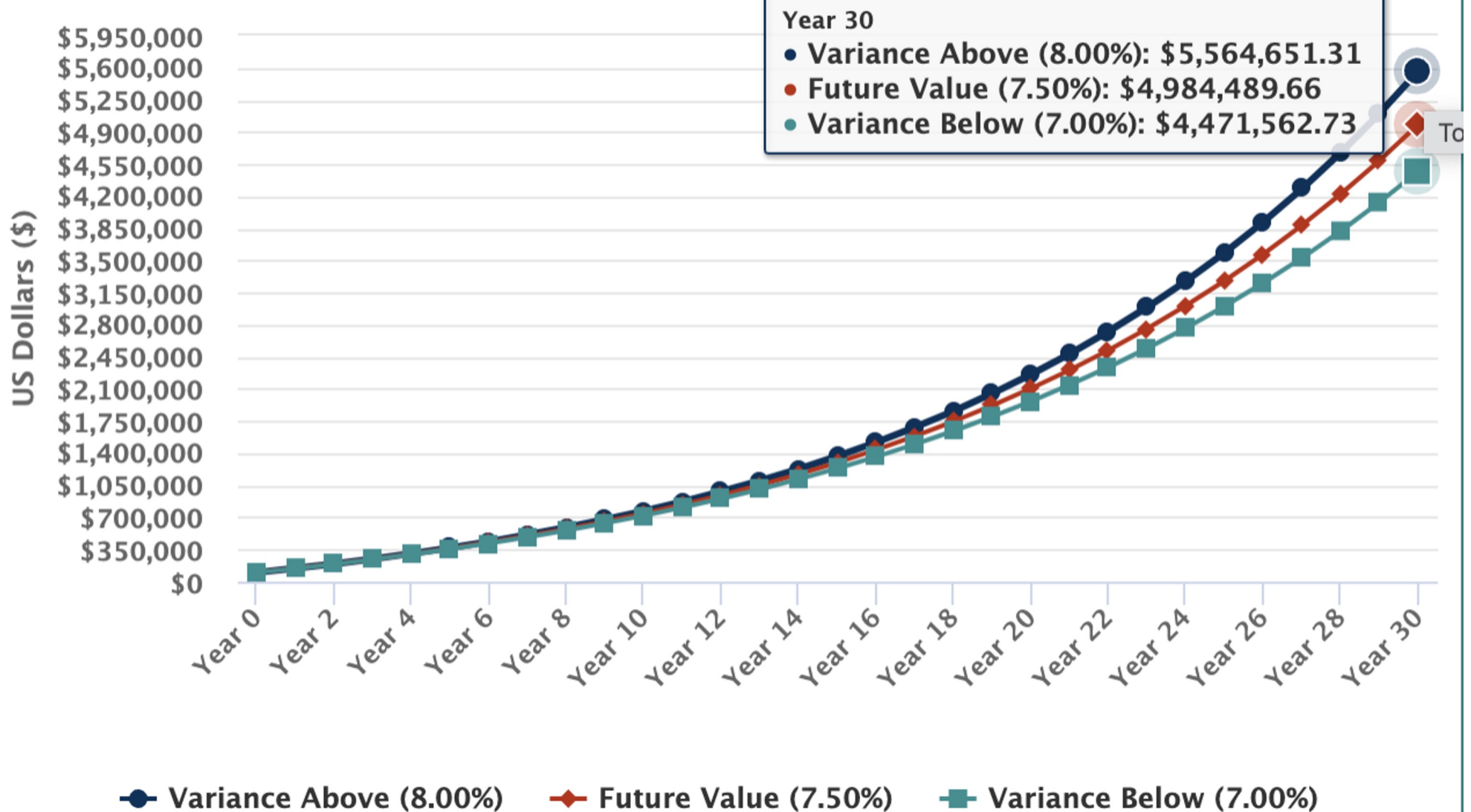
Affiliations [+ expand](#)

PMID: 21781433

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Total Savings



Investor.gov

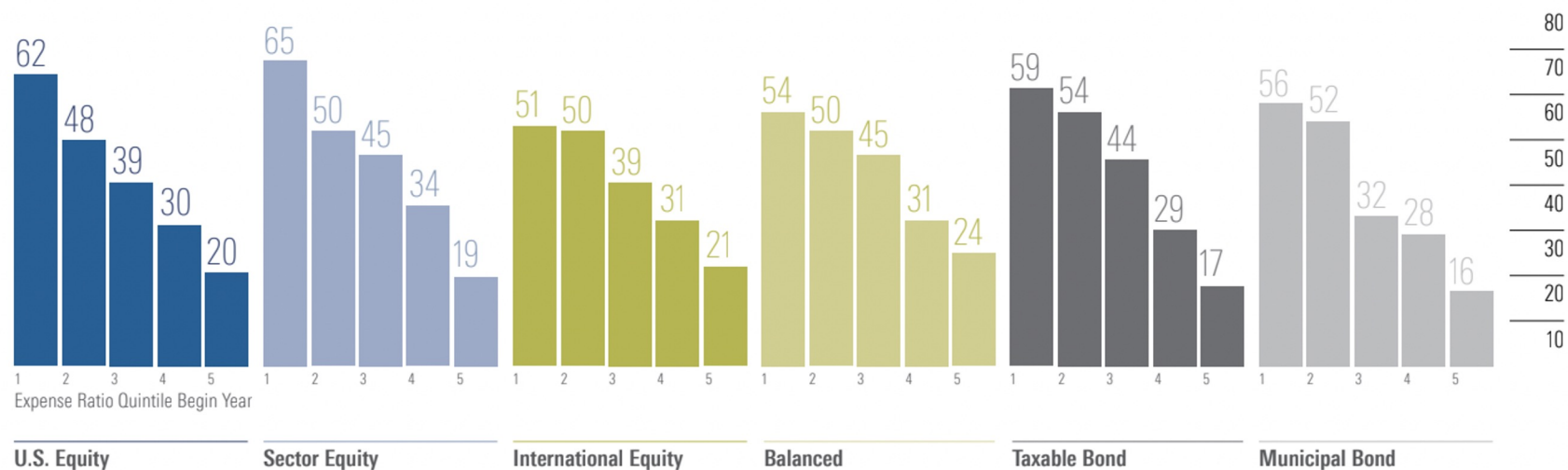
A 1% fee makes a difference of over 1 million and is about the same as your total savings

<https://www.investor.gov/financial-tools-calculators/calculators/compound-interest-calculator>

Predictive Power of Fees

Why Mutual Fund Fees Are So Important

Exhibit 1 Low Costs Are the Path to Success—Subsequent Total Return Success Ratio



Source: Morningstar. Data as of 12-31-2015.

Success ratio: What percentage of funds survived and outperformed their category group?

How to keep the costs low

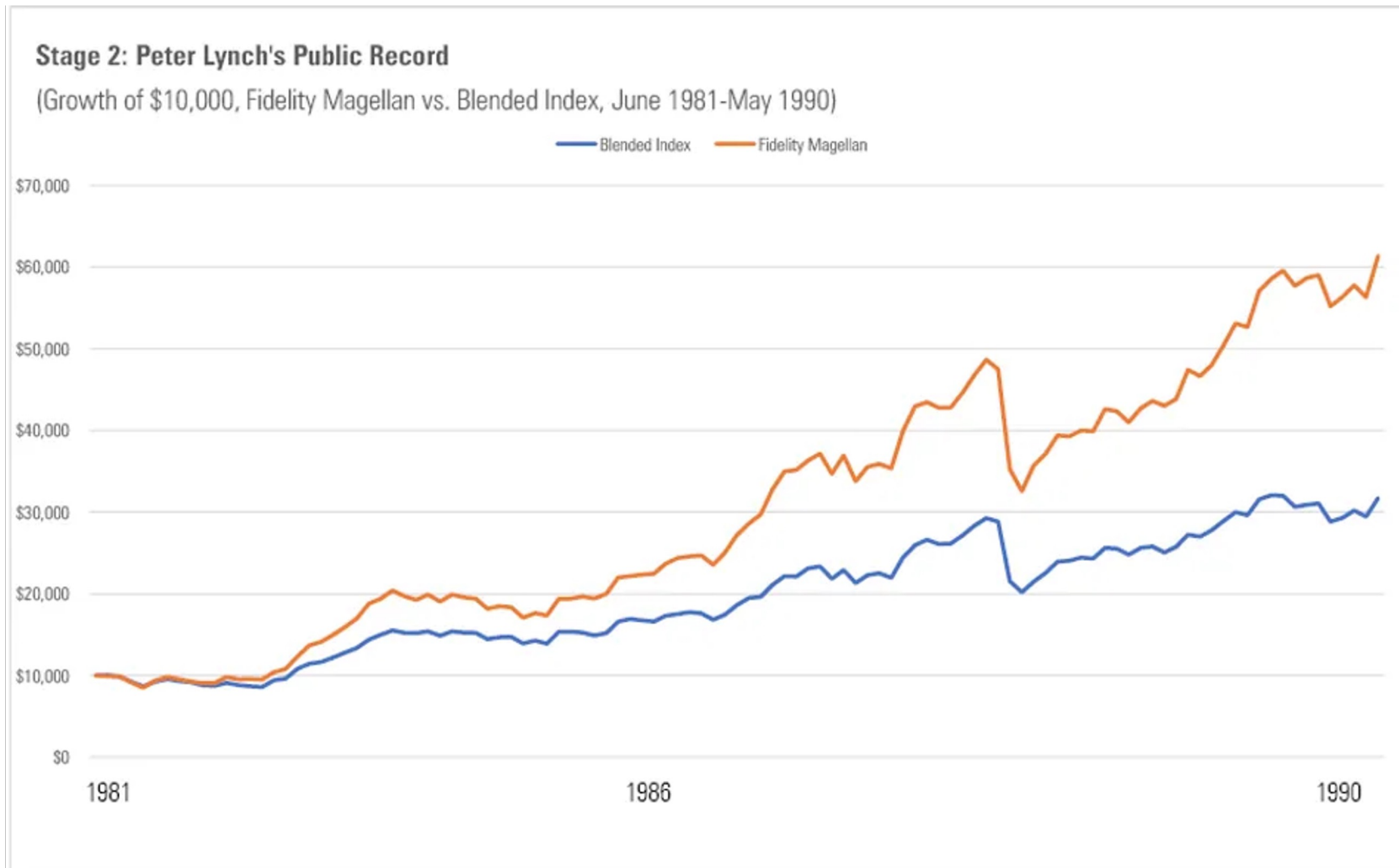
1. Simplify
2. Low cost index funds
3. Target date funds

Investing is a Zero-sum game Exercise

- Market is returning 10 percent and a fund A has an expense ratio of 1% how much does the fund need to earn to return market rate
- How does it do so and what are the consequences on an investor (tax).
- What will need to happen to the returns of the other funds for fund A to earn the market rate.

Active Investing is a Negative-sum game

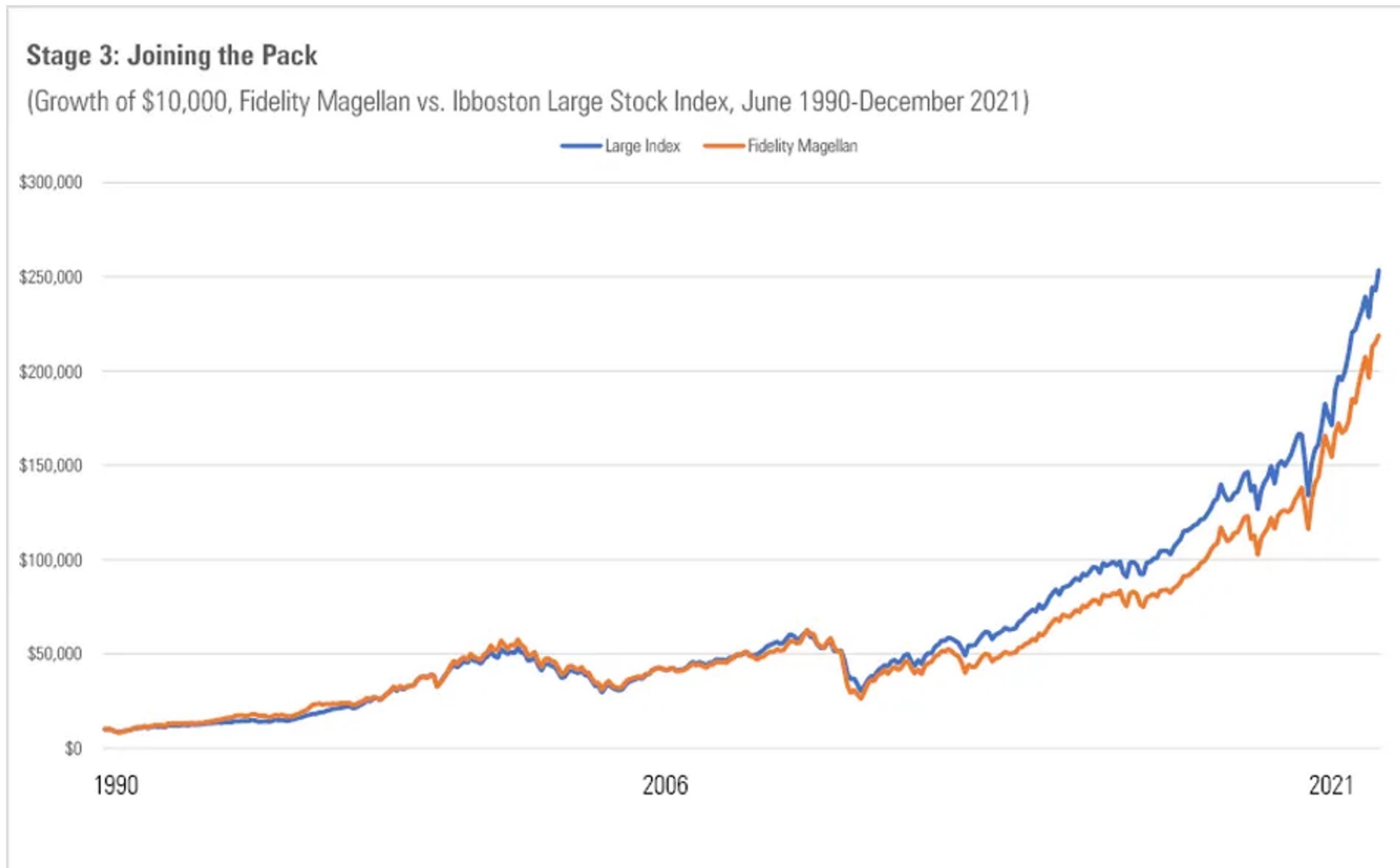
The Paradox of skill



Source: Morningstar Direct

Active Investing is a Negative-sum game

The Paradox of skill



Source: Morningstar Direct

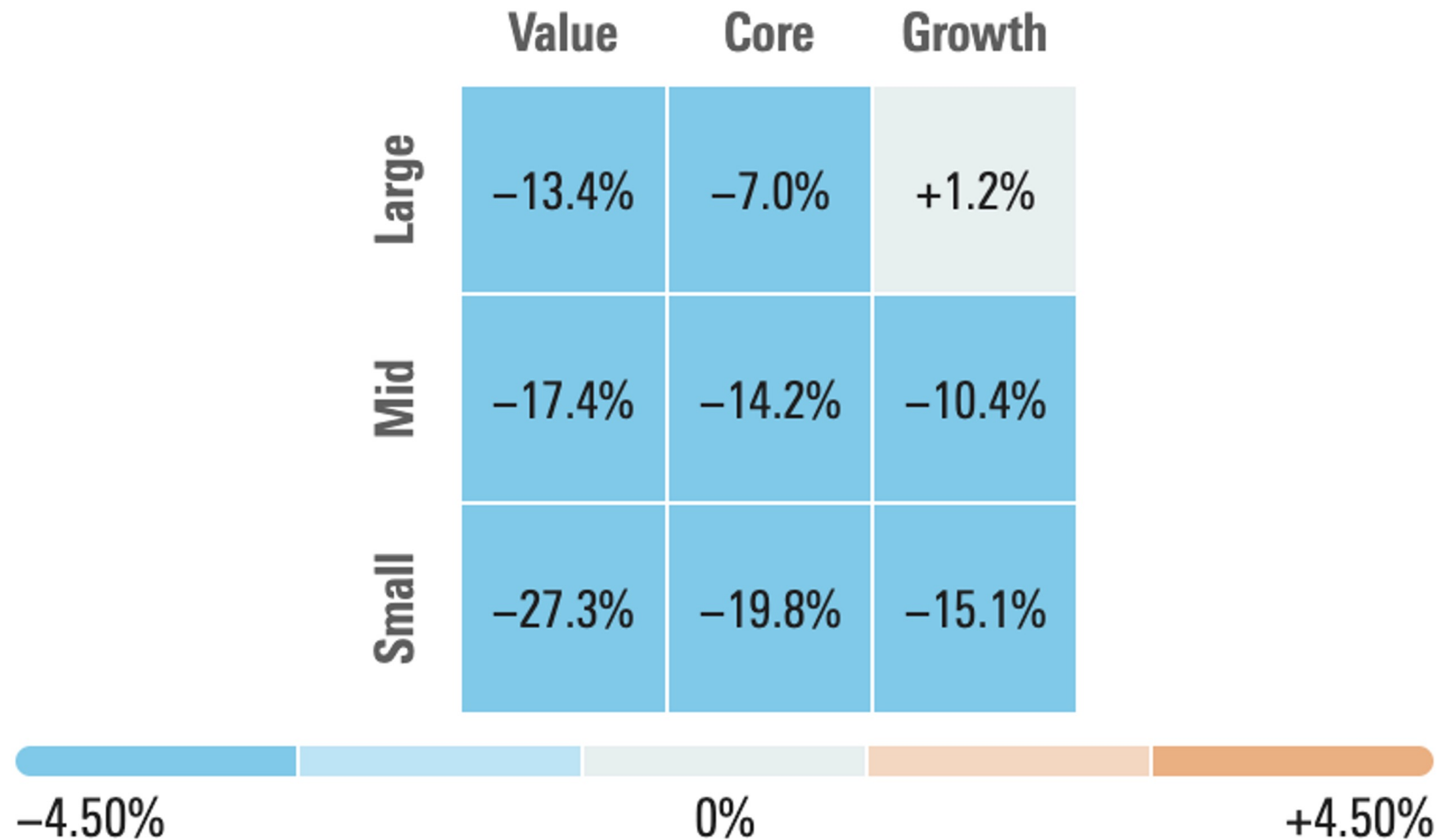
Average annual performance—quarter end		
	Vanguard 500 Index Fund Adm	Vanguard PRIMECAP Fund Admiral
YTD	28.66%	21.90%
YTD as-of date	12/31/2021	12/31/2021
1-year	28.66%	21.90%
3-year	26.03%	22.29%
5-year	18.43%	18.37%
10-year	16.51%	17.61%
1-, 3-, 5-, 10-year as-of date	12/31/2021	12/31/2021

Average annual performance—quarter end		
	Vanguard 500 Index Fund Adm	Vanguard PRIMECAP Fund Admiral
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10-year	16.51%	17.61%
1-, 3-, 5-, 10-year as-of date	12/31/2021	12/31/2021
Average annual total return—after taxes on distributions		
	Vanguard 500 Index Fund Adm	Vanguard PRIMECAP Fund Admiral
1-year	28.24%	19.09%
3-year	25.51%	19.82%
5-year	17.93%	16.21%
10-year	16.00%	15.88%

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U.S. Market Barometer



Precision vs Accuracy

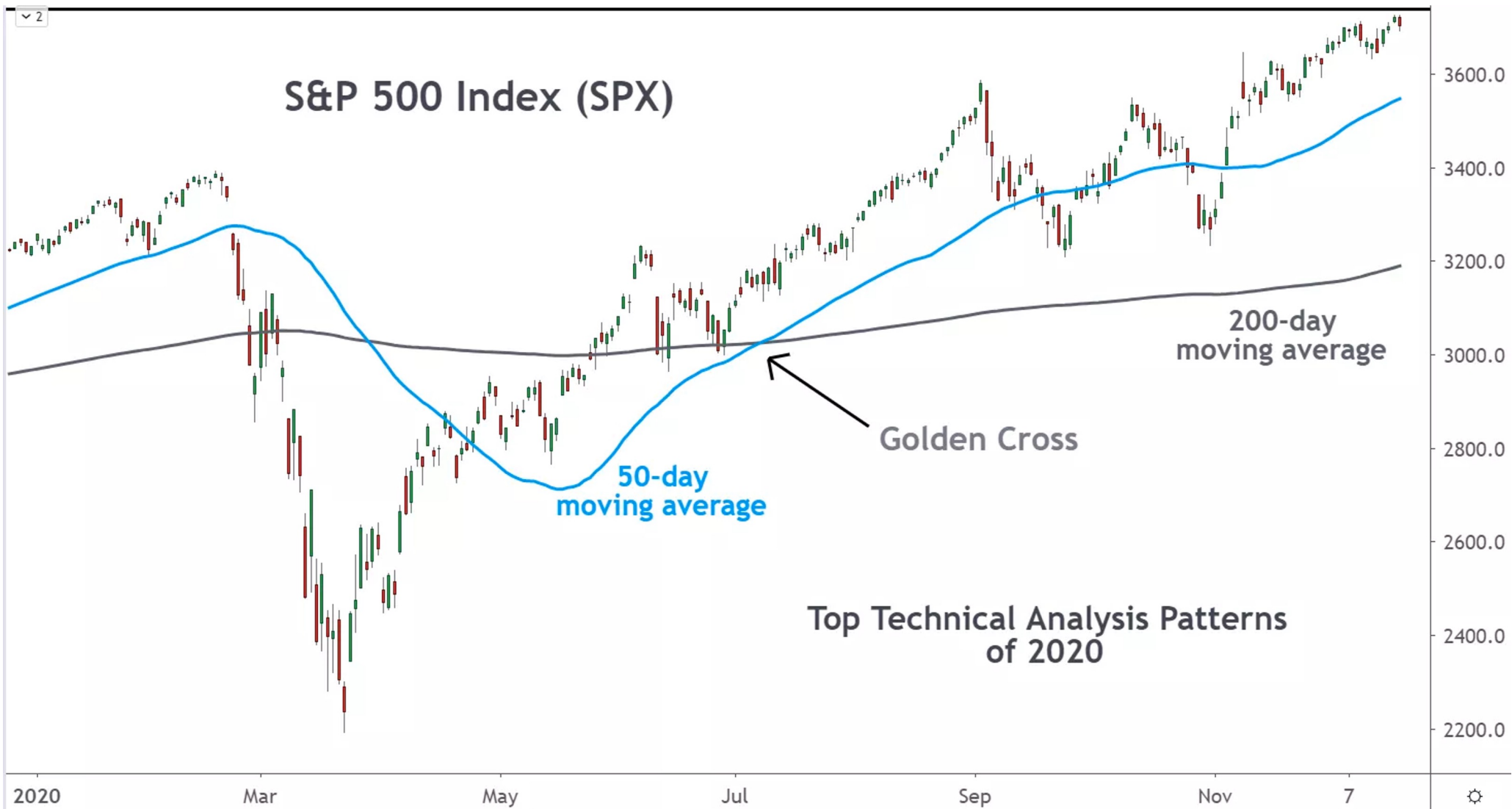
How companies are valued

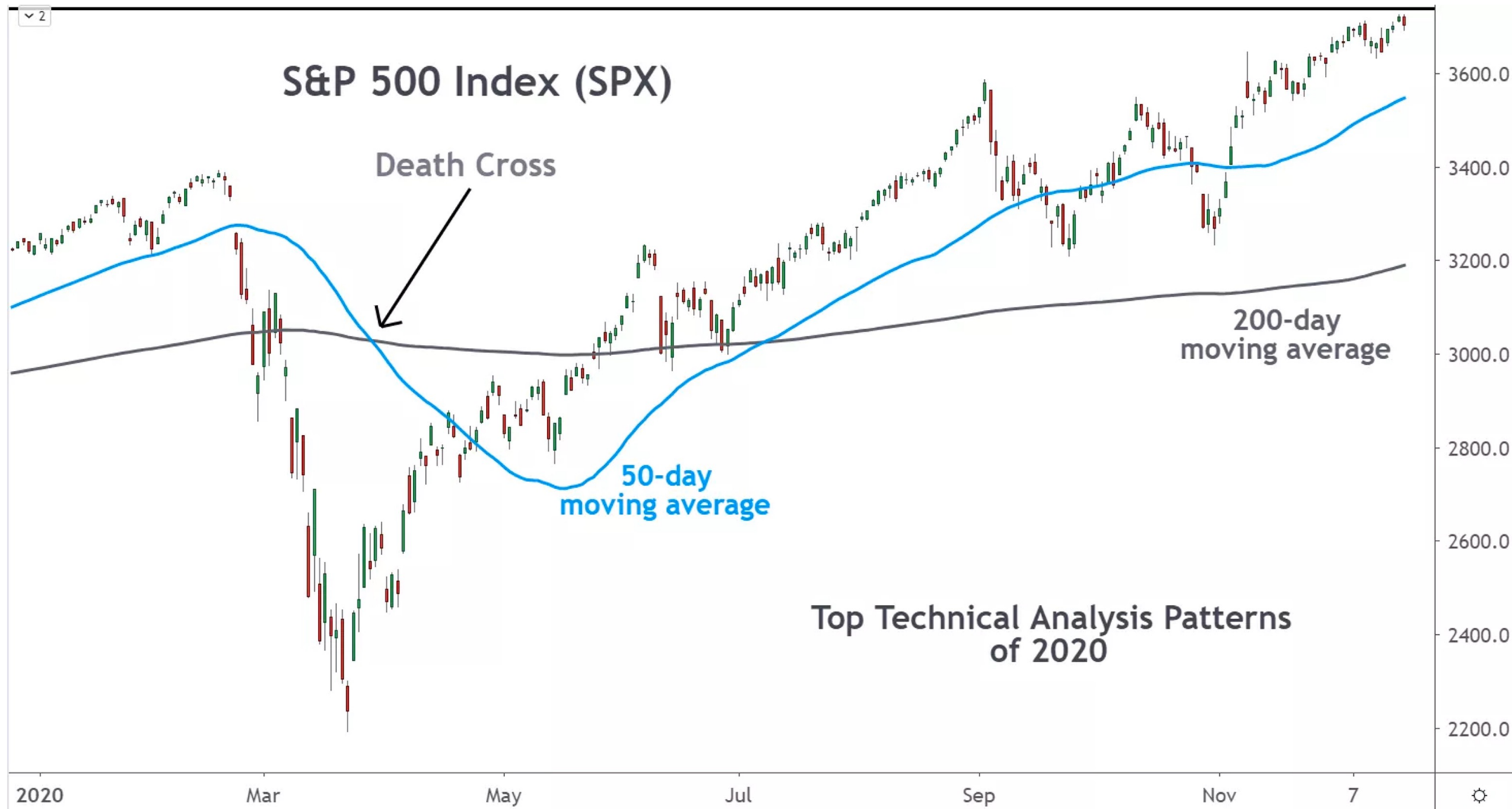
- 1. Technical Analysis**
- 2. Fundamental Analysis**



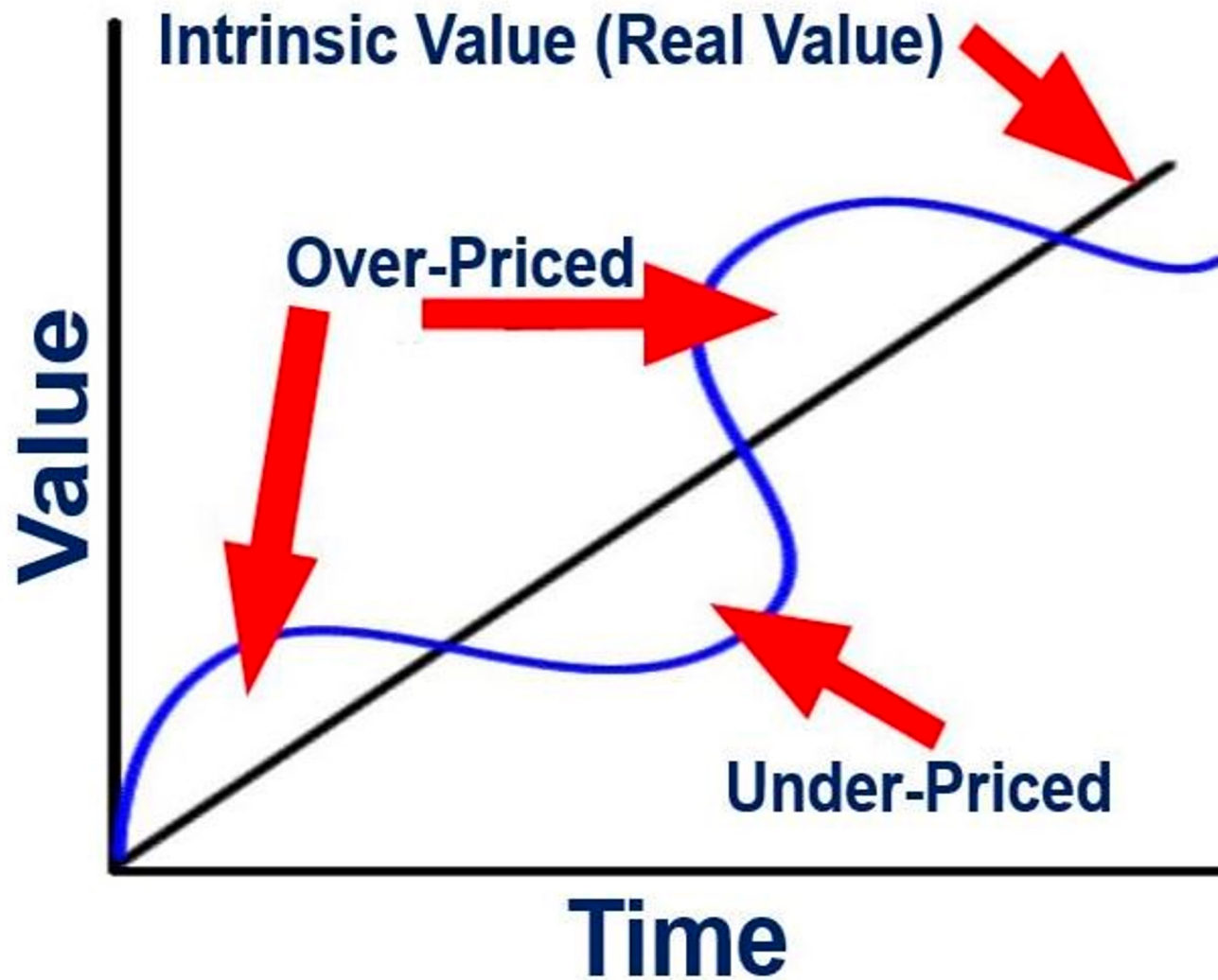
Castle in the Air Theory

S&P 500 Index (SPX)





Intrinsic Value



Firm
Foundation
Theory

Fundamental Analysis

Fundamental analysis is the method of determining the intrinsic value of a company's security to benefit from its trading.

Macro-Economic factors



Micro-Economic factors



Intrinsic Value
of a company's
stock

Stock Selection

Undervalued

(Intrinsic Value > Market price)

Buy

Overvalued

(Intrinsic Value < Market price)

Sell or Refrain from buying

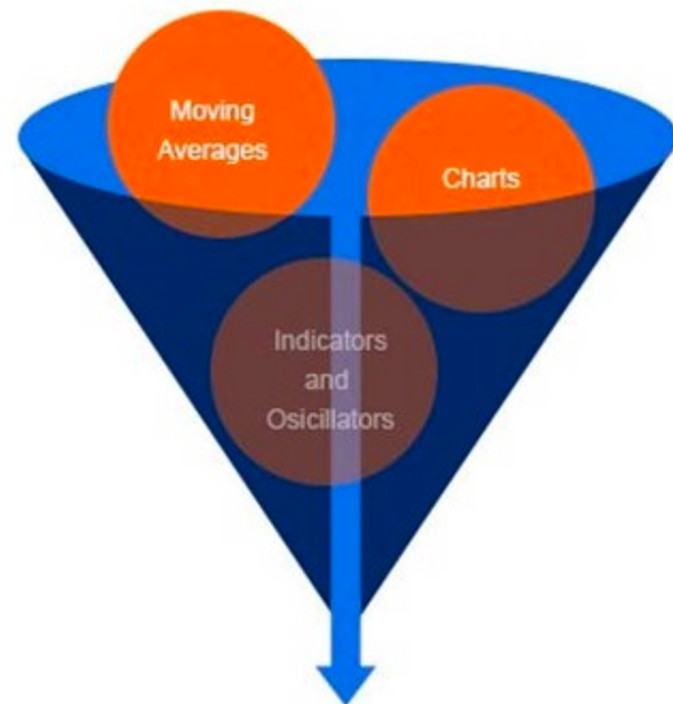


Fundamental Analysis



VS

Technical Analysis



Ten Largest Market-Capitalization Stocks in the World at the Beginning of Each Year

2021	2010	2000*	1990	1980
Apple	PetroChina	Microsoft	Nippon T&T	IBM
Microsoft	Exxon Mobil	General Electric	Bank of Tokyo-Mitsubishi	AT&T
Amazon	Microsoft	NTT DoCoMo	Industrial Bank of Japan	Exxon
Alphabet	ICBC	Cisco	Sumitomo Mitsui Banking	Standard Oil
Facebook	Wal-Mart	Wal-Mart	Toyota	Schlumberger
Tencent	China Construction Bank	Intel	Fuji Bank	Shell
Tesla	BHP Billiton	Nippon T&T	Dai-ichi Kangyo Bank	Mobil
Alibaba Group	HSBC	Exxon Mobil	IBM	Atlantic Richfield
TSMC	Petrobras	Lucent Technologies	UFJ Bank	General Electric
Berkshire Hathaway	Apple	Deutsche Telekom	Exxon	Eastman Kodak

New Addition to List

Drops Off List Next Period

Flip-Flop: New, Then Drops

Company is:

US

European

Emerging Markets

Japanese or Australian

*Year 2000 represents holdings as of March, three months late.

Source: Research Affiliates, LLC, using data from Financial Times, Wikipedia, and Gavekal Research. Rankings shown represent beginning-of-year rankings.

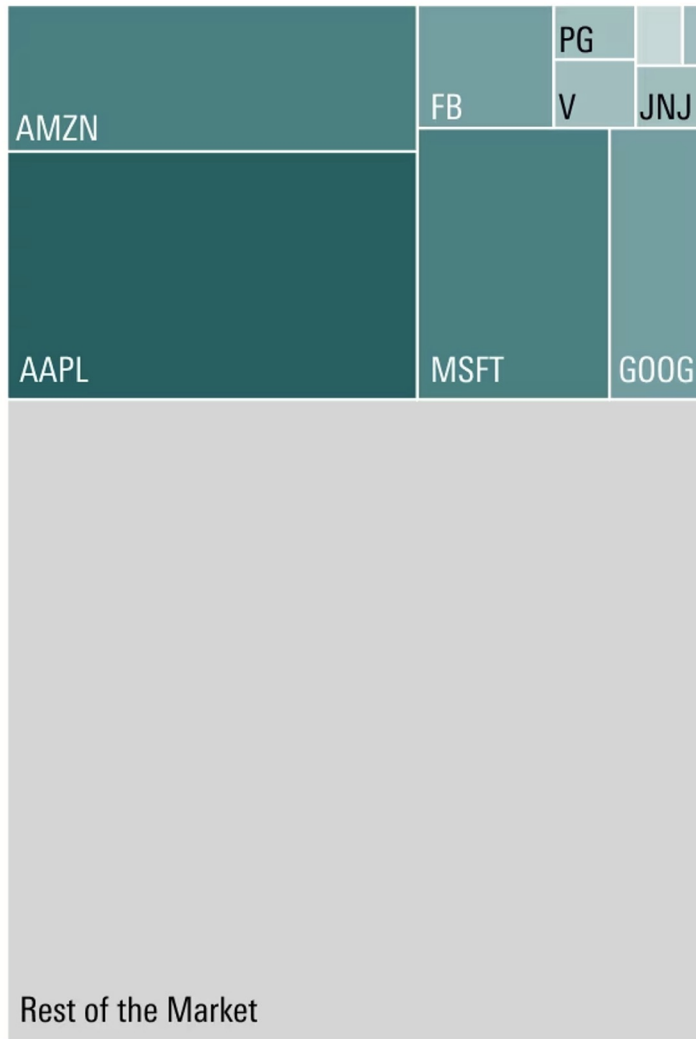
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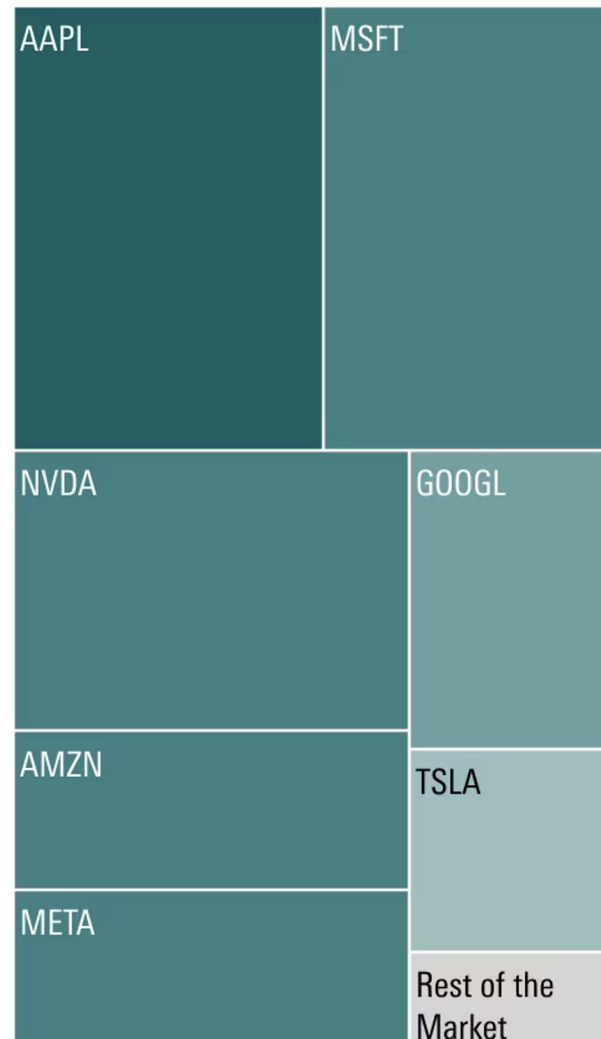
<https://topforeignstocks.com/2021/05/17/the-largest-companies-by-market-value-change-over-time/>

U.S. Market Return Composition

2020



2023



Size of box represents impact on market return

Contribution to Return



Smaller

Larger



**SECOND
EDITION**
WITH A NEW SECTION:
'ON ROBUSTNESS
AND FRAGILITY'

**'Mindblowing ...
a masterpiece'**

Chris Anderson,
author of *The Long Tail*

**'Hugely enjoyable –
compelling'**

Financial Times

The **Black** **Swan**

The Impact of the Highly Improbable

Nassim Nicholas Taleb

**The
Economist**

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Jacinda Ardern Countering extremism

Juan Guaidó Venezuela's future

Adena Friedman Fairer capitalism

Robert F. Smith The American Dream

Special section on 2020 visions

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S S I O N M O D I E
X P O S D G S B O N D B
E E T H O V E N V I S I O N S B I
O D I V E R S I T Y R A T N P T W A R
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C\$16.99
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Economist**

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Democracy and technology

Francis Fukuyama
America's purpose

Ma Jun
China and climate change

Ugur Sahin & Ozlem Tureci
What's next for mRNA

Ai Weiwei
Art and capitalism

Cyril Ramaphosa
Ending vaccine apartheid

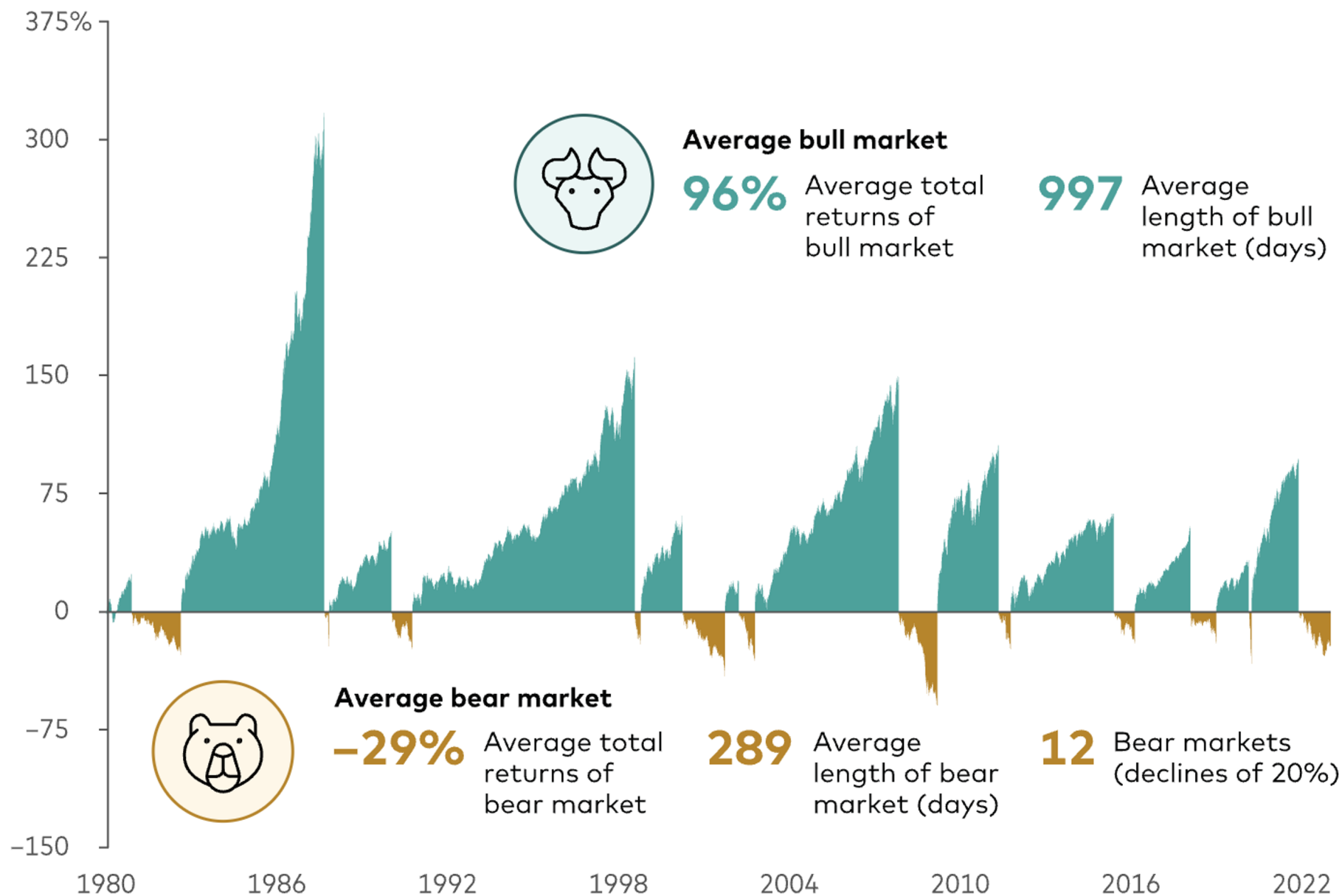


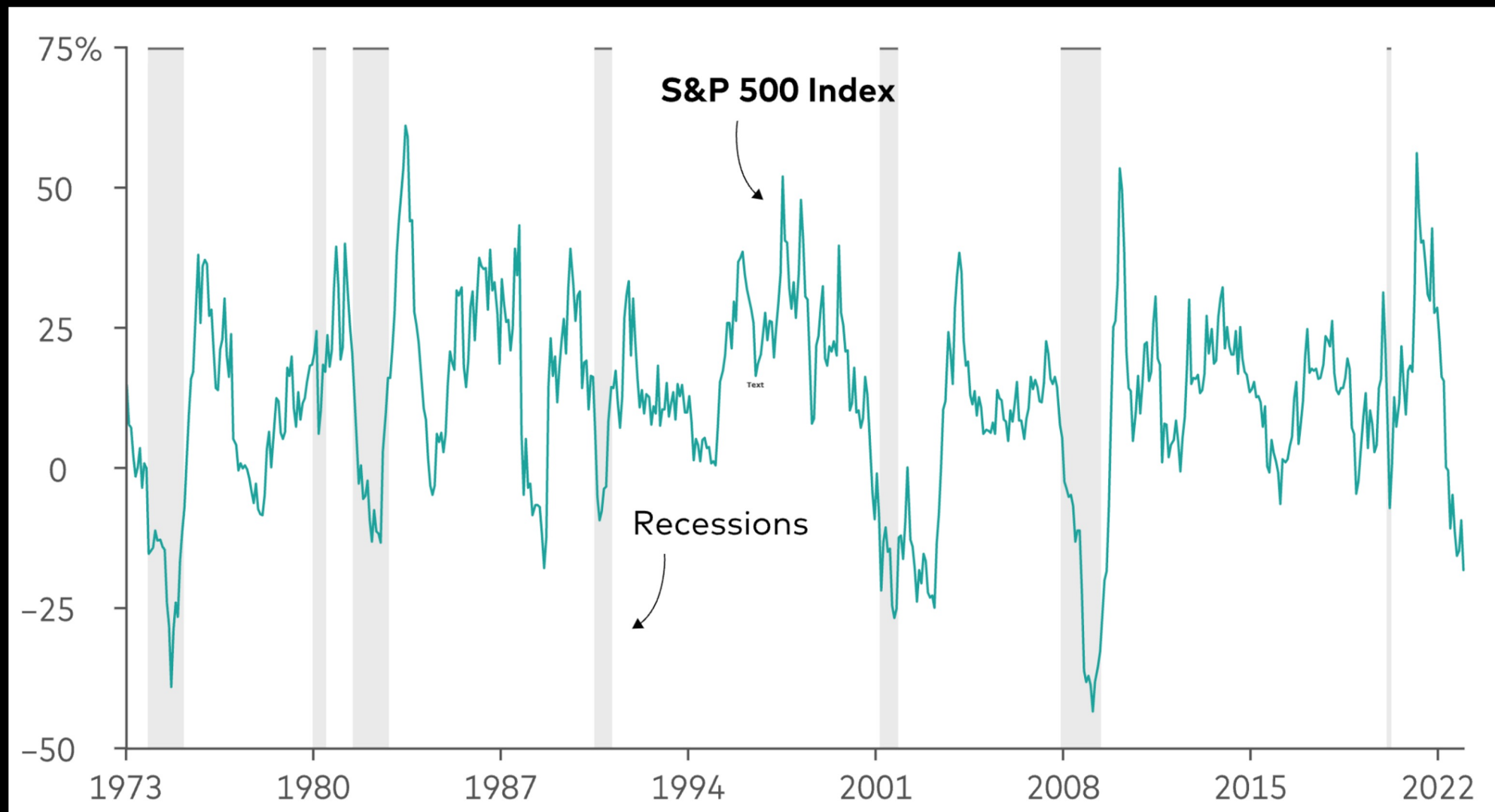
THE WORLD AHEAD 2022



Family Physician/Generalist attributes

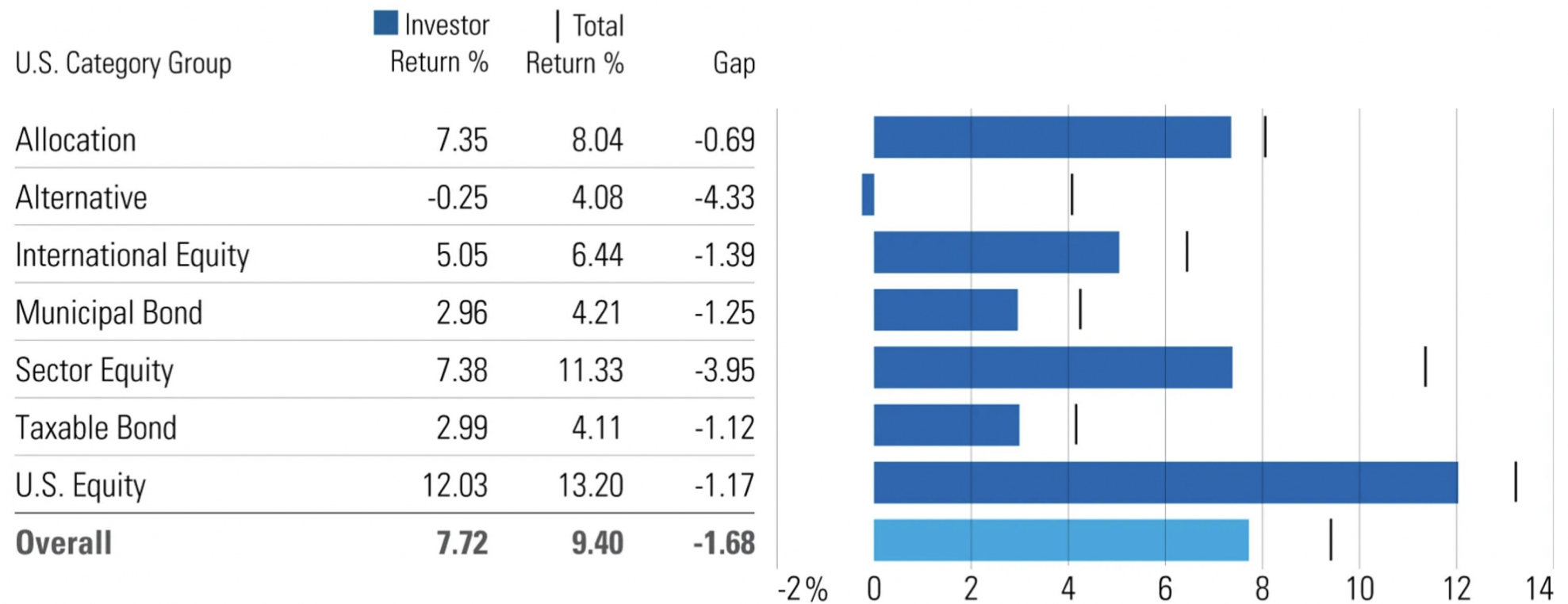
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Mind the Gap

The Gap by U.S. Category Group (10-Year Returns)

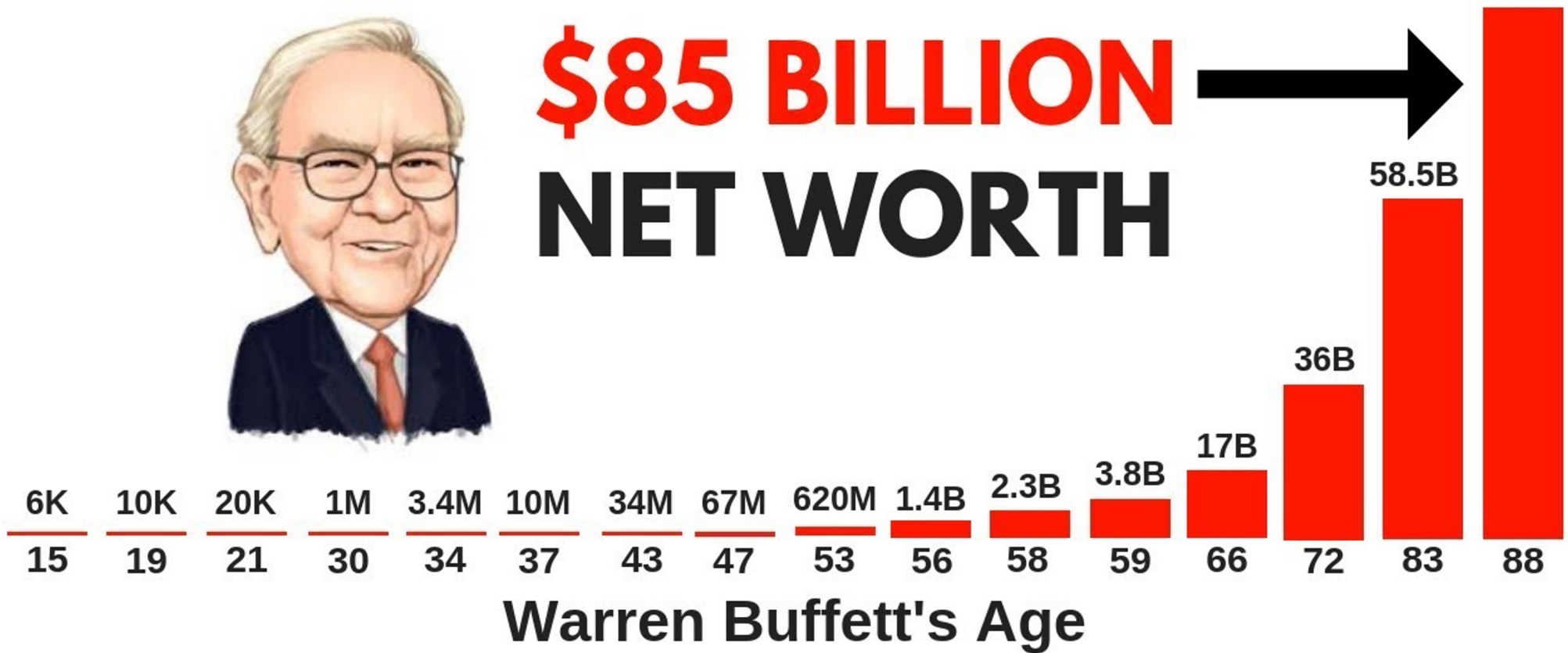


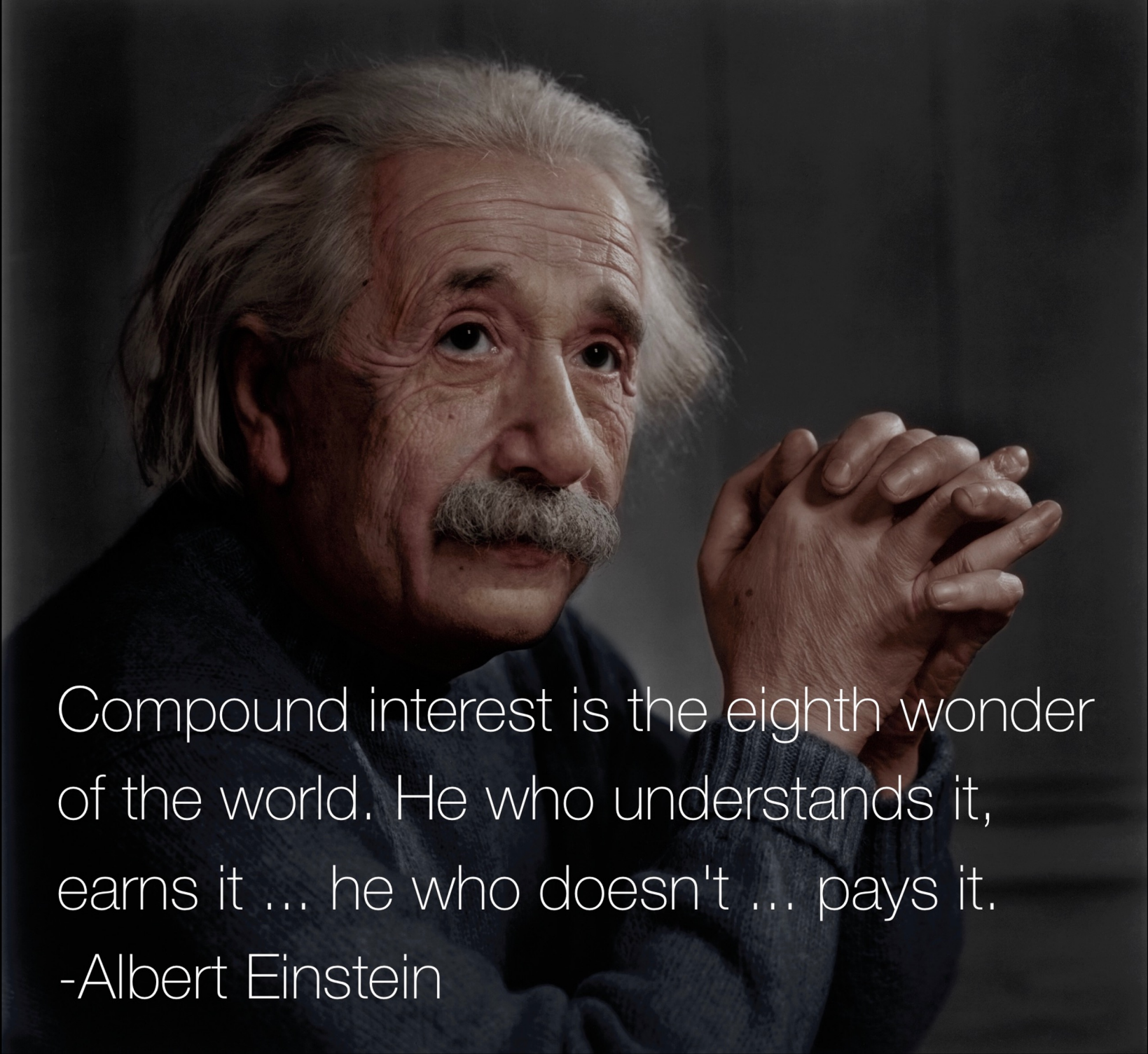
Source: Morningstar. Data as of Dec. 31, 2020. Excludes commodities category group. Gap numbers may not match differences in returns because of rounding.

THE REAL STORY BEHIND WARREN BUFFETT'S WEALTH



\$85 BILLION
NET WORTH



A portrait of Albert Einstein, an elderly man with white hair and a mustache, wearing a dark sweater. He is looking slightly to the right with a thoughtful expression, and his hands are clasped together in front of him. The background is dark and out of focus.

Compound interest is the eighth wonder
of the world. He who understands it,
earns it ... he who doesn't ... pays it.

-Albert Einstein

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What to look for in an investment professional.

- **When do you need one**
 - Come prepared with specific question/s
 - Return the patient vs take over care
- **Take advantage of what your employer has to offer**
- **Fiduciary**
- **Fee-only – Not assets under management**
<https://www.napfa.org/financial-planning/what-is-fee-only-advising>

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Goal-Oriented Medical Care

*Helping Patients Achieve
Their Personal Health Goals*

James W. Mold, MD, MPH

BMJ Open Can goal-setting for patients with multimorbidity improve outcomes in primary care? Cluster randomised feasibility trial

John A Ford,¹ Elizabeth Lenaghan,¹ Charlotte Salter,¹ David Turner,¹ Alice Shiner,¹ Allan B Clark,¹ Jamie Murdoch,¹ Carole Green,² Sarah James,¹ Imogen Koopmans,¹ Alistair Lipp,³ Annie Moseley,² Tom Wade,¹ Sandra Winterburn,¹ Nicholas Steel¹

BMJ Open 2019;9:e025332. doi:10.1136/bmjopen-2018-025332

Have Realistic Goals and Expectations
Crossover Point. Don't move the goalpost



Characteristics of top-earning U.S. doctors, ages 40-55

Annual wage, business and other income, 2017

TOP	AVERAGE TOTAL INCOME ▼	SHARE OF INCOME FROM WAGES (MEDIAN)	AVERAGE WORKWEEK (HOURS)	FEMALE
Top 1%	\$4.1M	15%	48	24%
Top 5%	\$1.8M	49%	54	18%
Top 10%	\$1.3M	69%	54	18%
Top 25%	\$871K	86%	54	20%
Top 50%	\$626K	92%	53	27%
All	\$405K	94%	50	40%

Source: Analysis of IRS and Census Bureau data by Joshua Gottlieb, Maria Polyakova, Kevin Rinz, Hugh Shiple and Victoria Udalo

DEPARTMENT OF DATA / THE WASHINGTON POST

THE **HIGH ACHIEVERS GUIDE** TO **HAPPINESS,**
CONFIDENCE, AND **SUCCESS**

THE
GAP
AND THE
GAIN

THE BEST-SELLING AUTHORS OF *WHO NOT HOW*

DAN SULLIVAN

FOUNDER OF STRATEGIC COACH

WITH **DR. BENJAMIN HARDY**

DIE

GETTING ALL YOU CAN

WITH

FROM YOUR MONEY

ZERO

AND YOUR LIFE

BILL PERKINS



Investment Mission Statement

My Goal of Investing is to move from trading my time for money to being able to do what I want, when I want and with who I want.

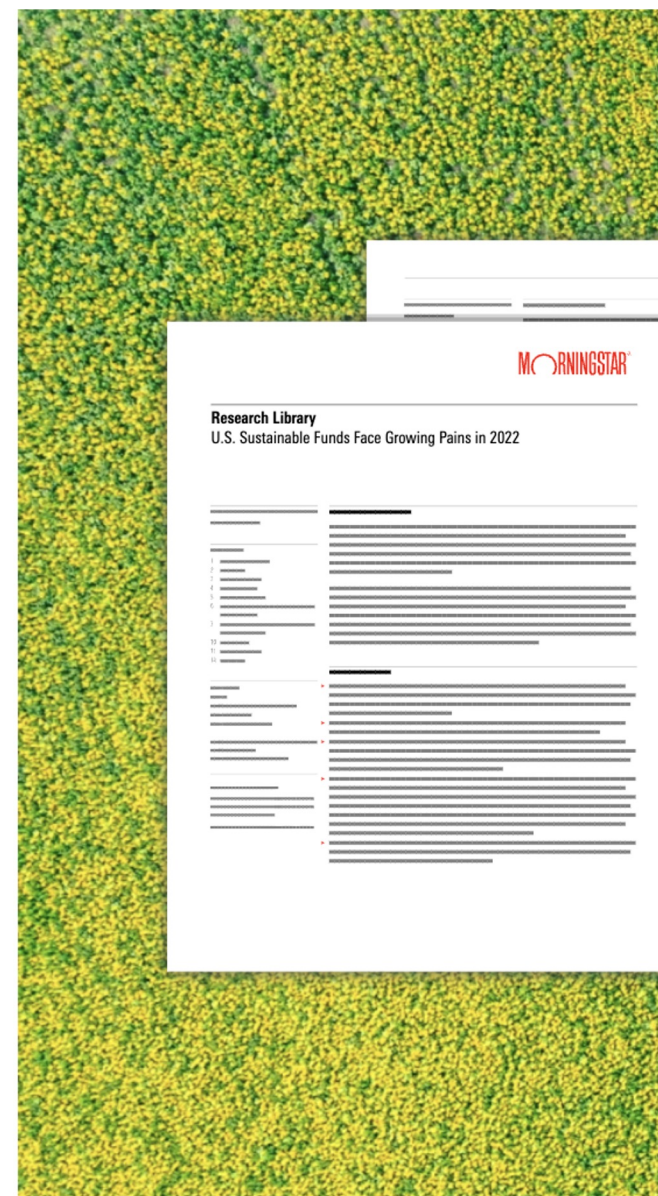
U.S. Sustainable Funds Face Growing Pains in 2022

Sustainable investing has gained considerable traction and attention over the last five years. While other funds suffered outflows in 2022, investors continued to pour new money into U.S. sustainable funds.

But this expansion has brought growing pains.

Morningstar's annual report examines U.S. sustainable fund inflows and performance. With specific fund flows data, asset managers can assess the competition and find pockets of opportunity.

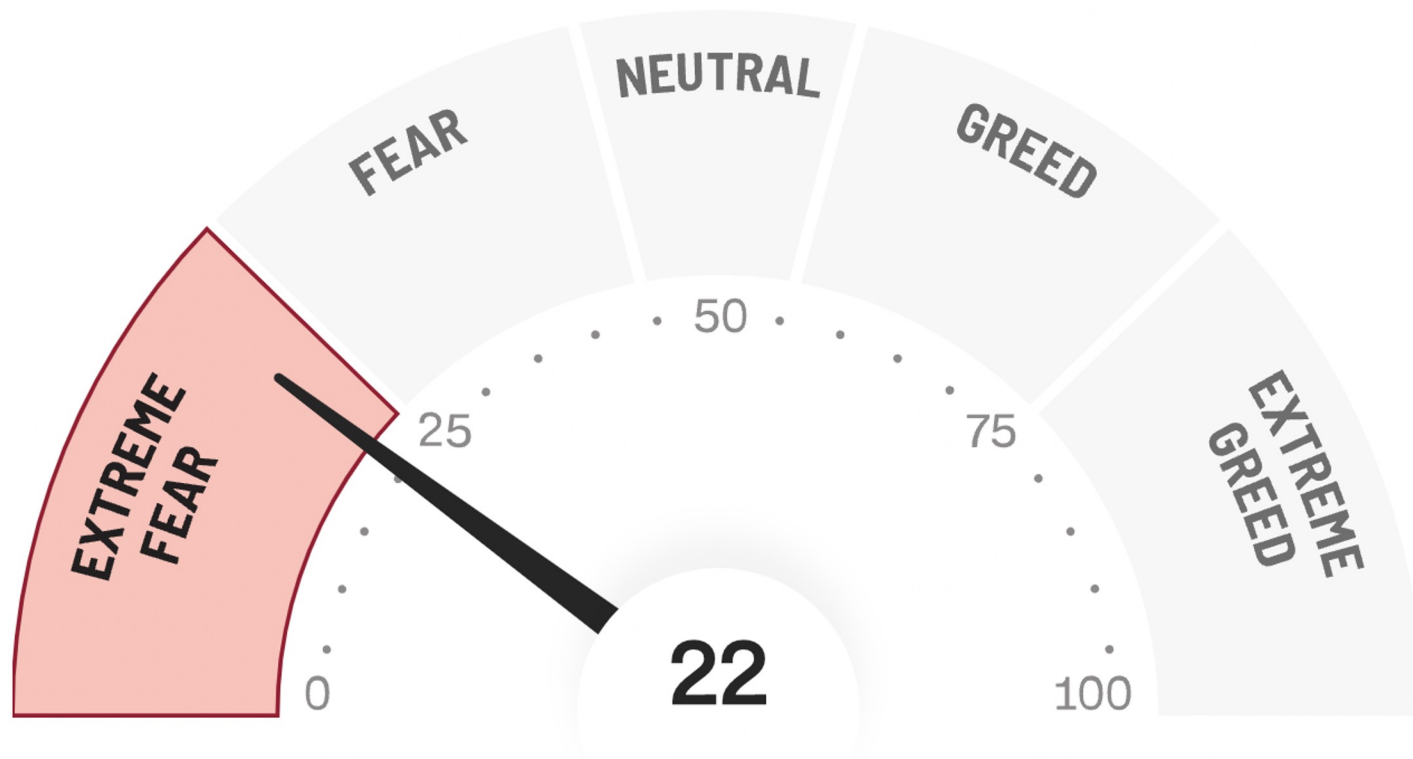
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Fear & Greed Index

What emotion is driving the market now?

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Know the impact of Volatility on your behavior

<https://www.cnn.com/markets/fear-and-greed>

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- ❖ Tools for dealing with uncertainty
 - Control what we can
 - Embrace new information
 - Long term thinking
 - Know when and how to use consultants
- ❖ Set realistic goals and expectations

Successful investor attributes

- ❖ Focus on Asset allocation and location
 - ❖ Consider Target date funds

- ❖ Befriend uncertainty
 - Keep costs low
 - Embrace new information
 - Be there in thick and thin
 - Know when and how to use advisors

- ❖ Set realistic goals and expectations.

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**Investment Portfolio is like a bar of soap.
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Questions/Comments

