



# Acorn Financial Services

## Growing Mighty Oaks

From the Desk of James Gambaccini, CFP®

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How does your portfolio compare to the largest pension fund in the United States? In our recent review of institutional funds, the attached *Wall Street Journal* article was brought to our attention. Its focus is on the California Public Employees' Retirement System (CalPERS), which is the largest public pension in the United States. While most major domestic indexes have surged over the past 30 days post Brexit, the fiscal year ending June 30th saw CalPERS post a return of 0.6%, well below its annual investment target of 7.5%. The fiscal year in question saw markets experience not one, but two

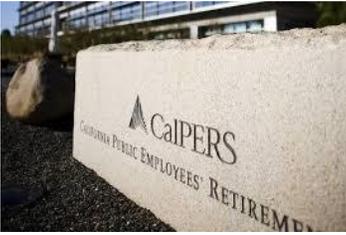
full blown corrections of 10% or more with the calamity of the Brexit pullback. That is an unbelievably volatile 12 months by any measure and is indicative of the challenges we are facing in the current economic environment. While low interest rates will not weigh on markets forever, it bears noting that there have been almost no other periods in US market history where both stocks and bonds are at all-time highs together. As an institutional investor, CalPERS is patient and disciplined in their approach to investment management. The difficult year they just put in their rear view is not likely to force them to knee jerk into stocks that are selling at all-time highs, or to abandon their investment philosophy in general. There's always another chance to keep the emotions of investing in check and recommit to your long-term plans. Patience can really pay off as the power of long-term investing is illustrated in the "Long-Term Power of Markets (Growth of \$1)" chart below.

The next article "10 Headscratchers" outlines how we are all irrational sometimes when it comes to our finances. And while it may be tempting to buy your four-legged friend every chew toy in the store, here are some good ways to determine when it's worth spending money on Fluffy or Fido and when it just doesn't add up.

The end of summer may be creeping up, but there's still time to book a nice vacation, enjoy the great outdoors or throw a big neighborhood barbecue. Enjoy!

Until Next Time,

**Your Acorn Team**



### [CaIPERS Reports Lowest Investment Gain Since Financial Crisis](#)

CaIPERS' annual results are watched closely in the investment world because of its size and investment approach. Are you doing better than the Institutional Investors?

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### [The Long-Term Power of Markets](#)

In the short term, markets go up and down, but this chart shows how staying the course and letting markets work for you can make a difference. See how \$1 invested in the U.S. Stock market in 1926 grew to \$5,390 by 2015.

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### [10 Headscratchers That Show We're All Irrational About Money](#)

Most of us would never dream that we could win a professional tennis match, so why do we feel we could beat the market by “taking more control” and jumping in and out of our investments?

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### [Where to Splurge and Save on Your Pets](#)

Discover when it makes sense to spend money on your furry friend (high-quality food and healthcare top the list), and how to smartly curb the temptation to buy your pooch yet another expensive Halloween costume or rhinestone collar.

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