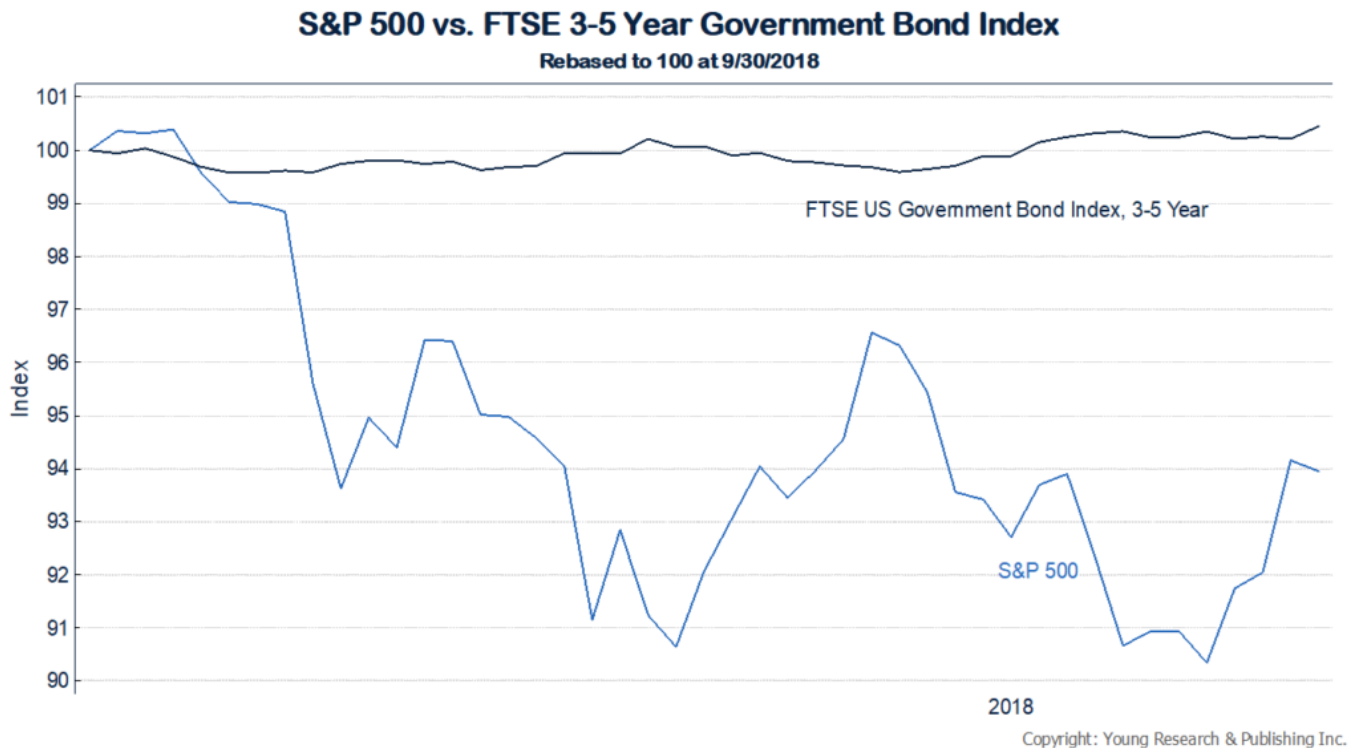


# Commit This to Memory: *Update*

*UPDATE: Since I originally posted this on October 11, 2018. Look at my chart to see what has happened since then.*



Bond yields are rising, tech stocks look shaky, emerging market currencies are tanking, and in the midst of the longest bull market in history, September property sales in Manhattan are down 39% compared to 2017, with median sales prices falling 9% during that time.

There are some warning signs flashing. What should you be doing now to prepare for a future downturn? In April of 2002 I wrote:

*Here is a historical goody that will offer you much comfort. In every stock market downturn since 1950, with one mini-exception, intermediate-term U.S. Government bonds have risen. Talk about the power of counterweighting. Talk about an Armadillo-like defense shield.*

*If you want to properly prepare for your retirement and retire*

*in comfort, please commit the preceding to memory. Promise yourself you will keep your fixed-income component up to snuff. And never futz with your mix. Do not be an interest-rate forecaster or a trader. Once you have your mix correctly in place, leave it alone except for occasional tinkering and pruning. You do not want to hack and chop. Portfolio management for long-term conservative investors is about ebb and flow—slow and steady and patient. Remember, successful investing is counterintuitive. For example, most investors equate successful investing with trading activity, when just the reverse is true. At the same time, they look to stock price gains as their equities benchmark. In reality, the place to begin is dividends and dividend growth. Companies that pay a decent dividend and increase the dividend year after year will have share price appreciation. It comes with the turf.*