

## **False Evidence Appearing Real**

Over the years I have treasured and benefited from the wisdom of a number of “unwitting mentors.” By unwitting I mean books, tapes, presentations, conversations, quotes and sayings from dozens of wise people where we did not have a mentoring relationship. The range has included Solomon’s Proverbs, Jesus’ parables, Washington and Lincoln’s quotes, my father’s guidance, the example of leaders I met at the Naval Academy and in the Marine Corps. Added later was a continuous stream of great people since 1983 and my entry into the world of helping people with their finances and their relationship with money.

The debt of gratitude I owe to these people, especially Jesus, can only be paid forward. One way to do this is to highlight points over time in this newsletter and today we’ll focus on a wonderful guy, Zig Ziglar. His tape series, “See You at the Top”, is one of my all-time favorites. I could share dozens of great sayings, however one that has stayed with me had to do with fear.

### **Safety**

Hollywood does such a wonderful job of building tension and fright. The hero or heroine is blissfully unaware of the danger just moments away and cannot be persuaded to seek safety by the character who sees what they have not yet seen. There are natural reflexes in our makeup that cause us to be afraid of physical danger. Fearing real danger is good, because it can keep us safe.

### **Perception**

Success magazine has a CD I listen to every month. Recently they interviewed Sara Blakely, the billionaire creator of Spanx. Sara’s husband owns a private jet company and Sara has a huge fear of flying. She mentions that she still cries sometimes on takeoff. Yet she will give herself time to think by doing a “fake commute” in her minivan by taking 40 minutes in Atlanta traffic instead of the 5 minute direct route to work. In every statistical way she should fear the commute more than the airplane ride. Fear is not always based on truth or evidence.

### **Money and Investing**

A peek at any long term US stock chart will reveal that when the market goes down it often does so rapidly, probably because fear of loss is such a strong emotion. Then after a period of time it “climbs a wall of worry”, gradually increasing over time. Will this always be so? Neither I nor anyone else knows. My simple answer for why the market goes up or down has to

do with the number of buyers and the number of sellers. Things go down when more people sell and go up when more people buy. Now let's pose a question: "What do you think causes people to sell when the market is down?"

### **Zig's Insight**

Chances are that your answer was that people sell in down markets because they become afraid. They sell motivated by fear, which Zig equated to sometimes being **False Evidence Appearing Real**. What is so very difficult in investments is understanding whether the evidence you are seeing is true or false. This is what makes markets. The point of wisdom to convey is to suggest that you ask yourself when you feel fearful whether the circumstances warrant the emotion or whether (as Warren Buffet does so well) you instead see evidence to feel more positive. When prices are lower is when the greater opportunity for potential gain has been shown to exist.

### **Bottom Line**

Tasia and I have been doing our best to reach out to all our clients in the last month and will continue that effort. We understand that it is natural to fear loss when markets go down. We also understand that this is possibly an opportunity and believe the evidence suggests that we should be optimistic about how a variety of investments will perform over the next few years. If we can help calm any fears that you might be having please give us a call..... as Zig always concluded, "and I'll see YOU at the top!"

### **Your Feedback**

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

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