S.F. EHRLICH ASSOCIATES, INC.

November 15, 2026



Managing Your Money

STAN'S WORLD — PATIENCE PAYS

Few phone calls are more disruptive to a financial planner's day than those that start with: "My brother-in-law made a fortune on…", or "My neighbor works for XYZ, and he said I should buy…" As the economist Charles Kindleberger said: "There is nothing so disturbing to one's well-being and judgment as to see a friend get rich. Unless it is to see a non-friend get rich."

Knowing that idle conversation, such as someone bragging about recent wealth accumulation, can alter the perspective of a formerly rational person, you can imagine how I felt when I read the title of a recent article in the Wall Street Journal: "Robinhood Traders Share Tales of Wealth."[1] The article talked about 1,500 attendees at a Robinhood conference, "…plumbers and small-business owners, mingling with corporate middle managers and stay-at-home parents. But many had something in common: investment portfolios that had grown so large in recent years they had quit their jobs to play the market full time." Oh no!

Not only are there now a myriad of ways traders can play the markets, but there are also betting platforms that let you wager on markets, current events, and almost anything else you can imagine. Should you ever hear a wealth-creation tale that makes you consider a significant investment in a non-traditional asset (e.g., cryptocurrency, AI funds, vintage cars, data centers, etc.), let me say one word: STOP!

STAN'S WORLD — PATIENCE PAYS (CONT'D)

One can argue that it's self-serving to hear a financial advisor - or even a mostly retired one - state that what he does for a living really works, but that's not going to stop me from stating it anyway: in my experience, the tried and true, well-known, and well-proven methods to acquire sufficient assets to live a comfortable life both before and during retirement work. And I'm here to shout from the rooftop (well, my desktop) that instead of betting on their financial future, investors should practice a discipline called patience.

Investing for the long-term works! There will be bumps along the way, but patience and discipline have historically served investors well. To quote the economist, Paul Samuelson: "Investing should be more like watching paint dry or watching grass grow. If you want excitement, take $800 and go to Las Vegas." (Samuelson was a Nobel prize winner in 1970 when $800 was a more significant bet than it is today.)

Were I to give my 'have patience' talk at a Robinhood conference, I suspect I would be booed off the stage. I would be met by people screaming: "I made my fortune in a week/month/year! Patience is for losers!" Of course, even I will concede it's not patience alone that increases the odds of a successful retirement; other elements go along with it.

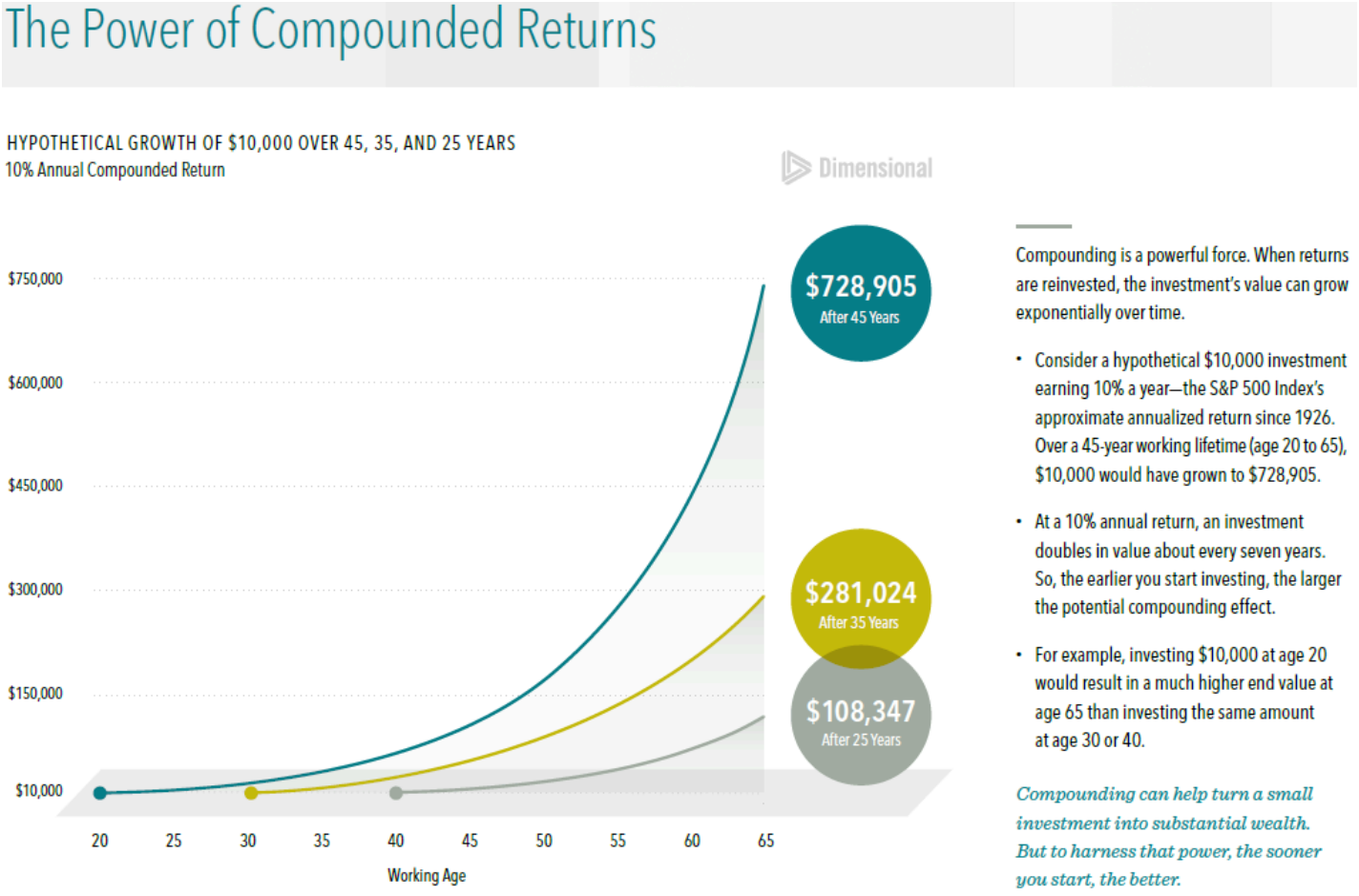
Long-time clients know what's going to come next, but I'm going to say it anyway because we all need occasional reminders in a world where gratification is instantaneous, if not sooner. Let's start with the fact that an investor must practice a disciplined approach to saving. Whether through a company 401(k) plan, a self-funded IRA, or after-tax savings in a brokerage account, funds must be set aside routinely for long-term investment.

In addition, investors must practice a disciplined approach to spending. Put simply, there are no savings if spending isn't managed. The phrase 'living within your means' is not an idle expression; investors who fail to heed that advice may doom themselves to either a very long working career or a retirement lifestyle below their pre-retirement standard.

STAN'S WORLD — PATIENCE PAYS (CONT'D)

I trust you can all recite other noteworthy elements that put investors on a path to a successful retirement: periodic, appropriate rebalancing; asset placement for tax management; and strategic asset withdrawals for tax purposes[2]. (See the chart below, "The Power of Compounded Returns[3]," as a visual reminder that patience pays off.)

Reciting and knowing are not the same as practicing and doing, and that's where I fear many younger Americans will fall short. In a world where one can Google the question: "How can I get rich in a year?" and get answers, one must worry about how to maintain good financial habits. In other words, if you're already a believer, think about giving this talk to your adult children or college-age grandchildren.



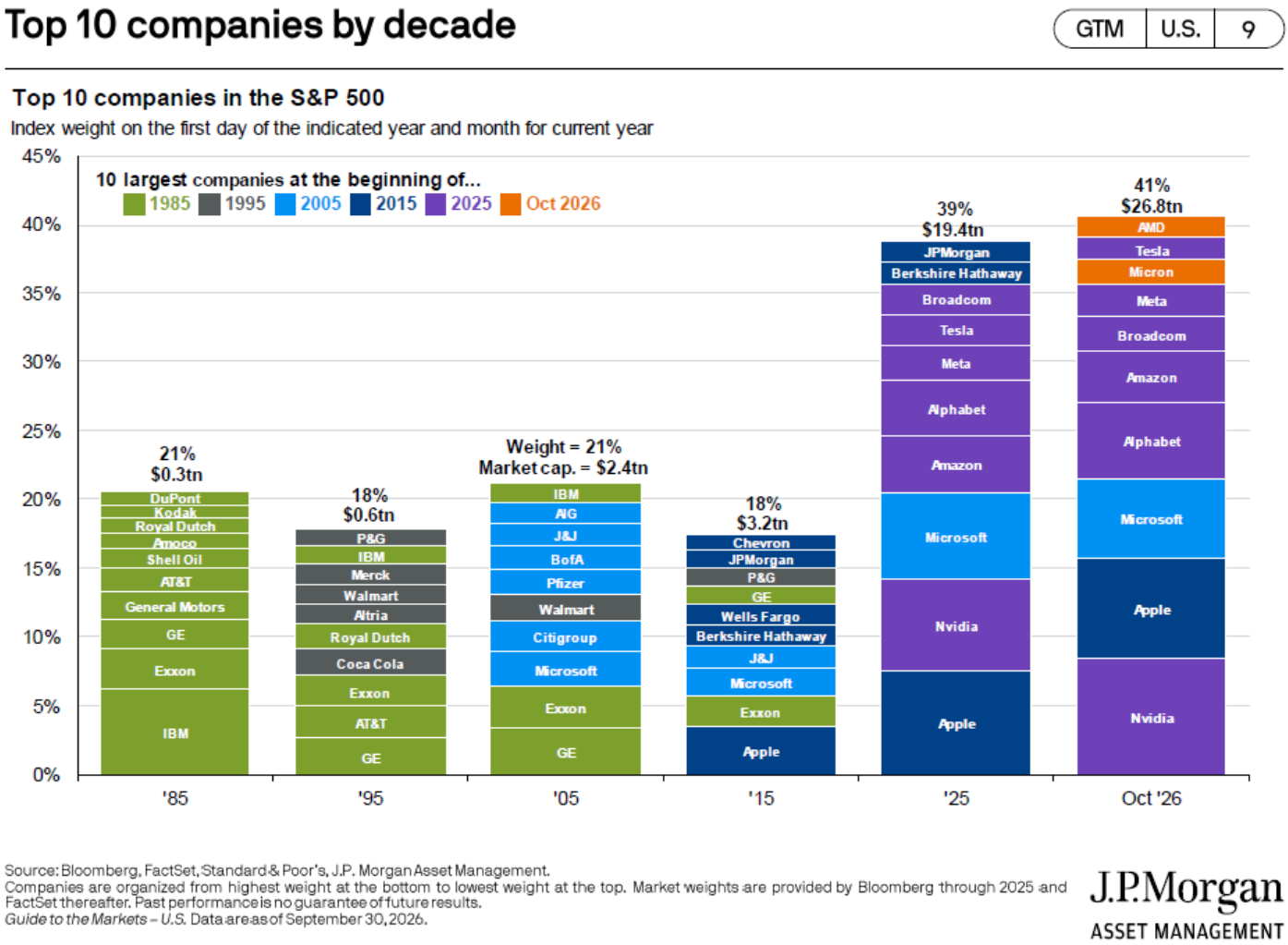
STAN'S WORLD — PATIENCE PAYS (CONT'D)

Whether you're an investor who practices patience or someone who wonders if quick and easy might be for you, here's an idea for those who aren't already practicing it. Effective at year-end this year, start preparing a personal quarterly balance sheet. I've been doing one for more than 30 years, and it's a terrific way to reinforce that all you're doing really works.

Sure, there are quarters when your investments lose value, but those are the quarters where you can see your debt balances are still falling. Three more months of paying down the mortgage; the car loan; the education loan. A personal balance sheet can be a useful way to measure your financial progress over time, even during periods when investment values decline. Try it; if nothing else, it will help you to organize all your assets and liabilities on one sheet of paper. And that alone is an impressive accomplishment.

On the other hand, should you ever get an invitation to a Robinhood conference to share your get-rich-quick story, I'll tip my cap to you. As for the rest of us, who are all trying to live our best life, know that the hard work is worth it.

FUN WITH CHARTS!

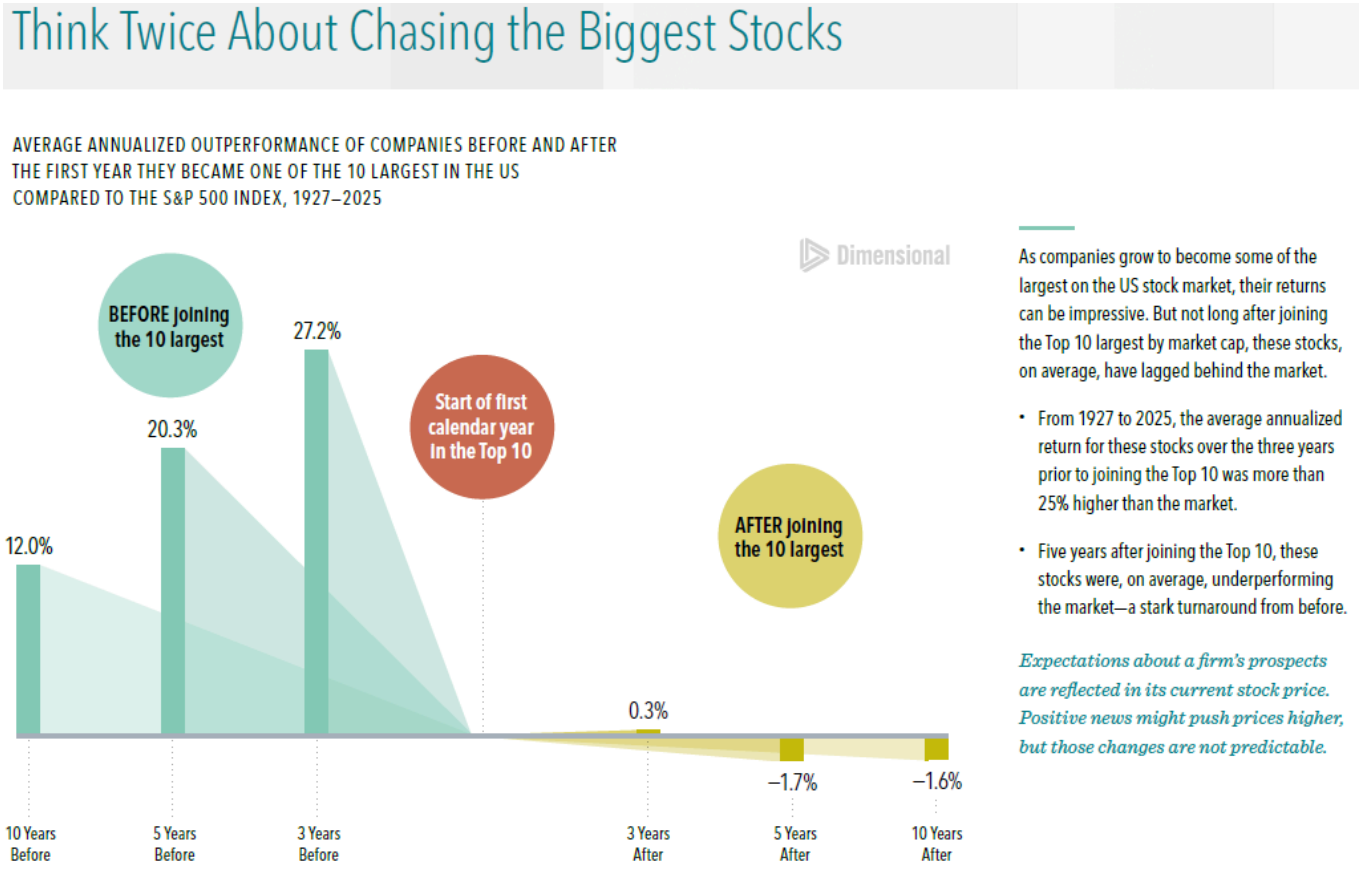


Source: Bloomberg, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Companies are organized from highest weight at the bottom to lowest weight at the top. Market weights are provided by Bloomberg through 2025 and FactSet thereafter. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of September 30, 2026.

J.P.Morgan
ASSET MANAGEMENT

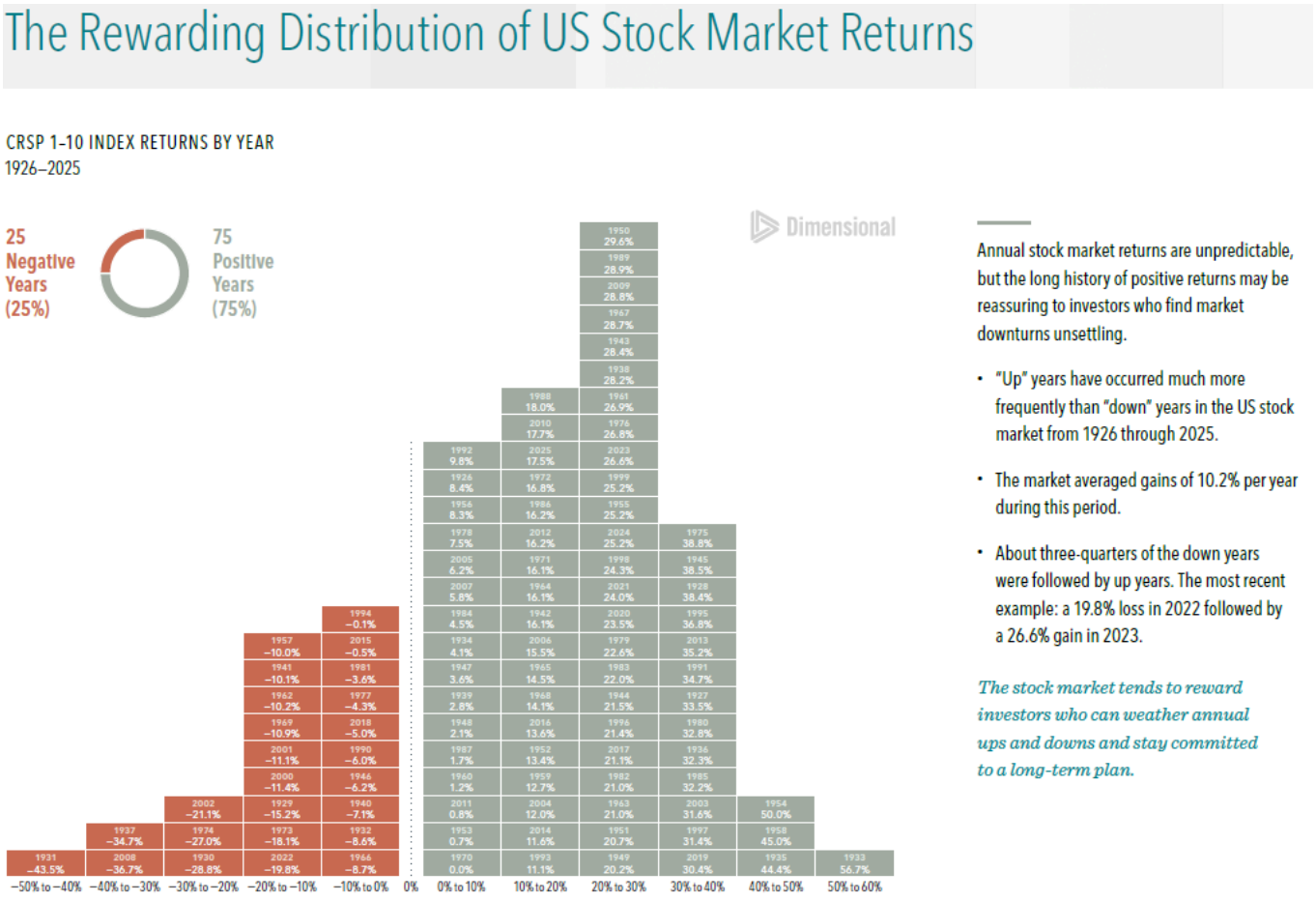
If you think investing is simply putting all your money into large-cap stocks, or mega-cap stocks, think again. As the chart above shows, the largest of companies are, over time, surpassed by companies whose names you may not know or who don't even exist yet. As the chart above[4] shows, the names that Baby Boomers knew as they aged have fallen to the wayside while newer companies have taken their places.

FUN WITH CHARTS! (CONT'D)



To reinforce the comments above, look at the performance of the biggest stocks over time[5]. "From 1927 to 2025, the average annualized return for these stocks over the three years prior to joining the Top 10 was more than 25% higher than the market. Five years after joining the Top 10, these stocks were, on average, underperforming the market…"

FUN WITH CHARTS! (CONT'D)



While the average gain in the S&P 500 is approximately 10%, as measured over the pat 100 years or so, the chart above[6] demonstrates a 10% annual gain for the S&P 500 is almost non-existent. Rather, market returns are widely varied; up 75% of the time, while down the other 25%. Of note, "About three-quarters of the down years were followed by up years. The most recent example: a 19.8% loss in 2022 followed by a 26.6% gain in 2023."

S.F. EHRLICH ASSOCIATES, INC.

S.F. Ehrlich Associates, Inc. has been providing financial advice on a fee -only, independent basis for over 25 years.

Managing Your Money is compiled entirely by Stanley F. Ehrlich and John Zeltmann.

Questions or comments are always welcome (and encouraged!).

Did we mention? If you have a friend or family member who you think might benefit from a discussion with us about financial planning and asset management, please pass along our phone number and email address. Long -term growth is not only crucial to portfolios, it 's also critical to a business.

If you have a friend, co -worker, or relative who 's in need of financial advice due to a pending or actual job loss, please give them our contact information. We 're always glad to speak **pro bono** with people who need a hand.

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1 Lang, Hannah Erin, and Rachel Mendelson. "Robinhood Traders Share Tales of Wealth." The Wall Street Journal, 12 Oct. 2026.
2 Vanguard. Celebrating Vanguard Advisor's Alpha: Clients and Their Advisors Thriving Together for 25 Years. 2025, https://unifyfa.com/wp-content/uploads/2025/10/Vanguard-Advisor-Alpha-2-2025.pdf
3 Dimensional Quick Takes, "The Power of Compounded Returns", 2026.
4 "Top 10 Companies by Decade," Slide 9, Guide to the Markets, J.P. Morgan. September 30, 2026.
5 Dimensional Quick Takes, "Think Twice About Chasing the Biggest Stocks," 2026.
6 Dimensional Quick Takes, "The Rewarding Distribution of US Stock Market Returns", 2026.

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