I like to run, I like to run far. The markets have been on quite a long run themselves.

I was recently diagnosed with a stress fracture in my pelvic bone. It's interesting when you don't listen to the human body, the way it will react and let you know there's something amiss. The body, just like the markets, is often trying to give you signs that it's in pain. It may need some help and it may need some rest. You can take painkillers to mask the pain and inflate your confidence (see Fed Quantitative easing/QE). This doesn't work. In the end you end up being sidelined or having to take retract from your activity. The Fed has continued to inflate markets with quantitative easing.

I've said for years I assume rates will go up at some point and I continue to be proven wrong. What I do know? Continually lowering interest rates ultimately creates bubbles in other asset classes. That being said, we must proceed with caution in all asset classes outside of the basic money market.

I have been in the financial markets since 1998 and I believe I've seen every major market cycle: from the tech bubble burst, “But how do we know when **irrational exuberance** has unduly escalated asset values, which then become subject to unexpected and prolonged…?”- Alan Greenspan, the hanging "Chad", 911, the Flash Crash, the energy meltdown, the Great Recession, total collapse of all asset classes and the financial system in 2008.

The truth is you have to always listen to what the markets are telling you and then rest your portfolio accordingly.

The market will show cracks or fractures at times, but our clients have learned since 1998 holding for the long course, resting at the appropriate time, waiting for the recovery and protecting your principle is what our investment thesis is all about.

It is worth noting that investors have a short memory. Ask yourself, when is the last time the market had a significant pullback or serious retraction? When was that, seriously ask yourself... OK, that was first six weeks of this year (2016), the market retracted almost 10%. Think about that, in six weeks you would have lost 10% of the value of your portfolio had you been invested in the S&P.

We are not in that game, we are not in the race to take these type risks. We will continue to protect your portfolios and grow them for the long term.

So just like my body was telling me, I should have stepped back, looked at the situation, looked at the training I was doing and thought long and hard about pressing forward. My training was extensive, but ultimately doing more damage to my pelvis than good. Everyone feels that they have to get long stocks and that is fine, but the associated risk that the market is telling us internally just can't be ignored. I know how this ends I just have no idea when that time is.

So, just like everything in life, proceed with thoughtfulness, trust your instincts and listen to the wise counsel around you. We wish and hope all of you a great fall as we head into the New Year.

“At PIMCO, Janus, or any other financial institution. Central brokers have fostered a casino like atmosphere where savers/investors are presented with a Hobson’s Choice, or perhaps a more damaging Sophie’s Choice of participating (or not) in markets previously beyond prior imagination. Investors/savers are now scrappin’ like mongrel dogs for tidbits of return at the zero bound. This cannot end well.” – Bill Gross