Firstlinks
a Morningstar company

Edition 541, 5 January 2024

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Editorial

Welcome back to *Firstlinks* and the start of a new year. I hope you had a refreshing and safe festive season.

Last year was a good one for almost every major asset. Bitcoin led the pack, rising 156%, while commodities were the only asset with negative returns.

CREATIVE PLANNING		Asset Class Total Returns Since 2011 (Data via YCharts as of 12/31/23)													@CharlieBilello	
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2011-23 Cumulative	2011-23 Annualized
N/A	Bitcoin ($BTC)	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65.5%	**155.8%**	14093099%	148.9%
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	**54.9%**	748.5%	17.9%
IWF	US Growth	2.3%	15.2%	33.1%	12.8%	5.5%	7.0%	30.0%	-1.7%	35.9%	38.3%	27.4%	-29.3%	**42.6%**	516.2%	15.0%
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	**26.2%**	382.3%	12.9%
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	**18.4%**	90.6%	5.1%
IWM	US Small Caps	-4.4%	16.7%	38.7%	5.0%	-4.5%	21.6%	14.6%	-11.1%	25.4%	20.0%	14.5%	-20.5%	**16.8%**	207.9%	9.0%
MDY	US Mid Caps	-2.1%	17.8%	33.1%	9.4%	-2.5%	20.5%	15.9%	-11.3%	25.8%	13.5%	24.5%	-13.3%	**16.1%**	262.9%	10.4%
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-20.8%	**14.5%**	200.5%	8.8%
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	**12.7%**	37.8%	2.5%
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	**11.8%**	166.1%	7.8%
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	**11.5%**	76.6%	4.5%
IWD	US Value	0.1%	17.5%	32.1%	13.2%	-4.0%	17.3%	13.5%	-8.5%	26.1%	2.7%	25.0%	-7.7%	**11.4%**	242.0%	9.9%
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	**10.6%**	51.7%	3.3%
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	**9.4%**	59.5%	3.7%
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	**9.2%**	69.9%	4.2%
EEM	EM Stocks	-18.8%	19.1%	-3.7%	-3.9%	-16.2%	10.9%	37.3%	-15.3%	18.2%	17.0%	-3.6%	-20.6%	**9.0%**	11.7%	0.9%
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	**5.7%**	30.5%	2.1%
BIL	US Cash	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	0.7%	1.7%	2.2%	0.4%	-0.1%	1.4%	**4.9%**	11.4%	0.8%
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	**3.8%**	37.9%	2.5%
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	**2.8%**	47.1%	3.0%
DBC	Commodities	-2.6%	3.5%	-7.6%	-28.1%	-27.6%	18.6%	4.9%	-11.6%	11.8%	-7.8%	41.4%	19.3%	**-6.2%**	-13.1%	-1.1%
Highest Return		BTC	BTC	BTC	VNQ	BTC	BTC	BTC	BIL	BTC	BTC	BTC	DBC	BTC	BTC	BTC
Lowest Return		EEM	BIL	GLD	BTC	DBC	BIL	BIL	BTC	BIL	DBC	TLT	BTC	DBC	DBC	DBC
% of Asset Classes Positive		62%	95%	52%	71%	38%	100%	100%	5%	100%	90%	67%	10%	95%	95%	95%

After 2022 where only 10% of assets had positive returns, 2023 flipped the script with 95% of assets in positive territory.

The Nasdaq 100 had an extraordinary bounce back, leaping 55% higher last year, led by the 'Magnificent Seven' tech stocks. That resulted in US growth and large caps also outperforming. The Nasdaq left the S&P 500 in the dust though the latter still had a strong 26% return for 2023. Mid and small caps again trailed the indices both in the US and Australia. Meanwhile, REITs were surprisingly strong despite headwinds from rising interest rates and trends such as work-from-home. Emerging markets were a notable laggard, dragged down by poor performance from China. And commodities were lower for the year as oil prices plummeted from their highs in 2022.

The ASX 200 was up 7.8% for 2023 in Australian dollar terms (though similar in USD). That's a decent return though looks meek compared to the world ex-US return of 18.6%. The ASX performance shouldn't surprise given the index is dominated by slow-growing banks and commodity stocks, which were hit by those falling commodity prices.

From the chart above, it's notable that asset returns for 2023 largely continued trends that have been happening for most of the past decade. Defying the naysayers, Bitcoin has returned 149% per annum (p.a.) since 2011. The Nasdaq is up 18% p.a. over the same period. Meanwhile small caps, value stocks, and emerging markets have all lagged badly.

Market predictions and the 'I don't know' club

What do the results of 2023 mean for this year? Your email inbox has no doubt been inundated with predictions about where the market and various assets are heading in 2024. These predictions generally fall into two categories: extrapolating last year's returns into the future or forecasting a reversion to the mean for returns.

Let's call the first bucket of forecasters, the market extrapolators. They say you should stick with the strong. The markets, sectors, and companies that have recently performed well will continue to do so. That means the US, tech, and large caps should continue to beat the rest, riding trends such as AI, robotics, and the cloud/data. Investors in this bucket primarily fall into the 'growth' and/or 'momentum' category.

The second bucket of forecasters can be called the mean-reverters. They say extrapolating from recent market performance is dangerous and falls into the trap of a psychological bias known as recency bias. They believe returns revert to the mean in the long-term. Investors here generally fall into the 'value' category and favour value stocks, emerging markets, and commodities going forward. Famed investors in the mean reversion camp include GMO's Jeremy Grantham and Research Affiliates' Rob Arnott.

Critics of mean-reverters suggest they ignore that some assets are better than others and are unlikely to mean revert. For example, tech has been riding a 30-year wave of innovation and that's unlikely to end any time soon. On the flip side, commodities are perennial long-term underperformers and that is unlikely to change in future.

What both categories of market predictors have in common is that they think they can predict the future. That though the future is uncertain, there are patterns which can be identified and forecast.

Yet, most forecasters are deluding themselves. They can't predict the future. For some, the delusion is forced on them through working for institutions whose investors expect predictions, and forecasts are a form of marketing for these institutions to increase their funds under management.

But investors are to blame too. Most people hate uncertainty and predictions provide a degree of comfort about the future.

I'd like to propose an alternative. Let's call it the 'I don't know' club. The mission statement of the club could read something like this:

> *"We don't have a clue about what 2024 and beyond will bring. The future is uncertain. We see no need to predict an imaginary future to reduce this uncertainty. Instead, we'll focus on those things that we can control, rather than those we can't."*

Focusing on what matters

What should investors focus on, then? There are three drivers for future returns from markets and stocks: the starting dividend yield, earnings growth, and change in price to earnings multiple. Or in formula terms:

Starting net yield + earnings growth rate + % change in earnings multiple = future return p.a.

Investors don't have any control over the multiple that the market will attach to an index or stock. The biggest driver of future returns is likely to come from the earnings growth rate. If you can buy quality businesses with competitive advantages and pricing power that will earn much more in 5-10 years' time than they do now, the returns from these stocks should reflect this in the long-term. And this business growth will in turn drive market returns.

Earnings are what matter, and that's where investors should focus their attention. Market commentary outside of that is largely a distraction.

The next two charts illustrate this point. The first comes from one of the best global fund managers, Canada-based Francis Rochon. Each year, Rochon compares the annual earnings growth and yield from his portfolio of companies against the market value ascribed to these companies.

	Rochon Global Portfolio			S&P 500		
Year ***	Value *	Market **	Difference	Value *	Market **	Difference
1996	14%	29%	15%	13%	23%	10%
1997	17%	35%	18%	11%	33%	22%
1998	11%	12%	1%	4%	29%	25%
1999	16%	12%	-4%	12%	21%	9%
2000	19%	10%	-9%	15%	-9%	-24%
2001	-9%	10%	19%	-21%	-12%	9%
2002	19%	-2%	-21%	13%	-22%	-35%
2003	31%	34%	3%	12%	29%	16%
2004	21%	8%	-12%	20%	11%	-10%
2005	14%	15%	0%	15%	5%	-10%
2006	14%	3%	-11%	24%	16%	-8%
2007	10%	0%	-10%	-4%	5%	9%
2008	-3%	-22%	-19%	-31%	-37%	-6%
2009	0%	28%	28%	6%	26%	20%
2010	22%	22%	0%	50%	15%	-35%
2011	17%	6%	-11%	18%	2%	-16%
2012	19%	23%	4%	9%	16%	7%
2013	16%	42%	26%	8%	32%	24%
2014	13%	19%	6%	10%	14%	4%
2015	11%	4%	-7%	1%	1%	0%
2016	9%	10%	1%	4%	12%	8%
2017	14%	20%	7%	14%	22%	11%
2018	20%	-8%	-28%	23%	-4%	-26%
2019	10%	31%	20%	3%	31%	29%
2020	-2%	15%	17%	-9%	18%	27%
2021	32%	28%	-4%	48%	29%	-19%
2022	5%	-20%	-25%	7%	-18%	-25%
Total	2591%	2234%	-357%	893%	927%	34%
Annualized	13.0%	12.4%	-0.6%	8.9%	9.0%	0.1%

* Estimated growth in earnings plus dividend yield
** Market performance, inclusive of dividends (refer to Appendix B for disclosure statements on our returns)
*** Results estimated without currency effects

In 2022 for instance, Rochon's portfolio had earnings growth plus a dividend yield of 5%, yet the market value of his portfolio went down by 25%. Similarly, the S&P 500 yield and earnings growth increased by 7% in 2022 but the market value of the index fell 18%.

However, in the long term, the earnings growth and yield largely mirrors the resulting market value. Rochon's portfolio delivered a dividend yield and earnings growth of 13% annually over the 25 years to 2022, and the market value of his portfolio went up by 12.4% p.a.. Likewise for the S&P 500, EPS growth plus the dividend yield increased 8.9% p.a. over the same period, and the market value for the index rose by a similar amount.

In other words, markets are volatile and may not reflect the underlying earnings of businesses in the short-term. Yet market returns tend to converge with underlying business earnings growth and yields in the long-term.

The second chart is a little different yet makes a similar point.

S&P 500: Earnings Growth, Price Returns, TTM P/E Ratios (1989 - 2023)							
Year	S&P Operating EPS	% Change Operating EPS	S&P End Price	% Change S&P 500 (Price)	S&P 500 TTM P/E	P/E % Change	Multiple Expansion/Contraction
1989	24	0.8%	353	27.3%	14.5	26.4%	Expansion
1990	23	-6.9%	330	-6.6%	14.6	0.3%	Expansion
1991	19	-14.8%	417	26.3%	21.6	48.2%	Expansion
1992	21	8.1%	436	4.5%	20.9	-3.4%	Contraction
1993	27	28.9%	466	7.1%	17.3	-16.9%	Contraction
1994	32	18.0%	459	-1.5%	14.5	-16.6%	Contraction
1995	38	18.7%	616	34.1%	16.3	12.9%	Expansion
1996	41	7.8%	741	20.3%	18.2	11.6%	Expansion
1997	44	8.3%	970	31.0%	22.1	20.9%	Expansion
1998	44	0.6%	1229	26.7%	27.8	25.9%	Expansion
1999	52	16.7%	1469	19.5%	28.4	2.4%	Expansion
2000	56	8.6%	1320	-10.1%	23.5	-17.3%	Contraction
2001	39	-30.8%	1148	-13.0%	29.6	25.6%	Expansion
2002	46	18.5%	880	-23.4%	19.1	-35.3%	Contraction
2003	55	18.8%	1112	26.4%	20.3	6.4%	Expansion
2004	68	23.8%	1212	9.0%	17.9	-11.9%	Contraction
2005	76	13.0%	1248	3.0%	16.3	-8.8%	Contraction
2006	88	14.7%	1418	13.6%	16.2	-1.0%	Contraction
2007	83	-5.9%	1468	3.5%	17.8	10.0%	Expansion
2008	50	-40.0%	903	-38.5%	18.2	2.6%	Expansion
2009	57	14.8%	1115	23.5%	19.6	7.5%	Expansion
2010	84	47.3%	1258	12.8%	15.0	-23.4%	Contraction
2011	96	15.1%	1258	0.0%	13.0	-13.1%	Contraction
2012	97	0.4%	1426	13.4%	14.7	13.0%	Expansion
2013	107	10.8%	1848	29.6%	17.2	16.9%	Expansion
2014	113	5.3%	2059	11.4%	18.2	5.8%	Expansion
2015	100	-11.1%	2044	-0.7%	20.3	11.7%	Expansion
2016	106	5.8%	2239	9.5%	21.1	3.5%	Expansion
2017	125	17.2%	2674	19.4%	21.4	1.5%	Expansion
2018	152	21.8%	2507	-6.2%	16.5	-22.6%	Contraction
2019	157	3.6%	3231	28.9%	20.6	24.4%	Expansion
2020	122	-22.1%	3756	16.3%	30.7	49.3%	Expansion
2021	208	70.1%	4766	26.9%	22.9	-25.4%	Contraction
2022	197	-5.4%	3840	-19.4%	19.5	-14.8%	Contraction
2023*	214	8.6%	4770	24.2%	22.3	14.4%	Expansion

*2023 TTM EPS includes estimates for Q4 2023, S&P 500 Price as of 12/31/23

CREATIVE PLANNING @CharlieBilello *Data Source: S&P Dow Jones*

S&P 500 earnings for 2023 are likely to increase 8.6%, yet the market ex-dividend yield climbed 24%. The difference comes from the price-to-earnings (PER) multiple for the index rising from 19.5x in 2022 to 22.3x in 2023.

Historically, the PER multiple has fluctuated from as low as 13x in 2011 to as high as 29.6x in 1999. What's remarkable though is how consistent earnings growth has been during the past 34 years. 2023 earnings are likely to be close to double those of 10 years ago (2013), which were roughly double those of the decade prior to that (2003), which were about double those of 10 years before that (1993). Using the rule of 72, doubling earnings over 10 years means earnings growth of about 7% p.a. It's happened like clockwork over more than 30 years.

That earnings growth isn't assured in future. What is more certain is that the starting yield and earnings growth of stocks and markets will continue to drive long-term returns.

James Gruber

Also In this week's edition...

As Firstlinks enters its 12th year of publication, Graham Hand goes back over the past 540 editions and finds some of our most popular and standout articles. Graham also provides a brief update on his health.

In this week's whitepaper, **Orbis** looks at preparing for a new investing environment over the next decade.

A dozen highlights from a dozen years

Graham Hand

As we move into 2024, the 12th year of publishing Firstlinks, we have gone back over 540 editions and about 1,000 pieces written by me to find some of our most popular and standout articles.

While we focus of investing, superannuation and products, and try not to second-guess the market on where it is likely to head in the coming year, we inevitably write about property regularly. While Australians held about $3.6 trillion in superannuation at the end of 2023, they are investing about $10.5 trillion in residential property. Whereas 20 to 30 years ago, houses cost about four times the average salary, new buyers are now paying double that, or about eight times their income. It has made buying a house (or other home) a massive social problem and the increase in inequality has created a two-system economy.

The numbers are startling in a period of rapidly-rising interest rates. The national Home Value Index (HVI) rose 8.1% in Australia in 2023 according to CoreLogic, but Sydney, Brisbane and Perth rose even more. While predictions are prone to bias and inaccuracy, it seems unlikely that prices can repeat similar rises in 2024 on the back of large increases in interest rates.

In any case, several selected articles focus on housing trends, including the role of homes in retirement and superannuation. We also draw out many of the unknown risks of buying off-the-plan, increasingly important as more people need to buy apartments rather than houses.

The 2019 'OK Boomer' article showed how much my generation had benefited from the times, and we also review comments by Markowitz and Marks.

So take a look down memory lane at some important pieces, as we head back into our usual format during January 2024.

(A reminder that all past editions remain forever on our website, and glancing through an article archive, or perhaps following a particular contributor, reveals a treasure of content to follow).

1. 2023 (Edition 503)

10 reasons owning your home beats super in retirement

https://www.firstlinks.com.au/10-reasons-owning-home-beats-super-retirement

Since the introduction of compulsory super, the industry has pushed its members to put as much as possible into super. It has been a disservice to anyone entering retirement who could have owned a home instead.

2. 2022 (Edition 478)

Homeowner retirees should not 'run out of money'

https://www.firstlinks.com.au/homeowner-retirees-not-run-money

A retired couple with up to $419,000 in assets plus a family home can receive a full age pension of $40,000 a year (worth maybe $1 million) plus many other benefits. With home equity access, money should not run out.

3. 2021 (Editions 407 and 408)

Whoyagonnacall? 10 unspoken risks buying off-the-plan

https://www.firstlinks.com.au/whoyagonnacall-10-unspoken-risks-buying-off-plan

https://www.firstlinks.com.au/whoyagonnacall-unspoken-risks-buying-off-plan-2

All apartment buildings, new or old, have defects, and inexperienced owners assume someone else will fix them. But developers and builders will not volunteer to spend time and money unless someone fights them. Parts 1 and 2.

4. 2020 (Edition 365)

11 lessons from my lousy $50K profit on Afterpay

https://www.firstlinks.com.au/11-lessons-from-my-lousy-50k-profit-on-afterpay

Afterpay listed at $1 in 2016 and traded at over $100. How should an investor treat a small holding in a 100-bagger when each new level defies the experts? Should true believers let the profits run?

5. 2019 (Edition 332)

OK Boomer: fessing up that we've had it good

https://www.firstlinks.com.au/article/ok-boomer-fessing-up-that-we-ve-had-it-good

The pre-Boomer generations faced global wars and depressions, but Australians born after 1946 have enjoyed prosperity. Superannuation, education, strong markets and surging property prices locked in gains.

6. 2018 (Edition 248)

$1 million is never worth less than $500,000

https://www.firstlinks.com.au/1million-never-less-than-500000-assets

Of course more is more. It's become common to claim there is no incentive to save more than $500,000 because of the loss of age pensions and possibly franking credits. But these arguments overlook the way super is supposed to operate.

7. 2017 (Edition 187)

Howard Marks on expert opinions as a coin toss

https://www.firstlinks.com.au/howard-marks-forecasting-coin-toss

Seven years after we first published this article, it feels as relevant as ever as market experts try to predict the next Fed rate move. Nearly all were wrong at the start of 2023, yet optimism led to a strong conclusion to the year. The memo from Howard Marks titled 'Expert Opinion' explained how forecasting is more art than science, and too much weight is given to expert opinions which are little more than a 50-50 guess.

8. 2016 (Edition 150)

Culture shock: 'Naked Among Cannibals' revisited

https://www.firstlinks.com.au/culture-shock-naked-among-cannibals-revisited

In my study of the way Australian banks operate, the cultural shortcomings have been obscured by the more prominent scandals in wealth management. Without a legal fiduciary obligation to customers, are banks fulfilling the social role expected of them?

9. 2015 (Edition 117)

What real estate agents don't tell you

https://www.firstlinks.com.au/real-estate-agents-dont-tell

The costs of owning an apartment for short term rental consume most of the income, leaving uninformed investors blind to actual returns until the statements roll in. The practice of marketing gross yields is misleading.

10. 2014 (Edition 65)

Harry Markowitz on investing until 100

https://www.firstlinks.com.au/harry-markowitz-investing-100

At age 87 in 2014, Nobel Prize winner and investment legend Harry Markowitz was far from retirement, dividing his time between teaching, consulting and writing. He sat down with me to share his wisdom.

11. 2013 (Editions 1, 2 and 3 by the Hon Paul Keating)

We're living longer and so should our superannuation

https://www.firstlinks.com.au/living-longer-and-superannuation

Where did SMSFs come from, and where are they going?

https://www.firstlinks.com.au/where-did-smsfs-come-from-and-where-are-they-going

Dividend imputation and superannuation are worth fighting for

https://www.firstlinks.com.au/dividend-imputation-and-superannuation-are-worth-fighting-for

12. And a bonus from 2020 (Edition 359)

The most amazing investment lesson of all

https://www.firstlinks.com.au/the-most-amazing-investing-lesson-of-all

If you had to choose one valuable concept to explain to a young person setting out on an investment journey, it should be compounding and the steady accumulation of wealth.

Go your own way, who said this and a health update

Graham Hand

2024 ...

... will turn out differently than you expect. We finished 2023 on a high with rising equity markets and falling long-term interest rates, and it's tempting to extrapolate from here. While forecasts are often needed as part of investing, experts predict quickly and then bury their miscalculations. There will be surprises soon and 2024 will not be an exception. Investing and life is always like that.

The Australian Financial Review has surveyed 40 economists and found that only nine expect cash rates to rise to 4.6% on 6 February 2024, while the median forecast sees a first fall in September. Not surprisingly, that's about where I sit, as I think the Reserve Bank has done enough with cash rates due to Australia's far higher level of floating rate borrowing.

The call for Governor Michele Bullock is whether she feels she needs to show the market a firmer hand, but another rise will inflict mortgage pain on thousands of younger people while older investors enjoy the increasing cash flow. It's been a rapid turn from the days of earning nothing on cash.

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Here's a bit of fun to start the new year. Who said these famous quotations (answers at the end)?

1. "Pundits forecast not because they know but because they are asked."
2. "My two rules of investing: Rule one – never lose money. Rule two – never forget rule one."
3. "The four most dangerous words in investing are: 'This time it's different.'"
4. "Go for a business any idiot can run because sooner or later, any idiot probably is going to run it."
5. "If you owe the bank $100, that's your problem. If you owe the bank $100 million, that's the bank's problem."

6. “Markets can remain irrational longer than you can remain solvent.”
7. "The stock market is filled with individuals who know the price of everything, but the value of nothing."
8. "I will tell you how to become rich. Close the doors. Be fearful when others are greedy. Be greedy when others are fearful."
9. “October. This is one of the particularly dangerous months to invest in stocks. Other dangerous months are July, January, September, April, November, May, March, June December, August and February.”
10. "The stockmarket has reached what looks like a permanently high plateau.”
11. “Money is better than poverty if only for financial reasons.”
12. “Conventional wisdom teaches that it is better to fail conventionally than to succeed unconventionally.”
13. “The markets generally are unpredictable, so that one has to have different scenarios. The idea that you can actually predict what’s going to happen contradicts my way of looking at the market.”
14. "In investing, what is comfortable is rarely profitable.”
15. “For I don’t care too much for money, for money can’t buy me love.”
16. “Diversification is a protection against ignorance. It makes very little sense to those who know what they are doing.”
17. “I am not worried about the deficit. It is big enough to look after itself.”
18. “You must not only learn to live with tension, you must seek it out. You must learn to thrive on stress.”
19. “You never count your money when you’re sittin’ at the table. There’ll be time enough for countin’, when the dealin’s done.”
20. “In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value.”

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I have received overwhelming support and encouragement since I announced my diagnosis for a brain tumour in November 2023. Here is a brief update.

On 29 December 2023, two days before the end of the year, I completed six weeks of radiation and chemotherapy treatment. Now there is a break for a month to allow my body and brain to recover, although the next two weeks are usually worse during the adjustment. Then at the end of January, back onto a week of chemo followed by three weeks off, for another six months, depending on results. And perhaps another short, sharp radiation if needed.

It's been a tough slog at times and I try not to be boring talking about it. Some days have been fine, others lacking energy with my mind vague. Completing 30 radiation sessions became a daily chore, which many others have endured.

The weird experience is the need to eat before wanting any food, as the drugs and radiation make such demands on the body. Waiting until I get an appetite is too late, and the nurses and doctors insist I eat almost anything to maintain my weight and energy. My wife, Debbie, has been wonderful, taking me to hospital every day for radiation sessions. I'm not allowed to drive due to potential for epilepsy after brain surgery.

The radiation oncologist treating me is Professor Michael Back, the best in the business at targeting radiation doses to the brain. It is now public knowledge that Back is also treating Professor Richard Scolyer, who recently featured on Australian Story on ABC TV (and is the current NSW Australian of the Year) due to new techniques to manage his own brain tumour. I feel great confidence in the people looking after me.

Michael Back reviewed my images every day as scans were done with every radiation treatment, and we met him once a week. He told us he was worried I would not make it due to brain swelling, weight loss and energy variance at one stage, but now he is pleased with progress and is more optimistic. Every person reacts differently as medication doses are varied to stay on top of the disease, and hopefully this has stabilised.

So it's 2024, but at one stage, I wondered if I would get this far. I'm mostly feeling fine although often tired. I'm ready for the next stage and hopeful the reduction in radiation and chemo treatment will make me feel better over coming weeks. Even my new cancer-fighting beard is coming along well.

Thanks to everyone for their support and have a great 2024. Apologies if I have not replied to messages as on some days, I'm on another planet. We'll see where this planet takes me.

Cheers, Graham

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And here are the answers:

1. John Kenneth Galbraith
2. Warren Buffett
3. Sir John Templeton
4. Peter Lynch
5. J. Paul Getty
6. John Maynard Keynes
7. Phillip Fisher
8. Warren Buffett
9. Mark Twain
10. Irving Fisher
11. Woody Allen
12. John Maynard Keynes
13. George Soros
14. Robert Arnott
15. The Beatles
16. Warren Buffet
17. Ronald Reagan
18. J. Paul Getty
19. Kenny Rogers
20. Alan Greenspan