



# BENCHMARK

## PRIVATE WEALTH MANAGEMENT

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**Benchmark Private Wealth Management Newsletter**  
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### **In Contrast to Chernobyl**

*"What is the cost of lies? It's not that we'll mistake them for the truth. The real danger is that if we hear enough lies, then we no longer recognize the truth at all."*  
– Valery Legasov

I am digging into this historical event, [Chernobyl](#), through the HBO miniseries that I have found to be fascinating. If you haven't seen this docudrama on HBO, I highly recommend the series. The epic nuclear power plant explosion is worth studying and understanding. You could ask a room full of 1,000 people what actually happened at Chernobyl, and not one person could give you the exact answer. Everyone knows that there was a nuclear power plant crisis, but no one really understood the details and depth of what happened. The series provides a great study into the reality of the events prior to the point of a total system breakdown.

Not only is the series a fascinating historic overview, but it provides a fantastic view into human psychology, the manipulation of information, as well as state and personal promotion. This actually makes for an interesting investment thesis. We are never looking out for our own personal gain as much as we are looking out for our investors (do what is right, and all will be right). These core beliefs translate into no proprietary products, fair fees, transparency and fiduciary clarity. None of which you saw in the Communist hierarchy at Chernobyl. The Chernobyl crisis is all about cover up, promotion and self-aggrandizement. Each of these prove to be problematic in government hierarchy, society and investing.

We never want to chase "hot" money managers. Prudent investing is all about studying, listening and learning. The deceit of lies can be a significant problem, and I can assure you there is more deceit and lies in the current investor media

than I have seen in a long time.

What is the cost of lies? We live in a time where deciphering fact from fiction can be perplexing to say the least. The deception of media and mania reach all facets of life, including the financial press. Here at Benchmark PWM, we work to consistently and diligently educate ourselves and decipher what is relevant and tangible for our investors.

The oxymoron of celebratory market trends and areas of concern is ever prevalent in the current U.S. economy, and pockets of worry surrounding the global economy continue to be exposed. As investors, we continue to analyze asset classes, create meltdown resistant portfolios, and curate alternative investment options for our clients. We believe alternatives will stabilize the portfolio and lower the volatility. Remember the [principle](#) I told most of you in our very first meeting, “if you have two portfolios, the one with lower volatility will give you the greater compounded rate of return over time.” A simple concept, yet one that many, many modern-day investors miss. We do not need to chase the highs or run with the lows. As they learned at Chernobyl, running hot at low power can be a recipe for disaster.

We feel the market will continue working up the wall of worry. That is not to say that the environment cannot change quickly, but with historically low unemployment and other exceptional numbers for the U.S. based economy, things appear to be on an upward trend for now. We expect the upcoming election cycle to create volatility and chaos, but historically the market has made a positive run into the election season.

Let's stay focused on the financial landscape. Where and when will the next crash come? I do not know. But I do want to touch on an article that I find is at a minimum interesting and at a maximum the canary in the coal mine. This a fascinating piece about early stage angel and VC investing and the potential “house of cards” it creates, particularly in Silicon Valley. **PLEASE read** this [article](#) and you can see how bubbles begin to form.

Once again, I am not a market timer but as I look to our client's best interests, I am looking for indicators of an overheated market. Disclaimer: I'm not calling for a meltdown in early stage technology, just observing the future possibilities. As a matter of fact, we invest in robotic stocks as we see innovation taking place across all industries. But the exorbitant valuations will ultimately be brought to light for what they are: speculating (remember that PE/VC/Angel meltdowns can bring down public equities). With speculation comes collateral damage.

Where is the next Chernobyl? Undetermined. But what I do know, is that we have your best interest in mind. We will stay focused, keep our heads down, do our job, manage risk and stay out of the “lies”.

*“Every lie we tell incurs a debt to the truth. Sooner or later that debt is paid.” – Valery Legasorv*

We are always here for questions you may have about portfolio performance, conditions or construction. Thank you for trusting us with your investments.

Most Sincerely,

Wayne

[\*\*CLICK HERE - Quarterly Market Review Report\*\*](#)

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