

Predictables.

Pine Haven Investment Counsel, Inc –
Spring 2011

The key to a successful investment plan is to focus on the “*PREDICTABLES*” and to ignore the “*UNPREDICTABLES*”

The Predictables

Wealth will be created through long-term ownership of companies that dominate global market segments.

Wealth will not be created by trying to guess short term swings in the markets.

Low portfolio turnover helps minimize capital gains taxes, improving the “tax efficiency” of your investments and lowering the overall costs to your portfolio.

Most coverage in the media will focus on short-term developments.

The US Economy will continue to grow as will other economies throughout the world.

Growth in earnings and dividends are the key determinants of the price of a company’s shares ***in the long-term.***

Proper diversification supporting your individual long-term goals is the best position to weather unpredictable events.

From time to time, we, as your advisers, will select investments that do not live up to our expectations.

The Unpredictables

Which companies or industries in your portfolio will perform best over the next year and which will be the favorites of Wall Street security analysts.

Whether the stock market will go up or down today, tomorrow, next week, or next year.

Whether the dollar will be strong or weak in relation to other currencies.

Whether the Federal Reserve will raise or lower interest rates at its next meeting.

Whether a company’s next quarterly earnings report will fall short or exceed the consensus of Wall Street analysts.

Whether inflation will go up or down over the next few months.

When the economy will enter or exit a recession.

When the next bubble, scandal, terrorism, war or natural disaster will occur.

Which Party will have the upper hand in Washington and what will legislation will result.

“It ain’t what you don’t know that gets you into trouble. It’s what you know for sure that just ain’t so.” Mark Twain