

April 2022

# THE EDUCATED INVESTOR

A GUIDE TO RETIREMENT PLANNING

## PAGE 3

5 Ways to Keep Mentally Fit In Retirement

## PAGE 6

NASA has Found 5,000 Planets Outside of our Solar System

## PAGE 7

Recipe of the Month

## PAGE 8

Sudoku Section & April Holidays

## Russia-Ukraine War: The Crude Awakening

### Key Takeaways

- The Russia-Ukraine war has led to higher market volatility. However, the cost of an extended war and severe sanctions are likely to choke Russia's small economy.
- Despite a small economy, Russia has a significant contribution to global commodities, which could add to higher inflation. While this creates a quandary of competing forces of high inflation and a potential slowdown in growth from higher costs, the Federal Reserve (Fed) is likely to remain focused on inflation and begin raising interest rates.
- Historically, geopolitical events have been a humanitarian disaster, but have had a short-lived effect on markets.

The Russia-Ukraine war is a humanitarian disaster. While this latest insight focuses on the impact of the war on global economies and markets, in hopes for a resolution to this humanitarian crisis, be reminded of this quote by Franklin Delano Roosevelt: "More than an end to war, we want an end to the beginnings of all war".

The Russian invasion of Ukraine has added to volatility in global markets in 2022. This latest volatility has led stocks to fall, while traditional safe havens like



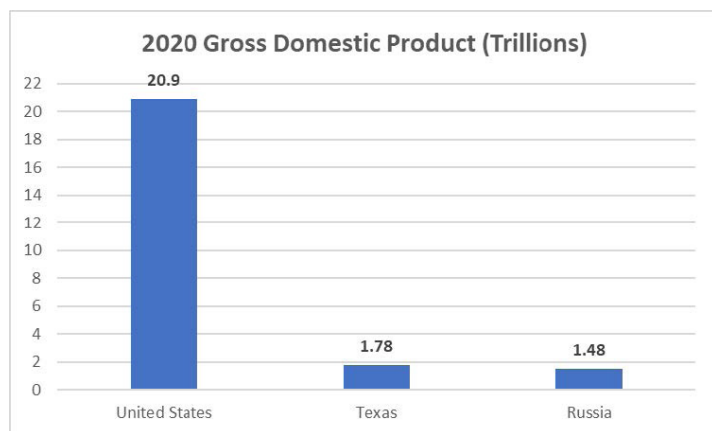
Treasuries and gold are rising. Oil prices have also spiked above \$100 for the first time in seven years<sup>1</sup>. While this situation is highly fluid and subject to change, here are some considerations for investors to navigate the latest market uncertainty.

*Russia's economy is small, and sanctions will further choke its economy.*

Russia's presence as a large geopolitical nuclear armed power stands in contrast to the small size of its economy. Measured by gross domestic product, the most common yardstick for measuring a country's economic size, Russia pales in comparison to the US and the Eurozone. As of 2020, Russia's GDP stood at \$1.48 trillion, in comparison to \$1.78 trillion for the state of

Texas<sup>2</sup> and \$20.9 trillion for the US economy<sup>3</sup>.

US exports to Russia total \$6 billion, which is materially insignificant given the size of the US economy<sup>4</sup>. In addition, with the latest economic sanctions, the Russian currency is in a free-fall, and its debt downgraded to junk status, the Russian economy will be further choked<sup>5</sup>.



Source: World Bank, FRED

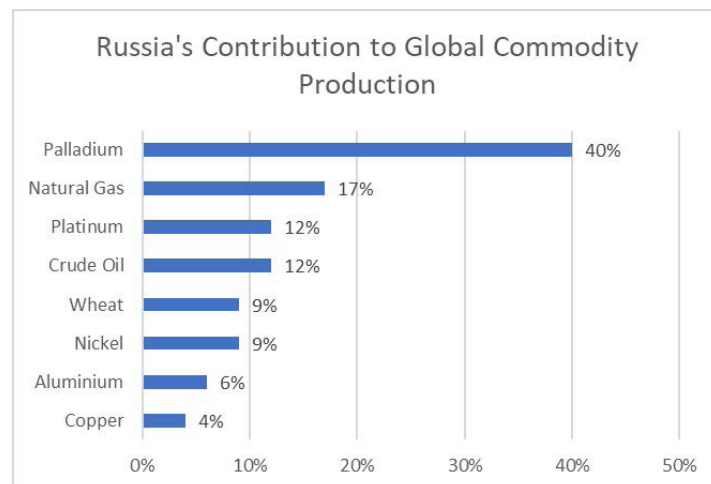
Similarly, within the stock markets, as of February 28, 2022, Russian equities represented 1.6% of the market cap weight of the emerging market index and 0.19% of the market cap weight of the global equity index<sup>6</sup>. Russian equities have also been in a free-fall, leading the stock exchange in the country to close since last week. Further, many of the majority equity index providers have indicated they plan to remove Russian listings from key indexes next week<sup>7</sup>, a further blow to its economy.

### Energy price spike adds to inflation pressure

Even though Russia's economic profile is small, it does significantly contribute to global commodity production. Within the energy complex, Russia supplies 17% of natural gas and 12% of crude oil<sup>8</sup>. This puts Russia as the world's third-largest producer of oil and second-largest producer of natural gas.

Russia also has meaningful contributions in various other commodities as shown below. As Russia's supply

of these various commodities becomes constrained, this will continue to put pressure on supply chains, adding further to inflationary pressures and a drag on global growth. The threat to Europe's economy is far greater given its proximity to the region and its greater reliance on Russian energy. The bottom line is increased inflationary pressure could lead to more volatility.



Source: JPMorgan Asset Management. *Should I worry about Russia/Ukraine tensions impacting markets?*

Higher inflation and increased market volatility put the Fed in a bind. The Fed may hike faster than expected due to increased inflationary pressure, or it could hold off if the potential rising costs of energy slows the economy. With US inflation hitting a 40-year high and a war-related energy spike, Fed officials are limited in their options and will likely continue with interest rate hike moves at the upcoming March meeting and remain consistent with prior messaging.

### Geopolitical impacts on markets are not new

The Russia-Ukraine war undoubtedly complicates the near-term market outlook. That said, history shows that geopolitical crises tend to have short-lived market impacts unless they lead to a recession. A study of historical geopolitical events shows the S&P 500 was higher 12 months later in nine of the 12 events<sup>9</sup>. The three instances where stocks were down a year later coincided with a recession. Today, an extended

conflict increases the likelihood of a slowdown in the US economy, but the risk of a U.S. recession remains low. Cash balances for consumers and businesses remain robust and, the job market continues to remain resilient<sup>10</sup>.

Date	Select geopolitical/military events	1-month later	3-months later	6-months later	12-months later
12/7/1941	Pearl Harbor	-3.4%	-12.7%	-9.1%	0.4%
10/31/1956	Suez Canal crisis	-2.8%	-3.8%	-0.1%	-11.5%
10/20/1962	Cuban missile crisis	8.7%	17.7%	25.1%	32.0%
10/17/1973	Arab oil embargo	-7.0%	-13.2%	-14.4%	-36.2%
11/3/1979	Iranian hostage crisis	4.2%	11.6%	3.8%	24.3%
12/25/1979	U.S.S.R. in Afghanistan	5.6%	-7.9%	6.9%	25.7%
8/3/1990	Iraq invades Kuwait	-8.2%	-13.5%	-2.1%	10.1%
1/17/1991	Gulf War	15.2%	23.5%	20.6%	33.1%
8/17/1991	Gorbachev coup	0.0%	3.0%	7.0%	8.9%
2/26/1993	World Trade Center bombing	1.2%	2.5%	4.0%	6.4%
9/11/2001	9/11	-0.2%	2.5%	6.7%	-18.4%
3/20/2003	Iraq War	2.2%	15.6%	17.4%	28.4%
	Average	1.3%	2.1%	5.5%	8.6%
	% Positive	50%	58%	67%	75%

Data Source: Truist IAG, FactSet. Grey shading represents down markets where the economy was in recession at some point during the measurement period. Past performance does not guarantee future results

Geopolitical risks are sadly a wildcard in investing and nearly impossible to forecast. Amidst this uncertainty, global markets will remain choppy in the near term. This, however, should not change most investors’ long-term plans. As difficult as it might be, sticking to one’s investment plan and staying put with a diversified portfolio might be the best course of action when faced with uncertainty and volatility.

## 5 Ways to Keep Mentally Fit In Retirement

During my 20 years of schooling and 28 years of practicing as a veterinarian, mental challenges filled my days. I constantly looked for ways to stop thinking. Now that I have cut back to working part-time, my days have opened up for more relaxation and enjoyable pursuits. However, I worry that, as I get older, the lack of vigorous mental activity will lead to cognitive decline. I am only in my fifties but hope to stay physically and mentally fit for another 30-40 years.

While I have no desire to work full-time for a company, I do still want meaningful and enjoyable work. I also want to travel, have fun, and spend time with

1<https://www.reuters.com/business/energy/oil-extends-gains-above-90bbl-winter-storm-sweeps-through-united-states-2022-02-04/>  
2<https://fred.stlouisfed.org/series/TXNGSP>  
3<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>  
4Wells Fargo Economics: Some implications of the war between Russia and Ukraine  
5Ned Davis Research: Sizing up the U.S. economic exposure to Russia  
6<https://www.ssga.com/us/en/intermediary/etfs/insights/questions-emerging-from-the-russia-ukraine-conflict>  
7[https://www.msci.com/eqb/pressreleases/archive/PR\\_Russia\\_Classification.pdf](https://www.msci.com/eqb/pressreleases/archive/PR_Russia_Classification.pdf)  
8<https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/on-the-minds-of-investors/should-i-worry-about-russia-ukraine-tensions-impacting-markets/>  
9<https://www.truist.com/content/dam/truist-bank/us/en/documents/article/wealth/insights/market-perspective-02-14-22.pdf>  
10<https://www.bls.gov/news.release/empsit.nr0.h>

**IMPORTANT INFORMATION**  
This is for informational purposes only, is not a solicitation, and should not be considered investment, legal or tax advice. The information in this report has been drawn from sources believed to be reliable, but its accuracy is not guaranteed, and is subject to change. Investors seeking more information should contact their financial advisor. Financial advisors may seek more information by contacting AssetMark at 800-664-5345.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio. No investment strategy, such as asset allocation, can guarantee a profit or protect against loss. Actual client results will vary based on investment selection, timing, market conditions, and tax situation. It is not possible to invest directly in an index. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. Index performance assumes the reinvestment of dividends.

Investments in equities, bonds, options, and other securities, whether held individually or through mutual funds and exchange traded funds, can decline significantly in response to adverse market conditions, company-specific events, changes in exchange rates, and domestic, international, economic, and political developments.

AssetMark, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. AssetMark and third-party service providers are separate and unaffiliated companies. Each party is responsible for their own content and services. ©2021 AssetMark, Inc. All rights reserved.  
103305 | C22-18578 | 03/2022 | EXP 03/31/2024

family and friends. There are many ways to keep mentally fit. The following are the actions I am exploring.





## 1. Paying Attention To Physical Health

I can usually tell if I have not been exercising recently. I have no energy and have difficulty thinking clearly. Exercise brings blood flow to our brain and stimulates brain growth factors. It also reduces our stress levels and boosts endorphins. Now that I am not working from sunrise to sunset, I have time to run, hike, and bike and can choose the time of day when the weather is most pleasant. My body can't handle preparing for marathons anymore, so I am trying to increase my speed at shorter distances when I run. Hiking up a difficult mountain and biking through interesting neighborhoods motivates me to push myself physically because I am enjoying the trip.

My diet also requires more attention. It has become more difficult to maintain my weight as each decade passes. As I reduce my intake of carbohydrates and sugar, I also notice that I am more alert and able to think more creatively. I have had to actively plan how to get more fruits and vegetables into my diet, which helps me to feel better overall and will hopefully extend my active years.

## 2. Learning New Skills

Our brains are very plastic, meaning they can change over time. As we age, our brains naturally deteriorate unless we are actively building new neural connections. By stimulating our nerve cells, we build more complexity into our brains, which protects our brain from trauma and disease. One way to keep mentally fit is to continue learning new skills. A few years ago, I discovered Taiko, a Japanese style of drumming that incorporates exaggerated arm movements. As I have moved up in skill level, I have had to learn more difficult songs. Not only are the rhythms more complex, but I have to coordinate arm and leg movements and bachi (drumstick) twirls. My favorite song lasts 7 minutes and leaves me gasping for air by the end. The sense of mastery over this challenging song keeps me motivated to try to learn new ones. At first, a new song can feel exasperating, but I love knowing that over



time I will play it as well as any of the younger players.

Another new skill I have been developing is travel writing. I have always loved traveling and thought writing could be a means to be able to travel more. However, I never believed I had the skill to do it. Putting my scribbling out to the world was quite scary, but it has been worth the risk. I realized I enjoy writing and, because I may write about it, I explore a destination more thoroughly and learn more along the way. This has also inspired me to master new languages. While my efforts to learn some Japanese before my trip to Tokyo and Kyoto failed pretty miserably, it exercised my brain and helped Japan seem a little less foreign. I have also continued my everlasting quest to learn Italian and can manage reasonably in an Italian city.

One benefit of growing older is that we care less about others' thoughts about us. We have a better understanding of the big picture of life and start to reconsider what is important to us. This gives us more courage to try out new skills and keep working on them.

## 3. Exploring

Even without knowing the language, traveling to new places – domestically and overseas – has been very mentally stimulating. Exploring a new neighborhood in Boston or experiencing a temple while barefoot in Kyoto means new sights, sounds, and feelings. I even

enjoy all of the preparation for a trip and reading about the sites and restaurants I want to visit. For me, figuring out the public transportation system of a new city and asking locals for recommendations adds enjoyment to my stay. It is rare that I join an organized tourist trip as I am usually frustrated by them.



Living in a major city, there is also plenty to explore nearby. I have a membership for the Phoenix Art Museum, Scottsdale Museum of Contemporary Art, Musical Instrument Museum, Desert Botanical Garden, and Phoenix Zoo. My husband and I also attend local music concerts and festivals. I enjoy experiencing new exhibits and bands and finding nuances to old favorites.

#### 4. Building Social Connections

Another aspect of mental fitness I work on is building and maintaining social connections. This increases my sense of support as I try new things and reduces feelings of loneliness. When the pandemic first hit, I lamented the inability to travel and meet with friends. However, as I became comfortable with Zoom and other virtual platforms, I connected with friends more than ever. My friends from veterinary school used to meet up every 2 to 3 years. Now we see each other every 2 to 3 months through Zoom. I completed two certification courses online and met wonderful like-minded people through these courses. Even though the courses ended, we still arrange Zoom calls every month or two.

Now that things are opening up, I am traveling again to visit family and friends and invite local friends to concerts and festivals. A local bookstore and art gallery, Anticus, recently started a monthly book club. It spurs me to read books I wouldn't have considered, and the discussion is engaging. My Taiko class has also been a wonderful way to interact with classmates from 17 to 70 years old.

#### 5. Being Present

Making our brains work maintains our mental fitness and helps us to enjoy our life. Our brains also need time to relax and recover. One benefit of growing older is that we can see the big picture and make connections more easily. Being present in the moment and staying aware of our thoughts and emotions makes this possible. One way I have done this is by reducing my everyday stress, working fewer hours, and reducing how much I try to accomplish in a day. By focusing on fewer tasks, I can engage more intensively which deepens the neural connections in my brain.

Meditation also brings peace and focus to my life. Over the decades, I tried meditation but never continued for long. For the past few years, however, I have made it an almost daily practice. I prefer to do it out in nature but sometimes I meditate on my couch. My back can't handle the typical meditation pose, so I sit with my feet touching the ground or floor and something supporting my back. There are many methods from which to choose. I focus for a while on my breathing and senses and then do a "gentle kindness" exercise. I find that on days in which I meditate for 10-15 minutes, I feel more centered and content.

Nature has always been a refuge for me, even growing up in the inner city of Chicago. Now I incorporate a hike in a nature preserve or a walk in a park into my life as much as I can. Spending time in nature has been shown to reduce cortisol levels and blood pressure and boost the immune system. I am now a certified nature therapy guide with the Association of

Nature and Forest Therapy to help others experience the benefits.

In the book *The Mature Mind*, Gene D. Cohen points out a great way to balance our actions toward maintaining mental fitness which I try to follow. He states you should focus on activities in four categories: indi-

vidual and high mobility, individual and low mobility, group and high mobility, group and low mobility. By having several practices in each category, you become more resilient with change.

Title: 5 Ways I Keep Mentally Fit In Retirement  
Source: <https://www.travelawaits.com/2743661/mental-fitness-in-retirement/>  
Author: Judy Karnia  
©COPYRIGHT 2022 TRAVEL AWAITS. All Rights Reserved

## **NASA has Found more than 5,000 Planets Outside of our Solar System**

NASA has discovered more than 5,000 planets outside of our solar system – but so far, Earth is the only one that appears to have the right conditions for human life.

NASA said it has confirmed 5,005 exoplanets – or planets outside of our solar system. Most are in a very small region outside of our galaxy, the Milky Way. And by "small," NASA means within thousands of light-years. One light year is 5.88 trillion miles.

The closest known exoplanet to Earth, Proxima Centauri b, is about four light-years away.

NASA has been studying exoplanets for 30 years, and even with the number surpassing 5,000, Earth is the only planet NASA knows of with life on it – so far.

"Scientists are searching the galaxy for planets similar to Earth, and signs of life," NASA says. "As we see on Earth, life can adapt to conditions that human beings would consider very harsh," such as temperature, radiation, salinity, acidity and aridity. It may be possible that life has started on other worlds and adapted to conditions quite alien to what we are used to, NASA says.

NASA's Kepler Space Telescope helped scientists discover there are more planets than stars in the galaxy, and the administration is working to learn all about



the exoplanets' "weirdness, their variety, and all the fascinating things they can tell us about how planets form and develop."

There are 8,709 exoplanet candidates that require further observation to determine if they are real.

As for if a person will ever go to an exoplanet, NASA says not anytime soon, since it would be an enormous distance to travel. However, NASA suggested a robot could visit an exoplanet like the rovers on Mars one day very far in the future. "Today, NASA is concentrating on the steps to get humans to Mars, which is our next-door neighbor," NASA says.

Title: NASA has found more than 5,000 planets outside of our solar system  
Source: <https://www.cbsnews.com/news/nasa-5000-exoplanets/#:~:text=NASA%20has%20found%20more%20than%205%2C000%20planets%20outside%20of%20our%20solar%20system,-By%20Caitlin%20O&text=NASA%20has%20discovered%20more%20than,outside%20of%20our%20solar%20system.>  
Author: Caitlin O'Kane  
Copyright ©2022 CBS Interactive Inc. All rights reserved.



# Ricotta Toast w/ Date & Rhubarb Compote



## What's in Season for April?



Beets



Peas



Mango

Apples  
Artichokes  
Asparagus  
Avocados  
Bananas  
Blueberries  
Bok Choy  
Broccoli

Cabbage  
Carrots  
Cauliflower  
Celery  
Citrus  
Greens  
Kiwi  
Leeks

Lemons/Limes  
Mushrooms  
Parsnips  
Pears  
Pineapple  
Potatoes  
Strawberries  
Vidalia Onions

## INGREDIENTS:

- 5 Medjool dates, pitted, chopped
- 1/8 tsp. ground cardamom
- 1/2 tsp. kosher salt, divided
- 2 medium rhubarb stalks (about 4 oz.), chopped
- 1 cup whole-milk fresh ricotta
- 3 Tbsp. extra-virgin olive oil, divided
- 4 1"-thick slices country-style sourdough bread
- 2 Tbsp. coarsely chopped raw pistachios
- Freshly cracked black pepper

## INSTRUCTIONS:

1. Bring dates, cardamom, 1/4 tsp. salt, and 1 cup water to a boil in a small saucepan. Cook, stirring often, until dates are very soft, about 5 minutes. Add rhubarb and cook, stirring occasionally, until rhubarb is soft and compote has thickened, 7–10 minutes. Let cool.
2. Meanwhile, pulse ricotta and remaining 1/4 tsp. salt in a food processor to combine. With motor running, stream in 1 Tbsp. oil; process until ricotta is ultrasmooth and airy, about 1 minute. (Or, whisk ricotta, salt, and oil in a medium bowl until smooth/light.)
3. Heat 1 Tbsp. oil in a large nonstick skillet over medium. Add 2 slices of bread; cook until golden brown and crisp underneath, about 4 minutes. Transfer to plates and turn fried side up. Repeat with remaining 1 Tbsp. oil and remaining bread.
4. Spread ricotta on toasts and top with compote. Scatter pistachios over; season with pepper.

Sources: <https://www.bonappetit.com/recipe/whipped-ricotta-toast-with-date-and-rhubarb-compote>; Produceforkids.com



## The Sudoku Section



5			9	3		6	8	
	7						2	
	4	3		8		7		
9			6					
			8				9	
		4		5				
	3			9			5	2
	9	5		4	2		6	
7		2						

3	4	6	8	1	5	2	9	7
7	9	8	2	4	3	5	6	1
2	5	1	9	6	7	8	3	4
9	7	2	6	5	1	4	8	3
1	6	4	3	7	8	9	5	2
8	3	5	4	2	9	7	1	6
6	1	7	5	8	2	3	4	9
5	2	3	1	9	4	6	7	8
4	8	9	7	3	6	1	2	5

The answers



## April Special Days & Holidays (National Financial Literacy Month)



- |                                     |   |
|-------------------------------------|---|
| <b>1st-</b> April Fool's Day        | <b>11th-</b> Pet Day                      |
| <b>3rd-</b> Chocolate Mousse Day    | <b>15th-</b> Tax Day                      |
| <b>4th-10th-</b> Public Health Week | <b>17th-</b> Easter                       |
| <b>6th-</b> National Walking Day    | <b>17th-23th-</b> National Volunteer Week |
| <b>7th-</b> World Health Day        | <b>18th-</b> Financial Advisor Day        |
| <b>10th-</b> Siblings Day           | <b>22nd-</b> Earth Day                    |

Source: [www.printmysudoku.com](http://www.printmysudoku.com)