

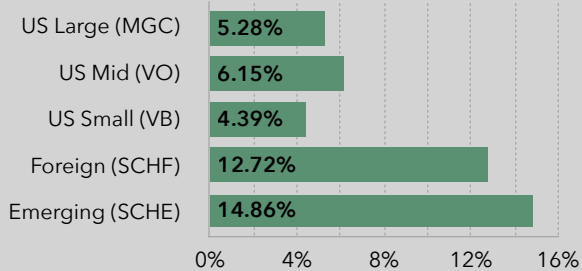
## November 2022

### Economic Data

- 263,000 jobs were added in November, and the unemployment rate remained at 3.7%
- Retail sales were up 1.3% in October thanks to a 4.1% boost from gasoline stations
- Y/y inflation (CPI) cooled in October, but was still up 7.7%—the 17th month in a row at or above 5%
- Existing home sales fell for the ninth straight month in October and are now down 28.4% y/y; median prices were down to \$379,100

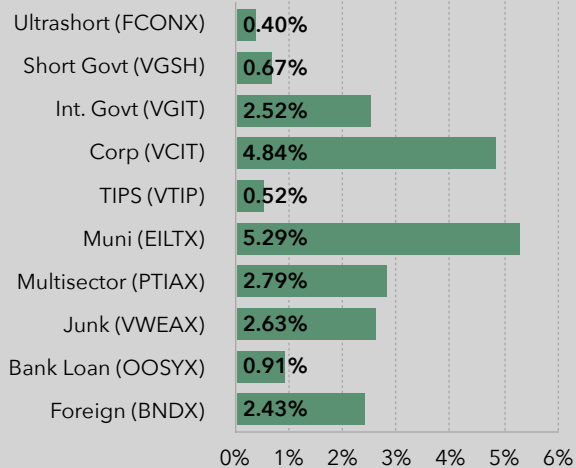
### Stocks

#### November Returns



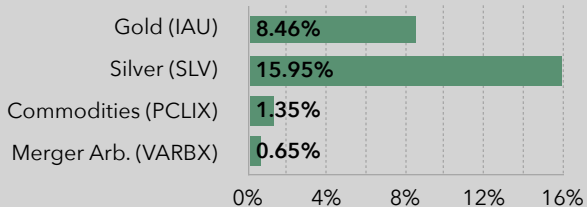
### Bonds

#### November Returns



### Alternatives

#### November Returns



Performance data provided by Morningstar

The brain uses two systems to process information. The first type is intuitive but lazy, rapidly forming judgements with no conscious input. The second system is slow, reflective, and not guided by emotions. It is that second system — type 2 — that we want in control of our investment portfolios.

### Taylor Swift and Call of Duty

I never knew how much I wanted Taylor Swift tickets until I couldn't have them. Turns out it's actually quite a lot. And so does everybody else, it would seem. A lot of Swifties were left disappointed when TicketMaster botched online sales for the upcoming US concert tour of America's Sweetheart—the first tour in some five years.

"It's truly amazing that 2.4 million people got tickets, but it really pisses me off that a lot of them feel like they went through several bear attacks to get them." - Taylor Swift

TicketMaster is a bad system, but that's not the underlying problem. The real problem is that TicketMaster is the *only* system. TicketMaster and its owner, LiveNation (LYV), control the vast majority of mega events thanks to a series of mergers and a lot of underhanded dealings, threats, and bribes.

Once upon a time, one of my favorite bands, Pearl Jam, tried to fight the good fight...and lost. They took on the evil giant, demanding that fans get lower ticket prices and clearly identified service fees that were below what TicketMaster was accustomed to. TicketMaster said no and Pearl Jam decided to tour in 1995 without the use of their ticketing service. Because of TicketMaster's stranglehold on premier venues, the band was forced to play at various sportsball fields and other locations that weren't accustomed to or set up for holding concerts. It was a logistical disaster, and most dates ended up being cancelled. There was an investigation of TicketMaster by the Justice Department, but nothing meaningful came of it.

Preventing anti-competitive monopolies like this is the principal mission of the Federal Trade Commission (FTC). Lately, they have been busy going after Microsoft's (MSFT) planned acquisition of Activision Blizzard (ATVI) because they are afraid it will mean gamers won't be able to get *Call of Duty* on the PlayStation anymore. There is the potential for that, I suppose, but is this really the most important battle the FTC should be fighting? Is the risk of not being able to get one video game franchise on one platform more important than having to get every concert ticket through the same anti-competitive system? I don't want *Call of Duty* on Playstation for Christmas, I want Taylor Swift tickets.

Good news, though: the New York Times reported that "[m]embers of the antitrust division's staff at the Justice Department have in recent months contacted music venues and players in the ticket market, asking about Live Nation's practices and the wider dynamics of the industry, said the people, who spoke on the condition of anonymity because the investigation is sensitive. The inquiry appears to be broad, looking at whether the company maintains a monopoly over the industry, one of the people said."

The investigation obviously predated the Taylor Swift fiasco, but that might be just what was needed to put enough pressure on the government to actually act this time. Pearl Jam was one of the biggest bands in the 90's, but they weren't as big as Taylor Swift is today. NOBODY is as big as Taylor Swift. We need the "anti-hero" in this fight. Perhaps this will finally cause enough outcry to put an end to this decades-old monopoly once and for all.

## "Hidden, Poorly Internally Labeled 'fiat@' Account."

Do I have to talk about the whole FTX debacle? I don't really want to, but I feel like I have to. Basically, this cryptocurrency exchange commingled funds and appears to have committed mountains of fraud and has no idea how accounting works and had book entries with labels like the title of this segment. And, you know, it went bankrupt and a lot of customers lost their money and it has sent an already reeling crypto market even lower. Fortunately, this hasn't had



Sam Bankman-Fried, pictured here not in the middle of a Quickbooks tutorial

any ramifications on the broader market, at least so far. In the interrelated financial system most of still live in, something like this would normally have a systemic sort of contagion to it, and a bunch of other dominoes would start falling. That hasn't happened yet, but I'm curious to see how the dust settles. I mean, major FTX investor Tom Brady might have to play football until he is 50 to make up for his losses, but he was going to do that anyway.

Sam Bankman-Fried, a guy who definitely looks like he lives in his parents' basement but actually lives in a \$40 million penthouse in the Bahamas that he probably—almost certainly—bought with misappropriated funds, is the founder and now former CEO of FTX. He is either really dumb or just playing dumb. Apparently his lawyer parents (who happen to also own real estate bought for them by the company) never warned him not to incriminate himself in interviews, which he has been busy doing since the exchange collapsed. There will hopefully be some jail time for this, but I'm quite shocked this guy is still free. If I didn't know any better, it would appear regulators are quite content to watch the crypto world burn.

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Tactical Asset Allocation					
Asset Class	Heavy Under-weight	Under-weight	Neutral	Over-weight	Heavy Over-weight
<b>Fixed Income</b>			●		
Duration	●				
Inflation				●	
Credit	●				
Foreign			●		
<b>Equities</b>		●			
Large Cap	●				
Mid Cap		●			
Small Cap			●		
Developed Intl.	●				
Emerging		●			
<b>Alternatives</b>					●
Commodities					●
Hedging					●

## Binge Box

### New Girl (Netflix)

*New Girl* isn't new; the show ran on Fox from 2011-2018. I only watched the first two seasons when it first came out, but I have recently revisited the show now that it's on Netflix. And it's good. Like, really, really good! The writing is so crisp and funny, and not in a lowest common-denominator way, either. There is no annoying laugh track to suffer through, which I really appreciate. The show just makes me happy. You can stream all seven seasons on Netflix.

## About EmeraldSpark

EmeraldSpark Investments, LLC is a Registered Investment Adviser based in Chicago, IL. We were founded by Ryan P. Layton, CFA in 2015 to provide personalized financial planning and fiduciary investment management services to select clients. Our investment process blends the foundations of Modern Portfolio Theory with the latest research in the field of behavioral finance. We specialize in asset allocation and investment due diligence to help provide our clients with investment strategies personalized to match their specific goals and risk comfort zone.

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