



He Says We're Going the Wrong Way

Oh, he's drunk, how would he know where we're going?

Market Commentary 11-4-2025

It's the time of year again when the iconic Del Griffith is on everybody's mind, as he reprises his major role in the John Hughes work of comedic genius, "Planes, Trains, and Automobiles." My family and I finished watching this film the other day, and it's become something of a tradition leading up to Thanksgiving. This year, we simply couldn't wait, and broke it out the day after Halloween (even knowing full well that we'll be watching it again Thanksgiving day with my Mom.)

The line in the title is from the scene in which John Candy and Steve Martin enter the "automobile" phase of their three-legged journey from NYC back to Chicago. For those who haven't watched the movie, the airplane is stranded in Wichita due to a snowstorm, and then a train is only able to get them as far as St. Louis. John Candy is able to rent a car and give Steve Martin a ride. John Candy's character, Del, the lovable buffoon whose gregarious nature keeps bailing Neil out of trouble, is driving down the road, but manages to get one of each of his shirtsleeves tangled onto knobs on both sides of his seat. As he struggles to take his jacket off, the car spins out of control on an exit ramp. Neil Page, Del's obnoxious friend, had been asleep, but wakes up. Del is so nervous that Neil will be angry that he proceeds to get back onto the highway, driving back onto the exit ramp, and driving along the wrong side of the highway. As the dynamic duo drive on the left side of the highway, barreling helplessly towards two incoming 18-wheelers, a couple driving on the correct side of the highway spot them and try to warn them, "you're going to kill somebody!"



While it might be difficult to find the parallels between this iconic scene, and financial advising, I actually think it's an apt analogy. Like any long road trip, it pays to have the journey mapped out in advance. However, as I often like to remind clients, the journey is going to be unexpected, and preparing for the unexpected, and emphasizing the nature of seamlessly executing the journey, when almost by definition there are going to be hiccups along the way, is a hallmark of a successful financial advisory relationship. One minute you might be celebrating the latest 20% up year in the S&P 500, and the next, you might be looking out the window and see a car traveling next to you screaming, "You're going the wrong way!" And even then, it might pay to admit that the person criticizing your style may know something that you don't, even if they know almost nothing about You or your plan!

For some context, that person might know that: a) you're a crypto enthusiast with all your money in Bitcoin (not my style, but who am I to judge) b) plowing all your extra cash into private credit (again, perhaps not at the stage of bubble that is going to pop, but heading into bubble territory nonetheless) or c) you're sitting in cash just as the market is about to keep ripping higher, convinced like the gambler's fallacy that three 20% years means that 2026 must be a "down year" in the market (again, not true, but stick with me...)

"How fast are you going?" "I Can't tell, the speedometer is melted!"

Just when it seems the two friends were going to be home free, and will get to Chicago in one piece, they get caught in a speed trap about three hours south of the city. The car they were driving had been so badly burned after Del had thrown an errant cigarette butt out the window that came back



into the car and caught it on fire, that it managed to badly burn almost the entire car, leaving the car with “not one functioning guage...” – “no, not a one.” The two get pulled over by a police officer who says, “do you have any idea how fast you were going?” and of course, Del doesn’t know because the speedometer is melted.

The many gauges we have guiding our financial lives are anything but lacking: a) Turbotax + your CPA b) E-money or choose your financial planning software c) Fidelity or choose your favorite brokerage d) premiere sources of news content such as The Wall Street Journal and the Economist e) a plethora of competent friends and family who work in the financial services industry, seeking to give us good blanket advice based on reasonable underlying facts. All of this may be true, but it is still far from a guarantee that your path to financial freedom will materialize, especially when the factors that seemingly influence success rates are so precariously tied to chance. It behooves us all, including professional advisors, to remain humble and continuously stress-test our assumptions about the market, about everybody’s financial plan, to make sure that every ounce of unnecessary risk has been wrung out of the investment planning process. And mostly, like Neil finally agreeing to Del’s kind gesture, allowing oneself to be open to help when it’s needed.

This is exactly why Kaizen has adopted the Liability Driven Investing framework that figures so prominently into the institutional market – it is better at accounting for uncertainty by building the course of action explicitly around generating the amount of income necessary to get through the subsequent years of the market without needing to tap into principal. Because in this analogy, Del and Neil have experienced a third-standard deviation black swan event, an event that, in the market, might be



analogous to a 40-50% sell-off. Those who didn't plan for cash expenses in advance may find themselves stuck in the airport during Thanksgiving dinner; while the wise hero (in this case, Del) has already booked a room at the Braidwood Inn.

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