

HIGHLIGHTS OF THIS ISSUE

In this holiday issue, we briefly look back at the year, evaluating our investment vision for 2012. In short, the Mayans lost and GAD won.

- Before we talk about the recent past, we offer one insight for the very beginning of 2013 in the first few lines of this debriefing. As far as 2012 is concerned, below are the two key takeaways from GAD's vision for the year:
- Expecting core yields up, one of our four fixed income calls for 2012, was our worst call in 2012.
- Being against the grain and thus uncharacteristically optimistic on risky asset performance in 2012 was our best call for the year; this belief was positively reflected on approximately the remainder of our dozen core calls in various asset classes for 2012.
- Market participants appear to have made two mistakes this year. They misjudged the importance of dealing with an exceptional number of 'known unknowns' and treated growth (economics) instead of policy (politics) as the defining factor for asset prices. For a reminder of how things worked (or not), read on.

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