

## Ignorance is bliss...or is it?



What happens when you learn something that calls your ideas into question? Are you glad, sad or just plain mad? Most people, it turns out, reject challenging information outright, psychologists say. The phenomenon is called “information avoidance”— the tendency to ignore information that is perceived as threatening to one’s happiness or well-being, even if it can potentially improve decision-making.<sup>1</sup>

Understanding information avoidance is particularly important when it comes to investing. "The standard account of information in economics is that people should seek out information that will aid in decision-making, should never actively avoid information, and should dispassionately update their views when they encounter new valid information," says George Loewenstein, a professor of economics and psychology at Carnegie Mellon University and a leader in the field of behavioral economics. "But people often avoid information that could help them to make better decisions if they think the information might be painful to receive."<sup>2</sup>

Perhaps you have invested in a stock you believe in. In fact, your favorite stock-market pundit thinks it’s a sure thing. But time goes by and the stock’s value fails to grow. In fact, the breakthrough product that the prediction was based on seems to be a dud. But you believe. So you refuse to consider a reasonable list of objective reasons to cut your losses and sell. That’s information avoidance in action.

Just as information avoidance can be dangerous to your finances, it can also be hazardous to your health. When people have odd symptoms and suspect they have a health issue but don’t go the doctor, they are exhibiting the same behavior. It’s not surprising that ignorance is described as bliss.

“Confirmation bias” is a cousin of information avoidance. Confirmation bias refers to our tendency to see the world as we want to and avoid believing or even acknowledging anything that contradicts our own point of view.

These two behaviors work together to undermine investor's performance. If you avoid information that runs counter to your take on investing—or outright refuse to believe it—and only pay attention to information that confirms your point of view, it's easy to fall victim to market "surprises." Take the crash of 2008: At that time, no one believed that (a) real estate values could crash; (b) bonds rated "A" would abruptly go into default; or (c) our banking system could fall victim to a liquidity crisis. And yet, all these things did happen, in what author Nassim Nicholas Taleb named a "black swan event." Unfortunately, some investors lost their savings due to bad investment behavior.

We can help you sidestep information avoidance. Talk to us about investment ideas you'd like to know more about. We may draw on information from a variety of sources, which we count on to create and maintain disciplined, diversified portfolios that use evidence-based methods to seek long-term, risk-managed performance.

Have a great weekend!

Source: Efficient Advisors

---

## Golf Tip of the Week



### Square Your Putterface

Accurately aligning your putter is critical if you want to consistently sink your shot. However, even if you read the line perfectly, you can end up seriously missing the hole if you open or close your putter's face at impact.

To identify whether you are accidentally shifting your putter, practice putting two balls at the same time:

- Place two balls next to each other on a green.
- Square your club behind both balls.
- Try striking the balls at precisely the same time.
- Note how the balls move:
  - Outside balls that roll farther mean you closed your face at impact.
  - Inside balls that roll farther mean you opened the face.
  - Balls that move the same distance mean you hit them squarely.

Continue practicing the above exercise until you can successfully square your putterface.

Tip courtesy of Golf Digest<sup>i</sup>

---

## Recipe of the Week



### Salty (and other) Caramel Apples

**Serves 8**

**Ingredients:**

8 whole apples, more if using small apples  
4 11-oz packages of caramel melts  
2 TBSP heavy cream  
1 tsp vanilla  
Dash of salt

Toppings: mini chocolate candies (like M&Ms), crushed pretzels, kosher salt, chocolate chips, coconut, crushed pecans, crushed salted cracker (like Saltines)  
Chopsticks

**Directions:**

- Melt cream and caramels together in a double boiler (or glass bowl set on top of a simmering saucepot of water).
- Add salt and vanilla to melted caramel mixture, stirring until smooth.
- Turn apples upside down, and insert a chopstick into the bottom of each apple.
- Dip each apple into the melted caramel mixture, completely covering the apple up to the chopstick's base.
- Let excess caramel drip off of apple before rolling the caramel apple into whatever toppings you want to use (make sure you do this step carefully and quickly, before the caramel cools).
- Repeat process for each apple, placing coated apples on wax paper.
- Cool apples in refrigerator, and cover them in plastic wrap or cellophane.

Recipe adapted from The Pioneer Woman<sup>ii</sup>

---

## Health Tip of the Week



### Know These Common Aging Ailments

As we age, our bodies no longer function as well as they may have when we were younger. While everyone ages differently, some common ailments exist as we grow older. Before you worry that you have a pain no one else experiences, explore these typical ailments that occur in older age.

- **Lower Back Pain:** Back pain is common no matter one's age. But if you have more lower back pain in your older age, you may be experiencing the effects of arthritis. A visit to your doctor can help you identify the cause and physical therapy that can help improve the pain.
- **Osteoarthritis:** One-third of adults over 60 years old suffer from osteoarthritis, which occurs when the protective cartilage between your bones degenerates, creating joint pain. To help combat the condition and minimize pain, be sure to stay active and strengthen muscles around the joints.
- **Carpal Tunnel:** This condition can peak between your 40s and 60s, and sometimes may require surgery, depending on its severity. Whether hereditary or brought on by arthritis or another cause, this ailment occurs when the nerve from your arm to your wrist becomes squeezed or pressed. You can lessen pain with short-term use of painkillers and also consult your doctor for recommended treatments.

Tips courtesy of WebMD<sup>iii</sup>

---

*The articles and opinions expressed in this newsletter were gathered from a variety of sources, but are reviewed by Ballentine Capital Advisors prior to its dissemination. All sources are believed to be reliable but do not constitute specific investment advice. In all cases, please contact your investment professional before making any investment choices.*

*Securities through Triad Advisors, Member FINRA/SIPC. Advisory services through Ballentine Capital Advisors, Inc.*

*Copyright (C) 2017. Ballentine Capital Advisors. All rights reserved.*

**Our mailing address is:**

Ballentine Capital Advisors  
23 Buena Vista Way, Suite B  
Greenville, SC 29615

[unsubscribe from this list](#)   [update subscription preferences](#)

**Disclosure:**

The views expressed herein are exclusively those of Efficient Advisors, LLC ('EA'), and are not meant as investment advice and are subject to change. All information presented is for illustrative and analytical purposes only. EA portfolios may contain specific securities that have been mentioned herein. EA makes no claim as to the suitability of these securities. Past performance is not a guarantee of future performance. Information contained herein is derived from sources we believe to be reliable, however, we do not represent that this information is complete or accurate and it should not be relied upon as such. All opinions expressed herein are subject to change without notice. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. You should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. You should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Investing in any security involves certain systematic risks including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any unsystematic risks associated with particular investment styles or strategies.

---

<sup>i</sup> <https://www.golfdigest.com/story/start-every-putt-on-a-great-line>

<sup>ii</sup> <http://thepioneerwoman.com/cooking/salted-and-other-caramel-apples/>

<sup>iii</sup> <http://www.webmd.com/pain-management/features/common-pains-of-age#1>