

WealthWise



**A look back. A look forward.
A look at the market
through the eyes of an expert.**

October 2025

The Devon Bank Wealth Management team wants to help you stay on top of the most important news related to finance and investing. See below for the latest edition of WealthWise.

October 2025 Stock Market Report

"No one has ever been a success betting against America since 1776—and they're not going to be a success in the future doing it, either."

– Warren Buffett

But what does he know.

How much of your investment performance really depends on psychology? A ton. Consider this: I

was sitting with a client recently doing a review of her Devon Bank Wealth Management investment portfolio. Things have gone quite well over the past year, and her gains were substantially better than the overall stock market, even net of our (very reasonable) fees, and despite the fact that we were holding a good quantity of cash in the portfolio. Which prompted her to ask the obvious question: **“How did we beat the market even though we took less risk?”**(and yes, I realize this sounds like one big not-so-humble brag, but it's pertinent so I don't care.)

The simple answer is that we had better results because we used better psychology.

According to Peter Mallouk (@PeterMallouk), who researches this stuff and is a great follow on X, **only 22% of active funds have beaten the stock market so far in 2025**, the worst performance in at least 26 years. Why? The most likely culprit is bad psychology.

Professional mutual fund and hedge fund managers are generally extremely smart people with very impressive educational credentials (these folks were my clients for decades, so I've got some pretty good insights here). But all that brain power doesn't necessarily make them great decision makers, especially during stressful periods. Think about back this past Spring, when everyday investors were panicking about tariffs and selling stocks as fast as they could. So too likely, were these managers. And later in the year, when everyone was regretting their stock sales and were trying to play catch up by buying into stock moves that they'd already mostly missed... so were these underperforming managers.

As much as I hate it when people quote Mike Tyson, I'm going to use this famous Mike Tyson quote: *“Everyone has a plan until they get punched in the mouth.”* Market volatility earlier this year was the proverbial punch in the mouth, and roughly 3/4 of the professional managers out there got KO'd.



The current bull market turned three years old this month. That's right: on October 10, 2022, for reasons that are highly debatable, the stock market ended the nearly 25% decline it had experienced since the end of 2021, and started going back up (ironically, former Federal Reserve Chairman Ben Bernanke won the Nobel Prize in Economics that day for his discoveries about how society deals with market crashes... but I don't think that was the reason).

Since three years is kind of a long time, it got me thinking about the question, **“How long do bull markets usually last?”** Of the five previous bull markets before this one that made it to age three, all of them kept on going. The shortest one was five years long, and the average was eight years. Two of them even made it to double digits in duration.

So, while there certainly may be some volatility ahead, **there's no reason to believe that the bull market will end any time soon due to old age.**

What will kill the bull market? Probably people being stupid. Stupid like this...

A 23-year-old with no professional investing experience whatsoever recently raised over \$1 billion

for his hedge fund that focuses on AI companies.

That's right. As valuations of Nvidia, OpenAI and other artificial intelligence companies continue to soar, everyone wants to ride the AI wave and are apparently willing to employ former OpenAI employee Leopold Aschenbrenner at San Francisco-based Situational Awareness LP to help them do it.

Look folks, I have twin 23-year-olds of my own. And I love them both dearly. But I wouldn't trust their decision-making skills enough to have them water my houseplants for more than a long weekend, let alone manage my hard-earned investment capital.

These are the kinds of things that happen when people are greedy, stupid, and impatient. **If you want help being smart, disciplined, and consistent with your investment decisions, give us a call at Devon Bank Wealth Management.**

– Paul Manelis

-Investing 101- Paul Was Wrong Once Again!

You know how I'm always going on and on about how the stock market is not like gambling? Well, I was pretty confident in that assertion, right up until I saw this piece of news come across my screen....

Flutter Entertainment's (symbol: FLUT) online gambling division, FanDuel, is joining forces with Chicago's own derivatives exchange, CME Group Inc., to offer wagers on a range of financial market outcomes, from predictions on the S&P 500 to where Bitcoin's price is heading. *"Individual investors are increasingly sophisticated and continually pursuing new financial opportunities,"* CME Group CEO Terry Duffy said.

Translation: *"Hey Gen X parents, thanks a million for raising a generation of meme stock speculators and degenerate sports gamblers. We'd be crazy not to try and cash in on that action!"*

The offerings, which will also allow folks to gamble on prices of oil and gas, gold, cryptocurrencies, and key economic indicators like the CPI, will be launched later this year and will allow bets for as low as \$1.

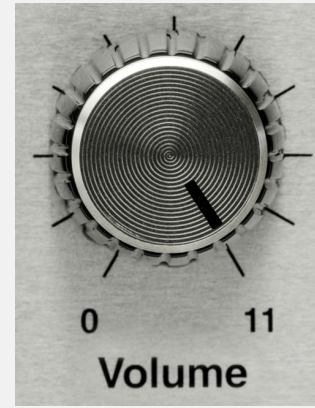
Which will be great for kids trying to "invest" their lawn-mowing money.



Misc...

What's the verdict at YOUR house??

There's a major dispute going on in my family these days: Subtitles or no subtitles. A recent poll showed that over half of Americans use subtitles at least some of the time while watching TV. The biggest reason: dialogue has become harder to hear, as digital sound allows overlapping audio tracks to run at once, making speech less clear. What's the biggest contributing factor in the Manelis home? A dad (moi) who spends *way* too much time in rehearsal studios surrounded by giant guitar amplifiers!



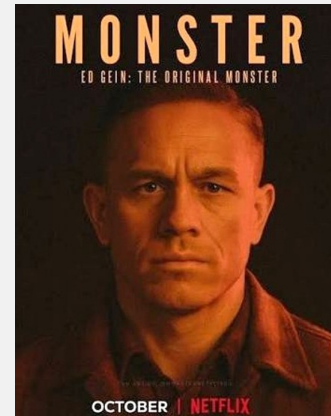
Paul's Picks #1: 'Beast' on Netflix!

I've got to be honest: I think modern Bollywood movies are better than modern Hollywood movies. Sure, they can be a little cheesy at times and typically feature unrealistically-amazing choreographed group dances. Not to mention the over-the-top CGI action scenes. Oh, and they're typically ridiculously long. But yet I never seem to want them to end. This movie I found on Netflix, *Beast* (not the most charming name, admittedly, but that's irrelevant) is almost as good as my all-time favorite Bollywood flick, *RRR*.



Paul's Picks #2: 'Monster' on Netflix!

This is not an endorsement. In fact, it's whatever the opposite of an endorsement is. Seriously, just skip it. This series is simply too creepy and disturbing to be consumed by you nice people. I care about you, and you simply do not need this in your life. C'mon people, it's the true story of one of America's most notorious and gruesome serial killers...*how heartwarming can it possibly be??* I know it's Halloween time and we're all trying to scare ourselves but stick to old classics like *Friday the 13th* or *Nightmare of Elm Street*. Those might give you a night or two of bad dreams, but this one will make you seriously reconsider your faith in humanity.



See you next month!



Ready to build wealth for tomorrow?
Call Paul Manelis, VP Trust and Wealth Management, at Devon Bank today at (773) 423-2356.

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