

Hart to Heart



Wealth
Management

March 2024

How Do We Learn? Time and Knowledge. How Does AI Learn? Time and Knowledge.

If someone were to ask me and/or Mara, “what’s the ‘cardinal rule’ of investing?” we would likely say, “past performance is no guarantee of future results” which we see in small print throughout any mutual fund prospectus or private placement memorandum. It’s true in life as well and while our past performance may prove to be a good indication of what’s reasonable to expect in the future there is no assurance of that whether we’re talking investments or test scores. Why is that the case? It’s simply a result of the “live & learn” principle that we learn from past experience, we strive not to make the same mistake twice and we benefit from “trial & error”. It can be a painful experience at times but I suppose that makes our eventual success even sweeter when and if it happens. In some sense, there is a similar pattern of learning when it comes to artificial intelligence or “AI” as it can be messy early on in the process but presumably the results stemming from the use of “AI” improve over time.

My grandfather, Ed Tribble, was born in Jefferson, Georgia in 1907 and came to Washington, D.C. in 1933 where he joined The Washington Star newspaper as the paper’s City Editor.

Of course, that was during the era of radio which soon gave way to television. I called him “Papa” or “Pop” and I remember well his cautioning me on both the benefits and the drawbacks of television as a medium. Papa would say to me, “TV can be used for good and it can be used for bad” which is as true today as it was when he said it to me as a child.

My grandfather passed away in 1986 and I’m certain he would have much the same description today of the internet and social media as being both good and bad. Papa considered television news to be shallow and incomplete so I’m guessing that if he were alive today he would feel the same way about the plethora of news stories online, many of which are either inaccurate or simply untrue altogether.

It’s quite clear that the internet is used for both good and bad and it’s very likely that artificial intelligence will have the same “M.O.” or “modus operandi” as it can be used in either a positive or negative manner. As I understand it, artificial intelligence gets “smarter” as it’s fed more data which it then analyzes, retains and uses in its various tasks. Of course, that sounds a lot like human learning as we gain proficiency through experience as well.

My grandfather spent most of his adult life trying to get his first book published and it finally happened for him in 1981 at age 74 with “A President in Love” which shows that success is as much about never giving up as it is about accumulating knowledge over time.

Updates

- [Enroll for RBC Online](#) – account information, tax documents, no more paper in the mail --all at your fingertips.
- 2023 Tax Documents Available Online
- 2023 Tax Documents Corrections will become available: **March 15, 2024**
- 2023 IRA/ROTH Contribution Deadline: **April 15, 2024**

Call us for help!

Mara: 301-309-2632
Frank: 301-309-2617

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Tax Season!

This week I went to see our accountant who has prepared our taxes every year for the past 30+ years and as much as I look forward to seeing this fine gentleman I must admit it's with some trepidation that I sit down with him each year. It's no reflection on our accountant as he has been astute and accurate in his estimates for as long as we've worked together.

I also think of him as a good friend and we even exchange Christmas cards each year so I've enjoyed immensely seeing his beautiful family grow over the years. It's simply the feeling I get when I look at my tax information, see how

much I've already paid in taxes and then realize that the government (both State & Federal) are about to reach out once again to say, "we'll have another slice" - all the while knowing that they've already taken plenty up to that point.

"Isn't This Enough?"

I'm as patriotic as anyone has a right to be but at some point the question arises, "isn't this enough?" when we know there are those fellow Americans making more and paying less in taxes through a range of tax avoidance strategies, some more legitimate than others.

According to the IRS, there is a gap of approximately \$150 billion between what

is owed and what is paid by U.S. taxpayers. The Treasury Department estimates that for every dollar spent on enforcement the IRS raises about \$6 in tax revenue so from an investment standpoint that's an excellent return even if it's coming out of our pockets.

"Who ya gonna call?"... AI!

Interestingly enough, one of the most efficient tools being used in terms of being more precise in figuring out where the highest risk of tax evasion can be found is through artificial intelligence. Artificial intelligence holds great promise for the financial sector in general and apparently for its ability to identify fraud in particular.

"Love is the most important thing in the world, but baseball is pretty good, too." – Yogi Berra

Dreams Do Come True!

The last weekend in February I joined a good friend of mine in Sarasota, Florida to attend the beginning of Spring Training ballgames for the Baltimore Orioles. As you've read here in the past I grew up as an Orioles fan – as did my friend with whom I went – so our first visit to Orioles Spring Training was an absolute "dream come true" for both of us.

If you can picture two grown men, comparable in age, running around the playing fields, going to 3 games in 3 days and reverting back to our childhood (it's not a long walk back to age 7 for either of us!) then you have a good idea of what made this trip four of the most glorious days in recent memory.

We saw Major League Baseball's top prospect, Jackson Holliday, play his first Spring Training game with the big league club and we saw the Orioles All-Star catcher, Adley Rutschman, hit a home run over the centerfield fence in his first at bat this Spring. It could hardly have been scripted any better. It was easy to feel young again as the ballpark was filled with octogenarians who we enjoyed immensely as the people sitting with us remembered all of the players we grew up with and some we never saw play.

The Orioles played the Red Sox in the first game of Spring Training and much to the delight of the crowd the scoreboard reminded the fans at first pitch, "it's 29 degrees and overcast in Boston but it's 73 degrees and sunny in Sarasota!" The only

moment of the trip that prompted any concern on my part was when the ballpark "Dance Cam" went live which seemed more like a form of "elder abuse" than entertainment as I'm sure I heard someone's hip snap but it may just been the ball hitting a catcher's mitt in warm-ups.

In any event, I understood from the outset that this was a trip which could not be replicated and it remains true we see something different at every ballgame. I'm sure artificial intelligence will play an increasing role in baseball analytics but the crack of the bat, the smell of the concession stands, the sound of a 95 MPH fastball popping a catcher's mitt and the sun shining brightly on perfectly manicured green grass are difficult to duplicate. To quote the late, great Yogi Berra, "Love is the most important thing in the world, but baseball is pretty good, too."



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