



3rd QUARTER 2020

October 6, 2020

Dear Friends and Financial Advisory Clients:

As investors, we have certainly had our patience and judgement tested this year. So much uncertainty hitting us all at once. A pandemic, social unrest, political strife, massive job losses, forced sheltering in place and still no clear sign of when normalcy will return. Yet, somehow, in spite of all the mess, for investors, patience and a steady hand have led to

relative safety from the storm. Yes, a balanced, patient approach has actually worked well.

Still, we certainly understand that with election season now in full swing, schools not yet fully open, businesses still navigating the need to be productive while remaining safe, the “what comes next factor” still weighs heavily on all of us. We all want this time to be over.

So, in essence, we have a challenge and, yes, even an opportunity to consider. It involves what we must always do, as prudent investors. And that is to separate our concerns about where we are in an economic, political or societal cycle from what might serve us as investors. In the spirit of driving this point home, I want to offer up a few timeless quotes from some very wise people.

Famed investor, Warren Buffett once said “The stock market is a device for transferring money from the impatient to the patient.” When one considers the incredible downdraft that occurred in March, we have a clear example of what Buffett was talking about. Hasty decision-making earlier this year might have been very costly for anyone that lost sight of their long-term perspective.

Legendary scientist, Albert Einstein once said “I fear the day that technology will surpass our human interaction. The world will have a generation of idiots.” Truly his concern applies to society today, where we must never lose sight of our own ability to think, interact and make decisions with our own humanity still connected to what we do. Technology and data are only there to support us, not to replace our own insights. Given that computer driven trading is more prevalent than ever, such technology can lead to significant short-term market moves that have little fundamental basis for occurring. Still, when those moves happen, someone can easily get the impression they should be doing something with their own investments as well. That’s a rabbit hole we do not want to go down.

Famed investment manager Robert Olstein has one of my favorite quotes: “The desire to perform all the time is usually a barrier to performing over time.” Yes, as investors we must accept that at times markets go down and our results can go with them. If we delude ourselves into believing we should try to outsmart the markets or what comes next, we are only fooling ourselves. Instead we want to return to the thinking of Warren Buffett and let our discipline, particularly in uncertain times, support our effort to let the stock market be a “device” that transfers wealth to patient investors like ourselves.

Wishing you patience and good health,

Jeffrey C. Vahanian

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