



4th QUARTER 2020

January 11, 2021

Dear Friends and Financial Advisory Clients:

When we wrote to all of you in October, our quarterly message focused on how importantly patience and perspective during the upheaval of 2020 had served us. And despite several dark and ominous themes, most investors fared quite well if they maintained their poise and long-term approach.

But now what? Let's not forget we are only partially through the ravages of a pandemic. It is not over. And we are also still faced with an incredible degree of political, social and civic divisiveness that continues to frame a domestic environment that frankly seems just one spark away from even greater unrest.

In truth, it is not joblessness, the pandemic or economic growth that most threatens our wellbeing in 2021 and beyond. It is, in fact, how we collectively conduct ourselves as a nation and society, which, despite any flaws, at its best is, without question, the greatest experiment in freedom and democracy the world has ever known.

Granted, at times, during various chapters of our history, our citizenry - from all ends of the political spectrum - often reference key documents like the Declaration of Independence, Bill of Rights and our Constitution, to argue their positions. But of course, these documents don't hold answers... just aspirational guidance. That is all. They serve as a guideline, an idealistic model of key principles by which we as a nation can hope to rally one another to our collective potential.

As we move ahead, you can be ticked off at your country. You can be angry at much of what you see in the world today wherever your politics lie. But I encourage you not to bet against the United States or even some of your fellow citizens who you don't agree with. Economic wellbeing tends to calm the fears and hostilities of most everyone. And, if we can get it right, governmental focus on economic and pandemic related recovery could indeed collectively empower a new, even better chapter in American life.

Granted, while we are always admittedly an unexpected event away from financial market turmoil, let's remember the current efforts of government to provide individuals as well as small and large businesses with a steady push ahead. These dual forces of massive economic stimulus and progress in treating the Covid-19 virus are beginning to find their way into our arms (a vaccine) and our wallets. And so, given the push, I do not believe this is a time to underestimate the good that may come next and how that effort could also support financial markets in the coming 18 months. We are bigger than the challenges we face - particularly when we come together as a society.

From a strategic standpoint, turning to markets and specific asset classes, you may see a few changes in your portfolios in the coming months. We continue to believe the convertible bond market offers noteworthy opportunity from a risk/reward standpoint, given the current borrowing landscape for companies. We also believe there will be a strong push for clean energy and socially responsible ESG investing in 2021 and beyond. This is a big area of focus for our firm. And lastly, we are seeing a cyclical shift and potential rotation towards more value-oriented companies - ones that have been beaten down by this pandemic but still offer attractive long-term prospects and products for investors and consumers alike.

In closing, it is our hope that this commentary helps provide you with our sense of things as we work on behalf of you all. Happy New Year Everyone. It is an honor and privilege for our team to play such an important role in your lives.

Best Wishes,



Jeffrey C. Vahanian

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