

Market Outlook:

Empathy

Investing is challenging. Finding the right securities, the perfect distribution of risks, the appropriate allocations is a knack every one of us strives for. The landscape of information from which to choose is immense; how we interpret that data to structure a portfolio is another issue altogether. Those decisions, while predicated upon science or methodological preferences are deeply personal. The only thing that ultimately matters is *how the measurable outcome of those decisions meaningfully impacts our portfolios, our lives, and to what degree are we satisfied afterwards.*

Today, millions of people are suffering financial, economic, and social harm from the Covid virus pandemic. While the prospects for vaccine creation and distribution are encouraging, the challenge is in the interim, waiting for that time when the disease is manageable or eradicated altogether. In the meantime, its consequence upon business and social structure has been catastrophic.

How do we prepare clients, portfolios, and society for the immediate effects and for the future? One way is to acknowledge that goals, like life itself, are ever-changing. Quantitative statistics classifies things as "probabilities", never submitting definitive timelines or static points in time. *We traverse through time*, we should not be counting before the game is over. Success is simply that journey *towards* something, not the ultimate, itself. How we prepare for the voyage and what we expect from it is every bit as important, if not more so, as the integer we might ascribe to evaluate it. Unlike darts or archery, the investment target is never sitting absolutely still, nor should it be the actual ambition.

During a crisis, in particular, it would be wise to embrace this passage and to be persistent in redefining the ultimate objective as often as necessary.

Prudent asset allocation involves assessment of the ephemeral nature of things and to invest in businesses that can sustain consumer demand and earnings acceleration over time. Also, we seek to own businesses that are innovative, which offer new ideas and solutions for issues that affect the human condition. Their focus is not only on today but gaining a competitive advantage tomorrow.

Market uncertainty during the past week (year) orients around business' alacrity to spend wisely, hire effectively, and to innovate quickly. Initiatives in healthcare, energy, hunger, and community empathy are the hallmarks of successful investing, and ones which level the uneven playing field for everyone.

The world is, and has been, changing right in front of us, in part because of the pandemic, but also because of social activism and political transformation. Just as the global economy was reaching new heights earlier this year it was ripped away from us by sickness and death. But optimism abounds that despite life's uncertainties we can bond with the frailties and strengths that unite us all to our heroic selves, as well as recognizing the compelling investment opportunities which attach. Notable among them are health and life sciences, renewable energy, infrastructure, education, ecology, and water and food shortages.

Most importantly, each of us has to be an advocate...not just for our own self-interests, but for the needs of others. Effective problem solving is a collaborative effort, bringing together disparate points of view to promote the common good.

Funny...but that also reads like the definition of entrepreneurship and elementary capitalism....

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