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What separates a long term investor from a speculator (or trader)? Is it the time frame for owning an asset? Both the investor and trader may own shares in Amazon or Apple or hold US Treasury bonds. It isn't what you own..... it is why you own it that separates investors from speculators. Some investors are alert to potential shifts in economic policy, proposed legislation, shifting policy trends within the Federal Reserve and opportunity created by change in U.S. government leadership – House, Senate and the Presidency. The speculators view change as opportunity for a quick win if they guess correctly. Investors, who have demonstrated patience, diligence and understand the importance of perspective, will not get caught up in the emotional urgency to dismantle their well thought out financial plan for the potential of a quick profit.

Every new Presidential administration signals potential opportunities.....and risks. Some citizens and investors are giddy over the prospect of President Trump's proposed changes while others are still in a state of disbelief and feeling distraught with the result. I listen to the economic commentators on the morning talk shows and read the blogs and financial columns professing inside scoop on where there is a timely opportunity for excess return based on the administration. How can we know if campaign trail rhetoric will eventually find a way into public policy?

With each peaceful hand-off of Presidential powers there are equal amounts of hope and fear, joy and concern. Over time the stock and bond markets have a way of ignoring the family living in the big white house on Pennsylvania Avenue and whether the blue or red team has the advantage in Congress. Markets usually respond to longer term trends and broader influences.

As we enter in to 2017, I suggest maintaining your balanced, diversified approach will continue to be the prudent course of action. Trying to time a profitable foray into a specific sector of the markets based on recent tweets from our President or projections from TV commentators is challenging. Our suggestion is to maintain your longer term perspective and stick with being a patient investor and avoid the urge to speculate.

Can perspective shape our outlook?

According to the U.S. National Park Service over 5 million visitors a year peek into the Grand Canyon and marvel at the really large, amazing hole in the ground. The bright colored stone dances and sparkles as the sunlight moves around the canyon from sunrise to sunset. People stare across the vastness of the canyon and peer down into the cavities looking at cypress, fir, blue spruce and cottonwood trees as well as hearty sub-alpine cactus, chokeberry bushes, desert bicklebrush and Ravenna grasses. The vegetation looks nothing like a New England landscape.

The sheer, multi-colored stone walls of the Grand Canyon rise up nearly 6,000 feet from the bottom. Looking up to the South Rim from the Colorado River or up to the North Rim from Cottonwood Canyon there is not a visible path that could navigate a hiker to the summit of either rim. You start to doubt there is a safe way out when no trail is discernable. The climb out to either North or South Rim from the base of the canyon is a challenging 7 to 8 mile ascent. Gazing up towards the summit you realize that what lies between you and civilization is a formidable mountain climb.

Is the Grand Canyon an imposing mountain or deep cavernous depression? I suppose it depends on your perspective.

Whichever direction interest rates shift, stock markets gyrate, inflation impacts or the headline stealing political winds blow, be assured that your investment portfolio was constructed with these uncertain certainties in mind. We may be at the top looking in.....or the bottom looking up but with either scenario the view is marvelous and the outcome successful.

Please review your enclosed Asset Allocation Summary Report. Feel free to contact our office if you have any questions. We can chat about how the current economic or political climate might impact your future portfolio returns or ask how long it took to hike 53 miles across the remarkable Grand Canyon (or see pictures).

Sincerely,

Michael Matson