

My Dad took me driving when I turned 16. Our car was a big Dodge Coronet station wagon. It was a wide vehicle and long enough to include the third bench seat in the way back that forced the passengers to stare out the back window.

I remember being very excited and very nervous about taking command of that big starship. Could I really learn to properly stop and turn and keep the station wagon in my lane? Initially I was leaning forward close to the steering wheel staring right at the Dodge hood ornament at the tip of the hood attempting to keep centered in my lane. Within the first two miles driving in my neighborhood I found myself adjusting and readjusting the steering wheel every 5-10 seconds. My Dad calmly asked me to slow down and pull the car over to the curb. He asked me "what are you looking at as you are driving?" I confidently replied "the hood ornament." He said, "I can tell - and we need to fix this before you drive this car another inch. And please don't grip the steering wheel like you are trying to choke it to death!"

He explained I needed to pick up my head and adjust my line of sight so I was focusing much farther down the road. Looking just a few feet in front of the vehicle was causing me to correct and re-correct every few feet. With this new instruction I pulled the car away from the curb, took aim much further down the road and realized I didn't need to constantly 'correct' my steering. I needed to learn the correct perspective to properly navigate safely. Focusing farther down the road allowed me to survey a wider view of my surroundings and gave me time to anticipate what other drivers may be doing. This little adjustment in my line of sight afforded me time to better assess and evaluate my options.

Maintaining proper perspective is not only vitally helpful to be a safe driver, I've found proper perspective to be a critical factor for successfully navigating the obstacles of life.

Staring at the hood ornament of today's headlines draws us to conversations regarding gun violence, spiraling healthcare costs, impeachment, trade/tariff winners and losers, President Trump, refugee and immigration concerns, Federal Reserve moves and all-time stock market highs. Add to this list near-term election uncertainty in the US you can see why investors are gripping the wheel tightly, intent on recalibration.

Readjusting perspective with a proper focus on the horizon I can identify at least two influential trends that should favorably shape our future. I am hopeful that:

- corporate leaders can achieve better outcomes with broader responsibility for all stakeholders,
- financial institutions can maintain momentum of delivering better services to clients at lower cost, be client-centered and advice oriented vs. product centric.

At a 1973 conference in Davos, Switzerland the World Economic Forum published a statement of principles to provide a roadmap for companies to deliver in their broad responsibilities to not just shareholders but to all stakeholders, including society at large. In 2019, at both the World Economic Forum and the Business Roundtable meeting, corporate leaders participating reaffirmed their obligations by embracing stakeholder responsibility for a more inclusive and sustainable world.

They offer a renewed commitment to:

- serve shareholders, employees, customers, local communities and society at large and treating them with dignity and respect
- support fair competition, avoid corruption and act trustworthy, especially within its digital ecosystem
- measure performance not only on return to shareholders but just as importantly on achieving environmental, social and governance objectives with compensation of executives reflecting success in attaining these broader, more meaningful goals

I am hopeful and encouraged that this manifesto will cause corporate leaders to rise above personal agendas and avoid striving for profit just for the sake of profit. Care and compassion for all stakeholders can help support longer term economic security. This can spark deeper personal fulfillment and prosperity. This renewed focus will help investors, employees and local communities if companies can achieve these meaningful and aspirational objectives.

Many of you have been asking about the important difference between a suitability standard and a fiduciary standard of care. This is an important question. In my opinion, all people offering advice (whether it is at your neighborhood auto dealership, doctor, butcher shop, pet store or financial planner's office) should communicate clearly what is best for their customer/client. Period. I have too many friends that are financial planners that think they are in the "money" business. I tell them I think we are in the "trust" business. They think I am wrong and I think they are wrong and we move forward by agreeing to disagree.....the exciting news is more and more investment/insurance companies (and advisors!) are starting to embrace the responsibility to care about the well-being of their customer beyond the possibility of selling them a product. Priorities are changing for the better. And the product manufacturers (think insurance companies and mutual fund companies and custodians) are actively lowering fees and expenses. When costs are lower, investors keep more of their gains which helps them toward achieving their financial goals. Helping people achieve financial freedom and encouraging them to live a highly engaged and fulfilling life will ultimately benefit multiple generations. Firms and advisors that encourage clients to become competent stewards of resources, engage within their communities through offering of their unique talents, volunteer their time and/or financially support favorite charitable organizations will retain these clients for generations.

Lifting our focus away from the car logo on the front of the hood we can be optimistic that broad shifts in corporate responsibility and transformational focus on reducing costs and accepting fiduciary responsibilities within the financial services industry will improve lives. There are more fascinating trends that will impact us in favorable ways. We need to be open to change and adopt healthy habits.

Entering this New Year, I remain hopeful that we can hold close what is keenly dear to each of us and ignore the temptation to over-correct/over-react as we navigate the short-term news cycles. Before I learned to have proper perspective, my Dad told me to pull over to the curb – I don't want any of you sitting idle at the curb. You would be missing out on all that is possible and wonderful!

If you have any questions regarding your enclosed Asset Allocation Summary Report or want to share your favorite 'learning to drive/navigate' story, please reach out.

Sincerely,



Michael Matson