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A View From Here - June 2023

"In a coffee shop in a city, which is every coffee shop in every city on a day which is every day. I picked up a magazine, which is every magazine, and read a story, and then forgot it right away. They say that goldfish have no memory, I guess their lives are much like mine and the little plastic castle is a surprise every time. And It's hard to say if they're happy, but they don't seem much to mind" **Ani Difranco - Little Plastic Castle**

FTX>Spy Balloon>Regional Banks>Debt Ceiling: Next?

There's a saying that comes up each year that investors should "Sell in May and Go Away". The concept is to sell your investment holdings while markets are active because between June and September, lighter trading volumes lead to lower stock prices.

I've never subscribed to this concept as we believe that markets react in far more random ways and this year markets have been building strength - especially for us in May and that has continued into June.

What is of particular interest in 2023 is how fast we eat up content and move on to new concerns. It's almost as if we're binge-watching challenges and then immediately forget what we were just worried about.

All these new potential problems that come into focus are now things to worry about. At the start of 2023, it was the collapse of the Crypto currency exchange, FTX and everyone's new corporate villain, Sam Bankman-Fried. That challenge was superseded the next month with massive foreign spy balloons floating around

California that will lead to the next World conflict.

War averted, things got dicey in U.S. regional banks as the collapse of, what was it called? - I know the other was um…I barely have time to think about it as May became all about the debt ceiling with a deal reached late in the month.

The funny thing is that with all this mayhem, markets have been constructive, particularly in May, crushing the sell in May and go away even as the debt ceiling had potentially dire consequences.

I know we'd all like a signal that says, sell now and you can buy it back cheaper later, but things don't work that way, and for the life of me, I never understood seasonal patterns and some investor's beliefs that is a proposition that you can profit from.

We're Having a Good Performance Year

Every month, we collect performance data for our accounts. I have long held that at its core, our job is to achieve satisfactory results based on client needs. It should provide us with comfort when looking at our investments that our long-term returns are such that few have been able to achieve.

We move enough accounts over from other financial institutions to see how the other part of this world performs. Our value-based investing mandate is not without its challenges and the perception is that we have the independence to choose what we think is best as opposed to corporate pressure to offer 'solutions' that few need.

The world of financial advice has always tried to embed fees, and over the past two decades has moved in the direction of a percentage of the assets under management.

This has mostly been at the expense of performance as few are focused on return but instead, procuring more assets and investing them in products managed by a third party. There's nothing inherently wrong with this approach if it provides satisfactory long-term results. I have yet to see this occur.

Perhaps we are dinosaurs charging fees per transaction but believe that this is the best way for our clients. The space between when we purchase and/or sell a position costs nothing. It would easier for me to offer investments that are managed by someone else and charge a fee based on assets managed to do so. My argument is that a 'pay as you go' scenario remains in the best interests of the client as long as what we produce in terms of service and performance meets the high standards we've set for ourselves. Given the long-term performance of client accounts, whatever we charge is a bargain.

With commercials based on betting websites, I don't see them as many Questrade commercials focus on fees as the reason why you might be underperforming. It's not. It's about what you invest in.

"Since it costs a lot to win and even more to lose, you and me bound to spend some time, wondering what to choose" - **Robert Hunter/Jerry Garcia**

I've always been a fan of the Grateful Dead's music. There's something about the songs and the integrity of how they were played that kept its fan base engaged. Even today, after almost 30 years since their vocalist and lead guitar player Jerry Garcia passed away, the remaining members of the band are setting records in terms of concert attendance as John Mayer carries the flame of Garcia's beautiful notes.

What intrigues me about the Grateful Dead is that they never wavered from what they did. Concert promoter Bill Graham once said that "they might not be the best at what they do, but they are the only ones who do what they do."

By sticking to a formula that produced the best results for their fan base, they remain to this day, one of the most beloved bands of all time. I am inspired by this approach.

It's all about the long-term returns and while the service we provide is not cheap, its bargain all the same.

Thanks for taking a look, and as always,

All Good Things,

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