

MARKET COMMENTARY – JUNE 1, 2018

A Stock for all Seasons. Or not.

Sir Thomas More was a man of principle. He was someone we may all admire for standing true to his beliefs, regardless of our own. However, in his case, Thomas More's well-founded values brought him into direct conflict with a stout man who possessed an unflinching determination. It was the latter, King Henry VIII, who would win their contest of wills. More would go the way of so many of Henry's opponents – and wives. He would quite literally lose his head.

And the same might happen, figuratively of course, to investors who believe they have found a single stock for all seasons, or a single fund, or a single strategy that will succeed in all weathers.

Thomas More was a lawyer, author, statesman, and served as the king's chancellor. A learned contemporary of his described him thus, *[He] is a man of an angel's wit and singular learning. I know not his [equal]. For where is the man of [such] gentleness, lowliness, and affability? And, as time [requires], a man of marvellous mirth and pastimes, and sometime of as sad gravity. A man for all seasons.* He sounds perfect. Like Nvidia or Netflix today. But a season would eventually come, of which Thomas More was unable to abide.

Throughout his political career he had shown an unparalleled ability to advance, adapt, and compromise while remaining true to his beliefs. But then events outside his control sent him on a collision course with the king. Henry desired to annul his first marriage and marry Anne Boleyn. He wished to break from the Pope and declare himself head of a separate Church of England. More viewed the king's motives as purely selfish and not in line with church tenets. While still dutifully carrying out his role, More refused to sign documents, attend functions, or swear oaths to anything that might demonstrate his support for the schism.

By a panel of judges that included Anne Boleyn's father, brother, and uncle, More was eventually found guilty of treason. On his execution scaffold, he declared aloud, *I die the king's good servant, and God's first.* He became a martyr. Truly noble.

But losing one's head is not a good way to run investments.

Warren Buffett is famous for quipping that his holding period for stocks is forever! And it is a fine sentiment, especially compared with the average churn rate of hyperactive managers. However, markets, products, companies, managements, prices, and many other factors do change over time. The Nifty Fifty stocks of years gone by eventually stopped working. The Dotcom hype resulted in debacle. Over-levered banks finally cratered. The Oracle of Omaha himself has recently reduced his stake in Phillips 66 and eliminated IBM entirely. Occasionally, investments in our own portfolios must change to properly match our goals and constraints.

Our point is certainly not to follow the daily vagaries of market swings and make portfolio adjustments accordingly. Such moves would be a prime example of folly and their result might very well be a poorer retirement.

Instead, allow us to help from start to finish. Make an over-arching decision based upon your real, attainable objectives and the amount of market “whoops-factor” you are willing to suffer over any short or intermediate period. Stick with that. Then, within those big picture decisions, work with us to determine what investments make sense. Give them time to play out. Adjust course as necessary.

In 2000, Thomas More was declared Patron Saint of Statesmen by Pope John Paul II. He is revered by folks of varying political stripes. Plays and movies have been made about him. But it was the fact that he was NOT a man for all seasons that made him who he was. He would have nothing to do with Henry’s mercurial matrimonial methods.

We must build portfolios that are flexible while not chasing fads. There is no such thing as a man or stock for all seasons. But we believe it is possible to construct and maintain an entire portfolio of carefully selected investments that will provide for our clients in all their seasons of life.

Stirling Bridge Wealth Partners, LLC is fortunate to count many of you as clients. In the good times and bad, we remain committed to providing customized investment solutions and robust financial planning wrapped in a package of exceptional service. We thank each of you for your dedication to us and for your trust.

Sincerely

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