

“He who knows that enough is enough will always have enough.”

*Lao Tzu
Ancient Chinese Philosopher
Founder, Taoism*

THIRTY-FIVE YEARS OF PERSPECTIVE

By James K. Tonrey, Jr., Chief Executive Officer

I entered the investment business thirty-five years ago in August, 1982. Certainly, a lot has changed in that time. Interest rates were double-digits and financial markets were reeling from a stagnant ‘70’s. My mentor even advised me to go into another line of business. To complicate matters, I had been offered an assistant coaching job at Dartmouth College. After some long introspection, I decided to pursue a career in the financial services industry, specifically investment management. Moreover, I decided to join the ranks of investment professionals that focused principally on the individual investor rather than the institution. I wanted to have a relationship directly with the people for whom I worked. There isn’t enough room in this quarterly commentary to speak to the many lessons acquired from these years, the many stories, the many unanticipated surprises, and the many important relationships made. However, there is one story I’ve always kept close, *The Parable of the Investment Banker and the Fisherman*, that I want to share that speaks to many of the subtle, and often not so subtle, messages learned over these years.

How Much is Enough

Author Unknown

The investment banker was at the pier of a small coastal village when a small boat with just one fisherman docked. Inside the small boat were several large fin tuna. The investment banker complimented the fisherman on the quality of his fish and asked how long it took to catch them.

The fisherman replied, “Only a little while.”

The investment banker then asked, “Why don’t you stay out longer and catch more fish?”

The fisherman said, “I have enough here to support my family’s immediate needs.”

The investment banker then asked, “But what do you do with the rest of your time?”

The fisherman said, “I sleep late, fish a little, play with my children, take a siesta with my wife, Maria, stroll into the village each evening where I sip wine and play guitar with my friends. I have a full and busy life.”

The investment banker scoffed, "I am a Harvard MBA and could help you. You should spend more time fishing and with the proceeds, buy a bigger boat, and with the proceeds from the bigger boat you could buy several boats. Eventually, you would have a fleet of fishing boats. Instead, of selling your catch to a middleman you would sell directly to the processor, eventually opening up your own cannery. You would control the product, processing and distribution. You would need to leave this small coastal fishing village and move to a bigger city, maybe Los Angeles and then eventually New York City where you will run your expanding enterprise."

*The fisherman asked, "But, how long will this all take?"
To which the investment banker replied, "15-20 years."*

"But what then?", asked the fisherman.

The investment banker laughed and said that's the best part. "When the time is right you would announce an Initial Public Offering and sell your company stock to the public and become very rich, you would make millions."

"Millions?", asked the fisherman, "Then what?"

The investment banker said, "Then you would retire. Move to a small coastal fishing village where you would sleep late, fish a little, play with your grandkids, take a siesta with your wife, stroll to the village in the evening, sip wine and play your guitar with your friends!"

This story is a constant reminder of the bigger picture of our work. With investment management there is only so much control. Markets will move where they want and when they want. And, no matter how much we plan, there will always be surprises. I'm not naive enough to think that clients only pay us for competitive performance and outstanding and timely service. Over these many years, I've come to the conclusion that performance will vary year to year but what our clients truly value is knowing that a firm with experience has their back. That they can sleep at night, that they have someone they trust to call, that there is a constant in their financial life with perspective, and so importantly, as happens too often in our line of work, that they have a trusted advisory firm that is there by their side at the most difficult of times.

So how much is enough? I don't know. Each of us has to ask ourselves that question. What I do know, though, is that enough becomes enough when the pursuit of the more "enough" impacts the relationships with the people we care about the most.

Lao Tzu also said, *"The journey of a thousand steps begins with one step."* I took that step thirty-five years ago and have never looked back. I speak for everyone at our firm when I say that we are grateful for your friendship and trust and look forward to many more years ahead.

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