Morgan Stanley

Memorandum

Wealth Management
The Spooner Group
28 State Street, 32nd Floor
Boston, MA 02109-1775
tel 617 589 3234

September 14, 2026

To: Clients and Friends **From:** John D. Spooner

Subject: Quarterly Memo – Fall 2026

There's an old Chinese curse, “May you live in interesting times.” Do you think they were predicting *now*?

I was a rookie stockbroker in the 1960s. I would have to go back to then to see markets like we've witnessed this year. The 1960s were called the ‘Go-Go years’, the public, the individual investor, were into trading the stock market, in and out, in a way that hadn't been seen since the 1920s. My clients were not in the stock market to build wealth. They were in it for the action. Bank trust departments handled the money for rich families. We in the trenches didn't see those clients. We even had walk-ins; folks came into brokerage offices off the street. To sit in board rooms, to shoot the breeze, watch the ticker tapes, open accounts. And trade stocks. Most people who wanted to invest for the long term had their stock certificates shipped out to them.

The frenzy for stocks in *this* period, remind me so much of those 1960s.

We have taken gains this year in our managed accounts, as certain investments have hit our targets. We do have cash on the sidelines.

I've been writing these memos for many decades, emphasizing that our style is value/contrarian… Trying to buy *businesses*, not markets, and in many cases, hold these positions for years. We try to identify themes that seem to us to be investments for a long future. Several of these now include robotics and cyber security. The theme of space itself will be, we feel, also a place to invest. And we're barely in the first inning of what the universe may produce for us in ways we have no idea about yet. The same thing is true, about AI, artificial intelligence. Many opine on this subject daily, the good the bad and the dangerous. No one knows for sure, but as investors we all have to participate, knowing that we're in a revolution. And hoping that it's mostly revolution for the good.

And we do believe in the long-term prosperity of America. We also believe in ‘value’ investing, trying to explore areas that are not in favor at the moment. Like our investments in energy, when it was largely out of favor on Wall Street.

But we see signs of markets not being as friendly as they’ve been in the last few quite amazing years. It's *not* easy to prosper in stocks. Whenever it appears to be, "Everyone's making money. This game is simple.” It isn’t simple. We feel that successful investing is an art, not a science. The public writ large are in love with stocks. That's a danger sign. Try to bet against the crowd in life, rather than get carried away.

One of my consistent themes in approaching stock markets in times full of anxiety and fear, with so much division in the land is, “The news, folks, every day of your lives, will be bad.” Good news doesn’t sell papers. Scam blogs and substacks and news bettors litter the landscape.

I’m not Pollyanna. I think I’m a realist who understands human nature. I believe in the entrepreneurial spirit in this country, which is as alive as ever. We, like Mr. Buffett, buy companies…not *the markets.* And we believe in our mission to try to buy quality assets at what we think are reasonable prices. And hold for the long term.

I love the autumn: the change in colors of the trees, in the air… football. But I'm always nervous about markets in September, October. I've seen too many meltdowns this time of year. But we have cash on the sidelines to potentially take advantage of short term volatility. Warren Buffett has famously said, "Don't sell America short.” The World Cup has shown us that when people come to America from all over the world, amazingly, they all want to move here.

Take the long view. And you'll never get a memo from me that was written by ChatGPT.

Happy Autumn,

John D. Spooner
Managing Director, Wealth Management
Senior Portfolio Management Director
Financial Advisor