

The Mood of the Moment Memo

The JFK assassination, the decade of the 1970s... 20% interest rates, The Crash of 1987, biggest one day crash in history, the Dot.Com bubble, 9/11, the meltdown of '08 and '09, The Pandemic. All of these events shouted *Panic*.

I have repeated my mantra in these memos for many decades, emphasizing the emotional reactions to the news. I have also cautioned you all on not being headline readers, unless you know the inside word of what's really behind those headlines. In every case, during dangerous times, you should have been a *buyer*, of strong companies, not a seller. This current market selloff, in my opinion, is no different in its ultimate ending than any of these other nervous moments. It will pass and markets will eventually recover. Which is why for some time we have emphasized the importance of dividends. We want to be paid while we wait for better prices.

One of our exercises in dangerous times is to make a list of the top five areas we want to accumulate on weakness and what price we are willing to pay. We are doing this as I'm writing. A few of our current themes: the electric grid and the high demand for electricity created by AI, the transportation of food worldwide, energy always on the list, including nuclear, and technology on weakness.

When I started this memo, it was in response to the thousand point drop almost two weeks ago. We have always tried to respond quickly to anxious moments, that get everybody's attention. I think that I have addressed our current feelings which include 'try to be contrary to Group Think'.

Would you like to know what gives me hope for the future of America and our economy, particularly in these fractured times? What gives me hope is the thousands of young people in these mythical garages all over the country seeking

to develop new technologies and new breakthroughs in creating ways to make all of our lives easier and better. The Bill Gates model. There are also thousands of young people in laboratories, including one of my grandson's, hoping to make scientific and medical breakthroughs that makes us healthier and live longer lives. We are the most entrepreneurial nation in the history of the world - still.

Look at the images during the Olympics: full of joy and comradeship, crossing all lines. We can get along; we can be generous of spirit. Most of us, I believe, feel this way. Over history, the average person wants peace and the ability to raise a family and put bread on the table. It's the leaders over the centuries who have let us into war. '*We want your land.*' '*We want your oil.*' '*We want your grain.*' And this is still playing out, of course, again affecting the most vulnerable. Nothing changes, just the names of the characters.

Our job is to have common sense plans for our clients, no matter what the political, or economic climate. We also have to be a refuge from the storm that markets often present to us. We look over chasms, not just last week or next week, as most investors seem to do. Take the long view.

In our managed accounts, we have recently trimmed several positions in our portfolios, before the selloffs in mid-August, leaving cash balances that can serve us when we go bargain-hunting as we approach fall. That's why I referenced all these serious bumps over the last 60 years. I do trust our ability to bounce, to prosper as a nation. There are so many reasons to find common ground. Which is why I referenced the Olympics. Our job for you is to give you confidence and a thoughtful approach to your financial future. I'm in a business that never sleeps, and I do trust the spirit and work ethic we still express, as a nation of aspirational people. Just look at clips of these Olympics and tell me I'm wrong. And for the true

spirit of America, watch ‘Shark Tank’ on TV sometime. It’s a lesson in our entrepreneurial nature: young people (mostly) creating things.

Fall is coming. The best time of the year.

John D. Spooner

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