

Laboring always at the same oar, with some wave ever ahead threatening to overwhelm us and yet passing harmless under our bark we knew not how, we rode through the storm with heart and hand, and made a happy port. - John Adams

The View From Here

May 2016

Dear Clients and Friends:

I am enjoying my new found freedom and flexibility; and I pleasantly find myself more focused on how to use the newly available energy. Shedding concern about whether the phones are being answered, the rent getting paid, or finding new speed in our computer network is an emancipating exercise.

As I, and we, develop and refine our roles, activities and processes, I look from here to consider whether all the parts are doing their job. The light that must shine on our job evaluations must be the preeminent idea of an efficient focus on our clients' interests. The interesting thing, I think, is that "it takes a village" to effectively do our job – clients, custodians, other professionals, all of us at TD Capital, and the portfolios with influence from the various financial and securities markets must work together.

*Thank you and God Bless,
Doug*

Doing Our Job

The *citizens of the village* must work as partners for the benefit of the clients. These *citizens* and their job descriptions are:

- Our clients themselves – keep expectations reasonable; avoid knee-jerk reactions to natural fluctuations in securities markets; limit portfolio withdrawals to realistic levels and know that unexpected “stuff” will happen; inform us of changes in circumstances, needs and plans.
- Custodians (Fidelity in most cases) – properly manage trading, asset protection, tax reporting, etc. Provide efficient service as clients have needs.
- CPA's and attorneys – provide us with tax, estate and other information as appropriate. Communicate with us for the singular purpose of enhancing the financial lives of our clients.
- Our client service team – appropriately assist our clients with their needs and objectives. Recognize that our many years of experience give us the opportunity to provide client service beyond clients' natural expectations. Focus on providing comfort to our clients – not just doing what they say, rather doing what's best for them and helping them understand why.

- Portfolio analysts and managers – maintain an ever-present focus on the controllable elements of portfolio work: diversification, cash-flow provision, cost-control, and tax-efficiency.
- Wealth Advisors (me for instance) – understand and know the client; keep up with our reading and study; consider our clients’ “big-picture” with all the details, and plan and communicate with the clients’ very best interests as the focal point.
- Within the portfolios themselves, the attention must be on the clients’ interests. This is not the same as seeking the highest returns without consideration of real risks inherent in all investing activities. Diversification, cash-flow provision, cost-control, and tax-efficiency are not concepts and techniques purposed toward generating returns in isolation. Rather, they are critical to managing various risks – defined here as harmful to the long-term well-being of our clients.

Fear of harm ought to be proportional not merely to the gravity of the harm, but also to the probability of the event. - Peter Bernstein

If the satisfaction to be derived from each successive increase in wealth is smaller than the satisfaction derived from the previous increase in wealth, then the disutility caused by a loss will always exceed the positive utility provided by a gain of equal size. - Peter Bernstein

We earn the trust that we seek and cherish by keeping our clients’ interests at the forefront of all we do. It’s our job and, frankly, it’s good for our business. I’ll use my new found energy to help Gordon and our team keep an eye on all the *citizens* as we do our work and strive to provide value for our clients.