



Client Commentary

December 4, 2012

Season's Greetings to one and all! As our politicians drive the bus nearer to the "fiscal cliff" with no sign of compromise, I'd like to take a few minutes to pass along my thoughts.

Regardless of the recklessness of our friends in Washington, should January 1st come with no agreement and we sail off the cliff, I'm very comfortable that the economy won't immediately crumble, and one side of the debate will give in to the other, before too much time passes (at least that's my hope and belief).

Furthermore, we own a select group of well-managed companies within our common stock portfolios, and I'm guessing that each company has contingency plans should Washington disappoint yet again. The nature of investing requires us to occasionally endure short-term uncertainty to obtain our long-term rewards. Without a doubt there are many investors "sitting on the sidelines" who await the outcome of Washington's political games—usually, those who stay on the sidelines come back into the game after the score has gone up, meaning they pay a higher price when the uncertainty is reduced. We are fortunate that our investments have been battle-tested in many adverse environments, and whatever the irrational markets throw at us in the short-run, we'll survive and come out on the other side intact. So, should the days ahead be bumpy and uncertain, hang in there, or better yet, give me a call if your nerves start letting you down.

As we close out another year, and a pretty good one at that, I'm thankful for a great group of clients who demonstrate patience, loyalty and friendship—what more can you ask for? Thank you.

-John Heldman, CFA