



First Quarter Letter
April 29th, 2019

Dear Clients and Friends,

You know what they say: All sparsely-read things on the internet must come to an end. This quarterly letter is one of those things. RIP, quarterly letter.

Technology is a wonderful asset in that it can help us decide how to spend our time. Two things I've learned while writing five years of posts on my blog, sent out via email: You fine people love blog posts but couldn't care less about client letters. You spoke with your non-clicks, and I'm listening.

It's a bittersweet goodbye. Much time was spent on these letters, but I can't argue with the data. I'm proud that I delivered what amounted to ~20 different ways of saying "do nothing and you'll be fine." But at roughly 500 words x 4 times per year x 5 years, it's a whole lot of labor to create letters about nothing for no one.

Moving forward, consider this to be the eulogy. A trip down memory lane in chronological order:

2014

[Q3 2014](#) - Featuring an old logo. Topic: Do nothing and don't worry about "Russian aggression" or Ebola. Some commentary on the Fed (yikes). Reminded you that having capital is going to work well - and I'd say it has since then.

[Q4 2014](#) - Prognosticators and their prognostications = Bad. The more you learn about finance the less you know to be true.

2015

[Q1 2015](#) - A massive letter (1200 words) on the riveting topic of negative interest rates. Still quite relevant today, I must say. The topic still gives me the creeps.

[Q2 2015](#) - News about the client website. A plea to go to my website. Skip this one.

[Q3 2015](#) - An entire post where I spent entirely too much time reworking the lyrics to "Mama Said" to explain that sometimes markets just go down and you should do nothing in response.

[Q4 2015](#) - I spent, again, entirely too much time creating a coupon (??) to be placed on your fridge and redeemed as a reminder that patience is a highly compensated activity. Yep, that's a thing I did.

2016

[Q1 2016](#) - This was a pretty vicious attack on active management, Fidelity and its unsuspecting star manager, Will Danoff. I'm glad they didn't send me a 'cease and desist' letter.

[Q2 2016](#) - In support of immigration. A semi-prognostication regarding the election that has thus far turned out to be dead wrong. See above: Prognostications = Bad.

[Q3 2016](#) - Were we in a "bubble of safety?" This turned out to be pretty prescient (AKA lucky) as the 10-year Treasury yield bottomed that quarter. The general gist was questioning whether it's



possible we aren't taking enough risk as a society, which could explain some of our financial issues.

[Q4 2016](#) - My all-time favorite quarterly letter. Smart = Stupid is something I still discuss with every single client today. The only goal we should have is to *not be stupid*. Key quote: "It's easier than ever to let the Notch wrap us up, individual investors or professionals alike, like a snuggly little Stupid Blanket."

2017

[Q1 2017](#) - A strange scenario about a crash test dummy covered in honey. The point: Diversified portfolios recovered from the 2008-09 crash in less than two years. That's not so bad. You can probably handle it.

[Q2 2017](#) - The missing link. Which means yours truly never wrote a Q2 2017 letter. Whoops. But feel free to click and see what my 404 error page looks like.

[Q3 2017](#) - The market had been going straight up for a long time. Used this opportunity to remind you of the pain that comes with gain.

[Q4 2017](#) - A total cop-out. A summary of 2017 blog posts. Lame!

2018

[Q1 2018](#) - Market volatility was back in a big way, but it felt worse because it had been so long since we'd seen any losses. This was simply a reminder that, you guessed it, it's normal to see this kind of violent swings up and down.

[Q2 2018](#) - My second favorite letter. Discussing the concept of "rounding down" as a way of inserting a little bit of conservatism into decisions at the portfolio level. After ten years in a bull market, it makes sense to not opt for aggression.

[Q3 2018](#) - More market volatility, more words about doing nothing in response. Written on Halloween, used cheesy words like "spooky."

[Q4 2018](#) - Finally, we had a bad year for the financial markets. Finally, we could talk about something else. Discussed an important difference between what's "normal" and what's "average" in markets.

There you have it, folks. Please don't take my sarcasm as a dismissal of these letters. I think there's a lot of quality content contained in these links and I hope a few of you were able to take something out of at least one of them. If not, well, they'll remain here in this little corner of the internet gathering digital dust.

As always, thank you for your trust.

Sincerely,
Tyler