

Season's Greetings 2020 | David Andrew



David Andrew

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I am rarely stuck for words, and yet I have stumbled around searching for the right adjective to describe 2020 - each of us has formed a view of 2020 based on our personal experiences.

For most Australians, we will all have a level of gratitude that we have dodged the worst of the global pandemic. While some families have experienced loss and sadness, many Australians have survived

the year with little more than a temporary inconvenience.

I say this in the context of reports from Italy of overflowing hospitals and temporary morgues in the early days of the pandemic, and more recently similar vision from the USA.

Personally, I have learnt a lot from 2020 and these reflections will remain deeply etched for many years, perhaps for the rest of my life.

1. Decency matters

The most jarring reflection is on the recent US election where division and rancour have driven a deep divide in US society – it seems surreal that truthfulness, humility and grace have become such degraded values. As I reflect on our 2020, I am deeply grateful for the relationships we have enjoyed as a firm, with each other as colleagues, with our clients, and with our friends and neighbours. The care and support we have been shown remind me of just how special these relationships are. As we went into the Covid-19 lockdown many of our clients were understandably concerned, but you accepted our advice and while it has been an uncertain period, we are all going to be fine as we pass through this.

2. We're never too old to learn new tricks

As the lockdown came, we very quickly realised that business as we know it was changing and we needed to adapt to new ways of doing things. Online meetings were one example and the term 'zoom-meeting', entered the mainstream of the English language. What surprised me the most was the ease with which our clients – *of all ages* – adapted to the new way of doing things.

Often, we resist change because it is easy to continue with our old ways even when we know the change is for the good. Perhaps a reflection for us all is to be more open to change and to embrace it with enthusiasm.

3. Risk is what you don't see coming

We spend hours speaking about investment risk and my reflection is that too often we are talking about the wrong risks. Financial markets are volatile, and they always will be, but they're not so risky if we have the right frame of mind and expectations. To expect a negative return quite often is the right expectation. Think about it as the 'price of admission' to do well over time. It's a bit like visiting New Zealand. You know there is a possibility there will be earthquakes, we just can't forecast when.

Having accepted that wisdom, what do I mean by '*real risk is what we don't see coming?*'. I mean the truly unexpected events like the Twin Towers attacks in 2001, the collapse of Lehman Brothers in 2009 and the Covid-19 pandemic in 2020. These are true blindside events, often called Black Swan events.

The good news is we can plan for these truly unexpected events, and that's what we do in the financial planning and portfolio construction process. Understanding the possibility of these events occurring and having appropriate buffers in place has helped our clients navigate the fallout of the GFC and again during Covid-19.

Pessimism can be emotionally seductive and the urge to react is strong. I am pleased to report that our clients have been extraordinarily resilient during this period, and so have their portfolio outcomes.

4. Gratitude

Undoubtedly my biggest reflection is how much we have to be grateful for.

Australia, and cities we live in, the freedoms we enjoy, our healthcare system, all seem so much more precious when they are threatened. I hope your reflections are similar.

I want to thank our clients whose ongoing support and partnership is a source of pride and deep professional satisfaction.

As we enter the holiday season, I want to thank you for the confidence and trust you continue to place in us and I and wish you and your loved ones a Merry Christmas. For those of you reconnecting with family and friends after a long period of separation, we wish you a very happy time. [You can read more on my reflections of 2020 as well as our team updates here.](#)

Best Wishes,

[David Andrew](#)

Founder and CEO.



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