

MARKET COMMENTARY – DECEMBER 1, 2020

*Ride on! Rough-shod if need be,
Smooth-shod if that will do, but ride on!
Ride on over all obstacles, and win the race! ~ Charles Dickens*

This particular year has not gone quite as expected for this writer and his family. Undoubtedly, there is no reason to list every pivot or change along our way. To do so would risk becoming boringly redundant. Because you, too, have been forced to adapt a hundred times over in tasks ranging from work to school to shopping. Amidst such upheaval it has been difficult to maintain optimism, let alone forward momentum in life.

With these real challenges in mind, we stumbled across the above quotation in David Copperfield. It strikes at the core of one of those all-important qualities that separate a life well-lived from one left wanting. Perseverance. It is a trait that we in our roles as parents have struggled mightily to convey to and instill in our children. There are a thousand tales from history that show the importance of perseverance. The Old Testament Joseph. Frederick Douglass. Thomas Edison. There are just as many ways to say it. Persevere. Press on. Keep calm and carry on. Don't give up the ship. Run to win. Ride on. Let's roll.

And so, if you've made it this far into 2020, by definition you have persisted. You've improvised, improved, and adjusted. In a similar vein, the same can be said of many companies in which we invest your hard-earned savings.

2019 ended with most companies pressing down on the accelerator with renewed vigor. Then, with the brick wall of lockdowns hurtling toward them, both feet hammered onto the brake pedal. The first adjustment.

The second, third, and fourth corrections came just as rapidly. Plane routes were eliminated. Energy drilling was curtailed. Capital spending that was originally planned for use in one area was suddenly diverted to fully digital solutions. At first, this was meant to merely help some small amount of business get done with freedom of movement all but eliminated. Then, as the successes of these programs ramped, more

investment was made in these online or remote initiatives. Ordering via apps. Drive-through. Curb-side. Next-day delivery. Virtual PBX. SaaS. These and many more programs are resulting in more efficient businesses.

We believe many of these additional efficiencies were going to happen anyway. The responses to the virus have simply transformed what was an orderly transition to the cloud to an all-out race. Furthermore, we believe that many of the efficiencies that are being uncovered in this difficult year are sustainable for the foreseeable future, making the companies that successfully deploy them more valuable.

It is hard to envision a new business being formed post-virus that will not take full advantage of the electronic solutions offered. Small or large, all businesses the world over must employ a full suite of the hardware and software germane to their industries. Real estate use will change. Will McDonald's need to build significant dining rooms in their stores when they've proven they came become more profitable while 90% of them are shuttered? Commercial real estate owners must be in the process of rethinking the future or risk extinction.

Our point is that the human spirit, when it is at its best, does not give up. Pitfalls come. We leap. We build bridges. Our challenge as investors is to find companies that embody that spirit without damaging the fundamental truths that made them successful in the first place. Service. Quality. Value.

So, as we navigate these challenges in this season of anticipation, we hope that you, too, will find ways to persevere. Find your grit. Go around, over, or through. To use Dickens' parlance, ride on. Or to paraphrase Paul in 1st Corinthians, do not run like a man running aimlessly, run with purpose, run to win.

Stirling Bridge Wealth Partners, LLC is fortunate to count many of you as clients. In the good times and bad, we remain committed to providing customized investment solutions and robust financial planning wrapped in a package of exceptional service. We thank each of you for your dedication to us and for your trust.

Sincerely

Jason Born, CFA
President