



August 3, 2022

Hello!

I reached a milestone this week: it was 50 years ago, a half century (OMG!, as the kids say), that I was first hired by Dean Witter & Co. (now Morgan Stanley) to begin my career helping clients manage their investments. After 22 years there, I was hired to open the Wayzata office for Dain Bosworth (now RBC Wealth Management). In 2007, I retired and formed Quantitative Asset Management.

Over the years, the markets have grown dramatically. And there have been great times, with a few bumps along the way. When I started in August 1972, the DJIA was strong, reflecting investors' optimism about American business. The economy was growing, and corporate profits were surging. But two years later, the Dow was down almost 50%. The OPEC oil embargo, together with the Watergate scandal and President Nixon's resignation, shook the economy and created economic uncertainty. Rapidly rising inflation, record high interest rates, and sky-rocketing gas prices unnerved investors - sound familiar? It would take the Dow almost nine years to recover its previous high. Since then, there have been good times and bad, but things have always righted themselves eventually. From the start, I learned that patience wins the day and survival depends on looking for real value.

And 50 years have also brought on changes we couldn't have imagined. The explosion of technology and the Internet has transformed our way of life. Companies that rule the economy now — Amazon, Microsoft, Apple, Google, Meta, Twitter, and Tesla, among others — did not even exist 50 years ago. Understanding new technologies and how they affect the economy has been fun and challenging. The impact of the world getting so much smaller has kept me young, hopeful, and curious.

So, whether you have been with us from the beginning or are new to Quantitative Asset Management, it is our great pleasure to have you as a client, and your friendship and trust mean a lot. Through the years, we have weathered a lot of storms together, always coming out stronger. Our current “storm” will be no exception. We will continue to grow and be strong together.

This special anniversary has given me a chance to reflect on the joys of my career and the trusting relationships we've developed. From me to you, thank you.

Wishing you and your family all the best!

Jeffrey