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QUARTERLY LETTER

The past several months have proven to be a tumultuous time for many investors and Americans. The COVID-19 outbreak, subsequent quarantine/travel restrictions, political, and economic uncertainties all continue to dwell in the forefront of people's minds.

Media outlets and the incessant talking heads that populate them, have done little to provide reliable information and serve the public. Opinions have firmly supplanted facts on a number of occasions. It is important to prevent these opinions from dramatically altering your personal investing value hierarchy – and subsequent decision-making processes.

Structuring your family's financial fortress is analogous to building your forever home. It is imperative to focus on fundamental analysis and real data points. Low debt load coupled with free cash flow and organic growth are sound foundational blocks to build upon. Businesses that exhibit these attributes are poised to endure and succeed over the long term.

We are maintaining a patient and conservative approach to deploying capital at this time. The Q2 earnings season should provide valuable information on the impact of the virus and economic status.

Across the broader market - concentration in a handful of names has persisted throughout the year. The S&P 500 current market cap sits around \$26.9 trillion. Five companies (MSFT, AAPL, AMZN, GOOGL, FB) account for \$6.23 trillion, or just over 23% of that number. Up from 18% (\$4.92 trillion of \$26.8 trillion) at the end of 2019. These five companies make up a larger percentage of the S&P than the financial, energy, utility, and industrial sectors combined. While many equities appear fairly priced on a fundamental level, we still see select pockets of value in the current market.

An event like COVID-19 was an unidentified risk, absent from most investors' radar prior to this year. The current market and economic outlook appear somewhat clouded and uncertain. Jeremy Grantham (GMO co-founder) does an excellent job of outlining the uncertainty on page 9 of the [GMO Quarterly Letter - 1Q 2020](#).

The pace and sheer volume of news and information in today's world can be overwhelming to investors. As with any important decision, a calm and measured approach must be taken with portfolio management. Buy best in class assets, hold for the long term, and allow quality businesses, run by talented capital allocators do the work for you. This advice may come across as simple.

But in turbid times like these, one can often find clarity in simplicity.