



“Smart Decisions About Serious Money”

Meet our Team

Thomas Twombly
President

Mark Ward,
CFP®, ChFC®
*VP, Operations and
Chairman, IPC*

Chris Vasquez, ChFC®
Senior Advisor Associate

Raymond Krisanda
*Trading, Bookkeeping,
Custodial Interface*

Daisy Lopez
Staff Accountant

Shelby Holt
Client Services Specialist

Diane Hunley
Receptionist

Donna Geery
Goddess of Files

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A Message From The President

Thomas G. Twombly



2020 was a heck of a year for just about everyone. Exhausted by disease, political division, social disruption, and economic uncertainty, we are all aching for change. The dawn of 2021 seemed like the perfect opportunity to just put it all behind us as quickly as possible and move on.

Before I say a final goodbye to 2020 though, I want to express my deep appreciation for my colleagues here, because it is precisely against the tough backdrop of last year that their best attributes stand out. Absent the stout challenges we faced together throughout last year, and those we will all surely face moving forward, it might be easier to take this team's special qualities for granted. But if there is one thing I learned in 2020, it's that I shouldn't take anything, or anyone, for granted.

Aristotle once said: *“There exists a whole that is greater than the sum of its parts.”* I have believed wholeheartedly in that wisdom for many years, especially when it is applied to the magic that can happen within a great team. Not a group of individual all-stars, but a closely bonded unit of solid players who are completely dependable, who feel safe and valued by each other for their unique talents, strengths, and areas of specialty, and who are willing to go the extra mile for each other, and for the mission and people they serve when things get really tough. Great teams generate

levels of internal courage, trust and adaptability that far transcend the sum of each individual's contribution. I am blessed to work with such a team here, and I want you to know it.

Diane Hunley has been our receptionist, and much more, for almost 10 years. She serves colleagues and clients in more ways than you can count. She is the warm and inviting voice that greets you when you call and will be the smiling face that welcomes you when you walk back through our doors. She is a skilled and caring soul with a superpower for discovering and remembering every individual's personal story, family connections and sensibilities. Her warm touch helps everyone feel understood and valued.

Donna Geery's official domain for 16 years is our critical filing system. Her title: Goddess of Files, conveys that, but with a nod to the fact that her contributions go far beyond. Donna's background as an English teacher keeps typos and grammar in check for almost all the written material we generate. Her Master's degree in Psychology makes her an invaluable source of insight and compassionate understanding for colleagues and clients alike—including me. And Donna ensures all crucial documentation is up to date and fully compliant. She has a sharp eye for detail, an innate drive to make sure things are done exactly right, and the conviction to speak up quickly if they are not.

Raymond Krisanda oversees trading, bookkeeping and custodial interface. With 19 years of experience on this team, Ray has nearly seen it all. Each day finds him executing transactions and ensuring that all client money movement is achieved with utmost care and accuracy. When problems arise, Ray solves them quickly

because he has built solid relationships with each of our custodians and vendors. He knows exactly who to call and what to do to make things happen.

Daisy Lopez is our Staff Accountant. She is also a highly talented and detail-oriented artist. Check out our latest newsletters to see her inspiring skills. An indispensable member of our team for more than three years, Daisy is responsible for all of our daily portfolio accounting, quarterly reporting, and quarterly billing functions. She also handles our payroll and is the gatekeeper of our secure portal. Daisy's careful attention to detail, her skills with complex spreadsheets, and her positive attitude add confidence to everyone she works with and everything she touches.

Shelby Holt is our Client Services Specialist. She also oversees our marketing efforts. As the newest member of the team, Shelby just celebrated her two-year anniversary. She is warm and wonderful at working with clients who need friendly assistance with just about anything, preparing workflows for colleagues, coordinating internal training efforts, spearheading our monthly newsletters, and overseeing our social media presence and our website. Shelby's background in graphic design and her heart for human relationships give us a dose of warmth and creativity that is essential to great client and colleague experiences alike. If you have not heard from her yet, you probably will sometime soon.

Chris Vasquez, ChFC is a Senior Advisor Associate. For almost seven years, he has been a constant source of positive energy and leadership. Chris is passionate about helping others improve their financial situation and gain clarity about their long-range objectives. He offers his expertise to everyone, be it a client or fellow team member, with kindness, empathy, and a generous dose of firm determination. A natural at bringing people together with a clear focus on the future, Chris is adept at finding solutions no matter what the challenge. Just this month he was awarded the designation of ChFC, and he has completed all of the coursework towards an eventual CFP certification.

Mark Ward, CFP, ChFC is VP of Operations and the Chairman of our Investment Policy Committee. With 21 years of solid commitment to this team, Mark is passionate about efficiency and diligent in his attention towards guiding people to their most cherished financial objectives. A proud member of MENSA, Mark is both a student of history and a constant learner.

He oversees our disciplined investment process, helping to match each client's investment objectives and time horizons with broadly diversified and carefully allocated portfolios. Mark is also a Level 3 Sommelier and is responsible for selecting the outstanding wines at many an LSG client appreciation event over the years. We look forward to showcasing those talents again when we can all safely come back together.

Every single one of these folks are key stakeholders in our on-going success—and yours. All have proven their commitment to constantly offering their best individual talents towards making this whole team as effective and as adaptable as we can be during a period of massive change and disruption. It has been an impressive effort to be part of, and I am filled with appreciation. That commitment should give you confidence to have them on your team too.

Thomas G. Twombly
President

Investment Commentary

We have emphasized the following principles and beliefs in previous reports over the years. But they bear repeating here as reminders of both the challenges long term investors face moving forwards, and the only plausible approach we have ever found to address those challenges consistently.

The future we invest in, and for, is unknown and unknowable. Every single one of the years ahead of us, and in fact every single day that will eventually comprise them, are impossible to foretell with any degree of accuracy. The only projection we can ever credibly rely on in the long run is that everything will change—and often in ways we cannot possibly anticipate.

We will never have all the information we want before we are called upon to make important decisions. We will always be unsure of something, and often we will be unsure of many things. Sometimes even the things we *are* sure of will suddenly change without warning. (Just look back at the last 12 months for some particularly poignant examples.)

Serious investors have no choice but to embrace the hard truth of that ambiguity, and to find deliberate ways to incorporate uncertainty and complexity into their

financial plans and investment policies. Because the great financial goals of life (or if you think more like me, the great *responsibilities* of life) do not wait patiently until we feel safe and secure. They demand relentlessly that we move forward now.

Whether one is diligently funding an education for children or grandchildren; investing to ensure one's own personal financial security, independence, and dignity through a three-decade retirement; or building and protecting a meaningful legacy to bestow on those we love at some unknowable date down the road, one must find a way to make hard decisions despite this gripping uncertainty. It is not a job for the faint of heart, nor is it one for the temperamentally volatile.

We can never make successful long-term investors out of people whose fundamental view of the future is pessimistic. Successful investing demands, more than any other principle, a hard-nosed faith that no matter how daunting the short and intermediate term challenges might be, the long-term future *will* be better—because that is, in fact, the history of human progress. Beyond that, successful investing requires the discipline to keep doing the right things, and the patience not to get provoked into doing the wrong things when others lose their perspective—as they frequently will.

We believe success is first about being goal-focused and guided by a long-range plan that has deep purpose and *meaning* to you. Why? So you are fully prepared to overcome tough setbacks. So you are willing to make whatever personal changes and course corrections are required of you along the way. So you are clear about what is most important to you. So you know what the pillars of your belief system are, and what you're not prepared to give up on—no matter how many or how tough the setbacks you encounter.

After that it is a matter of matching your specific objectives, and the time frames in which they must be accomplished, with a portfolio that is carefully allocated across asset classes and broadly diversified within those asset classes such as to offer a reasonable opportunity to grow wealth slowly and steadily, rather than risking long-range underperformance in impulsive pursuit of outsized short-term gains.

As we stand here now, looking forward over 2021 and beyond, there are some big questions outstanding, and plenty of unknowns to ponder. The biggest, as far as we know right now, is the ultimate course this

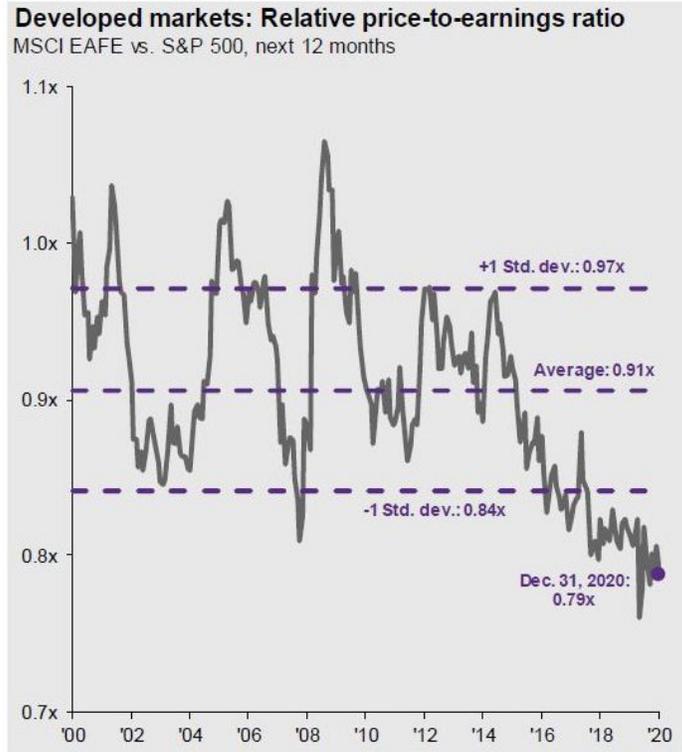
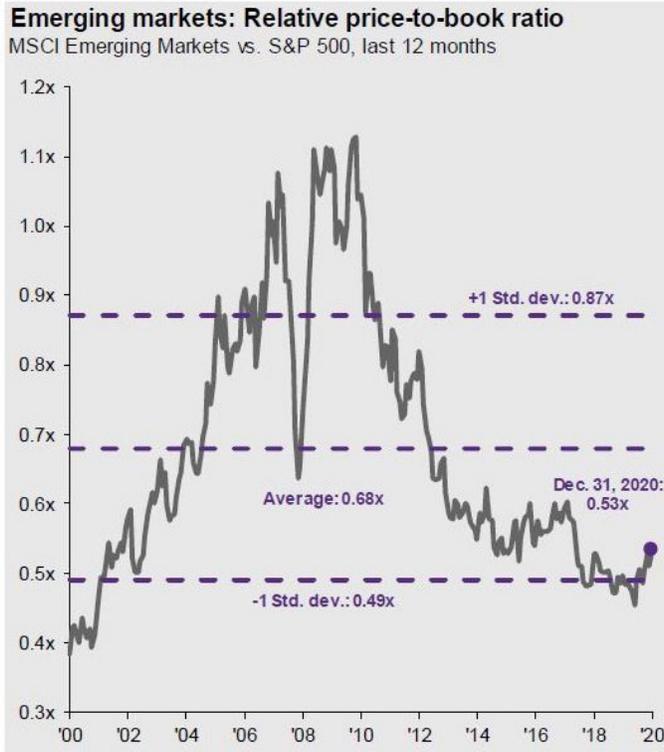
pandemic will take, and whether we will get it under control within the coming months. There are certainly reasons to believe it could be possible, such as the recent development of multiple vaccines with very high efficacy rates in a stunningly short period of time.

If the answer is yes, and if we are able to inoculate 200 million people successfully by July, as some credible sources believe, there will be a great deal of pent-up demand unleashed. U.S. GDP growth will surge in late 2021 as the economy opens up and employment increases. Individuals and corporations alike will eagerly spend capital they have been conserving over the last 10 months. This appears to be the “consensus view” at this point, and equity markets have been eagerly reflecting that outlook.

If the answer turns out to be more qualified, or if doubts begin rising along with another wave of disease, social unrest, or both, there could also be a substantial “re-pricing”—especially among the most optimistically valued assets—as markets discount that changing perspective. There is no question that valuations are high in comparison to their historical norms, particularly in U.S. stock markets. But we can never know for sure what the future holds.

Understanding that, but knowing we are responsible for making prudent decisions on behalf of others anyway, we persist with a disciplined and broadly diversified approach. Despite historically low yields, we continue to maintain holdings in cash and short duration bonds as ballast against possible turmoil, and as a source of ready capital if sudden changes were to present attractive opportunities. We continue to hold select small, medium, and large-cap U.S. equities for the long term, because we believe wholeheartedly in the capacity of dynamic businesses and motivated teams of people to innovate and create value even in the most challenging times. And we continue to invest in a broad array of dynamic businesses of all sizes around the globe, because grit, resilience and innovation are *human* traits, and because for the first time in a long while many parts of the rest of the world are looking particularly compelling on a long-term basis, as the chart on page 4 suggests.

Please contact us soon to schedule a time to discuss your personal situation.



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Guide to the Markets – U.S. Data are as of December 31, 2020.

General Market Results

| | 4 th Quarter | YTD | One Year | Three Year | Five Year | Ten Year |
|-------------------|-------------------------|-------|----------|------------|-----------|----------|
| Barclays Agg Bond | 0.67 | 7.51 | 7.51 | 5.34 | 4.44 | 3.84 |
| S&P 500 | 12.15 | 18.40 | 18.40 | 14.18 | 15.22 | 13.88 |
| DJI | 10.73 | 9.72 | 9.72 | 9.90 | 14.65 | 12.97 |
| S&P 400 | 24.37 | 13.66 | 13.66 | 8.45 | 12.35 | 11.51 |
| Russell 2000 | 31.37 | 19.96 | 19.96 | 10.25 | 13.26 | 11.20 |
| NASDAQ | 15.63 | 44.92 | 44.92 | 24.39 | 22.12 | 18.46 |
| MSCI EAFE | 16.05 | 7.82 | 7.82 | 4.28 | 7.45 | 5.51 |
| MSCI EM | 19.70 | 18.31 | 18.31 | 6.17 | 12.81 | 3.63 |

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