

October 1, 2018

Hello Friends,

“Everything That You Think You Know is Probably Wrong”. Try a Google search on this phrase sometime and there are lots of interesting articles and many books have been written. I’ve been reflecting quite a bit about this phrase in the past few months and wanted to make it the theme of this quarterly letter.

Just so you know, in the past 30 years as a Financial Advisor, I can’t begin to tell you how many times that the stock that I sold went up and the stock that I bought went down. It is very maddening and a frustrating process and my track record is littered with many mistakes. Sometimes I buy when I should have sold and sometimes when I sell I should have bought.

The real message here is that I have learned to be very careful and thorough before making any transactions. It’s way too fast and too easy to move a couple of million dollars around with a couple of clicks that takes about 10 seconds to complete. I continually ask myself, if what I think I know is wrong. Often, I will sit on a projected trade for several days to give myself an opportunity to change my mind and avoid a costly mistake. Seldom will I ever enter a trade on my emotions for the day. I rarely react to, or make decisions based on the news of the day. I do my best to be disciplined and careful about moving money to and from different securities.

In the prior quarter, I sold a portion of my Tesla, Starbucks, Facebook and Celgene and all of my Prudential, CME Group and CBOE Global Markets. I used those proceeds to add to existing Salesforce, Amazon, Google and Costco positions. I initiated new positions in Lululemon, Decker Outdoors and Regenxbio. I keep my own score card on these maneuvers and so far, so good, but it’s still early. Sometime in 2019 I’ll evaluate the success, or lack of, those decisions.

It’s been a very good year, so far. Nearly all of my accounts have strong year to date gains and nearly everyone has a gain that has outperformed the market averages. Historically, the month of September has been a challenge and I’m glad to have this poor performance month behind us. In just another week or two, corporations will begin reporting quarterly earnings and there is the potential for a strong advance into the end of year. The midterm election is usually bullish. November 1st starts the best six month cycle of the year and the NASDAQ’s best eight months.

I’m just hoping that what I think I know isn’t wrong, but my portfolios are positioned for that possibility. Stay tuned.

If you have any concerns or questions, or a change to your risk tolerance or investment objectives, please call or email anytime. Thank you for your trust and confidence in our firm.

Sincerely,



Jim Aljian