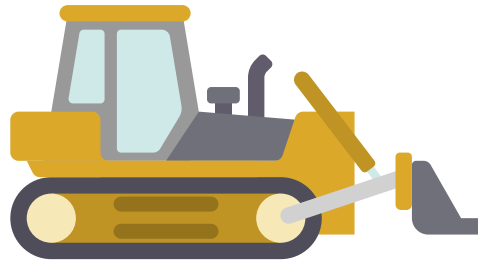


## Guarding the Bulldozer

One of my many résumé-enhancing jobs in college was working as a Pinkerton security guard. Armed with just a nifty uniform, I patrolled a hospital, the Port of Albany, and the local shopping mall. My least challenging Pinkerton gig was guarding a bulldozer at night at a construction site in the middle of nowhere. I'm sure that the need for a security guard watching a bulldozer for hours on end had more to do with insurance requirements than security risks. As far as I was concerned, it was a great job because I got paid to sit in my car and study for class. Even better, after college reading was finished, I began my real studying – handicapping the next night's races at Saratoga Raceway with the help of the race program I purchased before my shift started.

An important lesson that I quickly learned at the track was to be selective in my wagering. In a typical evening at Saratoga, there might be ten harness races held. Usually only one or two of those contests offered what I saw as an edge in the process of choosing a winner, and therefore worthy of a wager. The rest of the program was fun to watch and maybe offered some insights for the following week of racing, but was not worth betting on just for the excitement. By being selective and disciplined in betting, my success rate became good enough that I was making more money spending an evening at the track



than I was in safekeeping the dozer.

Perhaps you have already guessed where I am going with this story. As investors, we face a similar challenge in trying to narrow what and when we buy from the seemingly unlimited opportunities of available stocks and markets. In my opinion, one of the keys to long term success is to limit our investments to those choices that provide favorable probabilities based upon valuation and to pass on the times that it does not appear to be so. We are, after all, not seeking action or excitement with our investment dollars. Rather, we are attempting to earn a reasonable risk-adjusted rate of return over the appropriate time frame.

I continue to struggle in my search for stocks to buy in our RAGS and GEM portfolios that I think offer a sufficient return for the amount of risk taken. Consequently, we continue to lag our benchmarks as we are holding an above average amount of cash awaiting appropriate buy opportunities based upon stringent valuation criteria.

So, forgive me for the stretched handicapping analogy and I appreciate your patience with keeping a lot of cash in the equity models, but I just don't see too many races worth betting on. And if you are curious, the dozer remained safe on my watch.

# Update on Finkelberg Racing

While we are on the subject of horse racing, and since many of you have asked, this seems like an appropriate time to provide an update on the “stable.” Son of Liberty, our trotter, is closing out his sophomore season. He has been competing at Vernon Downs and Saratoga Raceway (yes, the same track of my misspent youth). He has raced nineteen times this year and finished 1st, 2nd, or 3rd eight times. It has been a good but unspectacular season. With very mixed feelings, we are selling Son of Liberty to a blacksmith who will keep him on his farm in Delaware and race him nearby. Liberty should be happy and competitive in his new home, and since I have family nearby, we can still visit this very sweet horse.



*Amy Finkelberg keeping a cautious distance from Bro*

Along with our partner and trainer, Jay Hochstetler, we picked up a baby pacer last year at the Harrisburg auction. His name is Bro and he is a big alpha male Standardbred. Bro raced twice this season and finished second both times, showing very good speed. Unfortunately, he has an issue with one of his ankle bones. We sent him to a farm in North Carolina so that he will heal properly and plan to start training Bro for his three year old season in January. Stay tuned, Bro appears to be fast. And it’s auction season again, so there might possibly be an addition to the budding stable.

## Welcome, Felicity!

If you visit our office anytime soon, you may see an unfamiliar face. We have Mississippi College senior Felicity Barnett assisting us for a couple of days each week as an intern. Felicity, from Birmingham, Alabama, is a finance major at Mississippi College, where she also plays on the soccer team and is a member of the MC Investment Club. Felicity helps our team with running reports, filing, research, and other various projects. Welcome, Felicity! We are so glad to have you!



Welcome to our out of town visitor! It was great to see you!

O.D. of Clanton, AL

### Special Birthdays

90 – N.S. of Jackson, MS

90- F. S. of Ellisville, MS

### Happy Anniversary!

65th – B. and D.B. of Palm Harbor, FL

## SAVE THE DATE!

The 2019 CFA Forecast Dinner will be held at the County Club of Jackson on Thursday, February 28<sup>th</sup>.

Until next time,

A handwritten signature in black ink that reads "Arty".

Arty Finkelberg, CFA, CFP®  
Senior Vice President, Investments

