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## Securing Your Future

June 30, 2017

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The other day, a group of us got together to review CORDA's business disruption plan. What prompted this was the potential for the summer's first storm to hit the Gulf Coast somewhere between Houston and New Orleans. As a Houston-based firm, we have to be prepared for the likely scenario of a hurricane or flood impacting our immediate area and for the possibility our main office building is damaged or closed. It had been since last year's hurricane season that we reviewed our plan, therefore, we wanted to make sure all 19 of our employees knew their responsibilities and our back up office locations in Austin and Dallas prepared for "business as usual" in the case we had to re-locate on a moment's notice.

Suffice to say we have every confidence our action plan is a sound one and we would not be deterred from maintaining outstanding customer service and investment management in the event a hurricane, flood, or any act of nature that might force the temporary closure of our headquarters in Houston. Meanwhile, before alarm bells go off and your mind drifts to the safety of your assets, let me assure you the primary reason we maintain your account(s) with a third-party custodian is to protect your hard-earned assets in a myriad of ways. Protection from the effects of a weather-related event is one in a long list of benefits of working with a stable and large financial institution such as TD Ameritrade or Scottrade. Recall the Bernie Madoff ponzi scheme a decade ago and how investors were swindled out of tens of billions of dollars? The main issue there was Madoff was personally holding client assets and creating bogus monthly statements out of thin air. This is precisely why we established relationships with third party brokers to custody our clients' securities way back in 1999 when Bonner Barnes founded the firm.

Tropical storm Cindy, churning out in the Gulf of Mexico, reminded us of the specific and very serious responsibilities we have for both our families and our clients, especially in times of duress or uncertainty. For most of us, our daily lives consist of acting and performing in a way that is positively geared towards successful outcomes; meaning - raising children, quality interactions with a spouse and loved ones, exercising and maintaining a healthy mind and body, performing at a high level at one's job, career, or place of employment - things like that. We would call this the daily and weekly grind focusing on all those things important to each and every one of us.

Planning for a disaster made us consider, first and foremost, our employees' safety. Next, our capability to manage your accounts to the highest standards of professionalism and integrity cannot be compromised. The review of our business practices and a plan to deal with what may or may not lie ahead drew immediate parallels to how we strategically manage your assets and to the core of our investment philosophy. How so?

It's purely aspirational; our efforts are 100% dedicated to securing your future. It's not day-to-day foibles of the stock market that concern us, but the long view of making sure you won't out-live your money, creating an income stream so you have sufficient income to maintain your lifestyle in retirement, or leaving a legacy for your children, grandchildren, or charitable cause. You have heard the constant drum beat from CORDA regarding our value and dividend approach to investing, the sometimes contrarian nature of our investment process, the rabid focus on cash flow and dividend growth, and that is the means to an end. The end is security - security for you, your children, and your legacy. For CORDA, as a family oriented business, our goal is not only securing the future of our extended family, but to maintain our zeal for the capital markets and serving you for the next ten, twenty, thirty years, and more!

As we grind out the weeks and months ahead in real time, the media will drone on and on about fads, themes, tweets, hot sectors and stocks, bear markets, corrections, what's in and what's out...we will seek to stand above the fray and continually focus on the individual businesses and what makes the most logical sense to achieve consistent results over the long run. If we stick ferociously to our core competencies, the aspirational goals for you will be met.

If you were to look back at our last few quarterly updates, we have written about the likelihood and potential for the occasional market dip or correction. Has anything changed to that point of view? No. We have also discussed and shared facts and figures about the attractiveness of foreign markets. Has that changed in any way over the last 3 - 6 months? No. Will our desire to own stable and mostly predictable businesses with good cash flow and strong balance sheets ever change? No. Will we attempt to "time" the market or make investments based on politics or what a pundit might say or not say? No. Will we seek to invest where there is intrinsic value, no matter at home or abroad, in equity or fixed income, in an attempt to create a secure future for our clients? Yes!

This is the core of what our collective of 19 employees brings to you. Our goal for every client is a fortuitous and pleasant journey with little stress and maximum peace. We thoroughly enjoy the challenge of navigating the day to day noise of the markets and we use the volatility to our advantage. We will not waver in these pursuits and are always here, through heavy rain, wind, thunder and lightning...to help you reach your financial goals.

Thank you for entrusting your future to us here at CORDA. Have a terrific summer!

Sincerely,  
The entire CORDA Investment Management team.

