

Old Fashioned Investing

By Steven Mayo, July 2022

Just picture an old man in his rocking chair on the front porch chewing on a piece of grass and once in a while taking a puff of his pipe.

In the old days an investor would read the business section of newspapers and then take their time before buying shares of good companies on the stock exchange. During the course of the year as they earned money they would invest.

In the 1960s & 1970s there was only hundreds of stocks, not thousands, to choose from. There were no ETFs, and only a limited numbers of mutual funds, as they were new investment vehicles...and maybe that was a good thing.

Since the late 1990s everything moves faster, and there may be too much news, including news in online chatrooms and on social media platforms. It has now become more difficult to separate good investment advice from opinions promoting a specific agenda. Unfortunately in this type of environment “new investors” can get distracted, overwhelmed, and influenced to make poor choices, not appreciating good fundamental investing.

In the last six months when speculative stocks and strategies have fallen out of favour, the “old” investment disciplines are once again back in vogue. What companies produce, their earnings, and dividends are more important than just “potential” sales and growth.

So far in 2022 “Value Managers” have considerably outperformed “Growth Managers” and I expect this to continue for a while in a rising interest rate environment.

This is the environment that the old man on the porch recognizes and appreciates. He’s seen this before. He learned from experience how to pick stocks and this is again a stock pickers market. He’s probably looking closely at the railways, trucking companies, manufacturing businesses, and the banks.

Back on the porch, our old man listens to his music and enjoys a cold beverage (or two) and appreciates the warm summer air. There’s no fear of missing out in his mind, only a consideration for making wise investment decisions.

The music plays the classic John Denver lyrics: “Well life on the farm is kinda laid back, ain’t much an old country boy like me can’t hack. It’s early to rise, early to sack. Thank God I’m a country boy.”

Happy rocking!

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