

The Retirement Letter of George Wood

The arrival of 2019 marks the 50th year of my investment career, thirty-seven of which have been in Colorado since the forming of Wood Investment Counsel, now Obermeyer Wood Investment Counsel. It is with a deep sense of gratitude to our clients for entrusting us to serve their investment needs over the years that I thank you all. In addition, I feel so enriched personally by all the wonderful friendships that have developed over the years.

As we continued to grow over the years, it became one of my goals to develop the firm such that it could serve families and institutions for generations to come. Working steadily towards this goal with each strategic decision, the merger with Obermeyer Asset Management several years ago, was critical to furthering that vision.

Much has been accomplished since the merger including the integration of our administrative and investment teams, as well as, the addition of several experienced staff members. As I look across the firm I see an outstanding group of professionals, now eighteen strong, dedicated to serving the interests of our clients. I believe we have the right people and resources in place to deliver high quality investment management and thoughtful financial advice for many years to come.

Concurrent with the merger, we initiated a long-term succession plan including Wally's assuming responsibility for the management of the firm and my transferring some of my client relationship responsibilities and work with the investment team. We are now ready to take the next step as I further delegate my activities to others. Specifically, my day-to-day client relationship responsibilities will be transferred to other team members all of whom are highly experienced investment professionals.

My plan is to maintain my Denver office serving in an "of counsel" consulting capacity, as well as, remaining a General Partner of the firm and working with the investment team on portfolio strategy. Personally, Beth and I will be spending some time at our home in California, as well as, doing some traveling and working down that bucket list. My vision is to pursue some personal interests while maintaining many of the wonderful client friendships developed over the years. In addition I look forward to a continuing involvement with the investment process which has been my passion for over 50 years.

Reflecting for a moment, as noted previously, this year represents my 50th anniversary in the investment world. My career has spanned a wide range of types of firms from my first position as an investment analyst at Stein Roe & Farnham, a leading independent

investment firm in Chicago, to State Farm Insurance, one of the largest insurers in the U.S., followed by my founding Wood & Co. in 1982 in Denver. Without question, my time in Colorado has been the most memorable and enjoyable. It has been an honor to assist you and all our clients achieve your financial goals, while developing the personal relationships has been a real privilege.

It has also been quite a ride for U.S. equity investors over those 50 years. Despite recessions, financial and political crises, and Y2K (remember that?), the Dow Jones Industrial Average has grown from around 900 to 24,000 over the period representing a return of 26.7 times an original investment (excluding dividends) or a 2,670% return. This equates to an annual 6.8% compound return before dividends and a 10.4% return including dividends. At a minimum, these results highlight the extraordinary power of compounding returns over a long period of time and investing with a long-term time horizon. Also noteworthy is the observation that there are few, if any, major asset classes that could challenge that return, the exception being real estate.

We, of course, don't know the future. My own belief based on history, the current explosion of new technologies, and a faith in the wisdom, ingenuity, entrepreneurship and compassion of the American people, is that the future is bright. May yours be as well.