



# THE KWAMMENTARY

## January 2021 Edition



**ODLUM BROWN**  
Investing for Generations®

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**Happy New Year! I sincerely hope your holidays were full of warmth, happiness and baked goods. In the Boateng household, I was finally off the hook for the usual culinary fanfare (Christmas is my Super Bowl), which was a welcome development.**

While the holiday season was joyous – albeit, quieter than most years – I now find myself looking back on 2020 with contemplation. There is a traditional Chinese curse that simply states, “May you live in interesting times.” I never fully appreciated the meaning of this saying until last year.

Usually, in January I like to spend the month reflecting on the previous year’s developments; observing where outcomes were either in line with, or substantially outside of, my expectations. With the exception of predicting who would win the NBA Championship, I can confirm that my expectations versus the reality for 2020 were significantly off. Here are a few notable highlights:

- **COVID-19:** At the beginning of 2020, the prevailing thought was that there was a virus affecting Asia. Comparisons to the common flu were made at first, then to SARS or MERS. We marveled at China’s capacity to build hospitals, sometimes in a matter of days (remember [this?](#)), and then we went about our business. However, to everyone’s dismay, the virus travelled to every corner of the globe in record time, and it was suddenly everyone’s business. Expectations early on (at least in the northern hemisphere, where it was winter) was that the virus would likely flare up and then see itself out in short order. Obviously, the reality has been anything

but “short,” as we are still grappling with COVID-19 a year later, and could very well continue to do so late into 2021 or beyond.

- **COVID-19 Vaccine:** Once the severity of our collective situation started to take root, all eyes were on vaccination efforts. Initial expectations were wide ranging, but based on historic vaccination developments, considering a viable vaccine candidate in under 12 months was not only thought to be unlikely, but also irresponsible. However, flash forward a year later (really 10 months since efforts began in earnest), and over 100 vaccine projects are in the works, with a handful already being rolled out to the public globally.
- **U.S. Politics:** At the beginning of last year, I remember giving a presentation citing “political divisiveness” as a potential threat to the economy. The thought process behind it was that dysfunction and partisanship would prevent responsible legislation from happening. The extent to which that divisiveness spread to other, seemingly unrelated, areas (i.e. health mandates, social unrest and the media) was unexpected.
- **Global Politics:** Like most things last year, COVID-19 overshadowed a lot of the developments in the global political arena. Progress towards normalization of relations between Israel and the broader Middle East is very big news. There was no real material fallout from the U.S./Iran dispute at the beginning of the year, which was also surprising. As well, there were no substantial escalations in trade brinkmanship between the U.S. and China (for obvious reasons). I would not have guessed that one.

So, what is there to take from all of this? Well, one of the benefits of reflection is that we get a better sense of what worked and what did not. You may be surprised to learn that investors do a really bad job of forecasting over a short time period – it's essentially guessing. A better use of time and mental effort, historically, has been focusing on understanding, buying and owning great businesses at reasonable prices over a long period of time.

There exist many businesses that took the challenges of the past year, adapted to the ever-changing environment and continued to deliver results, rebounding to pre-pandemic levels or higher. At Odlum Brown Limited, we pride ourselves on our ability to find these types of businesses, and if I were to make any prediction for 2021, it's that we'll continue to do just that: source high-quality businesses that will yield strong results for our clients over the long term.

**As always, I'm happy to chat anytime and can be reached by email or phone if you have any questions or concerns.**

Sincerely,

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