

## **More Lateral Thinking: Establishing Your Relationship with the Equity Markets.**

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A farmer knows his land, his crops and the seasons. He understands what the land will yield and what he must do to realize the production that will feed his family and others. There is a natural rhythm and discipline to his actions and it becomes a lifestyle rather than a loose bundle of activities. His actions become natural and unconsciously competent; they are integrated and balanced and form the basis of a relationship between him and then land. There is give and take, and awareness of each other. He is alert to the changing of seasons and listens to the voice of the land to guide his future actions.

Fathers, on Father's Day, remember that there is nothing more valuable than the loving relationship they have with their children. There is give and take, talking and listening, teaching and learning. And its not one way, at least not in the good relationships. Over time, just like the farmer, fathers (and mothers!) develop relationships with their children that are mutually supportive and rewarding. We adapt to the growth and change in our children, and if we are wise enough to shut our own mouth once in awhile it is entirely possible that we might learn something for our own enrichment.

What is the nature of your relationship with the equity markets? Don't your actions derive from your inner beliefs and attitudes and needs? The markets have their own dynamics and peculiarities, seasons and habits, quirks and peculiarities. It has a voice that it uses to speak to you, to teach you about what it wants and needs from you. The market seems to need your attention, and doesn't like being taken for granted. It grows and changes and goes through cycles just like your children, just like corn growing in the field. How do you grow and nurture and improve this relationship then?

If you come to the market with anxiety, panic and desperation, excessive stress, unrealistic expectations; if you lack the patience and discipline, the communication skills to participate in the give and take with the market; if you don't listen to its voice (price!) you have little to no chance of developing the kind of mutually rewarding, productive and prosperous relationship that will sustain you in good times and bad. You may experience, in the short run, some success in forcing the market (or your kids) to obey your will, but it is unlikely that a full flowering relationship will develop.

You can look at your beliefs and motivations about the market in the same way you look at your personal relationships and ask your self the following kinds of questions:

1. What are my needs?
2. Why am I seeking them to be satisfied here (rather than in other markets or other opportunities)?
3. What do I have to offer?
4. Do I speak truthfully honestly and to the point, and am I willing to listen?
5. Do I learn from my mistakes?

6. Do I protect myself from catastrophe? Or do I bring a gamblers win it all, win it now mentality and try to shoot the moon, and then move on?
7. Would I be proud and wise to teach my children to do as I do?
8. Have I made a long term commitment to participate and learn and grow?
9. Am I willing to share what I know and learn from the teachings of others?
10. Do I know how to celebrate and enjoy the successes along the way without becoming complacent and smug?
11. Have I learned to deal with the setbacks and shortcomings and work through the tough times responsibly and maturely?

In the same way that I want to act in a manner consistent with a core set of basic beliefs to which I am committed, and which I tend carefully, I want to develop beliefs about the equity markets. I need a philosophy that helps guide me from generalized principles as I contemplate specific actions in certain situations. I want to know that my philosophy is comprehensive enough to cover the contingencies of a dynamic ever-changing market, specific enough to offer meaningful guidance, yet adaptable enough to allow it to grow and evolve as I gain wisdom. There may be nothing more dangerous than a rigid dogma in a dynamic world and market.

It can be easy to get caught up in the daily cut and thrust of buying and selling, reading and analyzing, managing and pruning your portfolio. Take some scheduled periodic time to step back and review who you were, are and hope to become in your relationship with the market. Assess the quality of that relationship. Learn to listen to the voice of the market so that you can grow and prosper together.