



# Wealth Coaches

more of what matters to you

MKD Newsletter – Friends by Michael Komara

You may recall, we're in a series called Wealth and the Purposeful Life. In it we describe our firm's view of wealth. We believe wealth extends beyond our financial resources. A wealthy life also includes our personal, relational, vocational and spiritual resources. In this edition, we'll be focused on how developing and maintaining long-lasting friendships can enrich our lives.

A friend of mine was in Monaco recently on vacation with his wife. It happened to be a time when the Sultan Qaboos of Oman's yacht was in port. Perhaps you've heard of it? It's the 3<sup>rd</sup> largest private yacht in the world. It has 6 decks, concert room where a 50 piece orchestra performs, a Helipad, swimming pool...a crew of about 140 people to give service for up to 65 pampered guests.

Here's a question for you. If I gave you the Sultan's yacht so that you could go anywhere or do anything you wanted on it for as long as you like, but no one else could go on board but you, how long would you stay on that floating palace? Imagine, you could go up to the command center and play with the navigation system, you could sleep in the Sultan's opulent bedroom, you could play in the high-tech game room, but no one else would be allowed on board, how long do you think you would last? A few days? A couple weeks? How long could you roam the empty hallways and galley alone?

You might find it fun for a while but extended periods with no human contact can be a bit unnerving. What's the point? While having nice things is something we all enjoy – it isn't until we share them with a friend that we experience the greatest pleasure.

What we really want more than exotic things is rich relationships. Friends with whom we can share life's experiences – the ups, the downs, and all the in-betweens. Friends who will walk in when everyone else has walked out on you. Friends who will drop their mask and share their struggles and make you feel safe to do the same. Friends who will risk pointing out a blind spot (ouch that hurts) for the purpose of helping us avoid trouble or danger.

As the Swedish proverb says "Friendship doubles the joy and divides the grief in half."

Why do some folks seem to have friends around every corner, while others struggle to find even one deep, lasting friendship? Issues like insecurity, immaturity, pride, low self-esteem, and feelings of inadequacy are just some of the reasons certain people have difficulty "gelling" with others.

To offset those common inhibitors to friendship, let's look at the foundations of every strong relationship. Hint: these four pillars are *not* fame, fortune, beauty or sex appeal. They are respect, trust, love and understanding. Like the legs of a stool, these four create a solid foundation in every healthy and long-lasting relationship.

## 1. Respect

The Queen of Soul said it best. Without a little R-E-S-P-E-C-T a friendship isn't going anywhere! Respect is simply having high regard or esteem for someone. There are many ways to win or lose respect. Respect is usually enhanced or diminished over time by a thousand small actions: do we tell the truth, show up on time, keep our promise?

All acts of disrespect have one thing in common: we are putting ourselves ahead of others. And we don't care how our selfishness may hurt, embarrass or disappoint anyone in the process.

Give respect, and we will (usually) be respected in return. Deny respect and we'll (usually) be disrespected – and friendless.

“Remove respect from friendship, and you have taken away the most splendid ornament it possesses.” Cicero

Everyone wants (and needs) to be respected, and if we dish it out liberally, we'll never have trouble attracting and keeping friends.

## 2. Trust

Trust is a fragile thing. And sometimes the oddest thing can shake it. The noted humorist Robert Benchley once applied for a bank loan. He was horrified when his request was promptly and unconditionally granted. He was so upset he closed the account. “I don't trust a bank,” Benchley explained, “that would lend money to such a poor risk.”

All kidding aside, you can't buy trust. You can't manufacture it. It can take years to build up but only seconds to lose. We earn another person's trust when we make good on a promise. We build and strengthen trust each time we do what we say we're going to do. Trust is like a savings account that gradually builds, one deposit at a time. A reputation built on a lifetime of good judgment can be quickly tarnished by one misstep.

Making one bad decision is like making a huge “withdrawal” from your trust account. When that happens, the relationship is no long on sure footing. Doubts creep in. Minds wander and wonder. Nietzsche said, “I'm not upset you lied to me. I'm upset that I can no longer believe you.” That's the consequence of shattered trust.

Once broken, a relationship may or may not be restored, depending on the nature of the offense and the individuals involved. Friendship is delicate, like glass. It can be fixed but there will always be cracks. If people consider you trustworthy, congratulations, you likely enjoy a bevy of friends.

### 3. Love

Have you ever had a friend look you in the eye and say, “I love you; you mean so much to me” in a sincere, heartfelt way? If so, you’re among a small percentage of people who’ve heard these powerful words voiced by a friend. Why so rare? Because few people are willing to experience the depth of relationship it takes to get there. Most people have *proximity* to others but little or no *intimacy* with them. Most personal interactions have little depth because the conversation stays on superficial topics like work, sports, weather, the kids, traffic, etc. Our interactions are a mile wide and an inch deep.

How does an ordinary friendship turn into an extraordinary loving relationship? Step one is pretty tough: Both people need high enough levels of respect and trust to go beyond the superficial, day-to-day interaction. Step two is even tougher: One person needs to be *vulnerable*. Someone in the relationship has to risk opening the door to their inner world to share a struggle or problem they have kept a secret. When that courageous person opens up (and is not ridiculed or judged by their friend), then there’s potential for something special to happen. When that courageous person is understood and accepted despite their flaws, a bond is created; a powerful connection is made.

### 4. Understanding

Comedy director Mel Brooks said, “As long as the world is turning and spinning, we’re gonna be dizzy and we’re gonna make mistakes.” No wonder we screw up so much – the earth is rotating at 1,040 miles per hour! Whether it’s because we’re dizzy, devious or just plain dumb, we all make mistakes. We all disappoint ourselves and others. No matter how hard we try to respect, trust, and even love our friends, the fact remains that we are still human and will eventually disappoint each other. We will let our friends down. We don’t mean to or want to, but we will. That’s when we need to demonstrate understanding – the fourth pillar in the foundation of any solid relationship.

It’s helpful to understand that all relationships cycle through four distinct stages. The four phases in a friendship are: romance (they can do no wrong), reality (you discover they’re human and make mistakes), rejection (they offend you and you wish to never see them again), and redemption (forgiveness is given and received and the relationship is restored).

Novelist E.W. Howes said, “Probably no man ever had a friend that he did not dislike a little.” How true!

Life doesn’t have to be a string of broken relationships. If we work through these four stages we can and will enjoy rich relationships. Friends that you will eagerly invite on your next boat trip – whether it’s the Sultan’s ostentatious yacht or your dingy, you’ll have someone to invite on board and share the ride with!

## Market Outlook

Steve Goodman, Chief Investment Officer

We thought the third quarter would experience more choppy than smooth waters, we just didn't know how choppy! The third quarter presented a number of catalysts and shocks to the system that eventually gave way to selling pressure late in September, and the first legitimate shot of volatility the U.S. equity markets have seen in months. However, the underlying economy continued to plug along at a steady pace, though data points from a number of key indicators were mixed. Second-quarter GDP rose at a robust annualized pace of 4.6%, but the latest set of housing data in September came in weaker than expected. The Fed continues to draw down its stimulus program, with monthly asset purchases down to \$25 billion.

The 3rd Quarter as a whole was qualitatively similar: US LargeCaps were up, US MidCaps and SmallCaps were down substantially, and both Developed and Emerging International groups were also down for the quarter. Canada's TSX fared better than most non-US indices, losing -1.2% during Q3, but retains a lead over the US for the year to date.

For the month of September, the story was the same as above: everybody lost, but US LargeCaps did best and everything else not so much. The Dow lost just -0.3%, the LargeCap Nasdaq-100 just -0.8% in September, but it was downhill from there. US MidCaps gave up -4.7% and US SmallCaps shed -6.2%. Canada and Developed International retreated -4% and -3.9%. The biggest loser for the month was the previously high-flying Emerging Markets group, which was lost a huge -7.8%.

As we move into the beginning of the seasonally strongest part of the year for equity markets, we would expect the major uptrend to continue. Spikes of volatility may rattle some nerves, though we will remain mechanical in our decision making process around your investments.

*\*\*Nothing in this newsletter is intended to be or should be construed as individualized investment advice. All content is of a general nature.\*\**