

## Semper Gumby - Transcript

**Tom Mullooly:** In episode 228, we cover all your concerns, all your fears, all your doubts. You're certainly not going to want to miss this.

Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly, and this is episode number 228. Thanks for tuning in. The episode title for this video should be a phrase that I found close to 30 years ago, and the guys have used it as well in conversations with clients and it's this: Semper Gumby. We stole it from... We merged it from Semper Fi from the Marine Corps, but we also used it from our favorite cartoon, or I guess that's play-action, clay action, whatever they call that cartoon show from the sixties, Gumby and Pokey.

So the message is Semper Gumby, that means always flexible. And last year we got to see it in action. We had a global pandemic. We had an economic shutdown, not economic slowdown, economic shutdown. We saw the federal reserve take massive action. There's no playbook when it comes to this stuff. And so we have to be flexible at all times.

When I went through the crash in 1987, a lot of the old brokers sitting around where I sat in the office said, "Oh, this is just like the market correction that we had in 1962." I was born in 62. There is no playbook. There's no two markets that are identical. We can have the same set of circumstances that come out that happened in 2020 happened again in 2021, we can see a completely different outcome with the market and with interest rates and that's going to be important. And so these are things that we talk about here in the office all the time, these are topics that we're concerned about, that we keep an eye on. We like to say, "We do the worrying for our clients."

In fact, that's what you should be paying your investment advisor to do. You're paying him to worry for you. And so we could go through the same exact sequence of circumstances and get a completely different outcome. We can't predict what the markets are going to give us from year to year. We can't predict what the economy is going to give us. There's a lot of people out there who think we're going to a very vibrant recovery in 2021. What if it doesn't happen? What if we trip over into a double-dip recession?

Now, a recession is two quarters of negative GDP growth. A double-dip would be two negative quarters, a recovery, and then we slip again right away back into another recession. So we had negative GDP in the first quarter of last year, negative GDP in the second quarter, third quarter. Very good recovery. We're getting the fourth quarter GDP soon.

But what if the numbers aren't that good? What if the first quarter of 2021 isn't very good? There are fed governors out there who are talking about a possible economic slowdown in the second quarter. We can't take action on our portfolio on what a fed governor is predicting. We're not going to do that. And so we have to be flexible with all of these news headlines that come out. We have to be ready for that.

And so that's why we adopt the phrase here at the office, "Semper Gumby," because we always want to be flexible in our approach. We want to remain firm in our goals and what we're trying

to accomplish for our clients, but flexible in our approach. That's the message for episode 228.  
Semper Gumby.