

October 2017

## Sun-Shiny Day

Was it chance or fate that I heard Johnny Nash's classic, "I Can See Clearly Now." It inspired me to write this letter.

We in Houston have gone through a historic time. We had a 100-year flood in 2015, one in 2016 and a 500-year flood (Harvey) in August. Harvey had little wind but the rain lasted an eternity, dropping 51 inches. As you can see below, my street was a river for almost three days and some of my neighbors were rescued.



Our firm was blessed as most of us were spared. Regrettably, our partner, Janna Hamilton, was flooded and tells the scary story of water seeping in from the floor. The picture below is the front of one house on my street. Even now, homes all over the city still have their belongings in their front yards for trash removal.



Among dark clouds, you often find a rainbow. In Houston, rainbows started with first responders who worked with little sleep to save lives while their own homes were flooded. They continued with our public officials who worked tirelessly to keep us calm and informed. And finally, people everywhere were helping others. Friends, relatives, children and strangers were all seen helping clear debris or bringing each other food. The next picture is my son Daniel (red shirt) and his varsity football teammates hitting the neighborhood to help. Watching them return home tired and filthy was quite a sight.

For us, rainbows came from all directions. We had clients, consultants and even competitors check on us to offer support.

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Many sent funds to my church as a sign of good will. Some offered office space and even their homes.

Our firm was well prepared as it was the fourth time we utilized our disaster recovery since 2002. I want to thank all of our employees, especially our IT crew, Gary Montgomery and Boris Melendez. They kept us on-line and made sure our servers and data were adequately protected. And thanks to our partners, Beth McWilliams and Kevin Lunday, who oversaw the entire effort.

As for other firm updates, we are expanding our trading floor to prepare for the future. We also implemented a new, fixed income compliance system named NorthPoint. It will make us more efficient and will provide added safeguards for our clients. In addition, we are a finalist for the Houston Business Journal's Inaugural Diversity in Business Award. Finally, we notified clients and consultants in January that we would discontinue managing equities. Now, we only have a handful of equity assets left. In addition to Curt Rohrman, who manages our equity portfolios, we also say goodbye to John Lohman who has left to pursue other interests. John has been with us 23 years as an equity portfolio manager and strategist. Don Elsenbrock, who joined us in 2014, will assume most of John's strategist duties and modeling work.

It has been an amazing month. And as Johnny Nash sang:

I can see clearly now the rain has gone  
I can see all obstacles in my way  
Gone are the dark clouds that had me blind  
It's gonna be a bright, bright, bright, bright  
Sun-shiny day.

Here in Houston, sun-shiny days have finally returned to us all.

*Gilbert Andrew Garcia, CFA  
Managing Partner  
October 10, 2017*

A copy of our Form ADV, Part II is available upon request.  
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