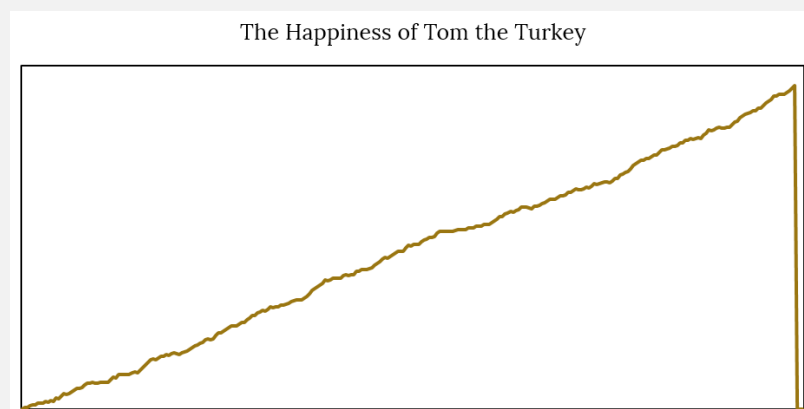


The Parable of Tom the Turkey

There once was a turkey named Tom who was born on a chilly winter morning. Tom was the luckiest of birds, and his mother loved him very much. His family lived in a warm coop with a large fenced area that kept out wolves, foxes, and other predators. Tom was fed daily by the farmer or his kids. Sometimes, the kids would chase Tom after they fed him. This was a bit of an annoyance, but Tom was grateful when the farmer made his kids clean the coop. Tom's best days were in the early fall when he and his friends would play in the yard without a care in the world. Tom was amazed that as the nights grew shorter and the days grew colder, the farmer even provided a small heater for the coop. "We are the luckiest turkeys in the world," Tom would tell his friends. Tom only got fatter and fatter from all the corn.

And then came Thanksgiving. The End.*

The fable of Tom the Turkey relates to investing because it demonstrates that no one can predict the future. Since investors love charts, let's look at a chart of Tom's life.



Tom's life performed like any ideal investment, until it didn't. As an investor, it is important to think about the building blocks of this parable.

When things are too good to be true, they probably are. Given our conservative investment philosophy, our clients sometimes find themselves concerned with keeping up with riskier and higher growth investments. At Crawford Investment Counsel (Crawford), we seek to reduce the range of potential investment outcomes. We remain confident in our belief

Tom the Turkey

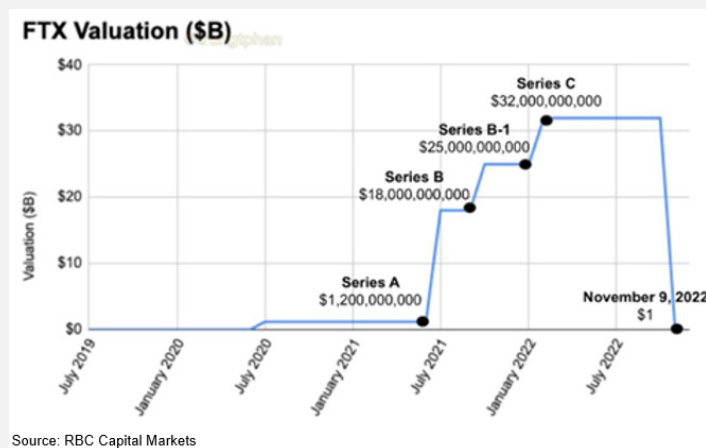
that investors benefit from holding higher-quality, lower-volatility investments over the long run. Our past experience makes us wary of investments that are too good to be true. We know investments that go up like an escalator typically come down like an elevator.

Don't worry about little annoyances. One of the few things that bothered Tom was being chased around the pen by the farmer's children. While this was irksome to Tom, it turned out he was worrying about the wrong thing. Volatility is inherent in investing, and it is important to understand the difference between volatility (kids chasing Tom) and capital destruction (Thanksgiving).

Are you the farmer or the turkey? We believe it is critical that you both know where your capital is invested and ensure your advisor can explain each investment made on your behalf. Often comments like, "it's a diversified index fund," sound good until it is too late to realize it is not as diversified as you might have thought (read *Index Crowding May Be the Next Problem Facing Investors*).

In times of trouble do you have an escape plan? While it is fun to earn returns and accrue wealth, return of capital is often more important than return on capital. Liquidity is the ability for investors to get a return of their capital by selling the investment. No investment is 100% liquid, but most professionals will point to U.S. Treasury Bills as being very close. We focus on high-quality, dividend-paying stocks that very rarely have liquidity problems.

This year is an especially pertinent time for the re-telling of the parable of Tom the Turkey. The recent bankruptcy of FTX, the cryptocurrency exchange, was a stark reminder that some investments treat owners like turkeys. FTX was very opaque and comingled client funds. "Investors" in FTX did not have any exit plan because the private investment had no liquidity. Lastly, the investment was too good to be true with a Series A Investment returning >2,500% in less than 18 months. In our view, there are likely more FTX-like investments out there.



Tom the Turkey

As we approach Thanksgiving, it is a good time to look at your portfolio and assess whether or not you own any turkeys. What has appreciated a great deal? What has significantly underperformed? It is your investment manager's job to understand each of your investments and align your portfolio with your investment goals. At Crawford, we have a transparent investment approach focused on high-quality, dividend-paying stocks. Investments of this nature become the backbone of our portfolios and help our investors meet their objectives. Our approach has gotten our clients through over 40 Happy Thanksgivings.

*This fable has been attributed to Nassim Taleb as part of his book, *The Black Swan: The Impact of the Highly Improbable*. The Turkey Parable was told to and read by the author many times before 2007, the year *The Black Swan* was published. It is not an original tale, just a timely one.

There is no guarantee of the future performance of any Crawford portfolio.

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The investment strategy or strategies discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances.

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