

Happy Retirement, Dad!

Rod McRae Jr., CFA — After nearly 60 years in the investment business, Rod McRae Jr., the founder of McRae Capital Management, formally retired in 2021, and now serves as President Emeritus for McRae. After nearly 20 years working on Wall Street, Rod branched out on his own in 1981 and formed McRae Capital Management in Morristown, NJ. With a small office and \$20 million in assets under management, Rod started our firm and grew it into the company it is today. Rod spends his winters in Wellington, Florida with Karen playing golf and enjoying winters that are significantly better than we have in New Jersey. Summers are still spent in New Jersey where he manages to squeeze in some more golf at Baltusrol Golf Club where he served as President from 1999 to 2002. Rod has been an avid squash player, winning the NJ State Senior Squash championship. He continues to root for his alma mater, Trinity College in Hartford, Connecticut, a perennial squash powerhouse. When in New Jersey, Rod gets to spend time with his five favorite people, his grandchildren: Rick, Reagan, Sarah, Kelly, and Scott. While Rod is enjoying retirement, we look forward to having him drop in on our investment research calls now and then, even if it is from a golf cart. We all wish Rod health and happiness in retirement.

We look forward to having Dad drop in on a call...even if it is from a golf cart.



BUT ENOUGH ABOUT US. WHAT ABOUT YOU?

Most of all we'd like to thank the most important members of the McRae community: You, our beloved clients. Thanks so much for your continued support and patronage. If there's ever anything we can help you with, please don't hesitate to give us a call.

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McRae
Capital Management, Inc.
Investment Counsel



COMMENTARY

TIMELESS MARKET WISDOM THAT MATTERS NOW

Number 63 / October 2021

McRae Capital Turns 40

The world has changed a bit since 1981. But four decades later, McRae Capital Management is just as dedicated to its founding values as ever.



The year was 1981 – not the most obvious time to start an investment advisory company. The Dow Jones Industrial Average, perhaps the best known measure of the stock market, stood at 963.99 on December 31, 1980. By the time 1981 drew to a close, it had fallen to 875.00, down a little more than 9%. At mid-year, the country was in a recession, the second one of the young decade. It was the year that Iran freed the hostages and the year President Reagan was shot.

But, as it turned out, it was a very good year to start an investment company. The great bull market got underway in August 1982 and, despite some

bumps along the way, it roared on for almost 20 years. As of our 40th anniversary in 2021, the same Dow Jones Industrial Average is in the 35,000 range – about 36 times higher than at the close of 1981.

In that year of 1981, Rod McRae founded McRae Capital Management with the idea of establishing a registered investment counsel firm whose objectives would be in total accord with those of its clients. The company wouldn't sell any investment products, so it could objectively serve client needs. Compensation would come solely through an annual fee based on a percentage of

the assets under management. Equally important, the emphasis would be on personal service, with all accounts handled on an individual basis.

Now, in 2021, we would like to celebrate the firm's 40th anniversary and the substantial progress we have made thanks to our clients and staff. From a tiny shop, we have grown to 9 people – and more than \$650 million in assets under management. Our growth reflects our unwavering commitment to our core, client-first values, the very ones Rod McRae held in the beginning, in 1981. These core values have served us, and our clients, exceedingly well as we have grown to become an established member of the money-management community. And they will guide us as we grow further still.

On that note, we'd like to introduce you to (or reacquaint you with) the heart and soul of the company: the people who make McRae Capital Management what it is. As the brief biographies that follow demonstrate, not only is there tremendous loyalty among McRae people, there is a consistent dedication to, and care for, the firm's clients. This is also their chance to express their feelings for their clients – and the desire to keep serving them for anniversaries yet to come.

Mira Bulawski, Vice President — After 33 years with McRae Capital Management, our beloved Mira Bulawski has decided to retire. As Vice President, Mira was responsible for the various functions of McRae's back office operation. Together with the rest of her team, she worked to improve operational efficiency and streamline internal processes, implementing the highly developed financial plans we tailor to meet the individual goals of each client. Mira's expertise in trading, asset transfers, estate administration, and retirement accounts was a tremendous asset for our firm. She always provided both a professional and personal touch in all of her work, that not only kept clients content, but is the essence of the McRae Capital way. Mira started working at McRae in 1988 and, based on her experience, she believes "it's one of the very few companies that treats each client as a member of the family." She adds, "McRae's focus on the client really impressed me when I joined the team and now, 33 years later, it's a passion that hasn't changed." She and her husband, Aleksander, have a son, Roman, and two endearing grandsons, Marcus and Simon. Mira has a wide array of interests, including cooking and baking, re-decorating, and traveling, whether skiing or at the beach. Most of all, though, she enjoys spending time with family and friends. From all of us here at McRae Capital Management, we want to thank Mira so much for her years of faithful service and the selflessness she's shown to each and every customer. While it certainly hurts us to see her go, we are pleased to see Mira and Aleks start this next exciting chapter in their lives together and get some well deserved rest.

William Keefe CPA, Managing Director — Bill recently passed his 5-year anniversary at McRae and says his expectations have clearly exceeded those when he first joined the firm. "Our teamwork and dedication to serving our clients in a manner that builds value over the long-term is evident in the deep and lasting relationships we build with our clients. Our clients are important to us, and we make them feel that way. I am proud to be a member of the McRae team." Bill and his wife Michele celebrated their 30th wedding anniversary in 2020. Their daughter Lauren lives and works in New York City and recently became a Chartered Alternative Investment Analyst. Their son Brendan lives and works in Philadelphia and he recently passed the CPA exam. Bill was born and raised in Morristown, graduated from Fairleigh Dickinson University with a BS degree in Accounting and is a Certified Public Accountant. Bill is a board member of Old Point Financial Corporation, a publicly traded banking organization headquartered in Hampton Virginia, for which he is also Chairman of the Compensation and Benefits Committee and member of the Audit Committee. In his spare time, Bill enjoys bike riding, working out, and the NJ shore, and he's an avid reader. He and Michele are fans of the NJ Devils, and reside in Flemington, New Jersey.

Peter McRae CFP®, Managing Partner — Peter has a background in both the corporate and investment worlds, with particular experience internationally. He started his career in corporate finance with Lucent Technologies, including an assignment in the Netherlands in which he worked extensively with teams from Europe, the Middle East, and Asia. He then joined Merrill Lynch as an equity analyst. At Merrill Lynch he developed strong research skills by teaming with the number one ranked utility industry analyst. Peter is a graduate of the University of Vermont, has an MBA from Columbia University and is a Certified Financial Planner™ (CFP®). Outside of work, Peter volunteers as a mentor with Big Brothers, Big Sisters of Essex, Hudson, and Union Counties. He is a member of the Investment Subcommittee for the Foundation for Morristown Medical Center, as well as a trustee of the Harding Land Trust. He likes to play golf and soccer and is an avid fan of the New Jersey Devils. Peter and Jill were married in Springfield Township, NJ on September 18th, 2021!



Mira and her husband Aleks travel whenever they can.



Bill spending some time with his wife Michele, and kids Lauren and Brendan.



Peter, Jill and their puppy Lucy.



Roddy, Cori, Rick and Reagan enjoying time in Antigua.



Heather enjoying time outdoors.



Sang, Fred and Tommy celebrate Max's graduation, and their furry friends.

Roderick McRae III CFA, CFP®, Managing Partner — Roddy is involved in every aspect of the company, from account management and business development to security analysis and managing the business. Roddy joined McRae Capital Management in 1996 from Morgan Stanley in New York City. What he likes best about what he does is working directly with clients – and "eating Mira's baked goods!" Roddy graduated with honors from Brown University with a degree in electrical engineering. For the next two years, he traded fixed income derivatives for the Bank of New York before going to Duke University for his Masters in business administration. After graduation in 1993, he joined Morgan Stanley. Roddy is a Chartered Financial Analyst (CFA) and a Certified Financial Planner™ (CFP®). He and his wife of 28 years, Cori, have two children, Rod IV (Rick), 24 and Reagan, 22. Like his father, he is an avid golfer sporting a low single-digit handicap that he used to win the 2004 Baltusrol Club Championship and the 2021 MGA Senior Amateur Championship. Roddy served for 7 years as the Green Chairman at Baltusrol Golf Club and served on the Executive Committee for the 2016 PGA Championship. He currently serves on the Board of Trustees of the New Jersey State Golf Association. He also enjoys fishing and is a big fan of the New York Yankees and the New York Giants.

Heather Nemeth, Vice President — Heather joined the McRae Team in 2015. She is an account administrator, responsible for trading, account reconciliation, new account opening and assisting the clients with any account needs they may have. Prior to joining McRae, Heather spent 10 years as an Assistant Manager at TD Bank. About McRae, Heather says, "What I really enjoy about being at McRae, is the appreciation and care that they show the Team and clients. When you feel appreciated it comes through in the work that you do and in your interactions with the clients." She adds, "The best part of my job is building relationships with our clients." In her leisure time, Heather enjoys traveling, kayaking, fishing, golfing and being outdoors, especially hiking in the Adirondacks.

Sang Sporer, Investment Analyst — Sang joined McRae Capital Management in 2020 and provides support to the portfolio managers in the areas of investment research and financial planning. She has extensive experience in financial analysis, working as a bank credit analyst at Donaldson, Lufkin & Jenrette and as an economic and fixed income analyst at Credit Suisse. Sang joined McRae following a break in her career to raise her children. During her break, she served as the Home School Association President for several years in the Morristown, NJ school district, and as a Trustee and Treasurer for the Morris Educational Foundation (MEF). Sang is excited to be back working in finance, especially in wealth management at McRae. She is currently pursuing her CFP certification and is looking forward to working more closely with clients and their financial plans. Sang graduated with honors in economics from Barnard College and received an MBA from NYU's Stern School of Business. Sang and her husband, Fred, have been married for 24 years, and have two sons, Max (recently graduated from Princeton University and now working in NYC) and Tommy (a sophomore at University of Michigan). A former New Yorker, Sang now happily lives in Morristown, NJ with her husband and two dogs Ellie and JimBob. In her spare time, she volunteers with the MEF and enjoys running, playing tennis/paddle/pickleball and listening to podcasts.

Lotta Wahl-Kattner, Account Administrator — Lotta joined the McRae family in July 2021 after spending over 20 years with Morgan Stanley and predecessor firms. She began her career in 1998 with Salomon Smith Barney where she progressed through various roles in operations compliance, client service and branch management. Lotta assists our company and clients with a variety of needs including trading, new account opening, transfers, account reconciliation and general account services. Lotta was born and raised in Sweden where she attended two years of college before moving to the United States, where she obtained a degree in Business Administration. Lotta and her husband Tom, a self-employed landscape contractor, have been married for 25 years and live in Hardyston Township, New Jersey. They have a 10-year-old daughter, Sofia, who is active playing soccer, skiing, and swimming competitively on the Sussex County YMCA swim team. Lotta enjoys traveling, especially to Sweden to spend time with family and friends.



Lotta, Tom and Sofia enjoying some cake.

Lydia Wasik, Account Administrator — Lydia joined the McRae family in 2004 as an account administrator working with clients. She graduated from Rutgers University with a B.A. in economics and a concentration in finance. In 1984 she began her career in the Global Securities Services division of Bankers Trust Company (later acquired by Deutsche Bank and then State Street) as an administrator for various retirement plans, corporations, Taft-Hartleys and public funds. Lydia enjoys being in a small office where everyone has a professional philosophy and makes clients the number one priority. "While working at McRae," she says, "I am so impressed seeing the longevity of the relationships between the clients and McRae Capital Management. It says a lot about the quality of the people who work here." Lydia truly enjoys getting to know her clients on all levels and fostering those relationships. Lydia's husband, Peter, is a self-employed CPA. They will be celebrating their 25th wedding anniversary next year in Little Falls, New Jersey, where they live. Their daughter, Stephanie, is a senior at North Carolina State University in Raleigh majoring in Civil Engineering. Stephanie is very involved on campus, such as being president of the American Society of Civil Engineers and had the privilege of interning for various companies in Raleigh over three years experiencing different facets of civil engineering. Lydia enjoys traveling, the beach, reading and spending time with family and friends.



Lydia and Peter with their daughter Stephanie.

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