

Issue 141



A Peek into the PRIME QUADRANT®

**Thank you to all our supporters of
the 2018 Prime Quadrant
Conference for making it another
sold-out success!**

**Stay tuned for updates about our 2019
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www.pqconference.com

Upcoming Investor IQ Workshops

[February 6, 2019](#)

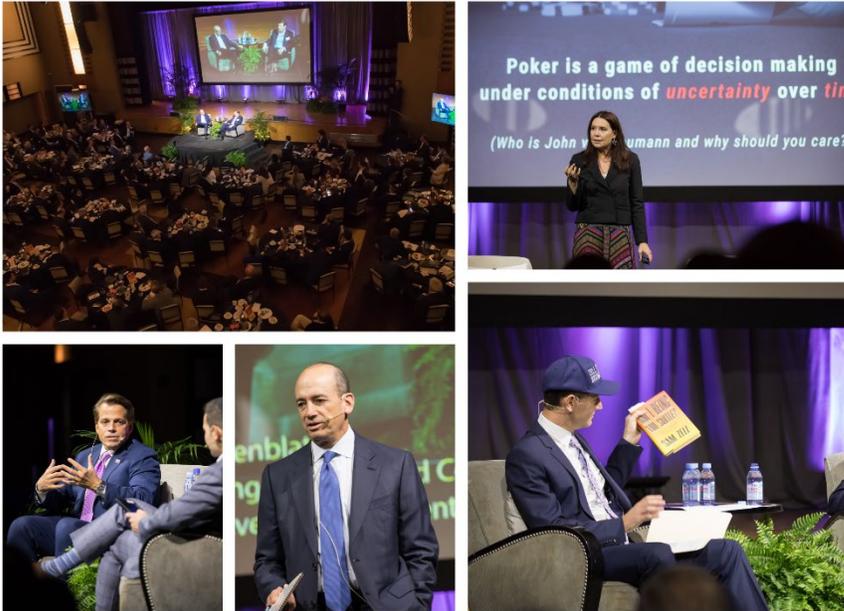
A Primer on
Investing in Credit

[March 18, 2019](#)

A Primer on Manager
Selection

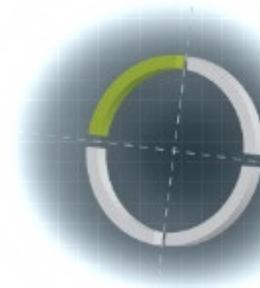
[June 11, 2019](#)

Family Dynamics
Workshop



What is the PQ?

In financial terms, the Prime Quadrant is the optimal zone in which you achieve the highest return per unit of risk.



Stories of Interest

Knowledge vs. Skill

Talent can only take you so far in life; what takes you further?

How to Make a Big Decision

An emerging science can now help you choose...

Time Horizon vs. Endurance

Is your short-term sustainable while planning your long-term?

Defensive Decision Making

What IS Best vs. What LOOKS Best.

Being in the Prime Quadrant requires seeing the big picture and making intelligent choices, from among all investment options and strategies, to best meet your goals.

Prime Quadrant is an investment research and consulting firm that helps high-net-worth Canadians

The Way We See It

Below is an excerpt from Mo Lidsky's 2018 year-end reflections to the staff and partners at Prime Quadrant.

Who are we, really?

Perhaps the most challenging question we face is, “Who are we?” As children we had definitive ideas of “what we wanted to be when we grew up”. [My mother claims I wanted to be a hippo, though, I distinctly recall having fireman aspirations!]

The irony is that as we mature into adults, and confront the mundane challenges of daily life, answering questions such as, “Who am I?”, “What defines me?”, and “What is my ultimate objective?” is a much more formidable challenge.

From Aristotle to Kant to Thoreau, deep rivers of ink have been spilled addressing these questions. I don't have the intellectual heft nor the audacity to contribute towards this philosophical debate. We should, however, explore it in a manner that can help us become better versions of ourselves.

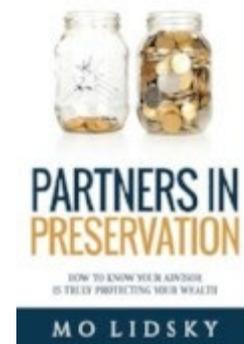


What's at the heart of “who we are”?

At Prime Quadrant, we are in the business of quantifying dreams and aspirations for others – helping our client families articulate their highest goals and then help them optimally utilize their resources in making those goals a reality within the context of their constraints.

**make better
investment
decisions.**

Mo Lidsky's most recent book [Partners in Preservation: How to Know your Advisor is Truly Protecting your Wealth](#) is now available on Amazon and Indigo!



[In Search of the Prime Quadrant: The Quest for Better Investment Decisions](#) is available at Barnes & Noble and Indigo.

What we do is not rocket science. Yes, it requires some expertise and financial fluency. Though, far more importantly, it necessitates independence, objectivity and the ability to tell our clients the cold facts – whether or not they are prepared to hear them. For those that are prepared to listen and do something about it, that new-found awareness fosters their long-term success.

The question is, why should we be any less diligent about quantifying our own dreams and aspirations? Why should we be any less self-aware than the families we support?

Psychologies suggest that self-awareness comes in two forms – internal and external. Internal self-awareness is the conscious understanding of our likes/dislikes, abilities/inabilities, ambitions/aversions, values/vices, etc. External self-awareness is how other people perceive us on all the same factors.

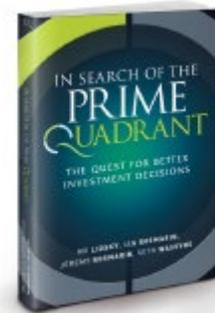
The shocking fact is, most of us believe we are self-aware. Yet, according to studies by Tasha Eurich on over 5,000 individuals, only 10% or so of the population have true self-awareness.

Even more surprisingly, Eurich’s studies suggest that increased experience and success does not lead to increased self-awareness. To the contrary, as we become more senior and accomplished, we are less likely to question our assumptions or look for disconfirming evidence. As people rise in any hierarchy, the number of superiors above them decreases, so fewer people provide constructive criticism from above and more people are intimidated to speak candidly from below.

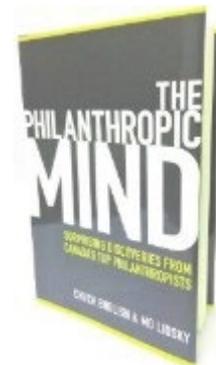
All this is further compounded by the fact that long-term self-awareness may be clouded by short-term sentiments. If you ask someone whether they are “happy”, their answers will vary considerably based on how good or bad a day they are having, what their immediate stresses may be and whether or not they’ve had their morning coffee.

Why Should We Care?

Why is self-awareness important? Well, according to researchers, those with greater internal and external self-awareness tend to be



The Philanthropic Mind is also available on Amazon, Indigo and Barnes & Noble.



superior communicators, build stronger relationships, exhibit more confidence and creativity, have finer tuned moral compasses and make better decisions.

Self-awareness allows us to be less reactive, less emotionally volatile, more purposeful and far more effective. Knowing what we're capable of, and where we can add the most value, allows us to deep-dive rather than dabble.

In the absence of self-awareness, we tend to lack commitment, take on too many things, develop surface-level knowledge and stick our nose where it doesn't belong.

Worse still, in the absence of self-awareness we chase moving targets. According to a recent study, virtually every high-net-worth individual surveyed claimed they'd be content if only they earned 2-3 times more money than they earn today. Somehow the starting point of what they presently earned and had didn't move the averages. Everyone just wants 2-3 times more.

In short, in the absence of internal and external self-awareness we fail to live up to our own potential, waste time on trivial pursuits, destroy value and fail to achieve the extraordinary.

Researchers also found virtually no correlation between those who rated high on internal self-awareness and those that rated high on external self-awareness. In other words, some of us may be good at one or the other, but rarely both. We either haven't clued into our unique abilities or (more likely) have no concept of how other people actually perceive us.

Is this entirely our fault?

Yes, and no. Sure, we are often reluctant to ask for feedback, due to our fear of what people will tell us or because we simply convince ourselves that we don't need it. However, our self-awareness isn't only a function of the feedback we pursue. It's also a function of the feedback we receive. And the sad fact is, most people are quite uncomfortable giving undesirable messages. They will skirt the "real issue", tell white lies to avoid hurting our feelings and (albeit with good intentions) put up other roadblocks to our self-

awareness.

This makes sense, because most people instinctively become defensive when receiving negative feedback. We can't help but feel attacked, vulnerable or hurt - even when it's highly constructive. That is somewhat hardwired in our biological programming and is the very reason Eurich suggests we take in feedback through a 3-step process of "Receive, Reflect and Respond" – rather than the more typical "receive and respond" method most often employed.

The reflection step is paramount. Otherwise, with our natural aversion towards pain and discomfort, our brain automatically shifts toward denying and disproving the feedback we just received. Of course, that denial ultimately comes at great personal cost and detriment.

This coming year, just consider how powerful it would be if we committed ourselves to understanding exactly where we are strong and where we are weak, where we can have greatest impact and where we're spinning our wheels? How much more effective would we be if we received genuine feedback on our objectives, our progress, our values and our individual contributions?

Wouldn't it be great if we helped one another understand how all of us can be better partners and teammates, finer students and mentors, perhaps even parents or children and friends?

So, what do we do?

It all starts with becoming better at seeking out constructive criticism and being more gracious in compassionately giving it. It requires us to start with the assumption – as the data suggests – that there is likely a disconnect between how we view ourselves and how others view us.

To limit the adverse effects of our limitations, some practical ideas may include:

- Find a mentor or coach who will not shy away from telling you the hard-to-hear truth.
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- Write down what you believe you stand for, your values and priorities, greatest strengths and weaknesses, areas for improvement and areas where we may be over-invested. Review that write-up with those who are close to you, as it will provide them with a safe platform to offer the feedback they may be keeping to themselves.
 - Get a 360-degree perspective, ask for personal reviews from those above you, below you and beside you. You will likely see a pattern or two emerge.
 - Make a habit of regularly checking in with people on how you're doing, rather than getting feedback from an occasional, deep conversation or during an annual review. Regular check-ins will help reinforce earlier feedback and allow you to track your progress.
 - Consider taking a few psychometric tests on your communication style, core competencies and unique personality traits. And I'm not referring to the click-bait variety of, "Ask These 3 Questions to Improve Your Life". I'm talking about scientifically supported tests like Myers Briggs, EQ-i 2.0 or EQ 360, and DiSC. If the results of these are taken to heart, they can be a fantastic investment of money and time.

In this spirit, allow me to ask of you to please not hesitate to let me know how I could 'up my game'. If you drop me an email or give me a call to let me know how I can improve, I will be eternally grateful to you.

Allow me to close by wishing you – and all those that are dear to your heart – a most joyous, fruitful and fulfilling New Year.

With every best wish for 2019,

Mo

"The cumulative effect of being a little better at decision-making, like compounding interest, can

have huge effects in the long run on everything that we do."

-Annie Duke

2018 Prime Quadrant Conference Speaker



PRIME QUADRANT®

BETTER INVESTMENT DECISIONS

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2 St Clair Ave East, Suite 800

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