



P E R S P E C T I V E

The Valuesburg Address¹

February 27, 2020

One score and eight years ago [Fama and French](#) brought forth on this world, a new factor, conceived in either risk or behavioral effects, and dedicated to the proposition that all portfolios are not created equal.

Now we are engaged in a great drawdown, testing whether investors in that factor, or any factor so conceived and so dedicated, can long endure. We are met on a great battle-field of that drawdown, the internet. We have come to dedicate a portion of the internet, as a final resting place for those value managers who here gave up their businesses expecting that that factor would soon revive. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot diversify away from – we cannot time the bottom of – we cannot easily “fix” the pain caused by – this drawdown. The brave value managers who struggled here, have commemorated the drawdown, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget the Tesla they shorted here.

It is for us the survivors, rather, to be dedicated here to the unfinished work which those who invested in cheap stocks (and the truly fallen who shorted expensive ones) have thus far so nobly advanced. It is rather for us to be here dedicated to the great task of staying true to our value discipline that remains before us – that from these honored but defunct value managers we take increased devotion to that cause for which they gave the last full dollar of assets under management – that we here highly resolve that these contrarians shall not have disappeared in vain – that this market, under Graham and Dodd, shall have a new birth of rationality – and that the factor investments of the contrarians, by the contrarians, for the contrarians, shall not perish from our portfolios.

[1]

The real Gettysburg Address for those who want to follow along (it's really amazingly good):

Four score and seven years ago our fathers brought forth on this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battle-field of that war. We have come to dedicate a portion of that field, as a final resting place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate - we cannot consecrate - we cannot hallow - this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget what they did here.

It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us - that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion - that we here highly resolve that these dead shall not have died in vain - that this nation, under God, shall have a new birth of freedom - and that government of the people, by the people, for the people, shall not perish from the Earth.

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