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Dear Limited Partners,

The fund's performance as of late has been . . . "okay". We'll repeat our words from the third quarter and say that our fund continues to be "filled with more potential than performance." As of November 30, our performance is as follows:

Date	Open Square Fund I Performance YTD*	S&P 500 Performance YTD*	Outperformance / (Underperformance)
January 1 – November 30	19.73%	9.79%	9.94%

\* Prior to fees. S&P 500 is using ETF: SPY, per State Street Global Advisors

If you're keeping score as of September 30<sup>th</sup> our fund performance was up 9.23%, so you can see the subsequent months have been kinder to some of our investments. We still have six more trading days before we officially close out 2016, so the figures above will certainly change. Nevertheless we are optimistic about 2017, which we'll explain in a follow-up letter in January (along with your individual statements).

For now, we just wanted to take some time to thank you for placing your faith in us. As we said at the beginning of this venture, it's truly humbling to manage your money, as it represents your life's work and your sacrifices. So thank you for that.

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Something came across our desks the other day and we wanted to spend a moment on it. Although our day-to-day activities are filled with analyzing companies and "managing money", it's nice to be reminded that there are more important things in life, so indulge us a bit, and let us explain.

"The only thing that really matters in life are your relationships to other people."  
– Dr. George Vaillant

It's the holidays, and we're prone to sentimentalism since we're now inundated (and happily so) by images of family and friends enjoying each other's company, celebrating what's past and what's to come. It's always great to take pause and be thankful for your life's blessings, and we hope you're spending time with those you care about, if not out of holiday cheerfulness, then out of pure unadulterated self-interest. Perplexed? Don't be . . . it's science, or as the kids say #science!

The Harvard Study of Adult Development. This study is one of the longest running longitudinal studies on mental and physical well being in history. Never one to disappoint in hyperbole, the mainstream press has dubbed this “the Study of Life.”

Started in 1938, the study is actually a combination of two separate studies on adult development. The first study focused on 268 male sophomore students at Harvard, and the second on 456 young men from some of the poorest neighborhoods in Boston. Eventually the two studies were merged to create what we know as the Study of Adult Development. In both studies the subjects agreed to periodic physical exams, psychological tests, questionnaires and interviews throughout their lives. Currently in its second generation, the study now focuses on the +2,000 children of the original cohorts. While the study only involved men, the learning’s appear to be gender neutral.

Over the years, many of the subjects became successful professionally, some doctors, lawyers, business owners, five U.S. Senators and even one President of the United States (John F. Kennedy). Others, however, faired less well, experiencing career failures, descending into mental illness, or succumbing to alcoholism. Through the years the study has revealed some surprising and unsurprising predictive factors that determine whether a person will age happily and healthily.

So what can we learn from this study?

#### *Seven Factors*

On a higher-level there were seven major predictors for healthy aging: a stable marriage, obtaining higher education, not smoking, not abusing alcohol, exercising, maintaining a healthy weight, and an ability to employ mature adaptations. Men who had three or fewer of these “protective” factors were three times more likely to die before turning 80 than men who possessed four or more factors. So if you’re on the bubble, better start working on one more!

Not all are created equal, as the last factor, mature adaptations, plays a particularly important role in determining whether you’ll age happily or not-so-much. Dr. George Vaillant, the third principal investigator of the study, said “[i]t is social aptitude, not intellectual brilliance or parental social class, that leads to successful aging.”

This really means that developing mature responses to life’s vicissitudes as you age will largely dictate how well you age. Healthy or “mature” responses include altruism, sense of humor, suppression and sublimation (finding an outlet for unhealthy feelings). These “mature” adaptations trump “immature” ones, which include acting out, passive aggressiveness, hypochondria, projection and fantasy, all of which collectively and individually impede intimacy . . . and intimacy is a big deal.

Intimacy is crucial because strong relationships act as prophylactics against chronic disease, disability, mental illness and memory decline, even if those relationships have many ups and downs. Turns out if you want to predict how well a person will age, just look at the strength of their relationships with friends and family (particularly their spouse). So ironically when a spouse nags you “because they care”, it’s actually true; nagging staves off dementia, allowing you to enjoy many more years of it!

Dr. Robert Waldinger, the study's fourth principal investigator, nicely summarizes the study thus far:

“Over and over in these 75 years, our study has shown that the people who fared the best were the people who leaned into relationships with family, with friends and with community.”

So as we look forward to this holiday season, we encourage you to LEAN IN. Lean-into those relationships with your friends and family; enhance and strengthen existing ones and renew old ones. Mend the broken ones because those carry the heaviest psychological burdens. Freely invest in all of them knowing that they'll repay you with psychological and physical dividends for years to come; if not out of holiday joy and merriment, then do it because of science!

However or wherever you choose to spend your holiday season we wish you a truly safe and happy one.

Sincerely,



Nelson Wu  
Managing Director