



Plumb Funds

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**Thomas G. Plumb, CFA**  
Lead Portfolio Manager  
President, CEO, Chairman

# Tom Plumb on the “New Economy”

## Investing in the “new” economy

### What’s driving the change?

Most macro economists or portfolio strategists use models to predict future economic activity. If you look at the economy as if it were a pie, strategists look at slices of the pie and try to extrapolate how the pieces would fit together to see if the pie is growing.

One of the problems economists are facing is that the “new” economy doesn’t follow some of the typical data points and interconnections. Some businesses and industries are contracting while others are becoming larger and larger slices of the pie.

### Small businesses innovation

Historically we’ve been told that small businesses drive economic activity. This has never been truer than it is today despite the growth of “mega” companies. For an example of what’s happening with small businesses, listen to the Square (SQ-\$66) conference call. Square’s clients typically have less than \$200,000 in annual revenue. Square’s revenue in the second quarter grew 46% year over year and is expected to grow over 30% per year for the foreseeable future because it enables small businesses to grow their business. Businesses that are using advanced transaction, payroll and accounting processing are growing much faster than companies that haven’t evolved, everything else equal.

### Transportation

Transporting goods is an important economic component. It is revenue to railroads and trucking companies and an expense to their customers and the end consumers. Evolution in this industry changes the factors in our country’s economic framework. Consider railroads and trucking. Railroads might be a quasi-monopoly in this country, but trucking is not. Trucking reflects the marginal shipping of goods and can give investors a true perspective on economic activity. By listening to the WEX (WEX-\$200) and Fleetcor Technologies (FLT-295) conference calls, you’ll hear examples of what we’re seeing. These companies provide payment processing and control, information management, transaction data, and analysis tools to trucking fleets of all sizes. Reducing the costs to trucking fleets, shippers and eventually end consumers is a growing business for these two companies and shifts the relationships of these industries within the whole economic pie in America.

## Digital payment processing

Digital payment processing is revolutionizing how we do business worldwide. Credit cards and electronic payment systems like PayPal, Apple Pay, etc. are expanding the reach of businesses large and small. If you want to gauge what the consumer is doing, listen to the VISA (V-\$179) and MasterCard (MA-\$277) conference calls.

Although the current economy isn't quite fitting into the standard mold of the past, we believe these current trends show that the economy is healthy as evidenced by what is going on with those five companies.



**Thomas G. Plumb, CFA**  
Lead Fund Portfolio Manager

Thomas G. Plumb is the founding principal of Wisconsin Capital Management, LLC (formerly Thompson Plumb & Associates), which began in 1984. In addition to his roles with the Funds, Tom maintains an ownership interest in and serves as the president of SVA Plumb Financial, LLC, an affiliated entity.

Tom formerly was the lead portfolio manager of Dreyfus Premier Balanced Opportunity Fund. He earned a bachelor of business administration from the University of Wisconsin-Madison in 1975, is a member of the Madison Investment Management Society and holds the Chartered Financial Analyst designation.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained on [www.plumbfunds.com](http://www.plumbfunds.com) or by calling 866-987-7888. Read it carefully before investing.**

Opinions expressed are those of the speaker as of August 15, 2019, and are subject to change, are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Past performance does not guarantee future results. Index performance is not illustrative of Plumb Funds' performance.

Click [here](#) for holdings and most recent [quarter-end performance for the Plumb Equity Fund](#).

Click [here](#) for holdings and most recent [quarter-end performance for the Plumb Balanced Fund](#).

Fund holdings are subject to change at any time and should not be considered a recommendation to buy or sell any security. References to other mutual fund products should not be interpreted as offers of those securities.

**Mutual fund investing involves risk. Principal loss is possible. The fund may invest in small and mid sized companies which involve additional risks such as limited liquidity and greater volatility. The funds invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. Because the funds may invest in ETFs, they are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. The fund may also use options and future contracts, which have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. The investment in options is not suitable for all investors. The Plumb Balanced Fund will invest in debt securities, which typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.**

**Diversification does not assure a profit nor protect against loss in a declining market.**

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