

What We Do Best

“Good investors gather information, put that information into current and historical context, then make sound decisions.”

At Foy Financial Services, Inc., and SELECTOR Money Management we recognize and take advantage of trending markets. While there are thousands of approaches to investing, it is imperative that the investment manager has a defined methodology, a set of rules also known as algorithms, that guides their decisions. We are trend-followers. We have developed and purchased specific technology-driven tools that provide us with precise, actionable guidance with respects to identifying and utilizing markets trends. It is the principle science behind our process and we have been doing it for decades. As a result, we are pretty darn good at it.

Markets are either trending or they are not. This is a natural fact, easy science. A meteorologist’s easiest job is telling you exactly what is happening at that particular moment. The difficult job is following and interpreting all of the factors which lead up to the present moment. The seemingly impossible job is predicting what is going to happen after the next 72 hours. They do this work not for our entertainment, but for our well-being and safety. This is a simile that easily carries over to investment management, especially trend-following. We are constantly monitoring the trends that are occurring in financial markets. We have an excellent view on present conditions, and work to be as opportunistic and protective as possible looking ahead.

When markets are trending it is imperative that you recognize the direction of the trend. The only way to effectively do this is to observe markets not on a snapshot basis, but on a time continuum. This is a primary axis of technical analysis, the study of price action over time. When I started in the business we used straight edges and graph paper and pencils with erasers to store this information. Now it is at the tips of our fingers, milliseconds away, updating constantly. But the data still needs to be interpreted, and there still is no substitute for experience.

When markets are not trending it is imperative that you are planning your next step. A reality is that markets spend more time not trending than they do trending. Those times are the most critical when it comes to recognizing the breakdown or the breakout and making the proper response in as timely a manner as possible. You have to have two tactical scenarios available. Inaction is the most inefficient response of all and rarely rewarded in the financial world, and even more rarely defensible when things turn sour.

Trending markets have the ability to expand, contract, and rest, all within the same trend. One of the most interesting aspects of trend-following is the recognition that financial markets are driven by natural human reactions. These reactions are sometimes broken down to coincidence or happenstance, but the current and forward reality is that there are greedy, scared, and reactive responses to changing market scenarios. Enormous amounts of money are being invested into artificial intelligence in attempts to accurately capitalize on the ‘human impact’ of investing. Even with all of our modern computers and programs and algorithms, financial markets inhale and exhale and overexert and relax over time.

The secret to success when monitoring trends is to constantly pay attention. Actually, this is the key to success with almost any trade or profession. The ability to focus, to recognize, to remember, and to react with the greatest degree of timeliness is what separates the best from the rest, around the globe, whatever the task. Our trade, our profession, is the money management business. Like most businesses, the best work is not necessarily done by the biggest companies. The greatest detail is not usually rendered by the mass production process. This is particularly true when you are investing. Our success and your success does not rely upon how big or how broad we are. In truth, the opposite is generally true.

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