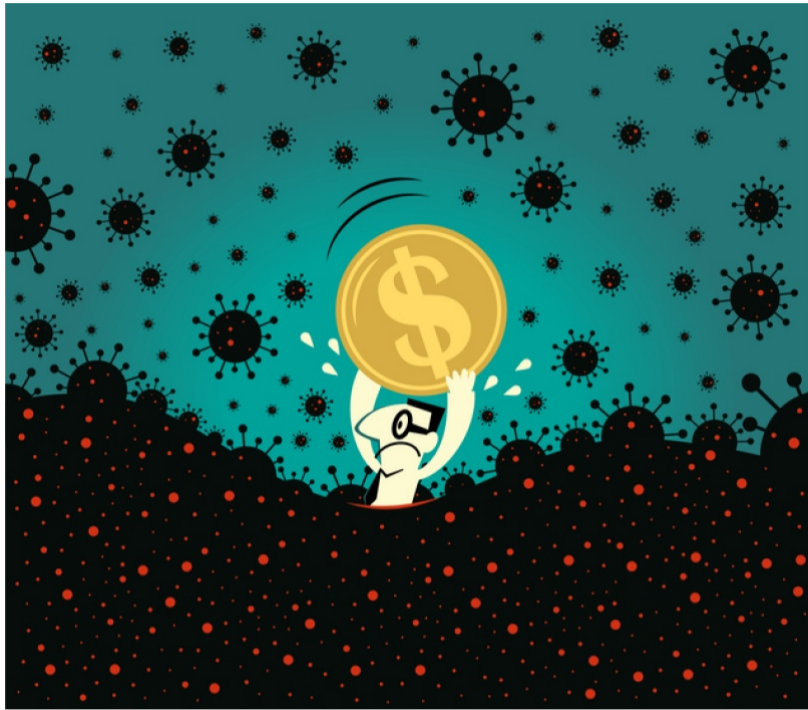


## Brad Brain: Coronavirus and your investments

Brad Brain / Alaska Highway News

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Smart Money



Brad Brain: "In early March we had multiple times that the markets move by ten percent in a day. That's an entire year's worth of work in a single day! We saw ten percent moves in both directions, during the same week!"

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I have been a professional financial planner and investment advisor for 25 years, and I really can't say I have ever seen anything quite like this.

Don't get me wrong, I have seen all the bear markets over the last quarter century and, for at least some of them, I think we had more to worry about then than we do now. And I have seen epidemic scares too. In fact, this is the fifth one in the last 20 years, so that's not new either.

But it seems like this one is just so melodramatic.

In early March we had multiple times that the markets move by 10% in a day. That's an entire year's worth of work in a single day! We saw 10% moves in both directions, during the same week!

I must admit, I don't recall the toilet paper hoarding before. I don't understand that one. I saw on social media that one guy socked away 500+ rolls, much to the dismay of his more pragmatic wife, who began giving the stuff away. In my house 500 rolls of toilet paper would last more than ten years, so not quite sure what this fellow was preparing for.

It seems like everyone has something to say about Coronavirus. I am not a medical expert, so I have been getting my info from Health Canada, not from Karen on Facebook. Also, because I am not a medical expert, I am not going to tell you how the virus will play out.

I am a financial expert though. And I can tell you what to do with your money as we go through these very interesting times. Before I get into that I want to be clear on one thing: there is no such thing as one-size-fits-all financial advice.

I am going to talk about how ideally a long-term investor will respond to a bear market like we are in now. Its important to pay attention to who this is directed towards. If you do not have a long-term horizon, or if you are not really an investor, then what I am about to say is not for you.

Here is what I mean. As the legendary Warren Buffett says, "The time to be interested in stocks is when no one else is", and "the time to be greedy is when everyone else is fearful." This means that some people should be looking to take advantage of this situation by buying more. High quality investments are on sale!

But even though wonderful investments have come down in price, if you have a short time frame that doesn't mean this is right for you. We don't know how long it will be before the inevitable recovery happens, and you don't want to be an owner of long-term investments if you have a short-term time horizon.

Also, this is not directed to the speculators in the crowd. There is another word that I use interchangeably with speculation, and that is “gambling”. If you are taking risky bets looking for a big payday, then good luck to you, I have nothing to offer.

But if you are a true long-term investor these are very interesting times indeed. Using history as a guide, and really that is the only guide we have, this is where we get the opportunities to potentially do really well. In bear markets. We just have to be patient for a while to see how well.

If you have a long-term time frame, and you own high quality investments, then this is not a time to panic or mourn. This is a time of potential opportunity. At worst, just ride it out and you will see better days ahead. But at best, you have some additional cash kicking around and you can put it to work, taking advantage of the current bargains, Mark my words, the big sale won't last forever.

Again, there is no one-size-fits-all financial advice, so speak with a professional financial advisor to see how this relates to your situation.

And wash your hands!

*Brad Brain is a Portfolio Manager with Aligned Capital Partners Incorporated (ACPI). ACPI is regulated by the Investment Industry Regulatory Organization of Canada ([www.iiroc.ca](http://www.iiroc.ca)) and a Member of the Canadian Investor Protection Fund ([www.cipf.ca](http://www.cipf.ca)). This publication is for informational purposes only and shall not be construed to constitute any form of investment advice. The views expressed are those of the author and may not necessarily be those of ACPI. Content is prepared for general circulation and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it.*

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