



Hello,

I hope you are feeling healthy and keeping a positive attitude despite the concerns we currently face. These are certainly trying times on so many levels and I can only reassure you that I understand how stressful it can be – you have my sincere empathy and sympathy.

I have been having similar conversations with many of you in recent days as we all continue to grapple with the devastation being caused by Covid-19. Understandably, many people are concerned for their health, along with their investments. David and I completely understand this, and like always we welcome your calls and emails - especially during difficult periods such as this.

By now, everyone is familiar with and understands the concept of 'social distancing' and 'flattening the curve'. Based on recommendations from the World Health Organization, countries have been implored to take aggressive steps to contain the virus. Responses have varied from one country to the next, and even within Canada, from one province to the next. In a cruel paradox, the very steps that are needed to contain the outbreak of Covid-19 (quarantines, travel restrictions, social distancing) are grinding everyday business to a halt.

Though we are all aware that these types of bear markets are always possible, they are infrequent enough that it is normal, logical, and prudent to dismiss the first signs of market volatility and economic slowing. Given how often markets suffer 5-10% 'blips' and immediately reverse to continue to hit new highs, if we sold out in fear of larger moves down each time, then long-term returns would be abysmal. Riding these episodes out is an unfortunate requirement in investing, and it is instructive to consider that the wonderful long-term returns that equity markets provide (on average 8-10%/year over the long-term) by definition mean that the 'bad' years are part of that 'average return' calculation. Importantly, heroic timing and trading measures were not required to get to those wonderful returns. What WAS required, however, was staying invested so that you could catch the eventual upswing.

Naturally, many investors are fearful that stock market losses could worsen as the impacts of Covid-19 continue to spread through the economy. It is possible returns could worsen in the short term as fear eventually leads to capitulation and investors who have been steadfast to this point just can't take it any longer. We strongly caution against selling, as history has shown that time and time again, that markets

recover despite volatility and we want you to be invested when the recovery from this market sell off eventually occurs.

Recessions and bear markets are tough enough, but when caused by a virus that has turned our social lives upside down, the emotional impacts can be even more profound. If you feel like you need someone to talk to (or vent) please remember that we are here.

[CLICK HERE](#) to see that markets do recover!

Best regards,

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