



Di Iorio Family Wealth of RBC Dominion Securities

Think bigger. Act bolder. Invest better.

Why We Are Really Excited Right Now

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A common question we are hearing from many of our clients, partners, and colleagues these days is whether or not the market bottom is in, or if the recent market rally is simply a bounce within what will prove to be a longer bear-market environment. We believe that trying to answer this question simply requires too much guess-work, and that “the market” – which is made up of every sector under the sun – should not even be the focus of investors in this type of environment.

We believe, more so than ever, that we are being presented with a unique opportunity to buy “Generational” companies at levels which we will look back on as some of the best entry points of our lifetimes. We have written about what constitutes what we call a “Generational” company in a previous blog post, which can be found here: [Generational Investing](#). These are companies that innovate, and do not need to hold out their hands waiting for government bailouts. They are companies focused on changing the world and disrupting the status quo, not looking to lay off 80% of their employees to save on costs.

This bounce back, and the current market environment, is an opportunity for investors to make important changes to their portfolios, and transition towards investing with a purpose. While this may sound like a “risky” decision, we see it as one of the best ways to manage the long-term risk of a portfolio by positioning it to benefit from the changes the world is undergoing. Do not waste this moment.

While it is true that major market corrections have a tendency to drag down all companies, “Generational” or not, here are some examples of why it is important to look past this, and seize the opportunity being presented:

Peak to Trough Performance During 2007-2009 & Subsequent 10-Year Cumulative Return

	Peak-to-Trough Return	Date of Low	Subsequent 10-Year Cumulative Return
S&P 500	-55.25%	March 9, 2009	+400.10%
Amazon	-65.25%	November 20, 2008	+4,170%
Apple	-60.87%	January 20, 2009	+1,300%
Google	-65.29%	November 24, 2008	+700.30%

Data sourced from YCharts.com (YCharts, Inc.)

Rob's Story:

During the Financial Crisis of 2008-2009, I personally made an error that I vowed never to repeat again. Before the onset of the crisis, I already enjoyed my iPod, MacBook, as well as the design of the new iPhone (which was next on my shopping list). Steve Jobs was in the midst of creating one of the most iconic technology companies of our time, and his vision was clear: stop making products to sell, and instead create products to change the way people live. Though I was an early-believer in what Apple was doing, as an investor, I mistakenly grouped the company in with the rest – i.e. I decided to wait for the stock to continue to fall along with the market before I would become a buyer. While it certainly did fall, it bottomed well before the rest of the market, and then steadily started to climb – outpacing the broad market by a country mile. Though we eventually invested in Apple much later, missing these early returns was the difference between doing very well with the stock (which we did), and making the type of 1000%+ returns that can give bragging rights.

During the Financial Crisis, there were various examples of counter-trend rallies that caused all stocks to rise sharply over the short-term, similar to what we have seen over the past couple of weeks. But despite these short-term moves, many companies – and even entire industries – would prove to be poor investments over time. This is why blocking out the noise, avoiding the urge to chase short-term price movements just because we feel the fear of missing out, and trying to identify future leaders by looking at societal trends was the most important homework to be done back then, will undoubtedly prove to be the case once again. This is why I am really excited right now.

There is no doubt that risk is ever present in the financial system. Over the short-term, we are comfortable navigating the current environment using the tools we have at our disposal. We believe the biggest risk facing investors today is choosing to simply maintain the status quo – and we are extremely confident that investors should be taking advantage of this opportunity to do what is right.

If you would like to know more about our current positioning, and our outlook moving forward, please feel free to reach out to us directly via direct message, email, or by phone. We are currently taking on new clients selectively – with the most important requirement being that we work with people who share in our beliefs and our “Why”.

Thanks for reading.
Rob, Jeff, & Team

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