



## Coronavirus, Markets, Emotions and Journalistic Integrity

Wow – what a ride it has been in the last 2 weeks. Im sure you are feeling slightly nervous about not only the health impact of the COVID-19 but also the economic impacts that are being felt around the globe.

We think at times like this it's important to get some actual information about COVID-19 and not what is being reporting by the vast majority of media outlets which is fear (which in fact makes peoples response worse.). As such, I would like to point you to a new service that I subscribe too which is [the Conversation](#) - Importantly, the journalists that work for the conversation follow the following charter - <https://theconversation.com/au/charter> which ensures that they uphold their journalistic integrity at all times. You are much more likely to get a balanced view.

**Now onto Markets** – as of the time of writing, the ASX200 is down 20% Peak to trough, whilst the US equity market is down 19%. On the flip side, bonds and fixed interest assets have rallied anywhere between 1 and 3% as people get out of equities and move their exposures into non risky assets. As you know our view is that “unfortunately” this is part and parcel of investing into “growth assets”. We make the assessments of how much you need to invest into growth assets based on what you need to do to reach your “long term goals”. The volatility in markets we have seen in the last 3 weeks are essentially a short term issue, then there is no need to change your strategy based on a short term view. As you would have heard me say numerous times, we are investing for the long term – lets keep our eye on that prize.

To support this thinking please see a link to a video produced by Vanguard Investors which talks about how to react during times of crisis and whether its worth trying to predict the low point - <https://www.vanguard.com.au/adviser/en/article/markets-economy/deal-with-market-downturns>. As the Vanguard economists explain it is folly to try to predict the future, although, quite simple with the benefit of hindsight.

Finally, to ensure we continue to think about the long term, ive put together [a short 7 minute video](#) which explains it using real life data – it essentially tells a story of how a diversified portfolio has acted since the GFC and how important it is to stay invested.

As always, if there are any questions please let us know.