You Chase – You Lose!

Announcer: Welcome to the Empowered Investor Podcast. Have you ever felt overwhelmed by the sheer volume of choices and voices telling you how to plan or invest for your future? With a straightforward approach, host Keith Matthews of Tulett, Matthews & Associates cuts through the noise to help you create a winning action plan for you and your family. The decision-making framework discussed in this show can transform you and your investment experiences and will increase your odds of becoming financially secure. Learn more and subscribe today at TMA-invest.com.

Keith: Welcome to the Empowered Investor. My name is Keith Matthews and I'm joined by my co-host Marcelo Taboada for today's episode. We recorded today's episode on performance chasing about a month ago. However, due to the devastating news coming out of Ukraine, we inserted a show on managing money through challenging times. So we're ready to relaunch our show on performance chasing. Please keep in mind that it was recorded about a month ago and that the prices since then have subsequently fallen, supporting the story, the case, the discussion that we bring forward on the perils of performance chasing. We hope you find it of interest and thank you so much for tuning in.

Marcelo: How are you today, Keith?

Keith: I'm amazing. So happy to be back on the show. And I gotta tell you, I really enjoyed your last show with Heather.

Marcelo: Between Heather and Andrew—Heather Martin and Andrew Hallam—we've put together a couple of shows on wellness and I think it was extremely well received. We've gotten great feedback from our listeners, and in a time when the pandemic has kept us away from things—people, community, purpose—I think it's just incredibly important and we're very happy to have them on.

Keith: Yeah, it's such a timely subject as well. I've been reading in the headlines that there's a lot of mental health distress that's been created by the pandemic. So I think raising awareness on this type of subject— I get it's not everybody's cup of tea—but I think if you're getting at least 50-60 percent of what the wellness industry is saying, which are super helpful advice to have a well-centered life, I just think it's super timely. And I really liked the episode for that reason.

Marcelo: Like we said, I think we're at a tipping point. Heather Martin was clear about that—we're at a tipping point and it's going to move from a more abstract world to a more concrete world and a world that more people will embrace. So it was exciting. I think it's great and we look forward to doing more of those in the future.

Keith: Absolutely. So today is a little bit back to more hardcore finance and investing. We're picking a topic—chasing performance. And it's a tough one. And we've got a lot of live examples right now. But in today's show, we're going to define what chasing performance means and what it looks like. We will give current examples, unfortunately, of how individuals have gotten trapped in the last year, in particular in some of the disruptive technology stocks. We'll explore reasons why investors chase and why really smart people can still get trapped. We'll also explore why money-weighted returns—and that's a sort of bit technical, but it really shows that investors that get caught into chasing actually lose capital. So it's very disruptive. And then finally, we'll discuss the best strategies to keep investors from chasing. So, Marcelo, what exactly do we mean by chasing performance? A lot of times investment advisors talk about it. They say don't do this and don't do that. So what does that mean—don't chase performance, right?

Marcelo: It always makes me think about my dog, believe it or not, Keith. I'll tell you why. I spent a lot of money and time training my dog and he just has this fascination with squirrels. Sometimes we're taking a walk and I try to train him not to go after squirrels when he sees one on the street. But there's something in his brain that just clicks and makes him want to chase it, right? When I think about chasing stocks, it's something very similar. We try to train our investors and our clients not to chase, but sometimes the lure is so great of chasing that stock that's just having amazing returns and everybody's talking about it that it's something more primal about us in our psychology that makes us want to chase. So that's how I define chasing—something so alluring that even if we know rationally what to do, we still want to go after it.

Keith: What a great story. And I know you've worked hard in dog training, so that's a great analogy. When I think of chasing in a more basic view, it's when individuals look in the past six months or a year and say, "Wow, look at that stock. It's done so incredibly well. Look at that sector and somehow I'm missing." And it just keeps on going up. So, you know what? I look at the past results. Maybe I should buy. You can chase performance when you look at great results from a mutual fund strategy, you can chase performance when you look at great results from an individual stock or sector strategy. And unfortunately, when individuals buy, they often buy at the top of the price. Then they end up seeing part of the tumble. It's like wave chasing when you're trying to surf. You try to get right on the top and then all of a sudden you crumble down. So that's, I think, a nice definition as to what it is. It's been going on for decades. Individuals don't necessarily feel that they are involved in that. Most of our clients, Marcelo, because we're doing the diversified approach, we're protecting them from that for sure. But we do see a lot of chasing with investors at large.

Marcelo: Yeah. And what's funny about that is that the mutual fund disclosures have, I think there's a disclosure at the bottom, it's pretty standard, where it says past performance does not mean future performance. And we still go after those mutual funds that have done amazing. So I think that's funny.

Keith: Yeah, the story repeats. So why are we talking about this? We find ourselves bringing it up again. And I guess part of it is because these behaviors, they don't seem to go away. And there's always an enticing story. Every five years or something that individuals start chasing. So what is your version as to why we're having this discussion?

Marcelo: I think, like you said, it's something that keeps coming up and we just don't learn from history. And it seems like every so often we need a reminder. And we need to check ourselves when it comes to this type of behavior because it ends up wrecking so many portfolios and so many people's financial lives. And you just got to believe that if people are bragging about this stuff when the stocks are going up, after it creates a lot of pain too. And you don't hear that much about that. Yeah. I think it's important to go over the stories and the history of the past events that we've had where people have chased and gotten burned. And just as important to bring it back to so we don't have to fall into the same pitfall again.

Keith: Yeah, that's an excellent point. I would also add to that, Marcelo, what's nice about repeating the story is it allows individuals with diversified portfolios to appreciate their diversified portfolios.

Marcelo: That's true. Exactly.

Keith: Sometimes it's not obvious why you stay diversified. Sometimes people see these great big surges and they go, "Can I get some of that?" And I think reminding individuals that you can get burned easily is a great way to show the benefits of diversification. So let's start getting into the narrative here. Why do investors chase? What are the things that motivate? What are the things that attract? What are the things that encourage investors to consider chasing? Or they're not considering it, but to actually unfortunately succumb to it.

Marcelo: So I think if you've been a listener for a while on our show, these are recurring themes, right? So I'm going to name a few, but we can talk them over, Keith. So I think one of them is the exciting and captivating stories that we have when it comes to this type of stocks. I think as humans, we're wired to believe in narratives. We're wired to follow compelling stories throughout history. So it's wired in our DNA. Then we have a fear of missing out or what young people call FOMO. Human nature, like I said, it's almost part of our DNA to want something we can't have in something that's so shiny.

Keith: Absolutely. This is where emotions come in.

Marcelo: For sure. All right, keep it up. What's up? What else?

Keith: We have obviously social media just amplifies this. And the pandemic, more of us were confined. We were more online. We were more in a world that's completely virtual. We're more connected into the social media sites, Facebook, LinkedIn, Instagram, Twitter. So we're seeing this stuff constantly. So I think this just amplified already chasing behavior that we already have.

Marcelo: That's an excellent point. If I go back in my career, like the first three that you mentioned—the captivating and exciting stories, fear of missing out, human nature, emotions—that's been around for decades. And people got caught up in the double O with chasing tech and chasing research in motion later and chasing oil stocks around the same time. It's been around for a long time. What's new in the last five years is the amplification through social media—the TikToks, the Facebooks, the sort of the guerrilla marketing that goes on at social media levels is enough to push it over the edge.

Keith: TikTok specifically is very scary. Like I've learned that with the young guys that we had that podcast with and the algorithm just keeps rewarding stuff that you keep liking. So if you think about a feedback loop, if you're constantly liking stuff that's related to chasing stocks and different trading ideas, it'll just keep regurgitating the same stuff all over and over.

Marcelo: Yeah. Luckily the guys that we had, they were using those social media and they were learning about indexing, which is what we would propose is the best way to think about portfolios and diversification. But the whole social media side really pumps up securities and just highlights what's going on. And I think that adds to the allure of chasing, the allure of jumping onto something that's going to do technically, they think, really well. So why is chasing so dangerous?

Keith: It's simple, Keith. Things go up in value. You chase, and you buy high and you sell low. You get crushed. So just like my dog chasing that squirrel, it always ends in disappointment. Not always all the time, but you get the idea, right?

Keith: Has your dog ever caught a squirrel?

Marcelo: No.

Keith: All right.

Marcelo: So it all, in his mind, it always ends in disappointment. You're absolutely right.

Keith: It's hard to make an absolute statement like that because I'm sure there's some people who end up chasing and get out at the right time. I'm not saying that you can't make money, but most of the time, because that's what we know through history, it ends in disappointment.

Marcelo: You're absolutely right. So let's switch gears now and start talking about some of the examples that have occurred in the last eight months. We're in the middle to late February. Since November of last year, different points, since November of last year, since March of last year, and even for some stocks since October of 2020 till now, there's been declines, and mostly in some of the disruptive technology stocks, in particular stocks that have great stories that are captivating but may not actually be able to continue to grow or may not have the profits that people ultimately need as investors. In our opening show of the year, we alluded to a half a dozen stocks out there, and it's not a half a dozen, there's dozens of stocks that are in this category, whether it's Robinhood that since the IPO has lost 70 to 80 percent, whether it's Montreal's Lightspeed, whether it's the fitness industry's Peloton. We've even got great companies that have changed the way we live. Zoom would be one of them. And even at the business setting, DocuSign, which is essentially, as we mentioned in our earlier show, we love that service. Our clients do too. You can sign very quickly, very efficiently. But investments in Zoom and DocuSign in the last year have really been challenging. Why don't you share a few points on, let's take Zoom for example. What do you think happened with Zoom? And let's be specific of when the price started to rise, when it hit its peak, where it's at now. What do you think was going on in the background?

Marcelo: First of all, Zoom obviously is the prime example of a pandemic stock, right? As soon as the pandemic hit, we think we're doing everything through Zoom. I'm speaking to my grandmother in El Salvador through Zoom. I'm playing Catan with my friends through Zoom. So Zoom comes in and when you start looking, people say, this may be a good investment. So it absolutely starts going up like crazy. So if we go, when the pandemic started, I'm just going to give you some price points here and then you can come in and comment, Keith. So in March of 2020, the price of Zoom was $146.12. That's very specific, right? Then we look at the absolute peak. So from that point all the way to November 2020, the price is $478.36.

Keith: That's basically six months. So that first six months of the pandemic, we're going through, we've got summer lockdowns, everything's changing in society, we're adjusting, and everybody is using Zoom and the stock goes up four times.

Marcelo: Correct. Then we looked at the time of recording, it's February 17th, the price of Zoom is $132.18. So when I look at the absolute return from March of 2020 till today, Zoom is actually down 9.54%. So think about that for a second. If you invested in Zoom when the pandemic started till today, you are losing money.

Keith: And that's something that most people would not necessarily be aware of unless you're in the investment industry and you're looking at this stuff. So for listeners who are not, it is a remarkable story. You essentially, you made money in Zoom in the first four months of the pandemic, and that was two years ago. And by the way, you would have thought your brain would have been wired to say Zoom is going to just explode for the next 30 years. It's going to take over. And that's what people get captivated. And so essentially you've had from October of 2020 till today a depreciation of 75%, and this is a company that's got a great service that everybody really appreciates.

Marcelo: Yeah. So you're absolutely right, Keith. Also, when you think about other pandemic stocks that we mentioned, if you look at DocuSign, Peloton, we're looking at the same behavior. So you're looking at that type of same behavior. You're looking at a March low, then it peaks all the way to a peak around November, and then it starts going down. So if I showed you the graphs back to back without showing you any names, we're seeing the same type of behavior and pattern where it's very low in March, it absolutely explodes, and then it comes down.

Keith: Yeah, you're right. And so what you end up with in dozens of these securities is they are off 75%. We'll talk about this in a few minutes, but this is exactly what happened to the marijuana stocks. You've got these incredible stories. The world bought into these stories of these disruptive technologies that would disrupt the world and grow forever. And the problem with it is that they don't necessarily grow forever. There's a hiccup. And we're even seeing this in large-cap tech stocks—the Netflix, PayPal, Facebook, Shopify. All these are companies where you wake up one day and they have an announcement and say they're not going to grow quite as much. And then all of a sudden, they're down 25 percent in one day. And we've seen all of those stocks get hit in the last month now. Imagine the smaller stocks.

Marcelo: Yeah. Before we move on to weed, I have a few examples just so we can see how narratives are very strong. So let's take two very boring examples. Let's say somebody invested in Royal Bank, which is the biggest bank in Canada. Blue chip, not much movement in the market. You can argue that it's a boring stock by any definition, right? So if you invested in March of 2020 in Royal Bank and you forward it till today, so February 17th, the stock went up 34%, almost 35% (34.98%). So that's not a sexy story, right? By any means.

Keith: Yeah, where you're going here is the issue of those disruptive securities definitely disrupt your portfolio in hindsight now. And the boring securities that would be held in a well-diversified program have actually done quite well.

Marcelo: Yeah. So even if you take a Vanguard portfolio, the full equity Vanguard portfolio, the fund of funds, that's up 14% from November of 2020 till today. If you look at March 2020 till today, it's actually up 51%. So even when you look at a boring, quote unquote, portfolio, you still did better than if you chased these stocks that were going to revolutionize, which are still great companies, by the way. That's not what we're saying. It's just on the investment side, there's this craziness that happens and people chase, and it ends up in disappointment.

Keith: You're absolutely right. The general market has been very strong. Diversified portfolios have produced great results. Those that have chased some of these stories have unfortunately hit a wall. And the reason we're doing this show today is just because it's happening right in front of us. We're seeing this right now. Every day you wake up and the stocks are down 2%, 5%, 8%, and they do this for weeks in a row. This is why we see this, and we saw the same thing, Marcelo, with marijuana stocks. Let's go back and look at that because that is another great example of chasing. So in a matter of four years now, we have in the Canadian marketplace these incredible examples of securities that are getting pumped up, individuals chasing, and then losing capital thereafter. So what happened with marijuana? Let's go back and look at that one for a sec because it's a very fascinating story as well.

Marcelo: That was a captivating one. It has a special place in my heart because I was just coming into the industry and I was new, and I was seeing all these things happening. And even then I used to think, "This is absolutely crazy what we're seeing in the market." And for the purposes of illustration here, let's take Canopy Growth, which is the one that everybody knows. So if we look at when marijuana became legal—so Trudeau comes to power, they have plans to legalize marijuana. Weed officially became legalized in Canada in October of 2018. So if we take the price, Keith, of October 2018 of Canopy Growth, and you're looking at a price of $48.43. Okay. We look at the price today, February 17th. I'll put a timestamp on that. The price is $10.35. If you had invested at the peak of when marijuana became legal in Canada, you're down 78% pretty much.

Keith: It's a fascinating story because I remember when those securities were booming, you do get a couple of client inquiries. You definitely got friends talking on a Friday night, "Hey, should I invest money here?" And the reality of it is, back then everybody thought that Canada somehow had the edge. And that was the story. Again, we're going to highlight the story, right? So people thought Canada was one of the first places to invest. Big nations to legalize marijuana. They were setting in place the manufacturing and the production centers. And that because of this expertise that was starting to develop in Canada, Canada would then be able to become a global leader in marijuana production. And it would only be a matter of time before countries around the world, including the United States, would legalize marijuana and that these companies would be incredibly well positioned. So you can see how interesting that story is. Yeah. That's what was being thrown around as the reason why you need to invest. And then of course, if you did invest right at the time when all those stories were happening, you would now be down massive amounts.

Marcelo: Yeah. And I'm giving you the peak, right? If you look at the before, it absolutely has the same shape of the stories we just discussed, like Zoom, DocuSign, Peloton. It starts very low and then it absolutely peaks and ends in disappointment. Just for argument's sake, let's say somebody says, "Oh, Marcelo, but you're just throwing one example out of a few marijuana stocks." So let's look at an ETF that tracks a basket of marijuana stocks. So that would be HMJ from Horizons. So if I showed you the peak of October 18—so October 2018 marijuana becomes legal—the price of that ETF was $18.57. Look at the price today, February 17th. The price is $5.69. So if you bought at the peak, that basket of marijuana stocks, you're down 69%.

Keith: And the peak is even a little bit higher. You're talking about legalization. The peak is in the low twenties.

Marcelo: Correct.

Keith: So the loss is even more.

Marcelo: Yeah, it's even more painful.

Keith: Yeah. But that's the entire industry. And Marcelo, these are stories we're sharing with our listeners that are three or four years old now, the story that's going on right now in front of us, the marijuana stories. But this is not new. This concept of chasing ideas has been around as long as I've been an advisor. I'll go all the way back to the mid-90s. In particular in Canada, because I find it trickier because you're dealing with the big U.S. market with all the big names, and then you've got resource sectors. And resource sectors are known for having volatile prices. So you mix those two together and Canadians, I think, have chased technology stocks, they've chased oil and gas stocks, they've chased resource stocks, they've chased great big technology companies in Canada. We've done it all, unfortunately. All right, Marcelo. So let's talk about General Electric. That was a bellwether security in the late 90s and it had the same price history as all of the securities we're looking at right now, which is this rocket ship to the moon. You don't hear much about General Electric now, do you?

Marcelo: No.

Keith: Let me ask you a question. You're a pretty young guy. You're in your mid-thirties. Do any of your friends and buddies ever talk about investing in General Electric?

Marcelo: No. Definitely not.

Keith: Yeah. So that's a security which people were chasing—General Electric—in the late 90s.

Marcelo: That's Jack Welch, right?

Keith: Correct. And they made and manufactured everything. So these concepts just do not go away. And this is why we have to try our best to help individuals become aware of it, help them appreciate diversified portfolios, and just continue almost repeating the story. Let's switch gears a little bit now, Marcelo. We're going to talk about ARK for a sec. There's two reasons we're going to talk about ARK. One is diversification. So let's make a quick comment and then get to money-weighted return. So let's say you said, "I like these disruptive technologies. Instead of trying to pick one or two, I'm going to try to pick a basket." What did ARK look like?

Marcelo: ARK is such a fascinating story because we mentioned that in the year-end review about the lure Cathie Wood has in the industry, right? We're going back to the superstar manager here, like Peter Lynch and those types of guys, right? So there's this lure to this portfolio manager. She starts a fund called ARK Innovation, which invests in disruptive technologies. The same names we're discussing—you have Coinbase in there, you have your Spotify, you have your Shopify, you have Robinhood, you have all these disruptive technologies—Zoom. And it's the same story with the weed story, right? Like somebody could come back to us and say, "Oh, but you're just talking about specifically a few stocks," right? So let's say as an investor says, "Okay, I want to buy a basket of them." So ARK is the one that you would buy because it has all these stocks in it. So if we look at the March 2020 price, the price of the ARK fund is $44. If you look at the peak of that fund at the absolute peak, which is January 2021, the price was $137.44. If you look at the price today, it's $68.69. Now if you look at the March 2020 return till today, it's still a pretty good return. So the fund is up 56%. Okay. If you look at the peak of January 2021 till today, the fund is down 50%.

Keith: But why is that important? That's not a very good return, to say the least. But I think where you're going with the "why is that important?" is it's important because most investors flooded into the program at the peak. When I look at the assets coming in, the lower levels that they started the pandemic off with, they started at maybe $5 billion. They started at the height of the pandemic, they were $21 billion.

Marcelo: Correct.

Keith: So all the money came in at the very top of the market. Which then leads us to this concept called money-weighted returns, which is what returns do people actually get when they make these investments? And this is what's critical about chasing anything because the actual return is based on when you purchase. So what's fascinating about ARK is, let's call it the three-year returns as of three or four months ago were mid-thirties, but the average investor in that security only got 10. So they underperformed by 27 percent, full absolute levels. And this gets back into when is it that people actually put money into an investment concept. So that's what's fascinating about ARK. The money-weighted returns and time-weighted returns, it's quite simple, right? For example, the Vanguard fund that invests in all equity, if I tell you that fund returned 20 percent for the year of 2021, so the calendar year, the time-weighted return is 21%. So from January 1st till December 31st, that does not mean that investors get the same return because when you calculate the internal rate of return or money-weighted return, which is the more accurate one, it takes into account the cash that comes in and out. So the timing of the cash flow matters incredibly. So if somebody comes in the middle of the year, they're not going to get 21%, right? And that's what people need to understand—that when you hear ARK returned 50%, it doesn't mean people are getting 50%. If you're coming in at the peak, you're absolutely getting crushed.

Marcelo: Yeah. We hear so many stories about individuals camouflaging these strategies and saying, "I'm going to do core and explore." So I'm going to do 80 percent of my portfolio in a core strategy, various general benchmarks, very highly diversified. And then I'm going to explore, and they call it explore. And I would sometimes point out to them it might even be gambling, but they're trying their best to pick these winners, pick these home runs. And this is the tendency is, unfortunately, to chase by the top and then you get big negative returns. And that's disruptive on an entire portfolio. So if you were dabbling in marijuana and then you dabbled in—and I don't mean that literally—but if you were buying marijuana stocks three or four years ago and then you're buying some disruptive securities, if you've got that behavior to chase a little bit, that's going to have a pretty hard impact on your portfolio.

Keith: Yeah, it will. You know who got absolutely crushed too? And is a genius.

Marcelo: Who?

Keith: Sir Isaac Newton.

Marcelo: Oh, come on. Tell us that story. That's a great one. Now, that's—I take a story back 25 years. Marcelo, you're a great history buff. You take a story back 300 years.

Marcelo: I love that story so much because it just tells so much about human nature.

Keith: So what happened? What did Sir Isaac Newton do? What did he get caught up in?

Marcelo: So to make the long story short, in the 18th century, England grants monopoly on trade to this company called the South Sea Company. So stock goes public. It starts trading in the stock market. There's an absolute craze about getting this type of stock in the time.

Keith: So what you're saying is they have a story, right? It always starts with a captivating story.

Marcelo: Correct.

Keith: All right. Sorry about that. Continue.

Marcelo: Think about that time, right? The global economy depends on trade, right? The Spanish empire was trading silver. They were moving spices. So England is also participating in this. So you have this company that has complete monopoly on the trade that's happening in all these places. So the stock goes public. There's a fascinating story there. There's a narrative. So when you look at the graph of the South Sea Company, it looks exactly like what the stocks we're discussing now. So Sir Isaac Newton, which is like one of the smartest people in history, he gets in at the bottom, right? So just before it peaks and before it reaches the absolute peak, he gets out. So now there's this element of FOMO that kicks in. His friends start getting richer. People still talk about it. Right before it peaks, he gets back in.

Keith: So hang on. Just so I understand this. He got in at the beginning, made a little bit of money, so he feels good, he feels confident, then he gets out. Then he starts seeing a lot of his friends, colleagues, and the market continue to go up. And then he waits, and then he buys at the top?

Marcelo: He buys at the top, not at the absolute top. So he re-enters just before it has the ultimate peak. And then the stock absolutely gets crushed. It goes down, and it tanks.

Keith: And when did he sell?

Marcelo: Initially, he got in when the price was around $200, right? Then he gets out when the price was around $400. Then he re-enters when it was $700. The stock peaks at almost $1,000. And then it comes crashing down again to around $100.

Keith: And so he gets out at $300, $200, and $100.

Marcelo: Correct.

Keith: So what's fascinating about this story is, and we use this to highlight how, at the end of the day, super, super smart people, super intelligent people, technically even super rational people, can succumb and end up getting caught in chasing.

Marcelo: He had a great quote at the end. And he said after losing all his money and his net worth being completely crushed, "I can calculate the movement of stars but not the madness of men."

Keith: Oh, what a great quote. What a great quote. You know what? These kinds of discussions have been occurring ever since I've been an advisor. They're happening right in front of us right now, Marcelo, with some of the securities that we're speaking about. Let's wrap up the show now with a few takeaways as to what to think about here when it comes to chasing performance.

Marcelo: I think the important thing is, again, history is a great indicator of why we have to go over this thing. So people understand that chasing is dangerous. It leads to disappointment. And sometimes being in a diversified portfolio is boring, and it will be painful when you're hearing people making a tremendous amount of money. But I guarantee you that people don't tell you about the losers, right? It always makes me think about that story from the Odyssey, and we've had it in the podcast before, Keith. After the Trojan War, Odysseus has to go back to his hometown, right? So there was this legend of the sirens. And the sirens were, in Greek mythology, just super appealing, super good-looking sirens that lure the sailors with this amazing song. So Odysseus, he knows this. And he has a plan for it. And imagine being a sailor, right? You're deprived of your wife, of human contact. You're starved. And you're going through the sea, and you see these beautiful women singing at you, right? Imagine the allure of that. What we have here is Odysseus says to his sailors, "Tie me to the mast, and we're going to put wax in your ears, and we're going to get through the sirens." Because the sirens were known to hypnotize the sailors, and it would lead to a shipwreck, and they would just completely steal everything. So the moral of the story here is that we have to resist the siren song. In this case, Zoom is the siren song. The squirrel is the siren song for my dog, right? We're always going to have siren songs when it comes to investing in life. So I think the moral of the story is that we have to resist it. And sometimes having a plan and having a good investment philosophy and a diversified portfolio is what makes sense.

Keith: Wow, Marcelo. You did it again with history and philosophy, and you brought it right into investing. I love it. It's so true. That's the story about blocking out the noise. And we've spoken about that before—block out the noise, understand that chasing is a pitfall. So you've got to understand that it can lead to losses. And so I always think back and I say, become aware of pitfalls, understand what they look like, try to identify them, and stick to your plan, and stick to your diversified portfolio. You will be much happier and get much better returns over the long term. So listen, Marcelo, that was a great show. We covered a lot of ground. It's a major pitfall that we'd like to review from time to time. And we've got live examples in the market right now. And I think it's worthwhile to note to our listeners. So, Marcelo, thanks for being on today's show.

Marcelo: A hundred percent. It was a pleasure.

Keith: To our listeners, thank you so much. And we'll see you in two weeks.

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