
A Transformed Investor's Reaction to Coronavirus

Dave Goetsch
Executive Producer, The Big Bang Theory

Mar 03, 2020



The news is full of stories about the coronavirus. It's scary. My 10-year-old son came home from school today worried about it. We don't know how many people this will infect, nor how it will impact the world economy. This is exactly the kind of thing that would have freaked me out 20 years ago, spiked my blood pressure, and made me glad that all my money was in cash.

Back then, I would have seen this story as yet another piece of evidence for why I chose not to invest in stocks. Because I couldn't predict the future. "Why invest when you don't know what is going to happen tomorrow?" I would ask no one in particular.

One of the great gifts in my life has been [learning that I can still invest without needing to know what is going to happen tomorrow](#), because I'm a long-term investor.

It's been 20 years since Y2K, 12 years since the financial crisis, 10 years since H1N1, and six years since the Ebola outbreak. Any money I might have invested right before Y2K (which hit on the heels of the Asian financial crisis of 1997) and left through all those ups and downs would have turned out fine—as long as I was widely diversified, with low costs.¹

I don't plan on touching the money I have in the market for 20 years. So when it's 2040 and I look back at the coronavirus story of 2020, what will I think? Honestly, I don't know. I gave up trying to predict the future a long time ago. But based on nearly 100 years of market data, I am choosing to be a long-term investor. I believe that the reason I get a good return over decades and not months is because markets are uncertain. If they weren't, we'd call them a savings account. For me, riding out these ups and downs is not only one of the best ways to build a portfolio, it's the most stress-free way of living.

I might be wrong, but decades of financial science suggest it's a sensible course, and that's good enough for me.

1. This statement assumes an investment in a broadly diversified all-equity portfolio and maintained over the specified period. Other time periods and different investments may have different results, including losses. A hypothetical dollar invested on December 1, 1999, and tracking the MSCI All Country World Index (net dividends), would have grown to \$2.38 on February 29, 2020. However, performance of a hypothetical investment does not reflect transaction costs, taxes or returns that any investor actually attained and may not reflect the true costs, including management fees of an actual portfolio. Changes in any assumption may have a material impact on the hypothetical returns presented. It is not possible to invest directly in an index. MSCI index data © MSCI 2020.

Dimensional Fund Advisors LP pays Dave Goetsch for consulting services. Dimensional Fund Advisors LP does not endorse, recommend, or guarantee the services of any advisor. The experience of the author may not be representative of the experiences of other individuals. All expressions of opinion are those of the author and are subject to change. This content is distributed for informational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services.

There is no guarantee that strategies will be successful. Investing involves risks, such as fluctuating value and potential loss of investment gains and principal. Past performance or the use of an advisor is no guarantee of future results.

The information in this document is provided in good faith without any warranty and is intended for the recipient's background information only. It does not constitute investment advice, recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorized copying, reproducing, duplicating, or transmitting of this document are strictly prohibited. Dimensional accepts no responsibility for loss arising from the use of the information contained herein.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd, Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

UNITED STATES: Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

CANADA: These materials have been prepared by Dimensional Fund Advisors Canada ULC. Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Unless otherwise noted, any indicated total rates of return reflect the historical annual compounded total returns, including changes in share or unit value and reinvestment of all dividends or other distributions, and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

AUSTRALIA: This material is issued by DFA Australia Limited (AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

Neither DIL nor DFAL as applicable, (each an "Issuing Entity", as the context requires) give financial advice. You are responsible for deciding whether an investment is suitable for your personal circumstances, and we recommend that a financial advisor helps you with that decision. Information and opinions presented in this material have been obtained or derived from sources believed by the Issuing Entity to be reliable and the Issuing Entity has reasonable grounds to believe that all factual information herein is true as at the date of this document.

WHERE ISSUED BY DIMENSIONAL IRELAND LIMITED

Issued by Dimensional Ireland Limited (DIL), with registered office 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland. DIL is regulated by the Central Bank of Ireland (Registration No. C185067). Information and opinions presented in this material have been obtained or derived from sources believed by DIL to be reliable, and DIL has reasonable grounds to believe that all factual information herein is true as at the date of this document.

DIL issues information and materials in English and may also issue information and materials in certain other languages. The recipient's continued acceptance of information and materials from DIL will constitute the recipient's consent to be provided with such information and materials, where relevant, in more than one language.

WHERE ISSUED BY DIMENSIONAL FUND ADVISORS LTD.

Issued by Dimensional Fund Advisors Ltd. (DFAL), 20 Triton Street, Regent's Place, London, NW1 3BF. DFAL is authorised and regulated by the Financial Conduct Authority (FCA). Information and opinions presented in this material have been obtained or derived from sources believed by DFAL to be reliable, and DFAL has reasonable grounds to believe that all factual information herein is true as at the date of this document.

DFAL issues information and materials in English and may also issue information and materials in certain other languages. The recipient's continued acceptance of information and materials from DFAL will constitute the recipient's consent to be provided with such information and materials, where relevant, in more than one language.

NOTICE TO INVESTORS IN SWITZERLAND: This is an advertising document.

RISKS

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Past performance is not a guarantee of future results. There is no guarantee strategies will be successful.

JAPAN: Provided for institutional investors only. This document is deemed to be issued by Dimensional Japan Ltd., which is regulated by the

Financial Services Agency of Japan and is registered as a Financial Instruments Firm conducting Investment Management Business and Investment Advisory and Agency Business. This material is solely for informational purposes only and shall not constitute an offer to sell or the solicitation to buy securities or enter into investment advisory contracts. The material in this article and any content contained herein may not be reproduced, copied, modified, transferred, disclosed, or used in any way not expressly permitted by Dimensional Japan Ltd. in writing. All expressions of opinion are subject to change without notice.

Dimensional Japan Ltd.

Director of Kanto Local Financial Bureau (Financial Instruments firms) No. 2683

Membership: Japan Investment Advisers Association

FOR PROFESSIONAL INVESTORS IN HONG KONG.

This document is deemed to be issued by Dimensional Hong Kong Limited (CE No. BJE760) ("Dimensional Hong Kong"), which is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

This document should only be provided to "professional investors" (as defined in the Securities and Futures Ordinance [Chapter 571 of the Laws of Hong Kong] and its subsidiary legislation) and is not for use with the public. This document is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence, or otherwise) the publication or availability of this document are prohibited or which would subject Dimensional Hong Kong (including its affiliates) or any of Dimensional Hong Kong's products or services to any registration, licensing, or other such legal requirements within such jurisdiction or country. When provided to prospective investors, this document forms part of, and must be provided together with, applicable fund offering materials. This document must not be provided to prospective investors on a standalone basis. Before acting on any information in this document, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice.

Unauthorized copying, reproducing, duplicating, or transmitting of this material are prohibited. This document and the distribution of this document are not intended to constitute and do not constitute an offer or an invitation to offer to the Hong Kong public to acquire, dispose of, subscribe for, or underwrite any securities, structured products, or related financial products or instruments nor investment advice thereto. Any opinions and views expressed herein are subject to change. Neither Dimensional Hong Kong nor its affiliates shall be responsible or held responsible for any content prepared by financial advisors. Financial advisors in Hong Kong shall not actively market the services of Dimensional Hong Kong or its affiliates to the Hong Kong public.

SINGAPORE

This document is deemed to be issued by Dimensional Fund Advisors Pte. Ltd., which is regulated by the Monetary Authority of Singapore and holds a capital markets services license for fund management.

This advertisement has not been reviewed by the Monetary Authority of Singapore. This information should not be considered investment advice or an offer of any security for sale. All information is given in good faith without any warranty and is not intended to provide professional, investment, or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Before acting on any information in this document, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice. Dimensional Fund Advisors Pte. Ltd. does not accept any responsibility and cannot be held liable for any person's use of or reliance on the information and opinions contained herein. Neither Dimensional Fund Advisors Pte. Ltd. nor its affiliates shall be responsible or held responsible for any content prepared by financial advisors.

dimensional.com



https://www.mydimensional.com/a-transformed-investors-reaction-to-coronavirus?_cldee=ZGVYmllQGZmZc6d166cea27ae61180ddc4346bac6974-384fdad30b8f4c6392cf8de36b42c5fd&utm_source=ClickDimensions&utm_medium=Email&utm_campaign=2020%20Weekly%20Investor%20Update