MONETTA MONEYTALK *family edition*
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Fear Is Timeless – But So Is Hope

Lessons From "It's A Wonderful Life" For Investors During Coronavirus Panic

"Don't you see what's happening? Potter isn't selling. Potter's buying! And Why? Because we're panicky and he's not. That's why. He's picking up some bargains!"

George Bailey, "It's a Wonderful Life" (1946)

Next year marks the 75th anniversary of Frank Capra's "It's a Wonderful Life," starring Jimmy Stewart as George Bailey, a small-town banker who staves off a financial panic when the conniving Mr. Potter seeks to "take out" George's Building and Loan by offering to buy shares from shareholders at a 50% discount.

The first big lesson that investors can draw from the movie is to make sure to have enough emergency cash separate from your investments. No one knows what's going to happen during a financial crisis. It's always prudent to have a "rainy day fund" on hand, just in case a sudden need arises, such as an illness or job loss. It also serves to protect your longer-term investments by acting as a cushion to avoid a forced liquidation at an inopportune time.

One way to gauge whether a time to sell is "inopportune" is to look to what others are doing. If you join a selling stampede–as the townspeople in Bedford Falls were starting to do—expect your security values to be trampled on. These are usually incredibly bad times to sell as these losses tend to be swift and steep.

History shows us that every market "panic" has eventually faded away. Also, keep in mind, this economy has been offered the largest stimulus package in its history; don't underestimate the potential boost this could provide global economic growth and the positive impact it could have on worldwide financial markets.

No one knows for sure where markets will go from here. What we do know is what George Bailey demonstrated: panic doesn't help. Buy when shares are at bargain levels, not sell at depressed values. Don't let Potter get the better of you!

That reminds me of a *story...*

A man called the Great Agosto just completed a dangerous tightrope walk over Niagara Falls in appalling wind and rain. An enthusiastic supporter urged him to make a return trip, this time pushing a wheelbarrow in front of him.

The Great Agosto was reluctant, given the terrible conditions, but his supporter was persistent and urged him on saying, "You can do it—I know you can." Agosto asked, "You really believe I can do it?" The supporter yelled, "Absolutely, yes, definitely!" "Okay," said the Great Agosto, "I'll do it, if you get in the wheelbarrow!"

Moral of the story: **Beware of someone's advice unless they are willing to stand behind it.**

Successful *entrepreneur*

Sheldon Adelson

Sheldon Adelson was born in 1933 in Boston, Mass. into a low-income family where his father was a cab driver and his mother a knitting instructor. His family lived in the back of a store, and he slept on a mattress on the floor!

Sheldon's first foray into business was at age 12, when he borrowed money from an uncle to buy a license to sell newspapers at a local street corner. At 16, he started a candy vending machine business and increased sales by hiring kids to sell candy at ball games. In the years that followed, he worked as a court reporter, chemical salesman, mortgage broker and even tour operator.

His "big idea" was to start a trade show for the emerging computer market. His COMDEX show, hosted in Las Vegas, was a huge success, and in 1995 he sold it for $862 million!

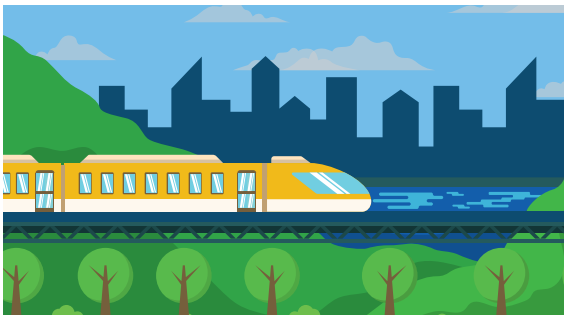
Sheldon realized Las Vegas' potential and built a themed "mega resort" hotel, The Venetian, that included canals and gondolas. Its success led him to build similar properties internationally and to expand in Las Vegas.

Adelson's willingness to take risks resulted in him losing large sums of money several times, but he always found a way to bounce back. He learned from his failures, focusing on solutions rather than problems. Sheldon's "challenge the status quo" attitude led him from sleeping on the floor as a kid to being worth $38.1 billion!

INVESTMENT *lessons*

A Train Ride to your Financial Future

Achieving a long-term investment goal is analogous to traveling on a train to a defined destination. The train track is the path toward your goal, but the route involves many twists and turns, ups and downs and various weather factors that could stop or slow you down on your journey. Reaching the destination will depend on one's ability to adjust speed, add fuel and maintain power.



You are the engineer on the path to your financial future. The starting point is getting on the train in the first place, by opening an investment account. Once on the train, you begin the investment process by investing in a diversified stock portfolio. This investment account should be added to regularly, like fuel, through an Automatic Investment Plan (AIP) to keep the train moving down the track. Regardless of the terrain or weather, you should never stop the investing process. Rather, use any slowdowns or rough patches as opportunities to add more fuel to your long-term journey.

"It's time in the market that matters, not timing the market."

A key strategy is to stay on the train—in other words, do not attempt to jump off or back up, based on the changing weather or terrain. A timing approach usually doesn't work, as no one can reliably predict what will happen in the future. Investing involves risk. Trying to avoid this risk by market timing simply opens you up to more risk. So, stay in your seat and invest regularly. All aboard!

LAUGH *studio*

What do you call a train full of bubble gum?

A chew-chew train!

What do race car drivers eat?

Fast food!

What did the baseball glove say to the ball?

Catch ya later!

What is a tornado's favorite game to play?

Twister!

Why was the math book depressed?

It had a lot of problems!

KIDS: If you have a joke you'd like to share, please send it to info@monetta.com. If we use your joke, we'll send you a special prize!

YOUNG *investors*

How many differences can you spot between these two pictures? Email us the answer at info@monetta.com to be entered into a drawing to win a $10 Target gift card! (Entries must be received by September 1, 2020).

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.