



August 2020

## Making Moves in Volatile Markets

**By: Ryan P. Johnson CFA, CFP® | Director of Portfolio Management and Research,  
Buckingham Advisors**

As investment professionals, our opinions on specific investments can change with market conditions, but our approach - how we think about building investment portfolios - is consistent. We start by thinking about you and how your investments fit into your overall financial plan and unique tax situation. We take a long-term view, thinking in terms of years and even generations. As fiduciaries, we put our clients' needs above all else. Our core purpose is to improve their lives by providing clarity, simplicity, and the professional expertise of our financial planners, investment committee, and accounting team.

This year's stock market volatility has been extreme, with both the fastest 20% sell-off and the largest 50-day gain from the bottom in at least 70 years. Our financial planning team has historically structured portfolios to hold up to five years of cash needs and not investing that portion in stocks. In this way we are able to avoid selling stocks when they are low to meet cash needs. After the strong market gains in 2019, our investment team had been trimming stocks and buying bonds. Before being executed, proposed trades were reviewed by our financial planners and accountants to ensure that the resulting tax impacts would be appropriate for each client and that any changes in the portfolio would be consistent with risk tolerance, cash needs, and any other special needs.

During the March sell-off, we maintained clients' investments within their pre-determined range of suitable stocks, with no panic selling. In addition to our usual weekly stock analysis, we gave particular attention to company-specific debt, dividends, and cash. Using the crisis as an opportunity, we took losses in taxable portfolios and switched into similar and/or better positions, looking for investments we felt would benefit on the other side of the sell-off. On the bond side, we took profits in Treasury holdings and also looked at fixed income alternatives given the sudden downshift in interest rates. We continue to look for investment opportunities, with an eye toward the next two years or more, but we



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never chase “hot” or “story” stocks.

During this particularly challenging time, we checked in with our clients frequently to answer questions and ease concerns. We also sent out extra newsletters, videos, and webinars; addressing topics related to business services, financial planning, investments, changing laws and new opportunities. By being prepared, having a long-term focus, and increasing communications, we were able to add value for our clients during the recent sell-off and rebound.

Buckingham Advisors is a unique team of financial professionals working together to help clients achieve their business and personal financial goals. We would welcome an opportunity to help you in the same way. Please visit our website at [mybuckingham.com](http://mybuckingham.com) to learn more.