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## How Smart Are You?

By Bob Rockwell, CFP®, MS (503) 668-2530 [www.ccbfinancialservices.com](http://www.ccbfinancialservices.com) 38975 Proctor Blvd, Sandy OR 97055

What would you do if you were smart enough to know that the Wuhan Coronavirus would turn into a worldwide pandemic before anyone else did? Would you sell all your stocks and buy gold? Would you just put all your money in cash? Maybe you noticed that China locked down millions of people, closed factories, and stopped people from traveling. Of course, you would know that the rest of the world would have to do the same thing and we would have a worldwide recession. It turns out, smarty pants, that none of those actions would have been as beneficial as just sticking with your long-term investment plan. If you have doubts, just call me, Kylee or Barb and we will show you.

I don't believe in speculating on stocks. I believe in using stocks to invest in companies that provide things people need or want. It doesn't matter what catastrophe may happen. People need, at a minimum, companies to provide products to them in order to live. You may not be able to eat at a restaurant, but you still need to eat. So, your local restaurant may go out of business, but restaurants with drive-thru and delivery services are thriving. This is a good lesson on being diversified as some businesses will fail and some will thrive no matter what happens. The vast majority of us cannot live off the grid and produce our own necessities of life, so we must rely on companies to provide us with what we need and want. So, my investment strategy is to buy profitable companies that provide a product that people either need or want when we can buy them at a reasonable price.

I find it interesting that with all the stimulus money the government is putting into the economy that people are saving most of it initially. But with interest rates at all-time lows, people have begun to speculate by investing in what I consider fads. There are an incredible number of

people that are opening accounts at brokerages that don't charge commissions and don't offer advice. I suppose this may be a good decision if you're just speculating and like to gamble with your money because you think you have no other choice with the interest rates being so low. Investing in unprofitable popular companies, cryptocurrencies, and the like can be fun and exciting in the short term, but I fear the long-term will be disappointing. Just because the price of something is going up doesn't mean it will continue to go up. You're better at speculative investments than I am because speculative investing is more about mass psychology and being able to predict which investments will be most popular rather than profitable. And I don't want to invest your money in something I can't mathematically justify.

So, I don't advise investors to buy exciting, unprofitable, or overpriced companies. I recommend companies that are consistently profitable. Also, most pay a dividend above the current interest rates available today. This may be boring in the short-term but mostly profitable in the long-term. This has been the most unpredictable year in my life, but regardless of everything, we still bought cars, gas, food, clothes, houses, electricity, water, entertainment, etc. Some made more, some made less, but most of the companies providing those necessities still made money for the most part. It is no coincidence that most of my clients also made money and I fully expect that to continue. I work on a salary as does my staff so there is no conflict of interest with our clients. Our advice is not free, but it has been proven to be worth the money. You can call me, Kylee or Barb at any time if you have investment questions. We can help you get through this.

Your Friend,

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