Fresh Invest: Lessons and reflections
Season 2, Episode 15 Transcript

Alex Lieberman, Co-founder and Executive Chairman of Morning Brew Hey everyone, thanks for joining the final episode of season 2 of Fresh Invest.

Alex This one is extra special. We're going to cap off the season by drawing some connections between the past 14 episodes. If you haven't tuned in to all of them, that's OK, you'll still learn a thing or two, but I'd definitely recommend going back and giving them a listen. If you haven't listened to any of them yet, you'll still get something out of this episode, but I'm going to assume you also have steak and potatoes for breakfast and start getting dressed by putting a coat on.

Alex To review, this season of Fresh Invest was all about you. At Morning Brew, we write and talk a lot about the news and trends in the business world, but this particular season was about how the world of finance affects you and your money.

Alex To summarize this incredible season of financial insights, I'm going to break it down into overarching themes. It'll be kind of like high school English, when I had to identify themes like Gilded Age decadence in The Great Gatsby and adolescent angst in The Catcher in the Rye and...I'm not sure, exactly, what I was supposed to take away from Oedipus Rex.

Alex All right, let's dive in. The first theme is both your mom's and Thomas Jefferson's favorite topic: the importance of education. From the very beginning, our Fidelity guests underscored the paramount value of absorbing as much information as you possibly can about any investment you're considering, from a blue-chip stock to a memecoin to your first home.

Alex At the end of the day, it's about researching the type of capital allocator you want to be. Do you want to be an active trader? Do you want to be a passive investor? Is your horizon short term or long term?

Alex And it's about researching the type of risk that you want to expose yourself to. Once you understand your risk, once you understand the type of allocator you want to be, then you can understand the type of analysis you want to do to effectively research and make your investing decision.

Brett Yoder, Fidelity Trading Strategy Desk So, again, it's hitting the books, right? It's let's not just jump in and try to ride the bike in this case, in this step in life. Let's hold onto our hard-earned money and let's take an approach that is a much more conservative learn first, then risk.

Alex Theme number two is knowing yourself and your goals. I feel like the answer I got most often from our Fidelity guests was, "well, the answer depends on what your goal is." And there's good reason for that—just like in your personal life, in investing there's no way to measure progress if you don't establish where you want to go from the start.

Alex Very simply, here's how I think about it. My grandpa and I have to look at investing in wildly different ways. He's 83, retired, doesn't have any major life expenses coming up, and doesn't have a long time to compound his money. I'm 28, in the early days of my career, have all of my major life expenses coming up, and have hopefully several decades to be able to compound my money and withstand volatility. Different goals means different appetite for risk which means a different portfolio of assets to expose ourselves to.

Greg Stevens, Fidelity You must also have a plan when investing to take profits and losses. What's your profit target? When do you cut losses? How much of my account am I willing to invest? Investing in a good education and understanding what you are trading and having a plan can help reduce the risk in any of these different products.

Alex Theme number three might sound a little fluffy for an investment podcast, but it's being in touch with your emotions. Whether we want to admit it or not, investing is emotional. That's why we use terms like "animal spirits"—and why some people keep buying at the top of a market and sell at the bottom.

Alex But the very best investors in the world are completely emotionless. Investing is about understanding your goals, doing your homework, and creating a plan. And once you have that plan, you have to have the discipline to stick to it, irrespective of what's happening in the market in the short-term.

Alex You should only do something different when new information presents itself and informs a different game plan or if your goals change overall. This is, for me, one of the reasons that after putting my money to work in the markets, I try to stay away from checking my portfolio like an active trader would on a daily basis.

John Gagliardi, Regional Brokerage Consultant, Fidelity Investments That's always the question. Is this a good buy or is this goodbye? And really, no one ever knows. And I always like to quote—it always goes back to Charles Dow. In 1890, he was quoted as saying, "Markets can remain irrational longer than you can remain solvent." So are we in an uptrend? Yes, absolutely. Will that uptrend continue? Don't know. No one knows.

Alex For theme number four, we've got more of a don't than a do, which is avoiding hype cycles. This is one that dovetails well with the other themes—do your research, know your own goals, and be in touch with your emotions, so that you don't get caught up in hype cycles. But I think it's worth dwelling on by itself.

Alex To avoid hype cycles you need to be able to think for yourself. By being an independent thinker, you make decisions off of their merit and based on your search for truth, based on first principals, rather than off emotions and FOMO.

Alex To do that, it goes back to research and asking yourself a range of questions from what's the bull scenario vs. what's the bear scenario, to why do I believe this is a sound long-term investment and what does the world look like if I am wrong in my decision?

Jurrien Timmer, Director of Global Macro at Fidelity You need to do the homework. Don't buy it just because it's going up — that is the worst reason to buy anything. And that's not limited to crypto.

Alex Those are the main threads I noticed running through the tapestry of Fresh Invest Season 2. I have so enjoyed having these conversations every week, and really from the bottom of my heart, I hope you got something useful out of them as well. Best of luck in the markets, and I hope you think of me every time you analyze an SEC filing moving forward.

Erica Gunn, Producer of Fresh Invest Hey everyone, this is Erica Gunn from Morning Brew. And as the producer of Fresh Invest, I'm here to let you know that this podcast was created on behalf of Fidelity Investments by the Morning Brew Creative Studio, and does not reflect the opinions or point of view of the Morning Brew editorial team. Sources are provided for informational and reference purposes only. They are not an endorsement of Fidelity Investments or Fidelity Investments' products.

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