



## The Mood Elevator

2020 was an emotional roller coaster of a year, thanks to the rapid stock market sell off and recovery, the pandemic that took over our lives in March, and the uncertainty of the presidential election in November.

If you had left town in January; ignored TV news, smartphones and print media, and later looked at your diversified investment portfolio in December 2020, you might have concluded that 2020 was rather uneventful and a pretty good year after all.

The lesson here is, being the emotional humans that we are, we typically over analyze the short-term and underestimate the long-term. Over analyzing and over reacting in the short-term can be compounded by the negative emotions described by Larry Senn in his book, *The Mood Elevator*. According to Senn, and as shown by his graphic to the right, we are more likely to make bad decisions when we are impatient, frustrated, irritated, bothered, worried or anxious, i.e. heading down the mood elevator. Conversely, the chances of making a sound and well thought out decision vastly improves when we are grateful, wise, insightful, hopeful and optimistic, i.e. moving up the mood elevator. We can also move up the mood elevator when we are curious and dig deeper to try and understand what is going on around us (more commonly referred to as keeping an open mind!).

This insight regarding decision making is not only useful and true for investors, but also practical in our personal lives. We have no doubt that any one of us can recount an event when we maybe didn't make the best decision because we were at the bottom of the mood elevator.

If 2020 proved one thing again, it is that having a long-term wealth plan, with your near-term cash needs met, and sticking with it when the media is screaming that the end of the world is coming, is always invaluable. We also hope our insights keep you moving up the mood elevator, which in turn will help you make more informed decisions.

We thank you for your trust and wish you all a Merry Christmas and a Happy Holiday season, despite the numerous new challenges we all face that keep us from getting together with our loved ones. Our full year-end report will be out February first, once we have all our official year-end data.

We welcome your questions at any time.

**R&R Investment Partners**

## the mood elevator

grateful  
wise, insightful  
creative, innovative  
resourceful  
hopeful, optimistic  
appreciative  
patient, understanding  
sense of humor  
flexible, adaptive  
curious, interested  
impatient, frustrated  
irritated, bothered  
worried, anxious  
defensive, insecure  
judgmental, blaming  
self-righteous  
stressed, burned-out  
angry, hostile  
depressed

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Courtesy of Larry Senn, [themoodellevator.com](http://themoodellevator.com)

**Randy B. Yozipovic**  
Senior Portfolio Manager, First Vice-President

[www.rrip.ca](http://www.rrip.ca)

**Ian S. Munro**  
Portfolio Manager, Investment Advisor

Randy Yozipovic and Ian Munro are Investment Advisors with CIBC Wood Gundy.

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