

November 09, 2026

The last month has seen excessive market swings and overall volatility. I am used to these periods of turbulence after 30 years of investing experience, just as an experienced airplane pilot is when their airplane starts bouncing around in the sky from turbulence. Many investors claim that they are “long-term” investors but when the volatility kicks in and the ride gets bumpy, they feel like their money is gone for good and they race to the exit doors selling all and crystalizing permanent capital losses. I always say, “How many great decisions have you made while in a state of panic?” The key is not to react but to act!

Warren Buffett, one of the most successful investors of our time, views market volatility and downturns not as a threat but as an opportunity to buy strong businesses at a discount. His core principles regarding market fluctuations include:

1. Be fearful when others are greedy and be greedy when others are fearful. In his shareholder letters and from the 2008 New York Times commentary, Buffett notes that panic-selling pushes good assets below their true value, making “bad” news an investor’s best friend.
2. Look at market fluctuations as your friend rather than your enemy. He advises investors to profit from the emotional folly of the crowd rather than participate in the panic.
3. Distinguishing volatility from permanent loss. Buffett emphasizes that short-term price swings are normal and "really nothing" in the grand scheme of long-term investing, provided you own companies with strong fundamentals.

4. The supermarket analogy. He compares the stock market to a grocery store: if you plan to buy stocks in the future, you should welcome lower prices so you can get more value for your money.
5. Emotional and financial readiness. Buffett warns that if a major market drop (such as a 50% decline) causes you to panic and sell, you may be taking on more risk than you can handle. Proper temperament and a long-time horizon ("forever") are required to succeed.

The next time you see a market sell-off happening, instead of being worried, thinking the worst, preparing for financial ruin… remember what Warren Buffett once said:

"*Every decade or so, dark clouds will fill the economic skies, and they will briefly rain gold. When downpours of that sort occur, it's imperative that we rush outdoors carrying wash tubs, not teaspoons.*"

Are you ready with your wash tub?

This is how market-crushing outperformance is achieved. By being prepared, staying disciplined, and acting decisively when opportunity knocks.

John S. Bruce, CIM®
Portfolio Manager | **Private Client Division**

Direct Line - 613-491-3344
Toll Free - 866-860-4190
Fax - 416-860-7671
Email - jbruce@researchcapital.com
http://www.researchcapital.com
http://www.creatingwealth.ca

Brian Donegan
Assistant Branch Supervisor
Research Capital Corporation
4500-199 Bay Street
Commerce Court West,Box 368
Toronto,Ontario M5L 1G2
T 416 860-7787
TF 1-844-860-7787
BDonegan@researchcapital.com

Dario Lorkovic
Investment Advisor Assistant
Research Capital Corporation
4500-199 Bay Street
Commerce Court West,Box 368
Toronto,Ontario M5L 1G2
T 416 860-7749
dlorkovic@researchcapital.com

The information in this letter is derived from various sources, including Financial Times, Wall Street Journal, BNN Bloomberg, The Global and Mail, and Statistics Canada. This material is provided for general information and is subject to change without notice. Every effort has been made to compile this material from reliable sources and reasonable steps have been taken to ensure their accuracy. Market conditions may change which may impact the information contained in this document. Before acting on any of the above, please contact me for individual financial advice based on your personal circumstances. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Research Capital has taken reasonable steps to ensure their accuracy.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what the investment advisor believes to be reasonable assumptions, neither Research Capital nor the investment advisor can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise. Certain names, words, titles, phrases, logos, icons, graphics, or designs in this document may constitute trade names, registered or unregistered trademarks or service marks of Research Capital, its subsidiaries, or affiliates, used with permission. All other marks are the property of their respective owners and are used with permission.