**Do this, don't do that: Investors should read these 11 signs**

*Tom Bradley: You can’t predict the market … ever*

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I am in New York this week and keeping an eye out for the Sign Guy. The [dudewithsign](https://www.instagram.com/dudewithsign/?hl=en" \t "_blank) stands on a street corner in SoHo holding up a cardboard sign with messages that are funny, poignant and sometimes biting, which explains his eight million followers on Instagram.

Some of my favourites are: It’s not self-checkout if I need help every time; Drowning your salad in Ranch doesn’t count as healthy; Make the Close-Door button on elevators work; and, You can buy crypto without telling everyone.

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I wonder what he would say if he focused solely on investing. Here are a few possibilities.

**You can’t predict the market … ever.  Really**: No matter how confident and persuasive somebody is, don’t be fooled. They have no clue where the market will be in a month or a year. Asking is a waste of time and basing an investment strategy on the answer is lunacy.

**Last year’s return is a good predictor … of last year’s return**: “‘Past returns are not an indicator of future returns.” There’s a reason investment companies put this warning on their performance numbers. Going forward, markets will be different, as will the strategies that work best.

**If your cab driver is recommending a stock, it’s time to be careful**: The best investment reality check is investor sentiment, or the mood of investors. No knock on your cabdriver, but there is a lot of good news already factored into stock prices if everyone is excited and bullish. The tip may prove to be right, but, generally, high expectations and euphoria lead to disappointment. Of course, the opposite is also true.

**If you’re absolutely certain, you’re missing something**: You’ve undoubtedly met people who tell you they’ve found a sure thing. I think of something [Francois Sicart](https://www.sicartassociates.com/the-team/), the former chair of Tocqueville Asset Management LP, said when I hear someone say that: “I never invest in a situation in which I cannot lose money.” He explained: “Win-win situations simply do not exist in the investment world … if the buyer of an investment is guaranteed not to lose, the seller must be guaranteed not to win.”

**If it’s on your newsfeed, you’re the last to know**: You’re kidding yourself if you think you have an edge over other investors because of something you read. The market is an amazing processor of information. If it’s in the newspaper or on your phone, it’s already factored into stock prices. Remember: You’re reading September 2022 news. Mr. Market is reading March 2024.

**If your adviser squirms when you ask about fees, you’re paying too much**: If you look up the word “opaque” in the dictionary, the Canadian investment industry is listed. Despite efforts by securities regulators, many investment firms make it nearly impossible to figure out what you’re paying to have your money managed. The answer to a question about fees should come easily, be understandable and include everything. If it doesn’t, ask again.

**The bank cares about the bottom line … just not yours**: I once asked an investment banker if a product he wanted our firm to get involved with was good for clients. He hesitated. Finally, he said, “It will sell.” Be assured, every product you’re pitched is good for the bank. Only some are good for you and your situation.

**There’s never been more uncertainty. NOT**: It feels like there is more uncertainty than usual when stocks are gyrating and the market is dropping. There’s not. The variables that drive stock prices are no more uncertain than when markets are steadily rising. The only thing that’s changed is investors’ emotions and how they process the variables.

**If I ask again what the market is going to do, shoot me**: The ‘dude with sign’ could hammer at this theme every week. It seems to be the hardest lesson for investors to learn.

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