September 24, 2020
**Do It Fuh Grantley**
**Episode 23: Deep Dive**

After a less than stellar start to the year, financial markets are recovering and well.

Fortress' Chief Investment Officer, Peter Arender, joins us this week to explain how this is even possible after a recession that was projected to be the worst since the Second World War.

Peter has over 25 years varied experience in financial markets. His focus is on developing and applying highly disciplined strategies to the portfolio management process. He is a CFA charterholder, and joined Fortress in 2009.

We hope you enjoy the show!

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**Episode Time Stamps:**

[00:00:00] Introduction from Kim Howard
[00:03:23] Interview with Peter Arender
[00:03:50] Responding to market fluctuations in March
[00:07:17] Equities? Bonds? What's the difference?
[00:09:36] How this recession compares with others
[00:13:00] It's how markets respond to the news
[00:17:12] Economic outlook
[00:26:15] Fortress Funds' performance
[00:29:23] When is it a good time to invest?
[00:30:23] Managing risk
[00:31:44] Closing comments
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Questions or comments? Send us a voicenote on speakpipe.com/doitfuhgrantleypodcast.

*Grantley Speaking*

1. **Financial markets -** Financial markets refer broadly to any marketplace where the trading of securities occurs, such as forex, money, stock, and bond markets.
2. **Bond market –** This is where investors go to buy and sell debt securities issued by corporations or governments.
3. **Credit line –** A credit line or line of credit is a preset borrowing limit that can be used at any time.
4. **U.S. Federal Reserve -** The Federal Reserve System is the central bank of the United States.
5. **Liquidity -** This refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price.
6. **Asset/Long term asset -** An item that has value. It could be financial or "real", that is something physical like land, buildings, cattle or machinery. Long-term assets are assets or other investments made by a firm that will benefit the company for several years.
7. **Capital -** Capital is a term for financial assets, such as funds held in deposit accounts and funds obtained from special financing sources.
8. **Equities –** Equities represent residual ownership in a firm or asset after subtracting all debts associated with that asset.
9. **Fixed Income instruments/securities** – These are debt instruments that pay a fixed amount of interest — in the form of coupon (annual interest rate paid) payments — to investors. The principal invested returns to the investor at maturity (date on which the principal amount of a debt instrument becomes due).
10. **Corporate bonds -** A bond is a debt security. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time. Bonds can be issued by corporations or governments.
11. **Maturity date -** The maturity date refers to the time when the principal of a fixed income instrument must be repaid to an investor. It also refers to the due date on which a borrower must pay back an installment loan in full.
12. **Recession -** A period of declining economic performance across an entire economy that lasts for several months.
13. **Interest rates -** Interest rate may refer to the annual cost of credit or the annual percentage growth of a savings account.
14. **Rate of return -** The rate of return is used to measure the profit or loss of an investment over time.
15. **Raise all boats -** This refers to the idiom, "A rising tide lifts all boats". The idea being that when an economy is performing well, all people will benefit.
16. **Time horizon** – This is the period where one expects to hold an investment for a specific goal.
17. **Risk tolerance** - A measure of how much of a loss an investor is willing to endure within their portfolio. It looks at how much market risk an investor can tolerate, due to stock market swings, economic events, regulatory changes etc.

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