



March 9, 2020

**'I have never been in a period of so much anxiety as now', says manager – Economia**



Investment adviser and estate succession for very wealthy families around the world, Charles A. Lowenhaupt believes that the moment experienced by investors today is even worse than the 2008 crisis.

"I have been in this business for 40 years and I have never been in a period of so much anxiety," he says. He is a partner at Lowenhaupt & Chasnoff, the first United States law firm to focus on taxation – the office was founded by his grandfather in 1908.

Lowenhaupt says that, at a time like this, investors should organize their portfolio to better support volatility. This month, he launches his book in Brazil, *Freedom from Wealth*. He has a partnership with Leonardo Wengrover, founding partner of W Advisor who, among other measures, worked to adapt the content to the Brazilian audience.

Following are excerpts from the interview.

**In 2008, in an interview with the newspaper 'The New York Times' he talked about the crisis and how he advised his clients. We are now experiencing a tense moment with the world stock markets due to the coronavirus. What changed?**

I have been in this business for 40 years and I have never been in such a period of anxiety among people all over the world. It is not just the coronavirus, it is the uncertainty about whether we are leaving globalization, what people feel is happening. It is uncertainty about what will happen from now on. I think what we're experiencing now is more dramatic. People are not sure where the market is going.

## **Is it worse than in 2008?**

Yes, because in 2008 people felt that there were leaders around the world, that central banks could deal with what was happening. There was a lot of insecurity, don't get me wrong, but today the problem seems very big and difficult to deal with.

Interest rates worldwide are getting lower and economies are not growing again. The impression is that central bank monetary policy is not working.

This is a risk that needs to be taken into account in wealth management. So the first question is, do you have enough money to cover expenses for a year? When you have cash, the big question will not be to seek a maximum interest rate, but how to keep that equity safe. We have seen more families lose money by adhering to high interest rates on securities than by investing in good companies. To invest, you have to know if that is a good deal. A well-built portfolio of shares has done extraordinarily well over a long-term horizon. If I were advising Brazilians, I would say: make sure you have enough cash, then diversify something around 20% or 30% in bonds (government or debt) and put the rest in good deeds. I would also say: do not put more than 2% or 3% of your assets in each of the securities. Buy shares of global companies.

## **Why is investing in global companies so important?**

This is the way to deal with some challenges. For example, I know about trading currencies. But no matter how much I know, an international company knows more about it. Therefore, buying shares, shares of this company makes more sense than buying foreign currencies.

## **Last year, the Brazilian Stock Exchange registered a record of active CPFs. What advice would you give to these new investors?**

The lessons to be learned are lessons in governance. People think they can buy stocks and bonds almost intuitively, but that's not the case. You have to have a process and diversification is important. You need to recognize that there will be volatility and make sure you have cash on hand, in the correct currencies, to get through these moments.

<https://www.time24.news/u/2020/03/i-have-never-been-in-a-period-of-so-much-anxiety-as-now-says-manager-economia.html>