



March 27, 2020

Dear Clients:

We remain vigilant as always in these turbulent times. There appear to be more unknowns in our economic future than usual, and so we expect continued market volatility, even after the most recent promise of government sponsored fiscal and monetary aid.

As investors, we are cautious of this week's recent sharp positive rally. Our sense is that it could be difficult for the rally to hold or move higher, given the projected string of future bad news headlines already baked into the mix (with regards to global health, economic output, unemployment, and corporate health). Of course, there could always be unexpected good news that could help the rally; that would likely come in the form of news of improved treatment methods or outcomes (there are many healthcare workers and scientists working heroically to address the challenge, and we expect their efforts to eventually show meaningful impact).

Additionally, there is also a risk that markets lose trust in global governments' ability to successfully absorb the impacts of our current situation. When forecasters estimate economic impacts (positive or negative) they usually underestimate the impacts. We suspect the consensus is under-estimating the longer-term damage this event may cause. As the true impact comes to light, trust in the experts and the system may begin to erode, and things can cascade further in a self-replicating way. We are not saying that the market will take another big step down from here, but we *are* saying that such possibility certainly exists, and the risk is not negligible, nor should it be ignored. As

such, even if one were to believe this rally will hold, we don't think now is an "amazing buying opportunity".

So what should investors do? While we are constantly evaluating market conditions on our clients' behalf, the answer in large part depends on your own unique circumstances. Did the recent drawdown cause you to reevaluate your capacity to hold risky assets like stocks? If so, maybe now is the time to revisit your asset allocation and move it to a place where future market headlines won't cause you to lose sleep. On the other hand, almost all of our clients remained comfortable with their long-term plan and held their positions. If you were in this camp, we would say continue to hold your positions. Long term investors will make it through this event.

The majority of our staff continues to work remotely, and we have been able to successfully conduct our day to day business. Behind the scenes, we are monitoring your accounts and the investment environment as always. We also stand ready to discuss your specific financial circumstances whenever it is helpful to you. Please contact us should you have any questions or comments.

We wish you and your family good health in these challenging times.

Andrew Grinstead
President, Chief Executive Officer