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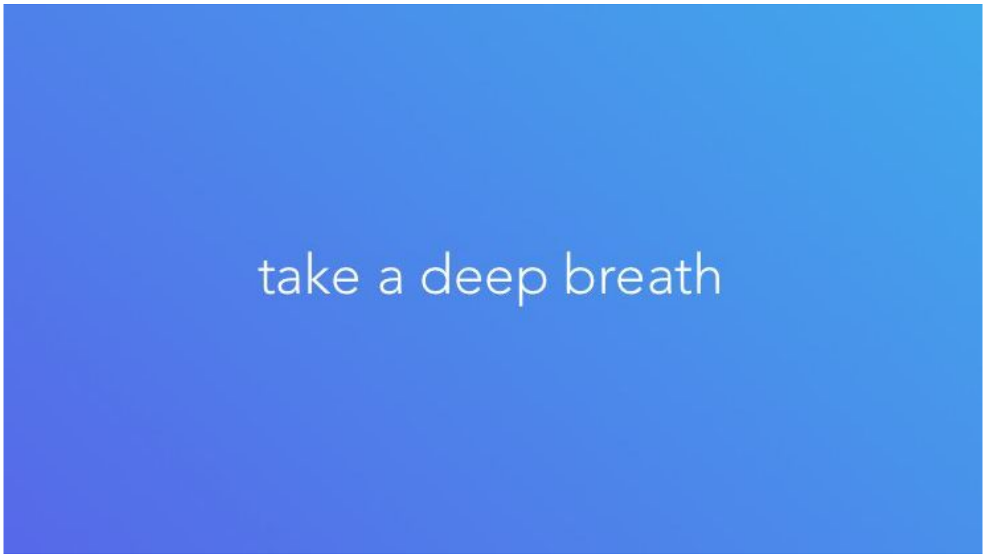

We want to take this opportunity to share a few thoughts with you to give you a broader perspective beyond what just happened these last five days.

The S&P 500 has corrected by almost 15% from its highs. Bear Market territory is defined by a 20% or more drop in the market from the last historic high point.

Investors have, of late, been looking for reasons to retreat from the market. The impeachment hearings barely made a dent. In the face of Trade Wars and yield curve inversions, we experienced one of the best calendar years of performance in the last 20 years, but now we are seeing a correction. Why now?

The market's current drop can be blamed on concerns of global growth being threatened by disruption from the spread of the coronavirus – COVID-19. The fears of the spread are real. The number of cases is in excess of 83,000 worldwide and confirmed deaths from the virus are nearing 3,000. These are big numbers, but the pace of growth for both figures is slowing. To put this into perspective, the World Health Organization estimates that worldwide, annual influenza epidemics result in about 3-5 million cases of severe illness and about 250,000 and 500,000 deaths.

Also, to add perspective, similar viruses gripped emotions of investors and caused market corrections in the past. In 2003, during the height of the SARS virus, the S&P 500 fell by 12.8%; in 2015/2016 during the Zika virus, the market fell 12.9%. They all passed, and the market recovered and hit new highs.

Chances are good that this scenario will play out again.

The concerns over a sustained and long-lasting effect on the global economy from this specific virus are not yet substantiated. Here's what we do know about the US economy. It is in great shape. Unemployment is at all-time lows, inflation is low, housing is strong, the consumer's balance sheet is in a strong position, wages are moving up and manufacturing has picked up again.

What we want you to know is that we are completely engaged in keeping abreast of developments as it relates to the coronavirus, but we also stay engaged in other market and economic influences. For example, we are keeping close tabs on the 2020 elections, corporate earnings, and other economic conditions.

However, based on many conversations and years of getting to know you, our clients, we have established asset allocation strategies – based on your risk tolerance, your age, and your needs in retirement – that are specific to your short and long-term goals. For those of you that make regular contributions to your retirement accounts or portfolios, this is exactly why we preach and teach about dollar cost averaging. Fundamentally, these asset allocations and regular investing habits are designed to keep emotions and irrational decision-making from interfering with your portfolios. We believe selling as markets correct is not in the best interest of our clients. More naturally, we want to be buyers when stocks are on sale. More importantly, we want to be invested when the market does recover, which it always has after periods of deep pullbacks and often has done so quickly, with significant moves in a day.

It's an old adage, and one you've heard us use before, but continue to say: "Stay the Course". Use the weekend to take a break away from the markets, and the never-ending media coverage, to focus on the fact that we are simply at levels of the market we were at only 4 short months ago. In the last ten years of this bull market, we have experienced five market corrections similar to what we are going through now. It is also important to note that the Dow is currently trading at around 25,000. On February 26, 2010, the Dow was trading at 10,325 and in February 2015 it was at 18,132. The market always gets jittery around uncertainty. We expect some market stabilization once the dust settles and we receive more favorable data related to the virus.

If you need to talk to us, please call us. Or email and ask us to call you. We will get back to you as quickly as we can.

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