



A Personal Reflection

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March 26, 2020

Beginning in the financial services industry in the late 1970's, I navigated the days when interest rates for mortgages were thirteen percent, interest earned on money market funds approached eighteen percent and inflation was running at around twenty percent. About ten years later in 1987, the U.S. stock market crashed, declining by twenty two percent in one trading day. My partners and I were fortunate to foresee the 1999-2000 dot-com bubble hedging client's portfolios against a twenty-five-month bear market where cumulative declines approached forty five percent. In addition, we experienced the horror of the September 11th, 2001 terrorist attack and the subsequent adverse effect on the nation's psyche, economy and financial markets that resulted from such a cowardly and brutal attack that took in excess of three thousand unsuspecting and innocent souls. Finally, we exhaustively yet successfully piloted our client's portfolios through the 2008-2009 Great Recession when the credit markets froze due to excessive leverage instantaneously exploding within the financial system

Currently, we are experiencing the fear and uncertainty surrounding the Coronavirus Pandemic. We are all justifiably concerned about the economic and market malaise and the impact on our health and financial condition. However, and in order to remain objective, making levelheaded decisions on your behalf, we have modeled some of past experiences mentioned above. As a result, the cycle that we believe most resembles the current crisis is the September 11th, terrorist attack. You may recall that the New York Stock Exchange and the NASDAQ did not open for trading on Tuesday morning, September 11th and remained closed until September 17th to prevent a market meltdown, the longest shutdown since 1933. On the first day of trading, Monday, September 17th, the S&P 500 fell 684 points or 7.1%. By the close of trading on that Friday, the S&P 500 lost 11.6% or an estimated \$1.4 trillion in value in a mere five trading days. However, the American people and the U.S. economy proved to be legendary in strength and resilience. In a little over a month, the S&P 500 regained its pre-9/11 levels.

While not predicting that the same timeline or results will occur when we are at the end of this global health crisis, the similarities are striking. A dramatic economic slowdown and market meltdown occurred instantaneously in 2001 and today this pandemic also has stopped commerce in its tracks creating a demand recession: demand for services and product are virtually sucked out of the economy. Throughout the entire world nobody wants to fly on airlines or meet in public places, such as restaurants and movie theaters because of deep-seated fear and government mandates. Sound familiar? No doubt that this virus is a serious threat and will threaten the way we currently and perhaps permanently function day to day. However, we feel confident that we will successfully conquer this invisible enemy and life will feel a lot more normal in the months ahead. Thus, we are also of the opinion that while we currently live in unprecedented times and are making decisions while navigating through uncharted territory that the same will be true for the global economies and financial markets.

Finally, below is a Scripture verse alongside my own reflections that has kept me comforted during this time of fear and uncertainty. And while in no way does this promote one religious belief over another, I'm sharing it with you as perhaps a source of peace for the uncertain and sometimes fearful days that we have gone through and most certainly lie ahead until the day when we can claim ultimate victory.

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Matthew 6:25-34

That is why I tell you not to worry about everyday life—whether you have enough food and drink, or enough clothes to wear. Isn't life more than food, and your body more than clothing?

- **It is easier to place our trust in God and take steps to structure our priorities**

Look at the birds. They don't plant or harvest or store food in barns, for your heavenly Father feeds them. And aren't you far more valuable to him than they are?

- **God places immense value on us.**

Can all your worries add a single moment to your life?

- **Worrying doesn't help. Acceptance and faith in our present condition shows trust in God.**

And why worry about your clothing? Look at the lilies of the field and how they grow. They don't work or make their clothing, yet Solomon in all his glory was not dressed as beautifully as they are. And if God cares so wonderfully for wildflowers that are here today and thrown into the fire tomorrow, he will certainly care for you. Why do you have so little faith?

- **God has clothed the lilies of the field with a wealth of beauty that surpasses even Solomon in all his glory and riches.**

So don't worry about these things, saying, 'What will we eat? What will we drink? What will we wear?'

- **To worry and to constantly question is to assume responsibility for that which God never intended.**

These things dominate the thoughts of unbelievers, but your heavenly Father already knows all your needs.

- **It is better to focus on the day at hand so the present doesn't slip away as we think about the past and worry about the future. Time is better spent creating a vision.**

Seek the Kingdom of God above all else, and live righteously, and he will give you everything you need.

- **Seek God and His will. He will provide all we could ever need.**

So don't worry about tomorrow, for tomorrow will bring its own worries. Today's trouble is enough for today.

- **In summary we are told...Not to think about tomorrow, for tomorrow will take care of itself.**

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Sources: *The Wall Street Journal, Reuters News Service, J.P. Morgan Guide to the Markets, Brian S. Wesbury, Chief Economist, First Trust Advisors L.P.*

*The S&P 500 Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market. Performance of an index is not illustrative of any particular investment and performance figures quoted are historical. It is not possible to invest directly into an index.

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