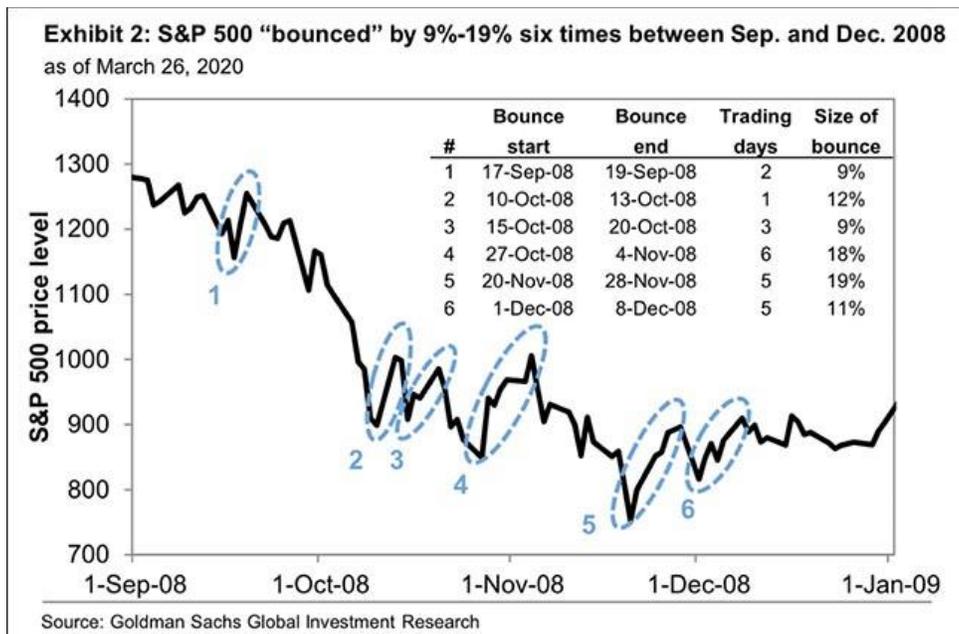


ARS – Weekly Update 4/3/2020

As March came to a close earlier this week it marked the end of the first quarter for 2020. The S&P 500 was down 20% which was its worst quarter since 2008. The Dow Jones Industrial Average, led down by Boeing, lost 23% for the quarter which was its worst showing since 1987. Given the continued spike in weekly unemployment claims and deteriorating economic conditions, we believe the market will remain under pressure. This is the reason why over the past month we have shifted many portfolios into a more defensive position, reducing stocks and increasing cash reserves.

While we expect volatility to continue for the foreseeable future, we also believe it will create many attractive buying opportunities. The chart below shows 6 different relief rallies of +9% to +19% during 2008’s Bear market. We believe a similar pattern will appear over the next couple of months, providing us several opportunities to gradually redeploy cash into attractive, individual equities such as Amazon, Microsoft, CVS, and P&G. What the chart from 2008 also illustrates is that we can be patient. We don’t have to “chase” the market trying to pick the bottom but can wait until we have a clearer view of the economic impact before committing additional money to stocks.



Many of our conversations with clients over the past several weeks have revolved around the sustainability of withdrawals (for those who are retired) or the impact on retirement savings for those still working. Most clients have been relieved to find out that they are still on-track despite the recent market volatility. If you have not yet reviewed the status of your financial plan with your advisor, now would be a great time to call in and schedule an appointment.



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We know many of you may be struggling with the current economic uncertainty and isolation during the quarantine. Please don't hesitate to reach out to our office if we can be of service or offer reassurance during this difficult time. We're all in this together and the whole ARS team is standing by to help in any way we can, even if it's just to chat.

Your ARS Team