TAKE A DEEP BREATH… In a day and a week like this, it's difficult to keep your wits about you. However, a couple counterpoints to keep everyone from completely losing their mind:

- **Near-term market sentiment is reaching pessimistic extremes**, based on data such as Ned Davis' Crowd Sentiment Poll. Other technical data such as the put/call ratio are also close to historic lows. This suggests to us at least some sort of near-term bounce is likely…the quality of which we will have to judge in real time to determine its staying power. In your more growth-oriented portfolios in particular, we need to be careful to not get caught up too much in market panic, as your longer-term investment horizon in these portfolios suggests patience when there's 'blood in the streets' (to paraphrase Baron Rothschild).
- **China, the original epicenter of the viral outbreak, has now the best performing market year-to-date**, as viral infection continues to drop – now close to zero new cases per day. China's market action may be an early window into how Western markets will react once covid-19 infection rates start to slow. South Korea, Singapore and Hong Kong new cases also appear to be slowing, suggesting that it is possible to contain the virus with concerted effort.

We are not ignoring your concerns, as we share them as well. It is not just YOUR accounts, your kid's schools, your travel plans, etc. We are right there with you and have diligently been digesting all the information and resisting any knee-jerk reactions or comments. There will most certainly be an economic toll, however, it remains to be seen how severe it truly will be. It all hinges on how long the disruption lasts, if it passes quickly, the longer-term economic impact may be relatively minimal. History shows that epidemic threats do not cause sustainable damage to the world economy, and that the global economic rebound will likely be delayed, but not derailed. This year we will begin to see the impact of the United States Mexico Canada Trade Agreement which will be a boom for agriculture, technology and manufacturing. A middle-income tax cut 2.0 is on the table for year-end which should be a huge stimulus for the U.S. economy, this, in addition to other fiscal stimulus measures that are currently under way. Part of declaring a "national emergency" means that federal funds can now be used to fund efforts to minimize and control the spread of the coronavirus.

This week's selloff, and the one at the end of 2018 before 2019's big market run-up, have caused quite a bit of anxiety for many. During times like these, we encourage you to carefully consider your true risk tolerance when looking at rebalancing your account in the future. Generally speaking, staying the course in a portfolio that's in line with your risk tolerance yields a better performance result than trying to time getting in and out of the market, as there's a tendency (due in large part to human psychology and emotion) to get out at/near the bottom, and then miss the front side of the inevitable rebound.

In the coming weeks, we encourage you to have rational, thoughtful conversations with us about what has changed for you in all of this and ways that we can help you stay on track to achieve your financial goals.

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