

The Jester Group

March 23, 2020

My dear friends,

On February 20th, just a little more than a month ago, the financial markets hit all-time highs, and the strong bull market that began in 2009 seemed poised to go even higher. And then, just a few days later it became clear that contrary to what some had said, the Coronavirus was not a hoax or a creation of the media. It was coming quickly and viciously, and we had not taken the necessary precautions to prepare for it. We did not have enough medical gear and equipment and we were ill-equipped to conduct the tests necessary to diagnose the virus so that folks who had it could be quarantined.

We had become complacent and abandoned the scientific and medical structure that was put in place to deal with the Ebola crisis and similar pandemics that might follow. So, we had to start over in assembling the human team necessary to lead the attack against the Coronavirus and that put us behind in the struggle. Now, if we are to catch up and "flatten the curve" of the spread of the virus, then all of us have to do our part. I know that some of the measures we are being asked to take are difficult and seem extreme, but we must join together if we are going to win this war.

Unfortunately, not only is the Coronavirus highly contagious, so is the fear that the virus creates. It has invaded every sphere of our lives--our families, our work, our friendships, our schools and universities, our churches, synagogues, mosques, and temples. In some ways the fear that we are spreading is as deadly as the virus and we have not realized that we must defeat it too.

Since the Coronavirus caught us off guard, the stock market has been in what our Chief Investment Strategist, Bruce Bittles, calls a "Waterfall:" a time in the market when cascades downward rapidly. Bruce says the cycle usually lasts 27 days and I hope this one follows that

patter, because if it does, we are almost there. Our folks at Baird remain committed to the long term and we believe they are right. I am especially encouraged at the historic steps taken by the Federal Reserve just today in putting more support under our economy. And, I also believe that the bipartisan legislation that Congress will hopefully pass in the next couple of days will be welcomed by the markets. Both of these factors give us more firepower to calm investors' fears.

Unfortunately, the more afraid we become of the virus, the more that fear translates into the rest of our lives, including our investments. What we must remember though is that our most important challenge now is not the stock market, it is the Coronavirus. We must do what is necessary to defeat it.

Of course, I cannot make any promises, but I hope that you can remember that we have been in fearful times before and we have come through them. We will come through this time as well. We have also been in volatile markets before, and these "Waterfalls" have calmed into peaceful pools.

I have no antidote for the fear, except to step back, take a deep breath, and count our blessings. If we look around we will discover that even in times of great fear and "social distancing" we can see many other folks who are enduring much more difficult times than we are. And there are ways that we can help them--be generous with your tips for the whole kitchen staff when you pick up your carryout meal; take some winter clothes to the dry cleaners whose business may be way down; reach out with a good deed to your older neighbor; write a letter to someone dear while you are at home, send cards, or emails, or texts, or pick up the phone and call someone. Thank those who are on the front lines of care for those who are being treated for the virus. There are lots of ways to help others and at the same time lower our own level of anxiety and fear about our life and the markets. Looking beyond ourselves is a very powerful way to attack our own fears. A favorite tenet of my life is "that love casts out fear." I think you know that power as well.

There is also much strength in knowing that you and I are not alone in this fearful time. Franklin Delano Roosevelt had just become president and our country was in the early stages of the Great Depression. Fear filled the hearts and minds of almost every American. He knew that he had no greater challenge than to lift them up from their fear. These words from his Inaugural Address are still some of the most inspiring words ever spoken: "The only thing we have to fear is fear itself." May President Roosevelt's words help us overcome our fears as well. We ask you to be very careful and do your best to stay well. We thank you again for our relationship with you and for the opportunity to serve you.

In gratitude,



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Director