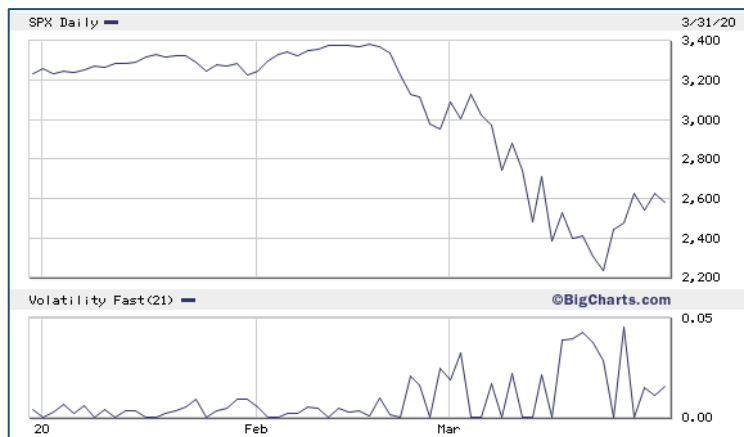


Quarterly Recap:

In the past several years, the markets contended with a number of identifiable threats- BREXIT, trade wars, interest rate fears.... Although significant risks at the time, none of them singularly or combined were enough to slow the global economy or curtail the advance of equity markets. In late February, a somewhat silent and crafty threat known as COVID-19 brought the mighty U.S. economy to nearly a screeching halt. Rightly so, many are focused on life or death concerns that precede the economic realities facing investors.



The Bond Market:

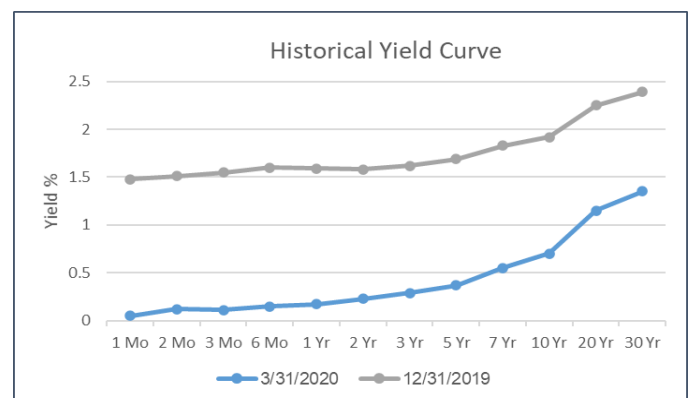
The Federal Reserve was quick to act once the situation was officially declared a pandemic. First, they cut short term rates to zero, recognizing the near inevitability of a recession. They then became very active in purchasing fixed income of all varieties, in an effort to provide liquidity and prevent a spiraling credit crisis. The result is a yield curve which is no longer inverted but is dramatically lower across all maturities. In a sense, it is 2008 all over again for interest rates. The Fed can not cure the virus, their job now is to allow a means for some trade to continue and allow a platform for recovery.

Quarter Ending March 31, 2020

Equity Indexes	Close	% Change
DJIA	21917.16	-23.2%
S&P 500	2584.59	-20.0%
NASDAQ	7700.10	-14.2%
Treasuries	Close	Change
10-Year Yield	0.70%	-1.22
2-Year Yield	0.23%	-1.35

The Stock Market:

The precipitous decline of equity markets closely mirrored the evolving awareness of COVID-19 and the remedies. Due to the nature of the disease and lack of widespread testing, the virus spread to many metropolitan areas. Investors quickly realized that managing the virus was impossible. Instead, the main tool to control the spread was to dramatically curtail economic and social activity. The result was an almost immediate end of the bull market and an extreme rise in volatility. Gladly, a stimulus package (2 trillion dollars) has allowed the markets to find momentary stabilization.



Looking Ahead:

There are many questions that everyone has. Most begin with "If", "When", or "How". We wish we could answer the "When" and "How" questions but the answers depend on the course of the virus. We have much greater conviction that we will eventually be on a better path. In short, we are much more confident that the economy will restart, recover, and eventually thrive. From our viewpoint, the "If" is more certain and is a remaining source of optimism. We pray for the good health and recovery of all.