

Market Recap Q1 Jerry Chafkin – AssetMark CIO

On March 20th, the Federal Reserve announced it was reducing its Fed funds rate to between zero and 0.25%, and outlined an unusually broad and open-ended program of bond purchases to assure liquidity in the banking system and maintain credit availability for American businesses.

.Index	Q1 2020	YTD 2020	5 Year	10 Year
S&P 500	(-19.60%)	(-19.60%)	+ 6.73%	+10.53%
MSCI ACWI	(-21.26%)	(-21.26%)	+ 3.41%	+ 6.45%
Bloomberg Barclays Global Bond Aggregate	(- 0.33%)	(- 0.33%)	+ 2.64%	+ 2.47%
Bloomberg Commodity	(-23.29%)	(-23.29%)	(-7.76%)	(-6.74%)

*Clark Capital Review

The only thing we know about the current market environment is that we are heading into a recession of as-yet-undetermined duration that will result in a large drop in earnings and a large jump in unemployment. The CARES Act and any subsequent fiscal stimulus bills will help to ease some of the suffering of workers but there does not appear to be any way to avoid the recession

KSH Advisors News/Updates

Pumpkin Growing Charity Challenge Is Back

Back, by popular demand, I am hosting a 2nd annual pumpkin growing contest for clients. Your quarterly performance packet, mailed to your home address soon, will include the magic seeds and some growing tips from last year's winners. Let's have fun and help your favorite charity!

- Grand Prize - \$250 donation
- 2nd prize - \$100 donation
- 3rd prize - \$50 donation

Pershing Custodied Clients Moving to AssetMark Trust

Some of my clients are custodied at Pershing and others, at AssetMark Trust. As you know, your custodian supplies your monthly statements, IRS tax documents, and distributions as well as handling all other service requests. It has become clear to me, over time, that AssetMark Trust has been able to more efficiently and effectively service your accounts which makes things smoother for you and for me. Please look for an email in the coming months as I reach out to those impacted to discuss this transition.

Disclaimer: This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events. Index returns are for illustrative purposes only. Indexes are unmanaged and cannot invest directly in an index. Past performance does not guarantee future results.

What Should Investors Do? Kezia Samuels AssetMark Client Portfolio Management Director

"During March, the US Stock market, as measured by the S&P 500, entered bear market territory in just 16 days ending the longest running bull market in US history just days after its 11th anniversary. A bear market reflects a 20% drop from a recent high which was last seen on February 19, 2020.

The bond market, excluding US Government and Treasury bonds, sold off sharply due to liquidity concerns and panic selling. This is what led the Federal Reserve to step in so aggressively in March to insure that this crisis, which is not a financial one, did not unfold to become one.

What is needed for the markets to sustain growth in the future?

- 1) Evidence of successful virus containment in developed countries.
- 2) Clarity on the economic impact as a result of the social distancing measures put in place.
- 3) Stimulus in the form of liquidity from the Federal Reserve and Congress, getting money into the hands of individuals via the CARES Act injected much needed stability into the markets. Market volatility will likely remain as progress towards these 3 developments continue.

What Should Investors Do? (continued)

It is important to stay invested during these volatile times which can often feel like an out of control roller coaster. Results over the last 26 years shows exiting the market during such times can provide less than optimal long term outcomes. Missing 10 of the best days during the last 26 years (9,490 days), as measured by the S&P 500, caused overall return to decrease by 50% (Lord Abbett). One of the key reasons is that while most of the worst performing days in the market absolutely occur during Bear Markets so do many of the best performing days.

What should you be thinking about?

- Review your financial plan - have your goals/needs changed?
- Has your appetite for "risk" in your portfolio changed?

It is easier said than done to remain calm in markets like these.

But weathering short term volatility is a critical component to accomplishing your long term goals and thus staying confident during periods of volatility."

I hope you'll reach out to discuss if I can address your questions or concerns regarding current market events, your portfolio allocation and how our strategists are managing your portfolio during these uncertain times.

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Client Corner - Serious reflections on the virus (from a KSH Advisors Client)

- Half of us are going to come out of this quarantine as amazing cooks and the other half, with a drinking problem.
- I used to spin that toilet paper like I was on Wheel of Fortune. Now I turn it like I'm cracking a safe.
- I need to practice social-distancing from the refrigerator.
- Still haven't decided where to go for Easter ----- The Living Room or The Bedroom
- PSA: every few days try your jeans on just to make sure they fit. Pajamas will have you believe all is well in the kingdom.
- Home-schooling is going well. 2 students suspended for fighting and 1 teacher fired for drinking on the job.
- I don't think anyone expected that when we changed the clocks we'd go from Standard Time to the Twilight Zone
- This morning I saw a neighbor talking to her cat. It was obvious she thought her cat understood her. I came into my house, told my dog..... we laughed a lot.
- So, after this quarantine.....will the producers of My 600 Pound Life just find me or do I find them?
- Quarantine Day 5: Went to this restaurant called THE KITCHEN. You have to gather all the ingredients and make your own meal. I have no clue how this place is still in business.
- (My favorite) My body has absorbed so much soap and disinfectant lately that when I pee it cleans the toilet.
- Day 5 of Homeschooling: One of these little monsters called in a bomb threat.
- I'm so excited --- it's time to take out the garbage. What should I wear?
- I hope the weather is good tomorrow for my trip to "Puerto Backyarda". I'm getting tired of "Los Livingroom".
- Classified Ad: Single man with toilet paper seeks woman with hand sanitizer for good clean fun.
- Day 6 of Homeschooling: My child just said "I hope I don't have the same teacher next year".... I'm offended.
- Better 6 feet apart than 6 feet under....

Photos during the pandemic...

Kathy's Corner

There is likely nothing I can say to make this current period in our lives any easier. Fortunately, our family has not suffered illness or death from the Coronavirus and for that we are truly grateful. I pray the same is true for you. And, as hard as it is to be socially distancing, it is a far easier thing to deal with than the struggles and losses far too many people are dealing with today. Outside of work, I've done chores, read books, completed ALL our jigsaw puzzles, made jam, and binge watched favorite new TV shows.

I've also found joy in a slower pace of life and new perspective on the life and people I value. I am finding peace in my own company and am grateful for the ability to exercise. I walk daily including walks over the now quiet 520 Bridge and take Yoga via Zoom classes. I am enjoying time with my daughter who has moved home to be with us as she also works remotely. She is doing the cooking and for that, Jay is eternally grateful as he works hard to keep Camp Korey stable during this tough time.

In the end, I feel utterly grateful. For you, your trust and partnership. For my health and for yours. For food on my table, income to pay my bills and the ability to help others who need a bit of help. I pray you stay healthy, strong and sane and I look forward to a time when we can be together again in person. God bless you and those you love.