

March 6, 2020

Dear Investor:

The dramatic stock market fall the week of February 24 (and the extreme volatility we have experienced since) reminds me very much of the steep decline that occurred in the aftermath of the terrorist attacks on Tuesday, 9/11. The markets closed after the attacks for the balance of the week and reopened the following week with shortened trading hours. In those 5 days of trading the Dow Jones Industrial Average fell -14.3%, similar to last week's decline of -12.4%.

Without sounding callous or cold-hearted, in my opinion, the market did not fall because of the horrific loss of nearly 3,000 lives and the destruction of the *World Trade Center*, but rather because many pundits were predicting that "life" in the U.S. (and the developed world) would never be the same. Terrorist attacks (i.e. people blowing themselves up, shootings, knifings, etc.) would sadly become routine and an everyday, weekly or monthly occurrence. Going to the mall or grocery store would require going through metal detectors and that we would see security forces with machine guns on street corners and at public places where people gather. Because consumer spending made up two-thirds of U.S. gross domestic product at the time (i.e. now 70%)*, the economic impact on the U.S. would be devastating. Thankfully the dire predictions did not materialize and "life" over a period of months returned back to normal. I believe and hope the same will occur with the Coronavirus.

Please let me know if you have any questions or concerns. I not only welcome but value your thoughts and experiences. Thank you.

Best regards,



John A. Gogolak
Senior Vice President/Investments

Past performance does not guarantee future results and no one can predict the markets with any certainty. Indices are unmanaged and are not available for direct investment. Index returns include the reinvestment of dividends but do not include adjustments for brokerage, custodian, and advisory fees. The Dow Jones Industrial Average (DJIA) is an index that shows how 30 large, publicly owned companies based in the United States have traded during a standard trading session in the stock market.

*CNN Money