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We hope this update letter finds you safe and healthy. These are unprecedented times for certain. We would like to take this moment to acknowledge the challenges we are facing and the progress that is being made. We would also like to take this opportunity to commend you for patience and understanding how and why we have put portfolios together. When faced with adversity it is often a natural reaction to want to do something. Our belief is the best approach is to stick to the plan. That doesn't mean we don't reassess and make changes, but we want to do this with the longer term view of your goals. We are making moderate changes in the portfolios as are many of the managers of the funds we use. A good analogy is standing on mountain and looking across the valley to the peaks on the other side. We know we must cross the valley, but our focus is looking at and reaching the peaks on the other side. Thank you for your continued trust in us.

Our last letter was written within days of the markets reaching their lowest prices during the quarter. Between February 19 and March 23, the S&P500 fell 35%. The magnitude of the decline was not historic, but the quickness of the decline was. Currently, there is a split between those who think that the markets will re-test the lows and those who think March 23 was the bottom. Re-testing means that the market will fall again to the prior lows to see if it really is the absolute low. Passing this test (by the market not making a new low) can be solid evidence that March 23 was the low point for the market. This is how bear markets usually work. On the other hand, dropping 35% in a few weeks is not how bear markets usually work, so it is possible that we will not re-test the lows. With these few sentences, the limit for discussing market technicals has been reached, so we will move on.

The last note mentioned that there would be a beginning, middle and end to the virus. We seem to be in the middle right now. At best, our lives have been altered in terms of our daily activities, and we have had time to witness and process the impact that the virus has had in our collective lives and the economy. We have all reacted to that in different ways. We would like to repeat our suggestion to stay informed but take time to turn off the news and focus on your friends, family, your own health and the community. If you feel challenged or unsettled, call us. Know that you are not alone, and we will pull through this together.

Our three families are doing fine so far. Our office building has remained open. As an essential business (as defined by the Stay At Home order), we are able to continue to work. Our firm's investments in technology have allowed us to work remotely quite effectively. Our policy has been to have two of us working at home while one of us has been in the office. It has worked well. Furthermore, the service providers that we work with, including Fidelity and Schwab, have maintained effective protocols to meet our service needs while protecting their own workforces. All in all, many things that are supposed to work in times like this, are in fact working. We are available if you need us.

Our last note contained three events that could help the markets stabilize, by giving it a clearer view of life after the curve. These are repeated here:

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- Data that shows the actual spread of the virus in this country. The data might be bad, but it may not be as bad as feared, and known data will result in specific plans of actions. This is better than fear-based estimations.

- Any news of therapies or care protocols that either reduce the mortality rate or lessen the intensity of care needed. We would also include news that Tom Hanks and his wife have recovered. Recall how quickly the fear dissipated years ago when the patients with Ebola were cured after they returned to the United States. Note that we did not say a cure in this case. But news in this area would help.

- Information and details from all levels of the government discussing how it will help both citizens and corporations navigate the period between now and the end of the curve. We have started to receive some of this. This too, over time, will help allow investors to see and incorporate life after the curve into current prices.

We have certainly received more data. We mentioned that the data may not be as bad as feared. It clearly is bad, but the data provides a picture that we can have more confidence in, which means that we can also have confidence when it shows a peak.

There has been a lot of news regarding therapies and care protocols. Our health care sector seems to be fully engaged in working towards various solutions. We have confirmation that the tremendous amount of human assets hypothetically available to work on the many facets of response is a real thing. I would add to this all those human assets maintaining our food delivery system.

Finally, we have learned of the significant response from both our Monetary and Fiscal policy makers. Their actions have removed the fear of a Depression as a likely outcome. It is important to acknowledge that their actions will not alleviate all pain. The virus, and the shutting down of our economy, will have lasting and meaningful economic impact.

There will be bankruptcies. There will be job losses that are not temporary. Changes will occur in economic structures. Companies will change they way they do business. Our system in general will change the way it responds to potential pandemics. It will take time for corporate earnings to recover to prior levels, simply because all the changes that will occur will require money to be spent, and that likely means lower margins for a while. To repeat a comment from the last note: Publicly traded companies also have very talented people working for them. These companies are re-tasking their people to help figure out how to navigate their businesses through the crisis. They are not waiting around for direction. They are acting. It is hard to bet against them.

Finally, the unintended consequences from the substantial Monetary and Fiscal stimulus and programs are unknown but coming. The market will now attempt to evaluate the economic damage and other issues new to our way of life. This will likely result in continued market volatility. But there should be good news and progress along with bad news and setbacks, suggesting a market that trades withing a range as opposed to just falling.

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