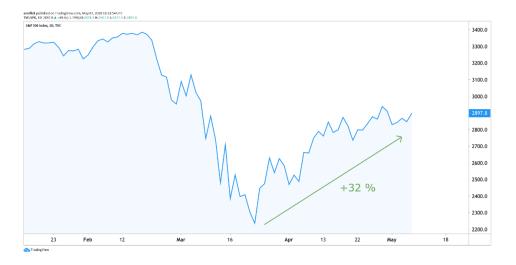
Investment Growth Management

Market Update Letter 5/7/2020

To All Clients,

The US stock market as measured by the S&P 500 has had a substantial recovery in April and early May. As of writing this, the market has recovered +32% from the low it reached in March. Your portfolios are showing a **significant increase** from the values at the end of **March**. Many of you are in Moderate Growth investment allocations and have seen less volatility in your accounts compared to the S&P 500.



Our investment philosophy is centered around the long-term approach. As written in our update sent out on March 13, 2020, attempting to avoid the downside and capturing the upside at the correct time can be a costly mistake for investors. Over the past 20 years (Jan 1, 2000, to December 31, 2019) 24 out of the 25 best days in the market have occurred within one month of the 25 worst days in the market. Missing the best days in the market has a significant impact on performance. If you held on to an investment in the S&P 500 during that timeframe your total return would have been up **224%**. If you missed **the best 10 days** in the market your return would only be **62%** over those 20 years. That is a **250% difference** in returns by just missing the best 10 days!

In looking at the big picture we recommend not getting caught up in the day to day news regarding the stock market. While the business of the media and brokers is dependent upon constant change and trading, we do not believe that serves individual investors well in the long run. Jack Bogle the founder of Vanguard puts it best in his famous statement: "While the interests of the business are served by the aphorism 'Don't just stand there. Do something!' the interests of investors are served by an approach that is its diametrical opposite: <u>'Don't do something. Just stand there!'</u>". As that is good advice for many individual investors to keep in mind, our role as your adviser is to monitor your portfolio and the market daily.

Based on our previous market updates we had clients invest new money, and we received some new accounts as well. With this new money we are investing gradually over a period of time rather than trying to time the market all at once.

Please do not hesitate to reach out to us if you would like to talk about the current environment and your portfolios.

Thank you, Mike and Andrew Redlick