

# Market Update and Q&A

**REDW** Wealth<sub>LLC</sub> expertise.

*April 3, 2020 Presented by:*

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- CARES Act Resources
- Questions & Answers

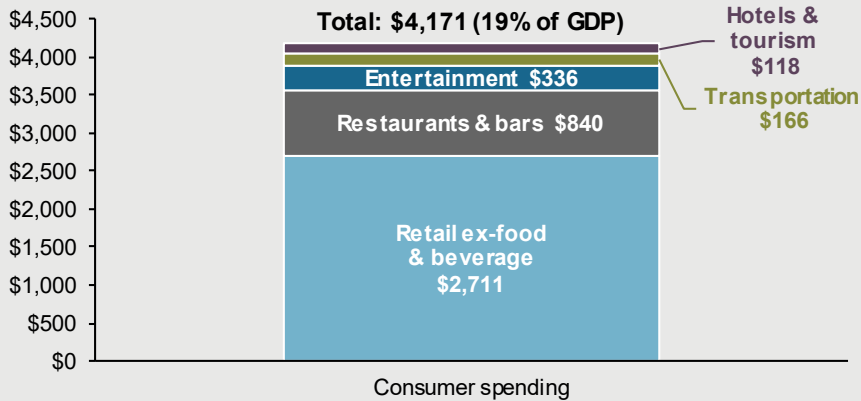


*REDW* Wealth LLC Social Distancing & Science

# Social distancing vulnerability

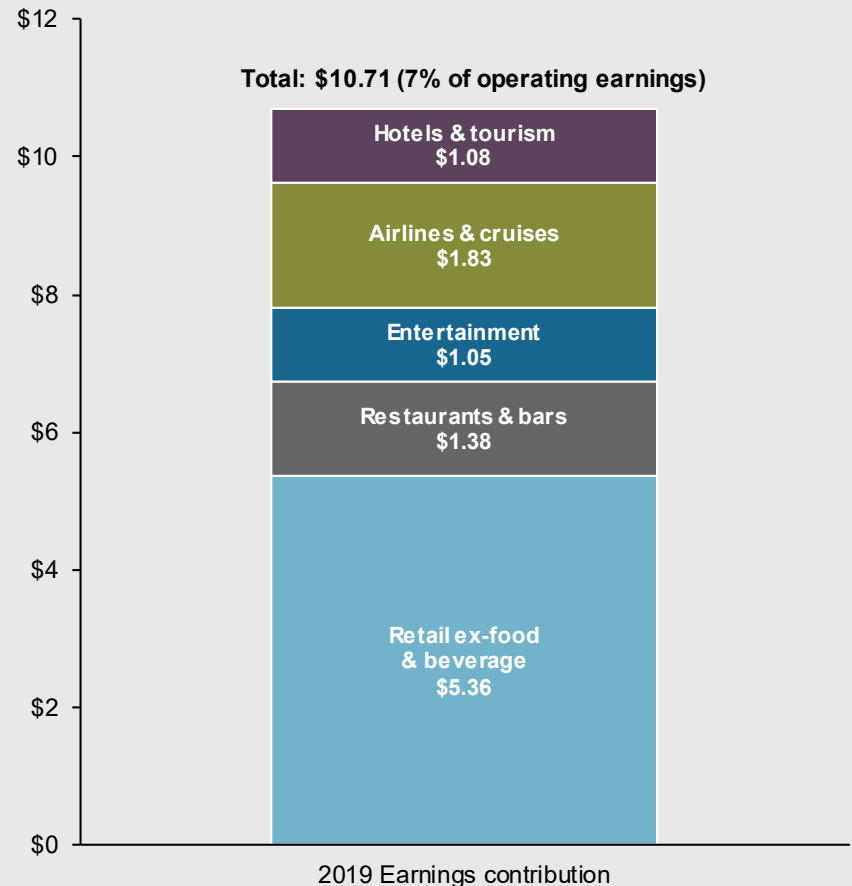
## Consumer spending by industry

2019, billions



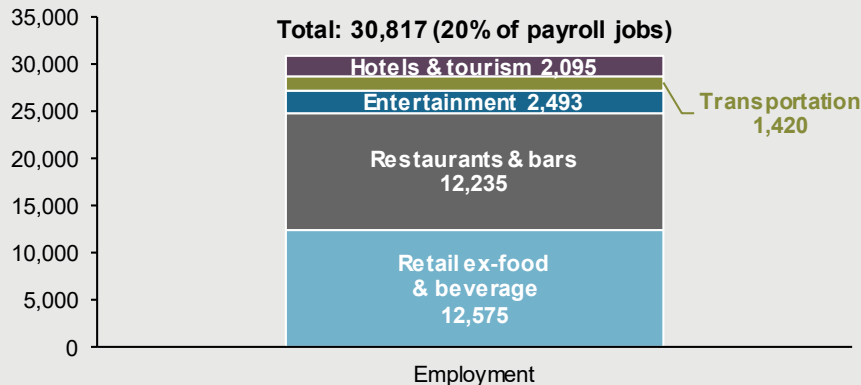
## Earnings contribution by industry

Contribution to 2019 S&P 500 operating earnings



## Employment by industry

Jan. 2020, thousands



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Factset, S&P 500, J.P. Morgan Asset Management. Consumer spending (2019 annual): membership clubs, sports, amusement parks, campgrounds, movies, theaters, museums, libraries, casino gambling, purchased meals and beverages, packaged tours, air and water transportation, hotels and motels, and select retail goods and services. Employment (January 2020): air and water transportation, transit and ground passenger transportation, support activities for air and water transportation, arts, entertainment, recreation, accommodation, food services and drinking places, and retail ex-food and beverage stores. Earnings (2019 operating): hotels restaurants and leisure; airlines; select entertainment and travel booking companies; multiline and specialty retail; and textiles apparel and luxury goods.

## Innovation and Illness

### Immediate

- COVID 19 Genome sequenced in 2 days – SARS in 2003 took 5 months – Vaccine testing sped up
- Older anti-viral drugs being evaluated for effectiveness
- Technology designed for disaster recovery being utilized for remote work

### Longer Term

- Robotics and 3D printing to address supply chain issues
- Increases in remote work options
- Autonomous package delivery
- Genomic based treatments
- Electronic payment systems to accelerate

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# Market Reactions & CARES Act Resources

# Don't be Swayed by the Media

## “The Death of Equities”

*Business Week*, 08/13/1979

## “The Crash of '98 Can the US Economy Hold Up?”

*FORTUNE*, 09/28/1998

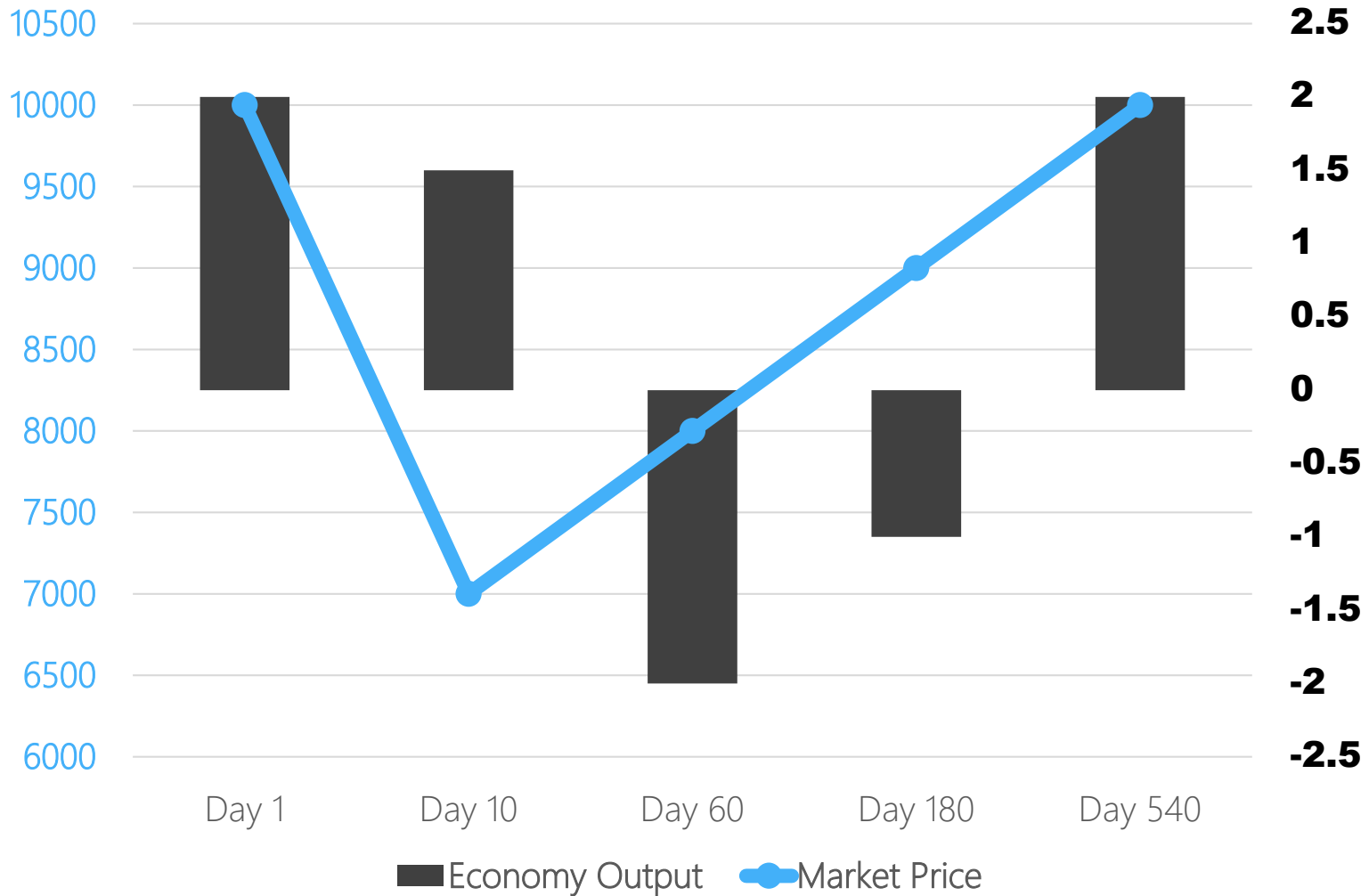
## “Retire Rich – A Simple Plan to Have it All”

*FORTUNE*, 08/16/1999

## “How to Reach \$1 Million”

*Money*, 08/2012

# Markets Reacts Before Results





# CARES Act Resources - [redw.com/insights/blog/](https://redw.com/insights/blog/)

## Families First Coronavirus Response Act (FFCRA) in Effect April 1

REDW LLC | April 1, 2020



Effective April 1, the Families First Coronavirus Response Act has become law, and new developments are moving quickly. The FFCRA provides employees with paid leave, for coronavirus purposes only, through two new laws... [Read more.](#)

## Key Areas from the New CARES Act

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We are highlighting a few of the most impactful areas of the Coronavirus Aid, Relief and Economic Security (CARES) Act for our clients. While we continue to study the new legislation, we are prepared to answer questions and proactively guide you through its implications for you and your business. [Read more.](#)

## Comprehensive CARES Act Provides COVID-19 Tax Relief

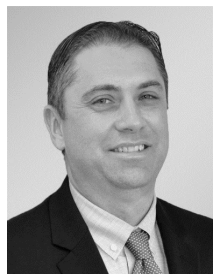
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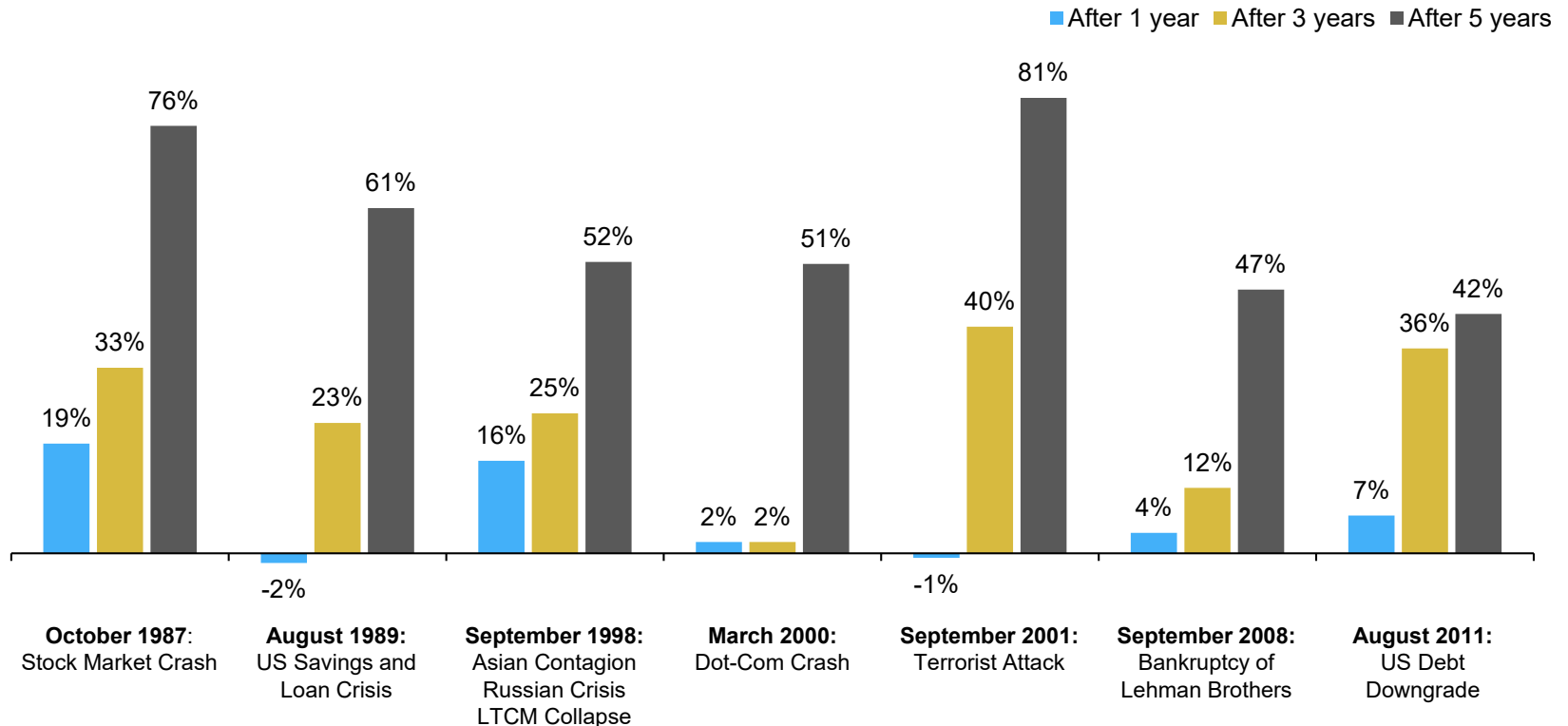
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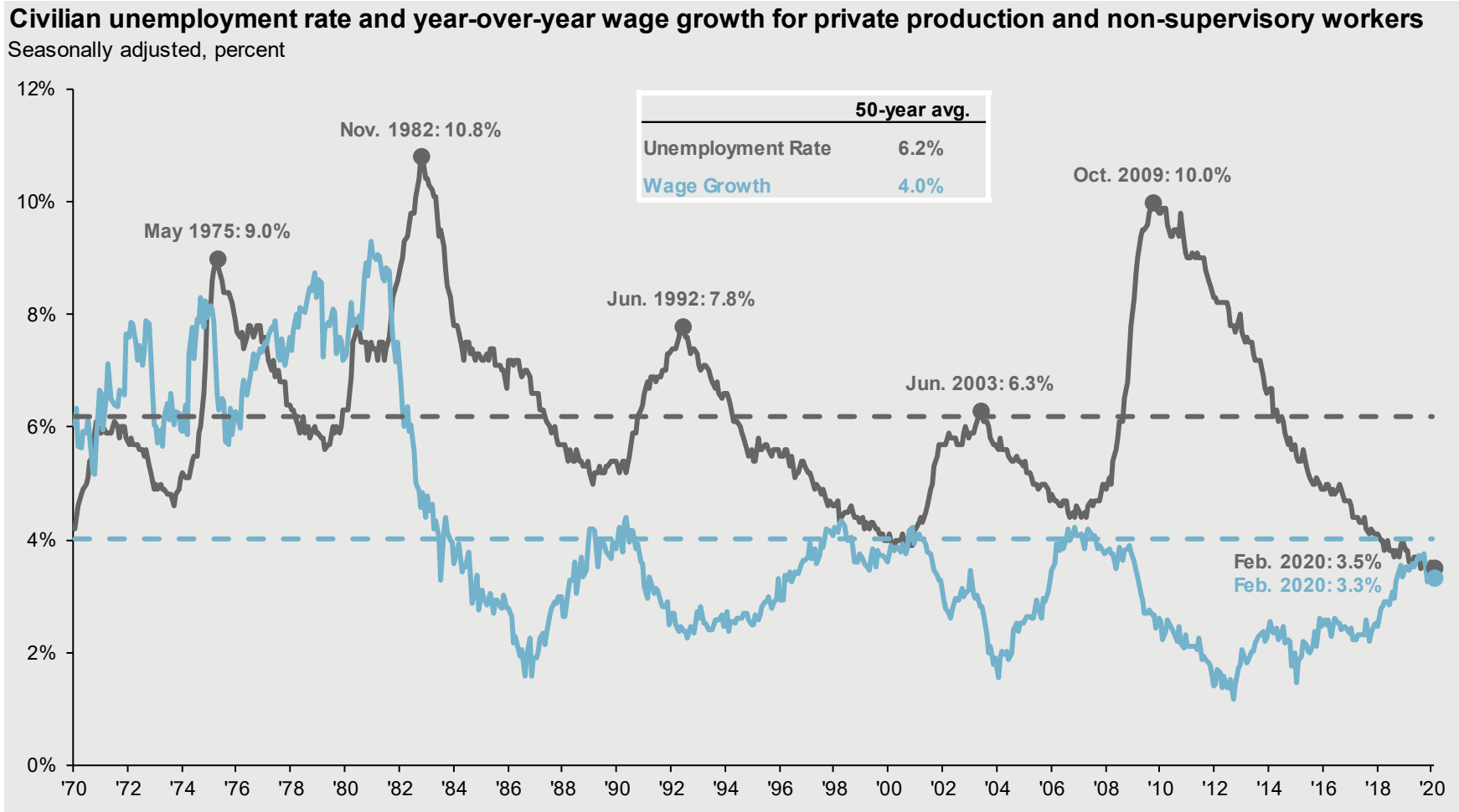
# The Market's Response to Crisis

Performance of a Balanced Strategy: 60% Stocks, 40% Bonds  
Cumulative Total Return



- In US dollars.
- Represents cumulative total returns of a balanced strategy invested on the first day of the following calendar month of the event noted. Balanced Strategy: 12% S&P 500 Index, 12% Dimensional US Large Cap Value Index, 6% Dow Jones US Select REIT Index, 6% Dimensional International Value Index, 6% Dimensional US Small Cap Index, 6% Dimensional US Small Cap Value Index, 3% Dimensional International Small Cap Index, 3% Dimensional International Small Cap Value Index, 2.4% Dimensional Emerging Markets Small Index, 1.8% Dimensional Emerging Markets Value Index, 1.8% Dimensional Emerging Markets Index, 10% Bloomberg Barclays Treasury Bond Index 1-5 Years, 10% FTSE World Government Bond Index 1-5 Years (hedged), 10% FTSE World Government Bond Index 1-3 Years (hedged), 10% ICE BofA 1-Year US Treasury Note Index. Assumes monthly rebalancing. For illustrative purposes only. S&P and Dow Jones data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. ICE BofA index data © 2019 ICE Data Indices, LLC. FTSE fixed income indices © 2019 FTSE Fixed Income LLC. All rights reserved. Bloomberg Barclays data provided by Bloomberg. Dimensional indices use CRSP and Compustat data.
- **Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Not to be construed as investment advice. Returns of model portfolios are based on back-tested model allocation mixes designed with the benefit of hindsight and do not represent actual investment performance. See “Balanced Strategy Disclosure and Index Descriptions” pages in the Appendix for additional information.**

# Unemployment and wages



Source: BLS, FactSet, J.P. Morgan Asset Management.

Guide to the Markets – U.S. Data are as of March 31, 2020.