

# Market Update and Q&A

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

*April 17, 2020 Presented by:*

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- What We're Learning Now
- Reopening the Economy
- Steps to Maintain Your Financial Wellbeing
- Questions & Answers

*REDW* Wealth LLC What We're Learning Now

## Economic Data – The Extent of Things

### Immediate Effects of Shut Downs

- Retail sales dropping – except for grocery and online
- Inflation declined – energy especially affected
- Industrial production fell – high tech equipment declined less
- Housing starts
- Some of the data should turn around when restrictions lifted

## Origin of the Outbreak

### Competing Theories

- Chinese Government – Originated in a wet market
- Alternative – Wuhan Virology Lab failure
- Intelligence Agencies have begun to investigate
- Conclusions reached will affect policy moving forward
- Future responsibility of nations detect and warn

## Earnings Season

### News vs Guidance

- Earnings generally falling - expected
- Guidance being cut or not given
- Without guidance on regulations and shutdowns, companies cannot give guidance
- Cause for volatility

## Science is not asleep

If we knew what it was we were doing, it would not be called research, would it?

~ Albert Einstein

- Headlines: Research is disorganized
- Research always has an element of disorganization
- Anti-viral drug positive results - anecdotal
- 3-D printing being used to meet demand

*REDW* Wealth LLC Reopening the Economy



- Currently looking to reopen in 3 phases
- The guidelines don't suggest specific reopening dates
  - They encourage states to base their decisions on data

- Phase 1: movie theaters, restaurants, sports venues, places of worship, gyms and other venues could open with strict social-distancing guidelines in place, though bars would stay closed. Schools and day-care centers that are closed would remain shuttered. The plan recommends that vulnerable individuals remain at home during the first phase, and prohibits visits to nursing homes and hospitals. Some people could return to work in phases, though telework is still encouraged under the plan.

- Phase 2: nonessential travel could resume and bars could open with some restrictions. Schools and youth activities could reopen. Vulnerable individuals would still be told to stay home and visits to nursing homes and hospitals would still be barred. Telework would continue to be encouraged.

- Phase 3: there would be no restrictions on workplaces and vulnerable people could resume social interactions, but should seek to follow social distancing. Visits to hospitals and nursing homes could resume, and bars could increase their standing-room capacity.

- Time will tell if, or when, changes to these phases will occur
- Some states will open before others.
  - Some states have already extended restrictions past 5/1/2020

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# Steps to Maintain Your Financial Wellbeing



- Review your goals and objectives
- Revisit your risk tolerance
  - Are you taking too much/too little risk?
- Review your investment allocation
  - Are you invested according to your risk tolerance?
  - Are you diversified?

- Maximize your after-tax returns
  - Tax efficient portfolio construction
  - Tax loss harvesting
- Reduce fees and expenses
- Understand your investments
- Meet with your financial advisor regularly



- Assess insurance needs
- Review insurance coverage amounts
- Update budget (income and expenses)
- Update financial plan
- Meet with you tax advisor for tax planning

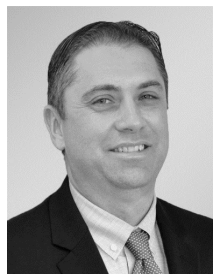
- Review and/or update your will
- Evaluate your needs for estate planning
  - Minimize estate tax
  - Trust accounts
- Review and/or update account titling
- Name beneficiaries
- Consult with an estate planning attorney



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