

JULY 2020

**CHALLENGING
SEASONS**

Observations from the past few months...

- 1. We still don't have a working crystal ball.** Who would have dreamed in January that an overseas virus would trigger a month-long 35% U.S. market slide?! Followed by a 50% rebound over the next 2 ½ months?! Followed by nationwide protests and rioting?!
- 2. The investment-selection system works.** No market investment is completely insulated from the kind of losses we saw in March, but we have been very pleased with the overall risk and performance metrics of VFAC client investments during the COVID-related volatility. In general, we saw appealing risk-adjusted performance, relative to various benchmarks, for both "peak-to-trough" and YTD time periods.
- 3. VFAC clients are resilient.** When the unexpected happens, it's important to avoid buying the headlines in a panic. Almost without exception, VFAC clients stuck to their plans in spite of the precipitous drop and hand-wringing talking heads. Today, they're glad they did.
- 4. Every problem spawns an opportunity.** Additional contributions and Roth conversions are two opportunities VFAC clients seized over the past four months, setting them up for additional wealth and more efficient tax situations long-term.

The last chapters regarding this historic season are not yet written, or even imagined. We still have a lot to figure out, and it's likely that the COVID ripple-effects will take years to be fully understood in economic and investment terms. One thing has been confirmed, though... With anticipating and timing the market having been resoundingly debunked as investment strategies, we are left with the reinforced confidence that planning, diversification, efficiency, and ongoing risk-assessment are key to progressing toward your financial goals.

It is our honor to help walk you through challenging seasons like this one. Rest assured we will continue to research, manage, and communicate with you in an effort to bring clarity to your financial decisions.

Sincerely,

