

2020 started with such great promise of strong economic performance. Through mid-February, we believed that 2020 was going to be a banner year. Unemployment was at historic lows, incomes were rising, the economy was purring, and the stock markets were strong. Then the Coronavirus pandemic raised its ugly head and things dramatically changed. Once again, we quote our favorite economist.

"With each passing week, the economic damage wrought by the Coronavirus and the resulting shutdowns grows larger. It's not just businesses, both small to large, feeling the pain. Educational institutions, hospitals, churches, not-for-profits, and state and local governments are all finding it hard to remain financially viable.

The US has essentially turned off broad swaths of the private sector – the ultimate and only source of income and wealth creation. Without the private sector, there is no money to pay for government, schools, healthcare, or charitable organizations. To make up for it, the US has resorted to an open-ended expansion of the Federal Reserve's balance sheet (and expanded their power) and huge increases in government borrowing and spending, the likes of which the US has never seen outside of wartime." (Brian Wesbury – Monday Morning Outlook 4/20/20)

Over much of May and June, it seemed that things were getting better. Parts of our shuttered economy was opening up again, people were starting to return to work, and it looked like some semblance of normalcy was returning. Today, as I am writing this, there is positive news regarding a potential coronavirus vaccine. We can only hope that a vaccine will be found to be effective in combating this dreadful virus. If this happens, the future will be less uncertain.

Most of our client accounts show a strong recovery this quarter. Though we are still down from the peak valuations in early February 2020, and some have a positive 12-month return. While the outlook for the next year or so is unclear at best, we do believe that the longer term will be good. Only time will tell.

In the meantime, for our Moderate, Income, and Conservative Models, we are maintaining a larger than normal cash and/or short-term bond positions to help cushion any market sell-off caused by

a resurgence of the pandemic. What has always proven true is to be patient, stay invested, and be rewarded.

"We still project that the recovery process is going to take years; we don't expect an unemployment rate at or below 4.0% until at least 2023. However, even with a steep drop in corporate profits in the second quarter, in the current low interest rate environment our model still says stocks are cheap, suggesting we are unlikely to see the market retest its lows." (Brian Wesbury – Monday Morning Outlook 6/29/20)

Let us trust and pray that in the coming months we will have a vaccine to protect us from contracting coronavirus, allowing us to return to our normal life.

[Tax loss harvesting](#)

When dealt a lemon, we are told to make lemonade. We have done that by taking advantage of the down market to harvest tax losses in taxable accounts. We do this by selling positions which are selling for less than cost and replacing them with comparable positions. You will have those harvested losses available to offset future gains.

[CD Interest Rates](#)

Current interest rates available on certificates of deposit (CDs) are unbelievably low. We are now using short-term bond funds as an alternative for clients having us use CDs as part of their portfolio. While the short-term bond funds do not have the FDIC guarantees, they have shown to be fairly price stable and have yields greater than 2%.

[Zoom Virtual Meetings](#)

We are now set up to do virtual review meetings via Zoom. To take advantage of Zoom, you will need is a computer or laptop with a camera and microphone. It will almost be just like you are here in the office with us. Give us a call to schedule a mutually convenient time for our virtual meeting. We will also be reaching out to you to schedule a time to conference.

If your computer does not have camera or microphone capabilities, you can get one for less than \$40 from Amazon. You will likely find that Zoom helps you connect with family members scattered across the country.

Single Sheet Insert “Relationship Summary”

The enclosed loose insert is a newly required disclosure document, required by the SEC, to be given to all current and prospective investment advisory clients. I found parts of it to be confusing and had to read it over several times to clarify parts, specifically the questions in the green text boxes. These are questions regulators feel you should ask before entering into a relationship with an investment advisor. We agree these questions need to be answered and trust that we have already answered them for you.

We are here for you. Any time you have questions or concerns, please do not hesitate to contact us. If emailing, please be sure to address your emails to both of us using the following:

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50th Anniversary



It was September 1966 when the new girl from Chicago walked into my high school band room and took my breath away. It took much of my senior year trying to get her to take notice of me. She did her best to remain elusive, but I was quite persistent.

It took a bit of time to win her heart, but in July 1970 she became my bride and my life partner. Evelyn still takes my breath away. I am a blessed man.

Final Thoughts

Many clients have asked about my future retirement plans. My best answer is that, as long as I am able, I cannot imagine not being involved in our business. Margo and I are in regular communication whether I am in the office, working from home, or while traveling. Technology today allows me to stay connected and involved, even when not in the office. I have cut back my hours a bit, but I am still actively involved with all aspects of our practice.