



**KELLEHER
FINANCIAL
ADVISORS**



A TIME LIKE NO OTHER

Today we are in one of the most challenging times many of us have ever experienced in our lifetime. We wait for COVID-19 to reach its peak in the US, and the war against it rages on - fought by our brave healthcare workers on the front lines. More heroes will emerge from our scientists and researchers in laboratories providing tests and ultimately a vaccine. Meanwhile, the rest of us have our important roles in maintaining social distancing and quarantines.

We all wait for the day when this threat has passed. Life is different right now as many of the things we most enjoy are not available to us – going out for a meal, attending a sporting event or a show or even a movie. We hold video conferences with co-workers and friends while our children go to school online. As a society, we're finding forced isolation can be challenging.

The stock market has had to adapt as we have to the new economic realities. The longest economic expansion has ended and now the US economy has entered a recession. This contraction is unique—the first one brought on by governments as non-essential businesses were closed and social distancing restrictions to limit the spread of the virus were implemented. It may also prove to be unique by potentially being one of the shortest recessions in history, depending on how quickly the virus can be contained.

What's not unique is the challenge for investors in navigating a bear market accompanying this recession. Historically, the optimum time for investors to buy stocks has been at the trough, or low point, of a recession. Since 1970, bear market low points have occurred within an average of three weeks of the biggest increase in weekly jobless claims. In previous recessions since WWII, stocks bottomed an average of about five months before the end of the recession, as stocks sensed improved upcoming economic data (source: FactSet). No one knows for sure when stocks will bottom this time, but looking at these data points suggests we may be getting close.

We've received some better news in the battle against COVID-19 over the past few days. China has contained its outbreak, and its economy is restarting. In Italy, the epicenter of the European outbreak, a peak in new cases was reached and their government is starting to plan for a restart of its economy. The epicenter of the US outbreak, New York,

is starting to see a slowdown in new cases. This fight isn't over, and we cannot fully discount another wave of new cases, but the other side of this crisis is coming into view. The stock market also has started to sense that we're nearing a turning point. As has been evident historically, investing in bear markets and recessions is clear - stay the course, consider selectively taking advantage of emerging opportunities where appropriate and focus on long-term investing objectives.

This being said, I do continue to believe that markets will continue to act like markets - more volatility, more drops, intermittent recovery days, maybe a false recovery in there and ultimate recovery. Volatility and recessions are the price we pay for the potential long-term gains that the market has historically provided. As always, we at KFA will continue to monitor the ongoing global situation and look out for our clients' best interests.

While we may be temporarily working remotely and holding the majority of our meetings virtually and online, KFA remains open for business and is able to serve all of your advice and account service needs. Please stay healthy, and don't hesitate to contact me if you have any questions or concerns.

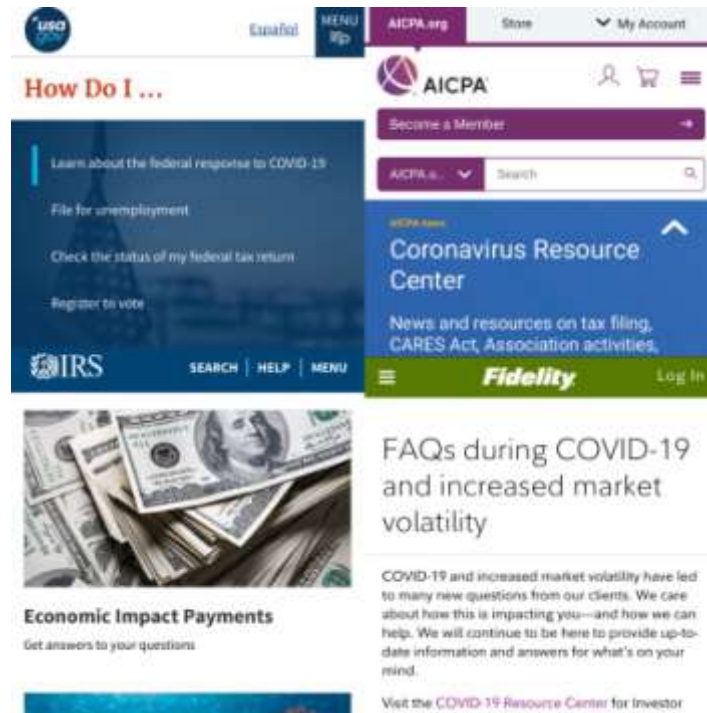
I wish you all the best.

Warmly,

A handwritten signature in cursive script that reads "Colleen Kelleher Sorrentino". The signature is written in black ink on a light-colored background.

Colleen Kelleher Sorrentino

COVID-19: WHERE TO FIND ANSWERS TO YOUR QUESTIONS



With all the changes in the markets and federal and state regulations due to COVID-19, it may be overwhelming trying to navigate the plethora of information available. Here are some links we have found helpful:

[Fidelity.com](https://www.fidelity.com) posted “CARES Act and COVID-19 Bills”

[IRS.gov](https://www.irs.gov) has the latest federal tax filing deadlines

[AICPA.org](https://aicpa.org) gives an overview of how each state has modified their tax filing

[USA.gov](https://www.usa.gov) provides links to financial, both business and personal as well as health resources

[NY.gov](https://www.ny.gov) has the latest updates for New York State

MARKETS PERSPECTIVE

INDEX	YEAR -TO-DATE CHANGE
Dow Jones Industrial Average (TR)	-23.2%
S/P 500 Index (TR)	-19.8%
NASDAQ	-14.2%
Nikkei Japan	-20%
China - Shanghai	-9.8%
DAX - Germany	-25%
CAC - 40 - France	-26.5%
FTSE - UK	-24.8%
GOLD per oz.	+4.1%
CRUDE OIL per BBL	-66.4%
Rate on Ten Year Treasury Bond	0.68%
VIX Volatility Change	+63%

Analysis and Review by Thomas Burnett, CFA, Vice Chairman & Director of Research, Kelleher Financial Advisors

To paraphrase and misquote Charles Dickens in “A Tale of Two Cities,” it was the worst of times and the worst of times. First quarter market performance was the worst for any quarter since 2008 and the worst first quarter of any year in the history of the Dow Jones and S/P 500 Indexes.

The negative impact of the Coronavirus on economic activity and future corporate profits was felt across the globe. Stocks and commodities fell sharply as the virus spread with unchecked energy. Economic pressures have decimated consumption and employment forcing companies to institute layoffs, cut dividends and stock buybacks, and curtail investment and expansion plans.

Some analysts are looking for second quarter GDP to shrink by an annual rate of 20 to 25%. For the 2020 year, corporate earnings will decline dramatically and price-earnings ratios will rise accordingly. Investors need to prepare for bleak earnings and employment news as the economy attempts to adjust to the unexpected negative impact of the virus outbreak. We will get through this dark period, but it will take more time to see the first “light in the tunnel.”

Kelleher Financial Advisors Events 1st Quarter 2020

**Staten Island Advance/SILive Bizwomen Mentoring Monday
February 24, 2020**



Bizwomen Mentoring Monday is a nationwide event held on the same day in more than 43 cities that gives women mentees an opportunity to receive coaching from women mentors in a speed-coaching type format. **Colleen Kelleher Sorrentino** volunteered her time and expertise to offer advice and answer questions during conversations with students, small business owners and others involved with this worthwhile project.

**Webinar: The COVID-19 Impact: A Discussion & Outlook on the
US Economy & Long-Term Investing
March 30, 2020**



Kelleher Financial Advisors together with Starboard Advisors presented a webinar on the economic impact of COVID-19. Starboard Advisors' Founder & President Bart Weisenfluh was joined by Charlton "Chat" Reynders, Chairman & CEO at Reynders McVeigh Capital Management and Kevin Walkush, Portfolio Manager at Jensen Investment Management for a conference call and webinar. If you would like to hear a recording of the call, you can listen to it [here](#).

KFA Webinar
Keys to Prevailing through Stock Market Declines
Tuesday, April 21, 2020 ~ 2:00 pm



Colleen Kelleher Sorrentino, CFA, Chief Investment Officer of KFA facilitated a panel discussion with Bart Weisenfluh, Founder & President, Starboard Advisors and Stephen May, Vice President, Capital Group|American Funds. During this webinar, several points were highlighted: Declines are common and temporary occurrences; Don't try to time the market; Consider staying invested; Stay focused on your long-term goals; Avoid making rash decisions based on emotions and set your sights on the long term.



100 Wall Street

KFA is still open for business and are able to receive phone calls, mail and faxes with little disruption.

Even though we are not in the office together, our team still continues to collaborate virtually.

Likewise, while we may be postponing in-person meetings, we are available for FaceTime, Zoom and other types of virtual meetings.

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For more information, call us at:
212-232-5685 or visit us at:
www.kf-advisors.com

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