



Coronavirus concerns – Discretionary Clients

In addition to the recent report we have sent out to you relating to the coronavirus, we wanted to reiterate the changes made in our discretionary model that were noted in our January 16th commentary email. At the time, we had taken the opportunity to lower equity exposure by 2% below the long-term allocation for each client in our discretionary model. We did so from a position of strength in the market, with the expectation that there would likely be a pullback in the near future, as the market had run up quite a bit in a fairly short time period.

As a discretionary client, this equity reduction would have been done in your account as part of our semi-annual rebalancing in January. This is all part of how we manage risk in your portfolio on an ongoing basis, as it allows us to make decisions on a timely basis within the discretionary format.

We expect this volatility to continue in the short term, and there may be an opportunity to put some cash back to work in the coming weeks. This is assuming our economic view does not change based on any new information. Managing risk remains a top priority during volatile markets.

We thank you for your continued trust in us. Should you have any questions about this, please do not hesitate to contact us directly.