

EISNERAMPER

WEALTH MANAGEMENT
CORPORATE BENEFITS

Market Update

March 2020



Speakers



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Current Overview



Data, Data, Data...

Current data

Continued Uncertainty

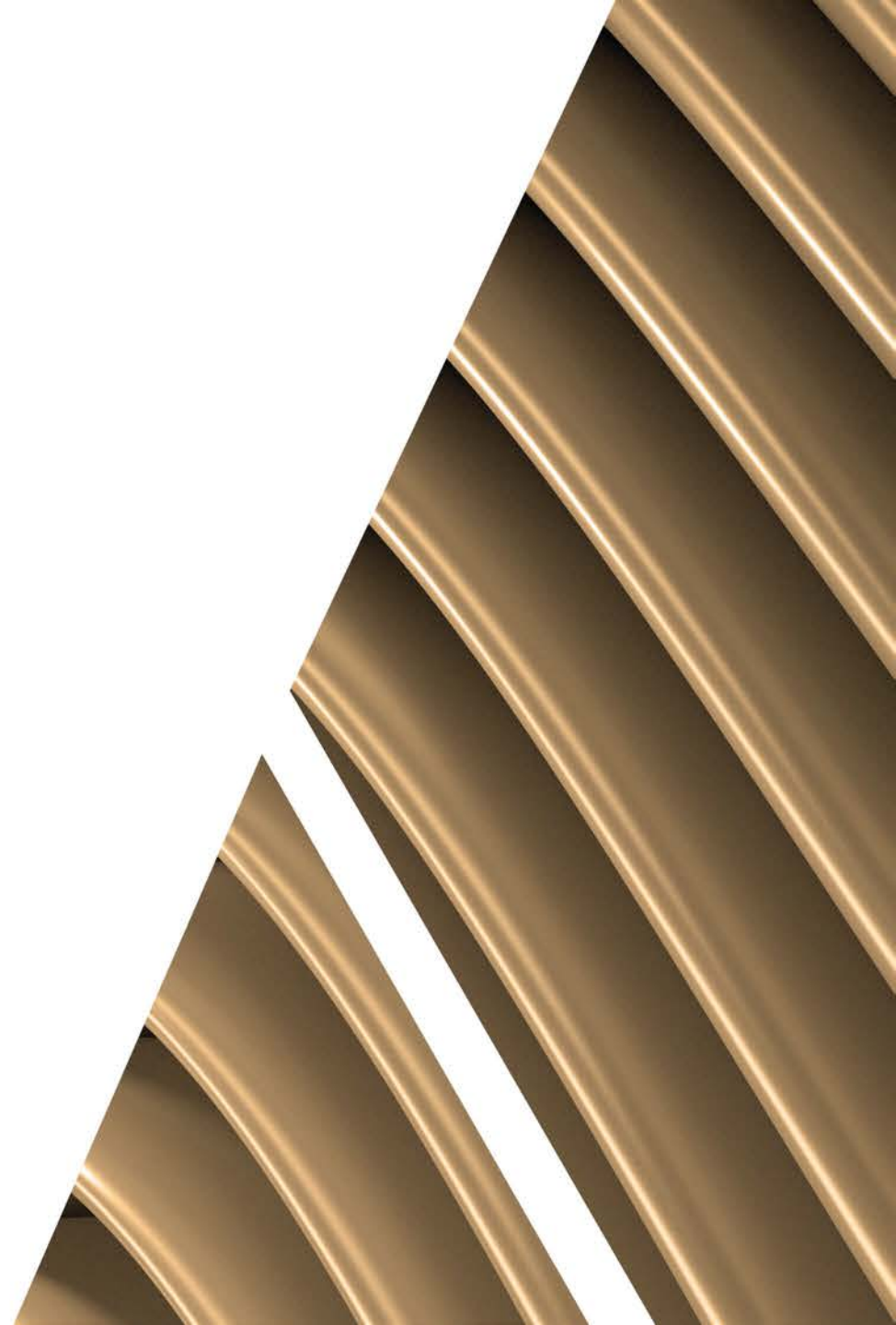
Global Effect



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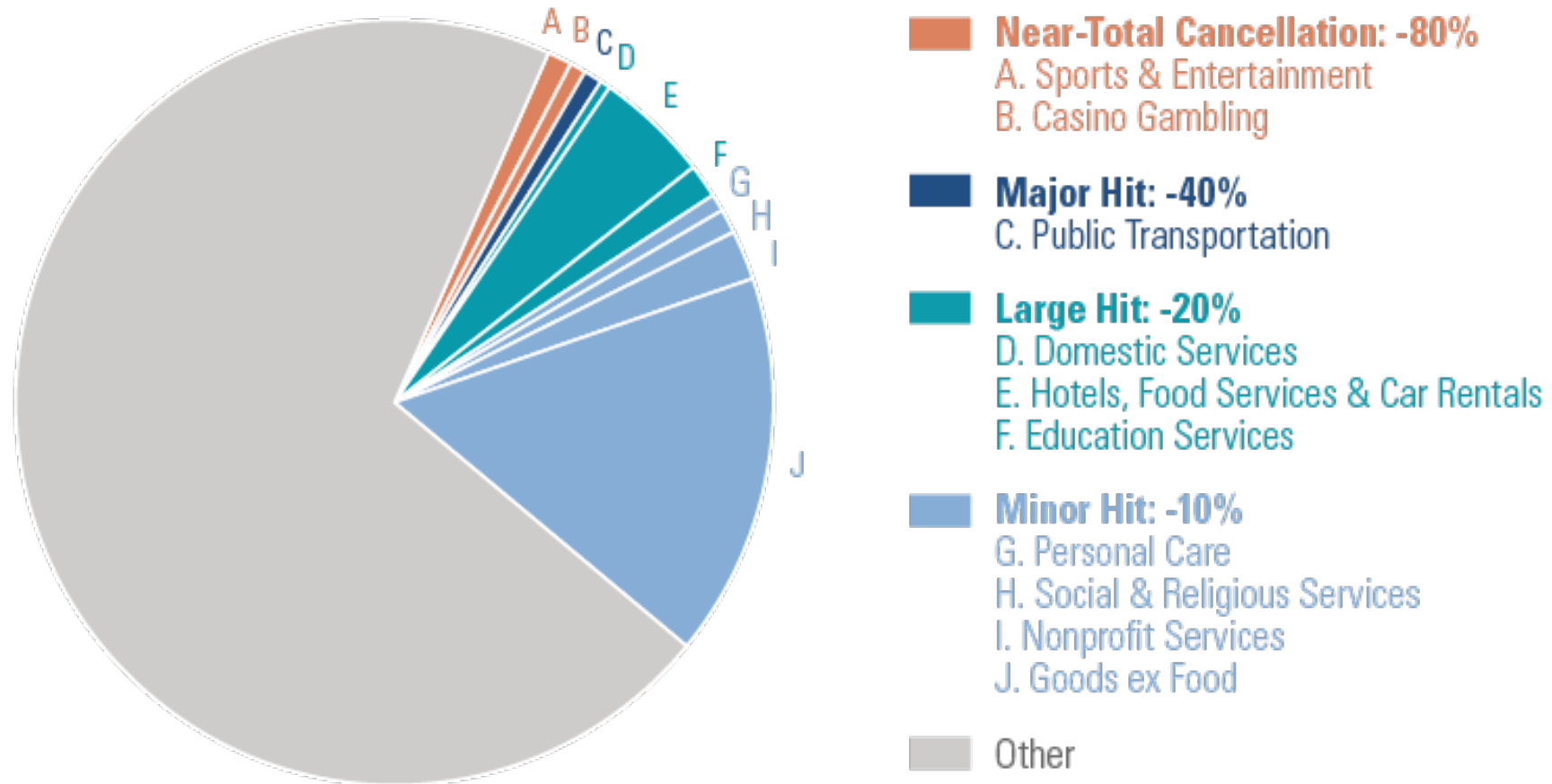
WEALTH MANAGEMENT
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Putting it into Perspective



Immediate Impact

GDP Shares of Consumption at Risk if Consumers Avoid Public Gatherings



Source: Goldman Sachs Global Investment Research and GSAM. As of March 6, 2020



Student of the Market: March 2020

1	Choppy waters for U.S. stocks	U.S. stocks had back-to-back -3% trading days on 2/24 & 2/25. Since the beginning of 1980, there have been 8 other back-to-back -3% trading days. On average, U.S. stocks were up over 24% during the following 12 months.
2	Worst calendar weeks	The week of February 23 rd was the 4 th worst week since the start of 1950, with U.S. stocks losing over 11.4%. Over the 12 months following the 20 worst weeks since 1950, U.S. stocks were up over 18%, on average.
3	60/40 is not dead, but trouble ahead?	U.S. stock valuations have never been this high (Shiller P/E greater than 28) when interest rates are this low (below 2%). High valuations and low interest rates could be a foreshadowing of low returns ahead for a 60/40 portfolio.
4	Hindsight is 20/20 for bonds	U.S. interest rates (10-year U.S. Treasuries) are currently at historic lows. Coming off other recent lows in interest rates, flexible bond strategies like non-traditional bonds did significantly better than the core bond index, ultra short or short term bonds.
5	Historic flows into bond funds (cont.)	The last 2 months (Jan '20 & Dec '19) were the best 2 months in history for bond mutual fund and ETF inflows. Of the 20 best months for bond funds throughout history, 10 have taken place in the last 12 months.
6	The worst trading days tend to cluster around the best days	Over the last 20 years (ending 12/31/19), 24 of the 25 worst trading days were within one month of one of the 25 best trading days.

Source: Morningstar as of 2/29/20. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.



Stay the Course Amid Market Volatility

Keep things in perspective

To provide historical context, the table below illustrates how the stock market responded during other past growth scares and bear markets. It also shows the period of positive market performance in the 12 months that followed these crises.

Dates of S&P's biggest declines	Black Monday 8/25/87- 12/4/87	Gulf War 7/16/90- 10/11/90	Asia Monetary Crisis 7/17/98- 8/31/98	Tech Bubble 3/27/00- 10/9/02	Financial Crisis 10/9/07- 3/9/09	US Credit Downgrade 3/10/11- 10/3/11	Trade War 10/3/18- 12/24/18
U.S. stocks	-33.5%	-19.9%	-19.3%	-49.0%	-56.8%	-19.0%	-19.6%
Next 12 months	+21.4%	+29.1%	+37.9%	+33.7%	+68.6%	+32.0%	+37.1%

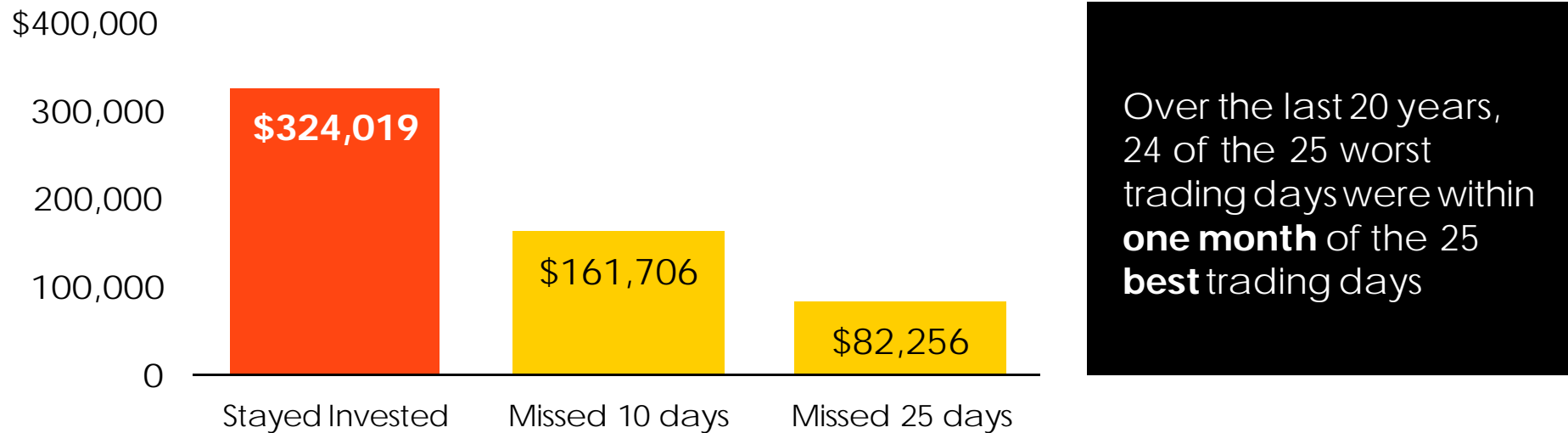
Source: Morningstar as of 2/28/20. Returns are principal only not including dividends. U.S. stocks represented by the S&P 500 Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You can't invest directly in an index.



Stay the Course Amid Market Volatility

Stay invested

The chart below shows how a hypothetical \$100,000 investment in stocks would have been affected by missing the market's top-performing days over the 20-year period from January 1, 2000 to December 31, 2019. An individual who remained invested for the entire period would have accumulated \$324,019, while an investor who missed ten of the top-performing days during that period would have accumulated \$161,706.



Sources: BlackRock; Bloomberg, Morningstar as of 2/28/20. U.S. stocks are represented by the S&P 500 Index, an unmanaged index that is generally considered representative of the U.S. stock market. Index performance is for illustrative purposes only. It is not possible to invest directly in an index. ¹Only period without a corresponding best day within one month was September 17, 2001. Past performance does not guarantee or indicate future results.



What Should Be Done...



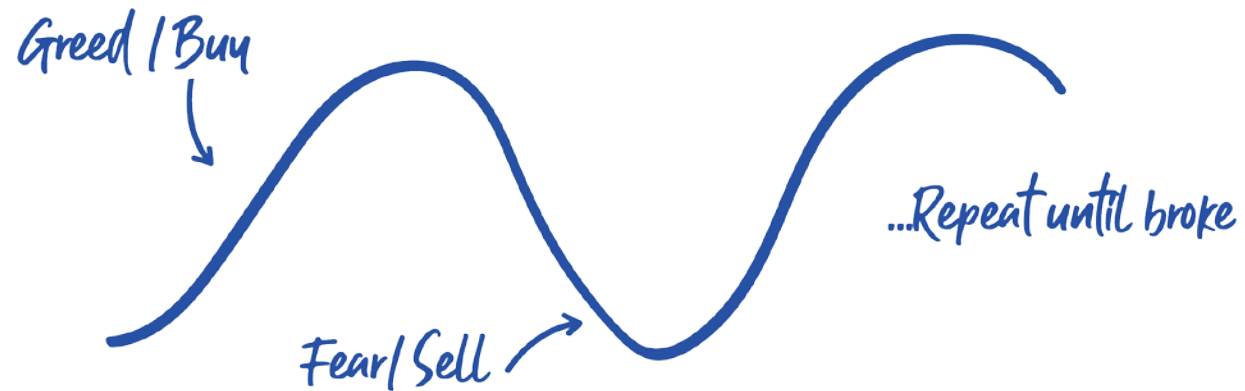
| Do What?

Investment Discipline



It's Time For Honest Conversations About Risk

Has this been your investment experience?



MARKET VOLATILITY LEADS TO EMOTIONAL DECISIONS

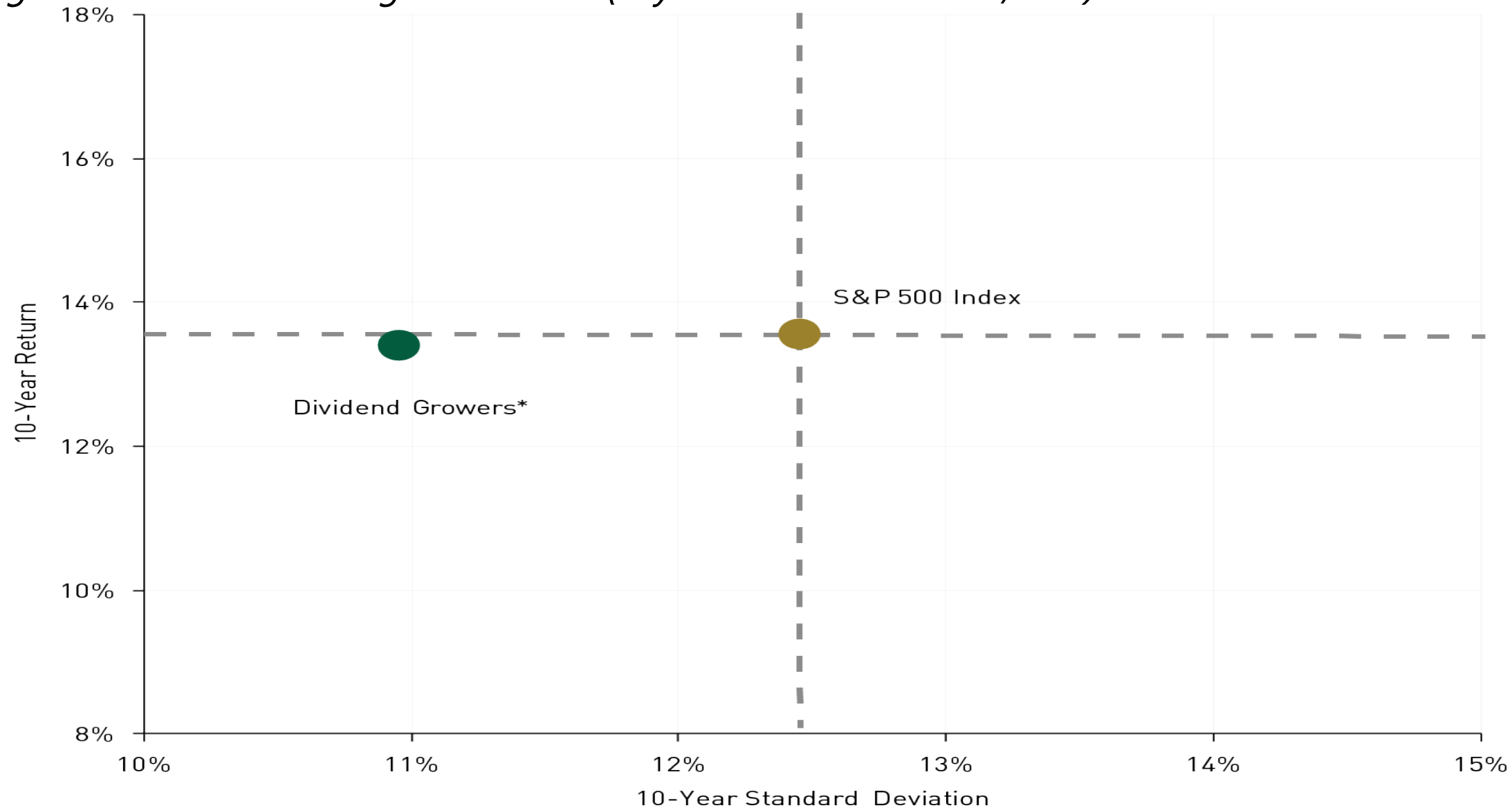
TOP 10 WORST QUARTERS IN THE S&P 500 SINCE 2000 (2000-2019)

Date	Quarterly Performance	Net New Flows (\$M)	Subsequent 1-Year Return
2008-Q4	-21.90%	(\$13,338)	26.40%
2002-Q3	-17.30%	(\$55,644)	27.12%
2001-Q3	-14.70%	(\$25,680)	-17.27%
2011-Q3	-13.90%	(\$65,067)	30.39%
2018-Q4	-13.50%	(\$38,216)	31.49%
2002-Q2	-13.40%	\$9,560	1.07%
2001-Q1	-11.90%	\$96,592	0.17%
2010-Q2	-11.40%	(\$18,240)	32.52%
2009-Q1	-11.00%	(\$50,445)	50.76%
2008-Q1	-9.40%	(\$41,675)	-36.99%
AVERAGE		(\$20,215)	13%



High-Quality Dividend Growers* May Offer Downside Protection

Long-term return of dividend growers vs. risk (10 years as of December 31, 2019)

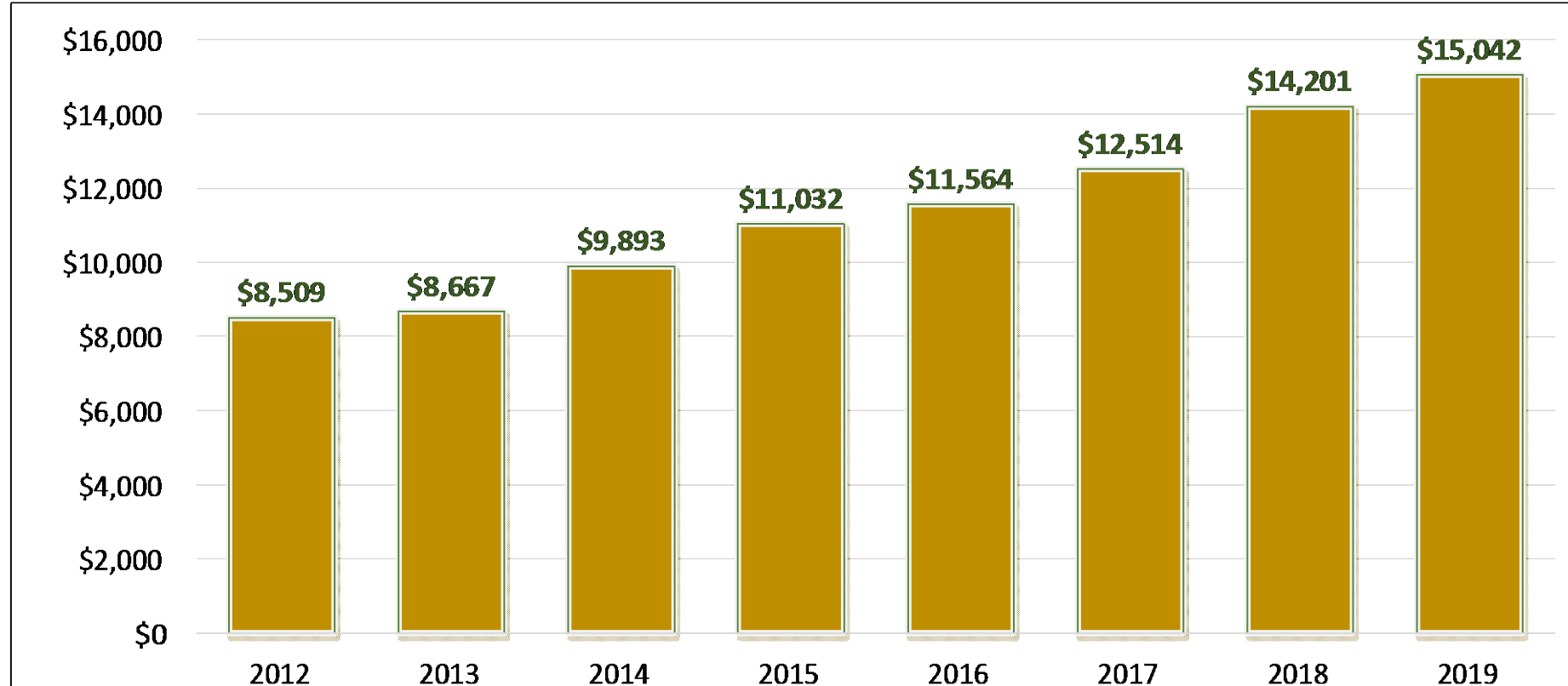


Source: Bloomberg. *Dividend Growers are defined as companies in the S&P 500 Index or S&P 400 Index that paid a dividend and increased their yearly dividend payout for 10 consecutive years. **Past performance is not a reliable indicator or guarantee of future results.** The historical data are for illustrative purposes only, do not represent the performance of any specific portfolio or any particular investment, and are not intended to predict or depict future results. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. Dividends are not guaranteed and may be increased, decreased, or suspended altogether at the discretion of the issuing company.



Dearborn Partners High & Rising Dividend Portfolio

Annual Income Generated on \$200,000 investment on 9/30/2011



Cumulative Dividend Income: \$91,442

Sources: Dearborn Partners, 200 West Madison Street, Suite 1950, Chicago, IL 60606, as of 12/31/2019



Consider Adjustments

- Rebalancing
- Tax Loss Harvesting
- Roth IRA Conversions
- Add additional diversification
- BUT - Don't try to time the market



Focused Planning



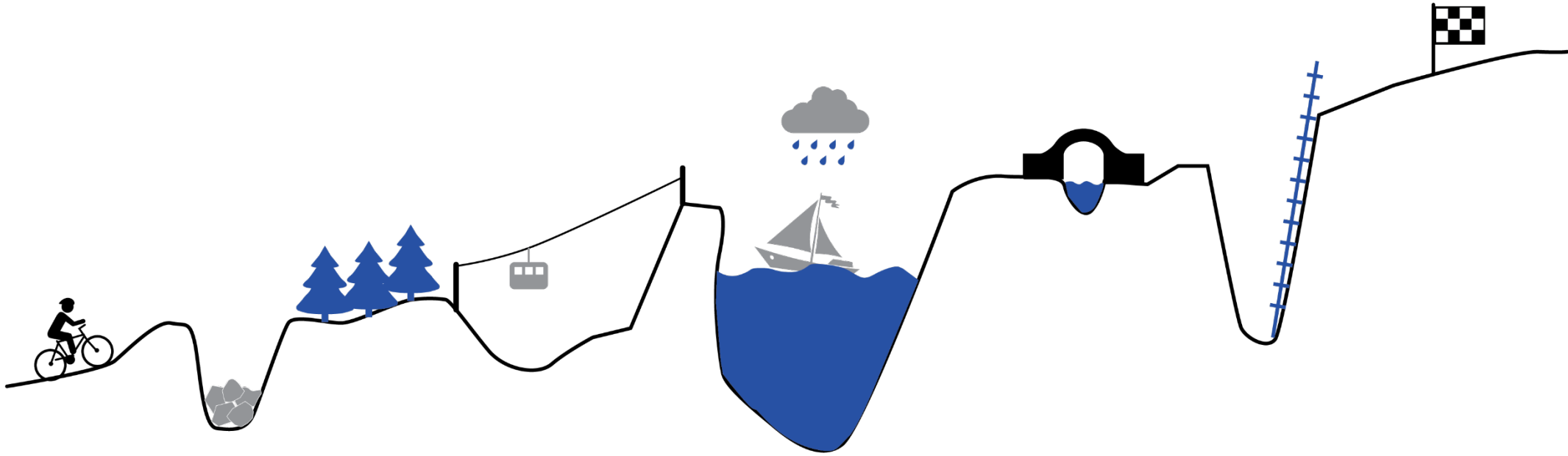
| The world has changed, and so must we.



Your Plan



| We can do better.



Reality

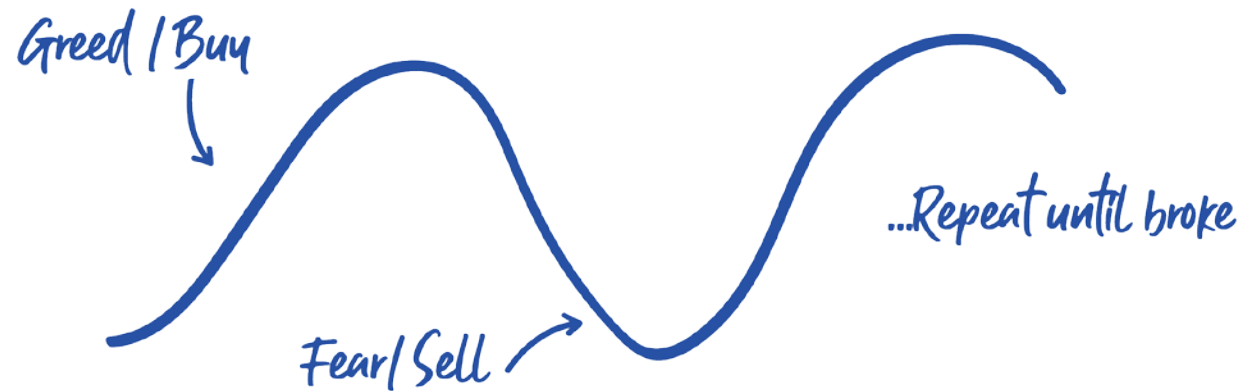


| Am I OK? What is my margin for error?
Do I need to make any changes?



It's Time For Honest Conversations About Risk

Has this been your investment experience?



| Questions?



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We are here for you!
Most importantly, be safe, be healthy and we will get through this!

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908-595-6420



Student of the Market: March 2020

Returns as of 2/29/2020	Total Ret 1 Year	Total Ret 5 Years	Total Ret 10 Years
S&P 500 TR USD	8.19	9.23	12.65
BBgBarc US Agg Bond TR USD	11.68	3.58	3.93
IA SBBI US IT Govt TR USD	11.69	3.40	3.19
IA SBBI US Large Stock TR USD Ext	8.19	9.23	12.65
US Fund High Yield Muni	11.69	5.23	5.99
US Fund Intermediate Core Bond	10.65	3.21	3.71
US Fund Intermediate Core-Plus Bond	10.37	3.48	4.35
US Fund Intermediate Government	8.42	2.35	2.79
US Fund Muni California Long	10.84	4.21	5.19
US Fund Muni National Interim	8.44	3.33	3.84
US Fund Muni National Long	10.52	4.07	4.60
US Fund Nontraditional Bond	3.56	2.33	3.31
US Fund Short-Term Bond	4.93	2.11	2.17
US Fund Ultrashort Bond	2.89	1.64	1.27

Source: Morningstar. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than that shown.

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