

James Zahansky, AWMA®

Principal/Managing Partner,
& Chief Goal Strategist



How to Manage Finances During Market Volatility Caused by Coronavirus (COVID-19)

At Weiss, Hale & Zahansky Strategic Wealth Advisors, we are dedicated to empowering our community to Live Well.™ As part of that goal, Laurence, Leisl, and I will be providing strategies for our readers to Plan Well. Invest Well. Live Well.™ as we all navigate the impacts of the coronavirus (COVID-19). During times like these, it's important we come together as a community to support one another. Whether its weekly updates related to financial market, strategies for aligning your investments, tips for efficient ways to stay productive while working from home, practicing social distancing, or helping your children with eLearning, we are here as your partner in navigating the effects on our daily lives due to COVID-19. This week will focus on maintaining confidence in your portfolio and outlining strategies to help you Invest Well. Information and the financial markets are all very fluid each day as we monitor the effects of COVID-19, so please note that all information in this column is most current at time of press submission.

Planning Well in COVID-19 Influenced Financial Markets

Ranging from government intervention and assistance, consumer spending, and changes to the ways we are working and living, we are all experiencing adjustments and sudden stops to daily life behaviors, but the financial markets do not like this uncertainty. Hence, a bear market is upon us, meaning we have now seen the end of the longest ever running bull market, with the Dow Jones, S&P 500, and NASDAQ indices all dropping 20 percent or more from highs this year. There are a few reasons for this rapid decline over the past four weeks and they are centered on the global spread of COVID-19. On March 12, 2020 the U.S. cut off travel to Europe for the next 30 days with some European countries and Canada closing borders. New COVID-19 cases are increasing daily in the US with daily levels we have not yet seen in this crisis, with estimates that the numbers are going to continue to increase. The World Health Organization officially classed the coronavirus as a pandemic. Sports league suspended seasons, toilet paper is in high demand, and everyone is learning what social distancing means and how to work remotely.

So, where do we go from here? Are things going to keep getting worse? If so, how much worse? Is there any reason to believe markets are close to a bottom?

Here are some facts that help us understand:

1. The spread of the virus is stabilizing in China according to the John Hopkins Coronavirus Tracker, while those outside of China continue to rise. We expect the US cases of the virus to increase over the next several weeks and there are fast moving social changes that aim to minimize human interaction and the spread of the virus.
2. As of Monday, March 23, 2020, Connecticut Governor Ned Lamont ordered all non-essential businesses to close as part of his “Stay Safe, Stay Home” program.
3. Headline market risk will continue to increase, meaning that all of these changes and government interventions will continue to affect the performance of the markets.
4. Constantly changing news headlines means we have not passed maximum public fear or maximum public health effects, so things will continue to look worse for the next few weeks.

However, there is light at end of tunnel and that light likely parallels when US COVID-19 cases peak, ultimately begin to stabilize, and then decrease. As crisis-era responses from the Federal Reserve and its global partners, as well as other federal stimulus programs, kick in and aim to offset the economic impacts of COVID-19, we may see a correction in the market. However, this could take some time, so be patient.

Strategies to Help You Invest Well During Times of Uncertainty

Our team at Weiss, Hale & Zahansky Strategic Wealth Advisors has spent a significant amount of time being proactive in our outreach to clients over the past few weeks and daily Investment Committee meetings are held to monitor market and economic changes. Our major focus is to bring calm to these client conversations, as their portfolios have been developed using our unique and strategic Plan Well. Invest Well. Live Well.™ process. Having a strategic long-term financial plan in place is the first step in ensuring that despite the fluidity and market volatility, resiliency and confidence are the key factors in withstanding significant changes. These are great discussions as the markets have historically been resilient despite events like the world wars, Great Depression, Great Recession, and 9/11. When you apply this type of long-term investment thinking to a strategic financial plan, our clients and readers should try to avoid emotional decision making when it comes to their retirement accounts or investment portfolios. Try to limit decisions or changes to your financial plan in light of volatile market changes. While we know first-hand that the events mentioned and the current COVID-19 pandemic can cause us all to be uncomfortable and worried, try to remain objective and seek advice from your financial advisor to be sure you make the right moves for you and

your family. After all, everyone has financial goals – for example, many people want to have a pleasant retirement someday, or send their children to college – so be sure you Invest Well and consider the impacts on adjustments to your portfolio before you make any immediate decisions.

Repositioning your portfolio is a common question we are getting from our clients. The short answer for our clients is this: now is not a good time to adjust your portfolio while markets are low. Our unique and strategic Plan Well. Invest Well. Live Well.™ process connects our clients' financial life goals to their long-term plans. Doing this aligns their goals to their individual risk levels and time horizon. As clients typically have different levels of risk tolerance, they have all had different degrees of loss over the past few weeks since the start of the COVID-19 pandemic. Our goal is not to over-correct losses for clients, but rather solidify long-term, risk-adjusted returns. To do this, our team thinks in terms of 5- and 10-years increments where we expect downturns and corrections. Selling out of a portfolio in a downturn can cost you significant dollars if you fail to time reentry into the markets correctly. We advise our clients to stay put with the possibility of gaining a rebound. As far as when markets may achieve this rebound, no one can be sure, as we may not yet have hit the bottom.

Using China as a proxy, its markets started to rebound after the virus peaked in their country. So, if we can control the spread of the coronavirus in a meaningful way, we may be looking at a shorter recovery period. However, if we are not able to control the spread of the virus as effectively, then we may be looking at a more extended period until a rebound occurs. The Federal Reserve and US Congress are seeking to help facilitate a rebound and keep the US and global economies strong. We will be monitoring whether this government intervention and the control of the spread of the virus can minimize the potential economic fallout that is occurring from measures designed to stop the spread of COVID-19.

Empowering Our Community to Live Well.™

This is a time when people are worried because of the potential economic fallout that may occur after COVID-19 pandemic. However, the best thing to do is to listen to our government agencies, try to minimize face to face interactions and social gatherings, wash hands, and stay informed by visiting reliable web sites like the Center for Disease Control and Prevention (CDC) and the World Health Organization (WHO). Everyone is concerned for their neighbors, loved ones, and our societal well-being; our advice to help you Live Well.™ is to be sure to take care of yourselves, your families, and your neighbors during this stressful time. We will make it through and the light at the end of the tunnel will come!

Weiss, Hale & Zahansky Strategic Wealth Advisors Principal/Managing Partner Laurence Hale, Vice President, Associate Financial Advisor Leisl Cording, and I plan to hold You & Your Money radio segments weekly for the next 4 weeks to keep

clients and listeners well-informed of the rapid changes occurring in the financial markets. So tune in next Wednesday at 8 am to WINY Radio, 1350AM and 97.1FM to hear about new developments and strategies to help you Plan Well. Invest Well. Live Well.™ These shows will be posted on our website as our podcast, as well as on streaming services such as Spotify and Apple Podcasts. Just search You & Your Money. Also, we have a resource guide on our website, www.whzwealth.com/resources for all information regarding COVID-19. Our goal is to empower everyone in our community to Live Well.™ which right now means staying healthy and staying smart.

Authored by Principal/Managing Partner James A. Zahansky, AWMA®. Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. 697 Pomfret Street, Pomfret Center, CT 06259, 860.928.2341. <http://www.whzwealth.com>
These materials are general in nature and do not address your specific situation. For your specific investment needs, please discuss your individual circumstances with your representative. Weiss, Hale & Zahansky Strategic Wealth Advisors does not provide tax or legal advice, and nothing in the accompanying pages should be construed as specific tax or legal advice.