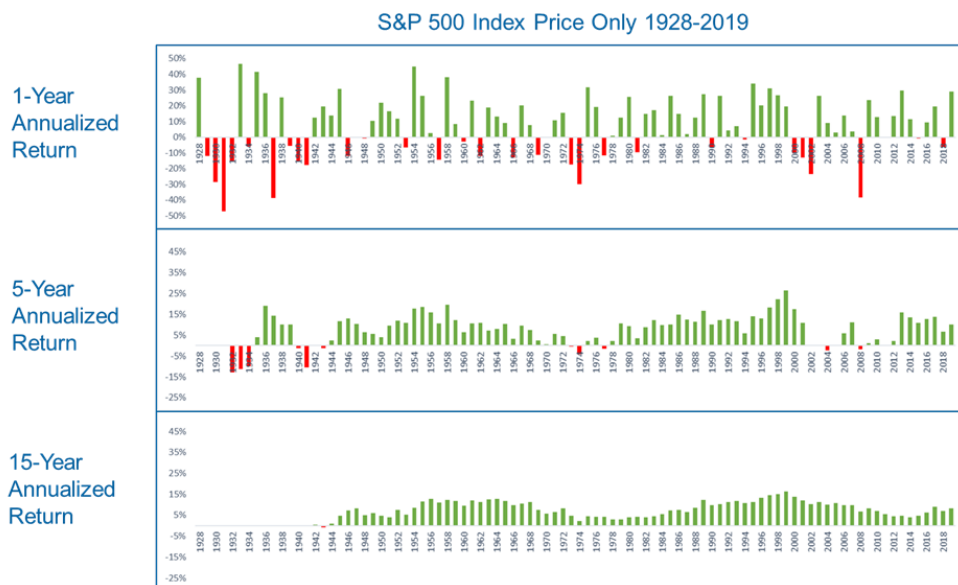


# EMOTIONAL CONTAGION

Even the long-running bull market and global economic expansion are not immune to COVID-19, more popularly known as the Coronavirus. Originating in Wuhan, central China's most populous city, the virus has stubbornly spread to other parts of the globe. With questionable containment attempts and hopes for a vaccine several weeks or months off, it has the potential to continue presenting health risks across the globe and, therefore, negative economic impact for the unforeseeable future...or not. Therein lies the problem for investment markets. Uncertainty drives volatility and the lack of clear answers will continue to send investors into short-term fits of panic and euphoria.

Let's step back for a minute to survey the investing landscape that we have all enjoyed for the past 10+ years. Most of us will remember the last significant distressed market was brought on by what became known as the "financial crisis" of 2008 and 2009. Similar to a virus, the symptoms of over-aggressive and unchecked mortgage lending practices spread throughout the real estate market, financial services and the global economy. The impact, while fairly short-lived from an historical perspective, was severe and punishing but only if you panicked and sold during the maelstrom. Those investors that stayed true to their asset allocation guidelines and risk tolerances were rewarded for their courage, commitment and long-term view. There are plenty of other examples throughout history that confirm those same results. Note the accompanying graph depicting 1, 5- and 15-year investment returns. Certainly, results measured in one-year increments display significant periods of volatility. When extended to a five-year horizon, said volatility is considerably mitigated and when taken over fifteen-year increments, performance returns are decidedly positive.



**RMC Investment Advisors**  
**Q1 2020 Market Commentary**

While sometimes disconcerting, “pull-backs” in the equity markets are a healthy dynamic. We’ve believed that this market has been overdue for a period of volatility, even looking for an excuse to sell-off and reset. It’s hard to gauge how long the turmoil will last, how it will dovetail with the upcoming election season and all the rhetoric that surrounds that. Overall, we are comfortable with current allocations as they are based on individual objectives and appropriately address risk tolerances. If those risk tolerances have changed for any reason, we are always available to chat.

*The material provided in this commentary contains the current opinions of Resources Management Corp, an SEC-registered investment adviser. These opinions are subject to ongoing evaluation and could change due to economic and market conditions. This commentary is for informational purposes only, and should not be considered as investment advice or a recommendation of any particular security or strategy. Please remember that past performance is not be indicative of future results.*