



faith . discipline . patience

skv three things



I've experienced many meaningful moments in my financial career in the month of March. As an example, the "tech bubble" burst in March 2000, as that NASDAQ plummeted from over 7000 to far below 2000 by September 2002. That 70% decline seared into my young, partially hair-covered head, the importance of buying stocks that had earnings. Not the "new paradigm" promise of earnings someday, (see Pets.com), but earnings that you can run your hands through today, growing into tomorrow. When all the hype fades away, the dust settles...stocks prices should go up long-term because earnings go up. *"At the peak, on Feb 19th, the market was trading at about 20 times earnings, always a tough multiple to sustain...we are back to 17...given the lowest yield ever on 10-year Treasury and the lowest unemployment level in fifty years...I wouldn't characterize the U.S. equity market in a bubble at all today."* Karen, Firestone, CEO, of Aureus Asset Management. I submit, the current correction is not about market fundamentals, but fear. The strong fundamentals of the U.S. economy have not changed in 8 days.



Like a moth to a flame...(or me to a chocolate peanut butter cup)...we are drawn to negative news, and dire predictions. One of the news aggregators I read online ranks stories by clicks...lately the "top 10" is dominated by gloom and doom type stories, most mentioning the "c-word". For balance I thought I'd dig deeper and find a few reassuring comments for you, a vitamin-O (for Optimism) booster "3-things, 3-pack" :

- *"It will be contained sooner than one thinks. The economy will definitely be hurt, but I think we'll avoid a recession and some of this demand is deferred, not obliterated...**be patient**,"*—Leon Cooperman.
- *"Equities are a much better long-term choice for the individual who does not use borrowed money and who can **control his or her emotions**."* --Warren Buffett
- *"We suspect any drop in earnings or economic activity will be short lived, and more than made up for in the year to come. **Don't panic, stay invested**."* --Brian Wesbury

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Hug a G.I. day is tomorrow—March 4th. G.I. is an Army term—but past and present Marines, Airman, and Sailors, like hugs too. (Given virus concerns—maybe we change this year to “first-pump a G.I.” ☺) We at SKV feel **free enterprise and freedom are inextricably linked**. We love and salute all those that protect our freedom—including our military and police. (our local labor of love: www.gratitudeville.com CAR-1119-03802)

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor. We hope you view us as your **friendly, knowledgeable, and reassuring source of financial guidance**. MHK

FAITH

DISCIPLINE

PATIENCE

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