

**July 13, 2020**

I am concerned about the stock markets run up, acting as if nothing bad has happened on a global basis. In fact it is operating as if the Pandemic is a good thing. The stock market is not an indication of what is happening now, it is an indication of what the market thinks is happening in the future. If the market is reflecting increased prosperity and earnings, then I am baffled and disagree with what I am seeing.

I believe we will have a pullback that might even challenge the March lows if momentum and panic selling kicks in, and I think we may see this before year end as the United States are not doing what it needs to do in every state to stop the spread. If one state is vigilant and cautious while a neighboring state is not, it is like having a restaurant that has one half nonsmoking and the other half smoking with no barriers. It's just a matter of time before the smoke drifts into the nonsmoking area. If the economy goes into lock-down and we have already printed up a ton of money to give away, to keep people afloat then we will be assured of inflation. We are already seeing decreases in the food supply and increasing food costs at the supermarket. Increasing money supply and decreasing available products.

Don't get me wrong here. There are many things that prosper regardless of the environment and some companies actually do better in a crisis. But this is a serious economic disruption that we have not seen before and the total impact that is coming is indeterminable until it hits. My concern is not 'if' but 'when' it hits, the equity markets will sink. It is on that sell off that I would consider buying back the half of our winners that we sold.

I will be calling you to discuss how this strategy applies to your holdings. If I leave you a voice message, please call me as soon as you are available at 613-491-3344 or Toll Free 866-860-4190.

Sincerely,

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