UNI Alumni Association Finance Meeting
March 26, 2020

Board Members Present: Debora Blume, Jason Lau, Kevin Mote, Megan Stull

Staff Present: Ryan England, Leslie Prideaux

Guests: Chris Cook, Bryan Kline

Memo from Gilbert & Cook:

Financial markets have had a volatile first quarter. Hard to believe the S&P 500 was at a high only 25 days ago on February 19th. From a time perspective, this has been the fastest bear market in history. A bear market is defined as a 20% or more decline from recent highs. The largest culprit of this market downturn is the uncertainty. As lock downs are becoming common across the country this month and bringing our economy to a halt for the time being, companies have been pulling financial guidance for the upcoming earnings season. New weekly jobless claims spiked to 3,283,000 the week of our meeting. The uncertainty of when our country will reopen for business, so to speak, creates fear and the market reacts. The compressed nature of all these factors (retail/restaurant closing, jobless claims) coming to fruition causes the harsh retraction of the market we have seen to date. What we believe is on the other side of the shutdown is a strong workforce and consumer that is ready to back to our societal norms. Some progress to provide relief to the economy has been made by our government by passing the CARES Act (a $2 trillion stimulus package to help individuals, small businesses, and corporations alike). Amid all this noise, markets are reacting relatively normal as it would in a recessionary time period.

The policy of the Alumni Association is continual 3-5 year forward looking strategy. We are still confident our risk assets have a very high probability of producing returns in line with our projections over that time frame. There is not any notion from an economic prospective that we must abandon our long-term plan because of the last month. Another part of the portfolio, a ballast for returns during a downturn and cash flow needs, is the fixed income. We plan to go here when money is needed for spending. As the whole world is washing its hands, so too is the market, going through its own cyclic cleanse.