VFW Auxiliary Fiscal 2Q2020 Portfolio and Market Summary

The end of 2019 concluded with an upbeat December, with global equity markets rising 3% on the month to finish out the year after a strong end in November. Supportive central banks around the world along with positive U.S. economic releases in housing starts, manufacturing, and steady unemployment supported a constructive view for the U.S. Economy. January of 2020 included a tailwind from (3) fed rate cuts and a China trade deal but also included the coronavirus (CoV) elevating its presence. As the impact of the CoV started to take effect globally, U.S. markets were acutely impacted with the S&P 500 experiencing the fastest 10% correction in history (6 days). The S&P 500 index fell -5.95% in the Fiscal 2Q, with the total VFW Auxiliary portfolio posting a -2.70% return. The diversified VFW Auxiliary portfolio performed as expected.

Global financial markets are experiencing a first ever world quarantine with a self-imposed economic shutdown and shut in. Investors should be prepared to experience fluctuating market levels with larger levels of volatility than in previous years. Taiber Kosmala & Associates (TKA) will continue to monitor the portfolio and take advantage of beneficial opportunities for rebalancing assets and/or selection of new managers in the program when appropriate.