EDELMAN map managed asset program

Subject: Market Update

Dear Client:

Everyone would love to see a V, but we need to settle in for a U.

I'm referring, of course, to the stock market's recovery. Stock prices are likely to remain volatile for a while — and that means, when this is over, a chart of stock prices will more likely appear as the letter U rather than a V. In other words, we all need to settle in, and recognize that it will likely take some time for us all to get past this.

But this doesn't mean prices will go straight down before they go straight up. Instead, we could see days of substantial gains as the markets respond to overselling. Indeed, as the chart below of the biggest daily declines in history shows, big daily declines were quickly followed by major rises in stock prices. Woe to the investor who sells after a decline: They missed the recovery that followed the next day or week!

	Date	Closing price	Daily return	1 day later	5 days later
1	10/19/1987	224.84	-20.47%	5.3%	1.3%
2	10/15/2008	907.84	-9.04%	4.3%	-1.2%
3	12/1/2008	816.21	-8.93%	4.0%	11.5%
4	9/29/2008	1,106.39	-8.79%	5.4%	-4.5%
5	10/26/1987	227.67	-8.28%	2.4%	12.3%
6	10/9/2008	909.92	-7.62%	-1.2%	4.0%
7	**3/9/2020**	**2,746.56**	**-7.60%**	**???**	**???**
8	5/14/1940	10.28	-7.47%	1.0%	-11.1%
9	10/27/1997	876.99	-6.87%	5.1%	7.1%
10	8/31/1998	957.28	-6.80%	3.9%	1.7%
11	1/8/1988	243.40	-6.77%	0.0%	3.6%
12	9/3/1946	15.53	-6.73%	-0.5%	-6.1%
13	11/20/2008	752.44	-6.71%	6.3%	19.1%
14	5/28/1962	55.50	-6.68%	4.6%	3.2%
15	8/8/2011	1,119.46	-6.66%	4.7%	7.6%
16	5/21/1940	9.14	-6.64%	0.4%	0.5%
17	9/26/1955	42.61	-6.62%	2.3%	-0.3%
18	10/13/1989	333.62	-6.13%	0.0%	4.1%
19	11/19/2008	806.58	-6.12%	-6.7%	10.1%
20	10/22/2008	896.78	-6.10%	1.3%	3.7%

Source: Morningstar Direct. Price returns shown. "1 day later" is the daily return for the trading day immediately following the large daily decline. "5 days later" is the return for the 5-trading day period beginning with the day after the large daily decline.

Ironically, yesterday was the 11th anniversary of the end of the 2008 credit crisis. Yes, after falling 65 percent, the S&P 500's low was on March 9, 2009. Those who sold during the panic missed the 3x recovery in the 11 years since.

We don't want that to happen to you. That's why it's vital that you continue to focus on your financial goals and not make emotional decisions with your current investment strategy. This is easy to say, but sometimes hard to do, given the uncertainty and uneasiness arising from the daily headlines.

You can be confident that we are monitoring events closely and we'll keep providing you with updates. And, as always, please feel free to contact your advisor if you have any questions or concerns.

Regards!

Ric Edelman
Founder

An index is a portfolio of specific securities (common examples are the S&P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.