



Update on the Economy and Investment Markets Special Thanksgiving Edition

Welcome to the Stearns Financial *Fireside Chat*, special Thanksgiving edition.

We're taking a break from the intense economic and investment news cycle to do our annual celebration of gratitude. COVID-19 has disrupted many plans for family get togethers over Thanksgiving, and the holidays to come. It's hard to maintain perspective or even a positive attitude about the future, including the good vaccine news, when our normal routines today are so radically disrupted.

Here are thoughts from our SFG team on what they are grateful for in these challenging times:

- While this is a difficult subject to come to grips with, I am thankful to have leaned into the civil unrest our society has been experiencing and learned more about systemic racism and how I can be part of the solution rather than unknowingly continuing to be a part of the problem. This is a journey and I have a long way to go but I am thankful to be on the journey. **Bill**
- Although 2020 has been a difficult year... I am thankful for my family and how they have adapted to the "new normal" this year. I am very thankful that my family has been, mostly, healthy and even those who have been affected by the current Pandemic have had mild cases and recovered. I am thankful to live in a country where there is such an abundance of blessings; where food and staples are plentiful even during these difficult times (with the exception of toilet paper). I am thankful to have a position with Stearns and to work with a wonderful Team of caring people who love what they do! I am thankful for the clients we serve. So many reasons to be thankful, even during these difficult times. **Carol**
- 2020 has given me the opportunity to spend quality time with my children that I would have never expected. Due to the pandemic and the foresight of our firm, I was able to not miss a beat between working in an office and working from home. The flexibility afforded me allows me to be there for my children as they learn and for them to see mom working. We have all had our awkward moments on a video conference, but the human element has shown through as clients and co-workers have shown grace to one another as we all do the best we can in our individual circumstances. I am eternally grateful that I don't

have to make a choice between being “mom” and being an advisor. These are the years I can never get back and I am relishing every moment I can with my boys. Thank you, SFG.

Courtney

- This year I am most thankful for our frontline healthcare workers. As a registered nurse, Momma Dixson is on the frontlines, so growing up I saw first-hand the challenges and responsibilities that our healthcare workers have every day. The nature of this pandemic, especially in the early months, presented a whole new set of challenges and potential dangers, to which they have had an unbelievable response. **Dax**
- While I am thankful for many things, I’m especially thankful and blessed for my loving, caring family. My daily conversations with my three grown children delight my heart and my 88-year-old mother, my only living parent, who’s independent and healthy. With all the turmoil and unrest in our country today, I am thankful I live in the best place on this earth. **Debbie**
- I’m grateful for my family and friends who have pulled together in tough times. I’m grateful for the little blessings and the big ones, including good health, which is so easy to ignore. So many clients have been through tough times this year, and some haven’t made it through – each showed me what courage and grace in the face of adversity looks like. For my many friends who are front line responders in the pandemic, you are my quiet heroes. **Dennis**
- My wife has been dealing with some challenging health issues over the past five years. She has been extremely diligent in terms of researching alternative solutions to address and committing to a healthy lifestyle. This Thanksgiving, I am very excited and thankful to report that she seems to be overcoming these challenges! **Glenn**
- I’m eternally grateful for the health and well-being of my dear friends, my beloved family and my persevering clients who have ridden the unbelievable rollercoaster with me in 2020. Here’s to 2021! **Haleh**
- In these crazy times and the inevitable way 2020 has left some sort of effect on us, I am so grateful that my family and I are healthy, and we’ve been able to visit with each other during the pandemic. My in-laws are here in Raleigh, and I am currently moving my Mom to Raleigh as well. So, no matter what 2021 brings, we will all have each other through whatever challenge is brought before us. **Heidi**
- There seem to be too many things to list these days. I am first and foremost thankful for my family and the life we have together. I feel personally blessed beyond measure. I am also thankful that, during this unprecedented pandemic, my family is healthy and has been able to remain (mostly) sane as we’ve adjusted our lifestyle in recent months. I am thankful for SFG and the preparation, guidance, opportunity, and flexibility the company has shown as an employer throughout this crazy year. The leadership team has been tremendous. And I am thankful for our clients, who entrust us with their financial lives and allow us to serve them with advice and guidance. They are truly a blessing and a joy. **Jason**
- This year has really been challenging in so many ways. I am thankful to have my health, my family, a nice house, enough food to eat and my friends. I am thankful for my Work Family. We have given each other support throughout this pandemic, and it really means a

lot to me. I am thankful for our clients. They have shown a lot of care and support to us during this time. I am thankful for the first responders. They are challenged to keep everyone and themselves safe. So many have lost loved ones over the last eight months. Make sure you tell ALL of your loved ones that you Love them and tell them Often! Tomorrow is not promised, so cherish every moment, even if it must be from a distance this year. Happy Thanksgiving from my house to yours! **Joyce**

- I am tremendously grateful for: Continued good health across our extended family and togetherness of our immediate family. The opportunity to continue uninterrupted in doing work we love, for people we enjoy, surrounded by teammates devoted to taking care of our clients and each other ... I am frequently struck by the reality that we are no more skilled or gifted at our craft than so many others – for instance musicians, restaurateurs or innumerable roles vital to our society which are not so well rewarded like teachers, first responders, those who care for vulnerable people in our midst, or those suffering under legacies of discrimination. We are truly fortunate and “over-benefitted” to have the opportunity to serve in roles that remain stable and well rewarded. Grateful for your trust, **JT**
- Here and now, I am grateful for my parents who are both in their late 80s. My mother who lives a block away, is in the midst of transitioning from her home of 35+ years to a one-bedroom apartment in a continuing care retirement community. A very difficult thing to do, indubitably. But I’m grateful to bear witness as she sifts through the memories of a lifetime and to be able to support her when needed. My father lives 300 miles away and we had a Zoom visit last week to mark his 88th birthday! I’m so very grateful to still have his warm, loving presence in my life. And for Zoom making it possible to see him up close and press record when he tells his wonderful stories! **Juliet**
- I am grateful for so many things. One being, that we are able to continue to work and service our clients. We have been provided with whatever equipment and support we need to continue to do our jobs most efficiently and effectively. In addition, our family has remained healthy so far during the pandemic. **Libby**
- This Thanksgiving I am so very thankful for my close family and friends. This has been a challenging year – losing my father, dealing with other personal trials – and if anything, it has strengthened my relationship with my husband and brought my siblings and me closer together. I am so thankful for the friends who have supported us along the way – quite a few of them are new friends we’ve made since moving to Greensboro. We are grateful that we are adding to our family next year and we excitedly anticipate the arrival of our little one in the Spring! **Lindsay**
- I am grateful to still have a living parent. My dad is both book smart and life/street smart, a rare combination. He cares about other’s health and actively assists people with knowledge and options. My mom was and my dad is a giver-of-themselves and I am grateful to have that trait passed down from them. I am thankful that I live seven minutes away from him and that we can shop, eat, enjoy time together and assist each other with projects. **Lisa**
- I’m grateful for the good health and good cheer of my family, friends, and especially my coworkers, as we all navigate a most challenging year together! **Michele**

- Here's a little poem about what's in my soul. I would not normally give you a poem but as Brene' Brown says – I'm trying to stay awkward and brave.

I'm grateful for a humble spouse, who holds my hand at night.
I'm thankful for my two grown sons, I hope I've raised them right.
I'm happy with my giant dogs, who howl when I enter the room.
I'm blessed to have eternal friends who've also learned to Zoom.
I'm grateful I can work from home with colleagues that really care.
I'm peaceful when beneath the moon, I breath the nighttime air.
And though my Mom has left this earth, I know she loves me still.
I'm grateful to share joy and hope with which my heart's been filled.

Nancy

- To all the dedicated and hard-working teachers around the world who were thrown a huge curve ball. THANK YOU!!! We know this is a challenging time and we sincerely appreciate your dedication to helping our children learn and stay engaged in school, while risking your own health and well-being at the same time. YOU ARE WONDERFUL!!! **Pam**
- For me, I feel so thankful for my family and the fact that we've had a few cases of COVID-19 and each of my nieces and nephews have recovered just fine. We have had a couple of additions to the family, a new great-nephew and soon to be another nephew-in-law and niece-in-law (both weddings will hopefully take place in 2021)! I'm also so thankful for the ability to continue serving our clients while working from home! And last but not least, I feel so fortunate to be working for a company that truly cares about its employees! **Patty**
- I sincerely appreciate the opportunity to be a part of each clients' life in such meaningful ways. Thank you for sharing your disappointments and worries, along with your proudest moments and greatest successes. It is a humbling honor to be there alongside you for it all. Knowing that you have a choice and you choose us truly means something we never take for granted. We will always be cheering you on and eager to find impactful ways to support your success, growth and happiness. Thank you for being our clients and friends. **Paula**
- I am grateful for my wife and all of the other frontline health care works from the cleaning staff to the cooks to the nurses to the doctors and all of the other ancillary staff that it takes to run the hospitals that are treating patients across the country during this pandemic. **PJ**
- What am I thankful for? So many things...but it's my faith, family and friends that rise to the top of the list. All of which enrich my life and provide a comforting stability that is a rare, but much needed, commodity these days. **Sarah**
- Incredibly grateful that my family is happy and healthy! I feel quite fortunate to work for a fantastic company that allows me the luxury to work from the comfort and safety of my home during these trying times. **Shira**
- This Thanksgiving I am thankful for technology! With the pandemic staying in contact with friends and family could have been a real challenge but thankfully with the help of Facebook, Zoom, FaceTime, WebEx, etc. I have been able to keep in touch with those I love and, in some instances, even 'see' them more often than in prior times. **Stephanie**

- This Thanksgiving I am especially thankful for the health and wellbeing of my family. I am also thankful for my parents who recently celebrated their 50th wedding anniversary and have been consistent role models for me. I am so very thankful for all of our teachers, while growing up with a Mom who taught I have always been thankful for all they do, but after trying to teach my own children this past year I am even more thankful for them. **Tara**
- I am grateful for my kids and that they are loving, kindhearted people. **Teresa**
- My gratitude is for those providing basic human services to those in need through this pandemic. My family was originally told they could not hold a service for a family member who died recently. When they asked one small town away in rural Iowa, they found a funeral home where the director knew Kim's Dad and we had a wonderful celebration of his life yesterday and were able to bring much needed closure to the family – which would be sorely lacking without the help of the great people in Leon, Iowa. **John W.**

COVID-19 Updates

- **Moderna and AstraZeneca announcements** – we now have two viable vaccines, both with 90%+ efficacy. The speed and effectiveness of both these vaccines was considered a long shot after the pandemic started. We have at least one more, perhaps several, that are showing promise and are not far behind. A testimony to what the best and brightest researchers collaborating around the globe are capable of! Drugmaker **AstraZeneca** also [announced Monday](#) that its experimental COVID-19 vaccine is highly effective in large scale trials. Bill Gates, who is connected to many of the leaders of organizations developing therapies and vaccines, believes that several more vaccines with higher than anticipated safety and efficacy rates will be approved for use by the first quarter of 2021.
- A rare **public rift** [has emerged](#) between **Treasury Secretary Steven Mnuchin** and the **Federal Reserve** on the future of an ongoing COVID-19 emergency lending program for business and municipalities. The program was introduced in the spring of 2020 when credit markets were freezing up at an alarming rate. The Fed wants to extend the program “just in case” in the face of a large surge in COVID-19 cases and financial pressure on municipalities. Mnuchin would prefer to see the program expire at year-end. The U.S. Chamber, public officials and a number of other business groups are siding with the Fed on this one.
- The **U.S. Food and Drug Administration** (FDA) issued an emergency use authorization for the **first COVID-19 diagnostic test for self-testing at home** and that provides rapid results.

“While COVID-19 diagnostic tests have been authorized for at-home collection, this is the first that can be fully self-administered and provide results at home,” FDA Commissioner Stephen Hahn, MD said in a statement. “This new testing option is an important diagnostic advancement to address the pandemic and reduce the public burden of disease transmission.”

More at-home self-administered tests are on the way.

According to the press release, the Lucira COVID-19 All-In-One Test Kit test has been authorized for home use with self-collected nasal swab samples in individuals age 14 and

older who are suspected of COVID-19 by their health care provider. It is also authorized for use in point-of-care (POC) settings (e.g., doctor's offices, hospitals, urgent care centers and emergency rooms) for all ages but samples must be collected by a healthcare provider when the test is used at the POC to test individuals younger than 14 years old.

The test is currently authorized for prescription use only, according to the release.

SFG in the News

- **Courtney Kidwell, CFP® successfully completed her Certified Exit Planning Advisor (CEPA) professional designation.** This course of study focuses on the planning needed by a business owner and company when they are contemplating a sale, or a transition to the next generation. SFG's Business Owner Practice Unit has helped many clients navigate the issues when considering a sale or transition. ***Congratulations Courtney!***

Fun Activities for the Holidays

You can beat boredom and promote positivity with holiday activities kids can do from home available on [Wide Open School](#). Here are a few to get you started:

- [The kindness challenge](#): Think of a way your household can show kindness to each other this week. How can you help each other or make the day better?
- [Letters of gratitude to essential workers](#): Write thank-you letters to essential workers to acknowledge their acts of service and kindness.
- [Family interview project](#): Get to know each other better and share life stories by using the prompts available (or writing your own questions) to interview family members.

There are many more for you to choose from! To find activities based on your kid's age, use the grade band buttons at the top of the [Holiday Gratitude library](#).

Source: CommonSense.org

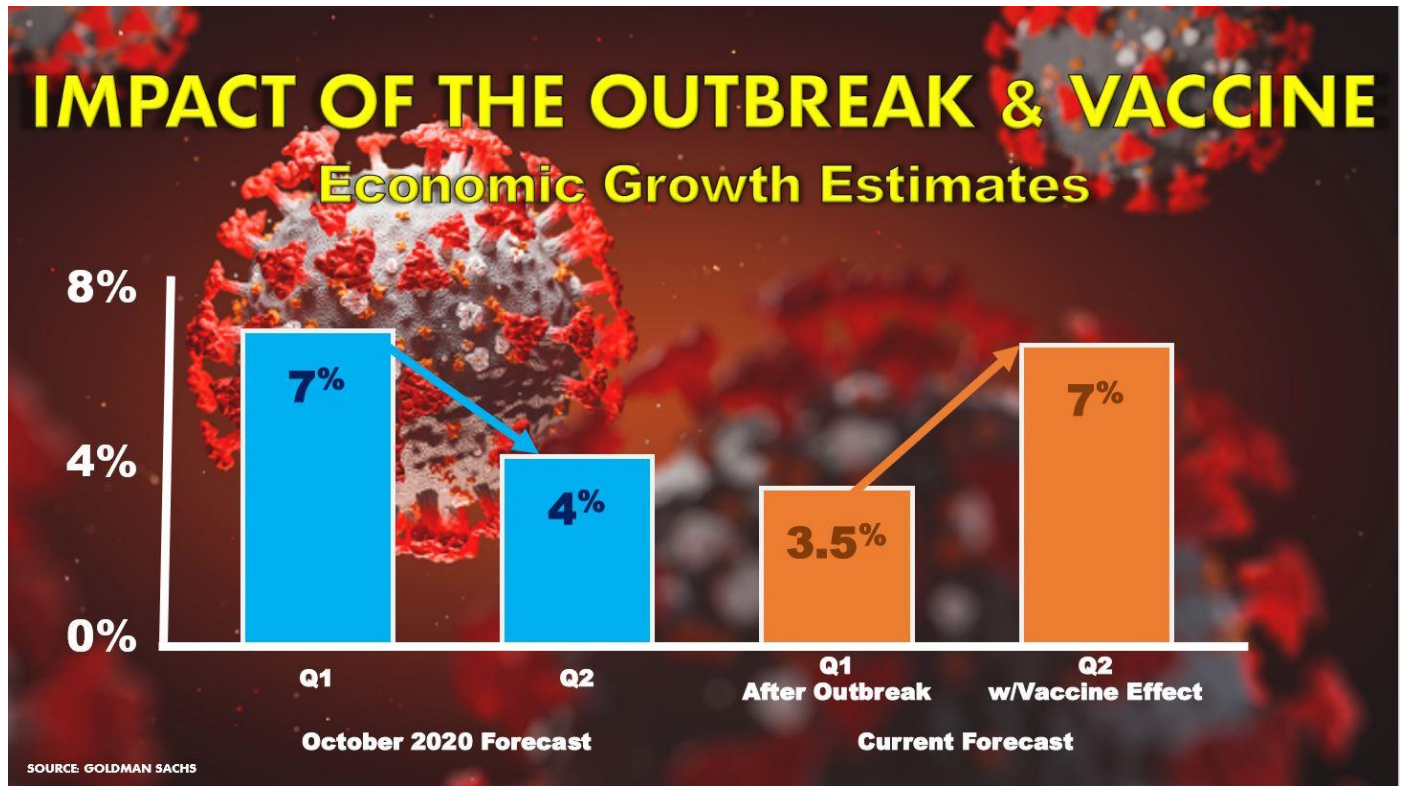
Frequently Asked Questions

Q: How has the surge in COVID-19 cases affected the potential economic recovery in 2021?

A: The surge of COVID-19 cases has caused many of our research sources to lower their recovery estimates for the overall economy in the first quarter of 2021. With the good news coming out on various vaccines, most forecasts are for a delay in the recovery to pre-COVID-19 economic levels, not a permanent drop into another recession. The following chart recently updated by Goldman Sachs shows the impact of the rising COVID-19 cases coupled with the vaccine rollout which they expect to begin in December and continue in Q1 to frontline workers and essential jobs, plus those most susceptible to bad COVID-19 outcomes. They believe the vaccine rollout will then gain momentum in the general population in the second quarter of 2021.

It's important to note that Goldman is unsure of how quickly consumers will feel it's safe to resume normal activities. The vaccine safety appears to be well above all expectations – the

real issue for some consumers may be that 90-94% vaccine effectiveness still isn't 100% protection against getting the virus.



Some industries that are in recession, or even depression, like hotels, may not survive if consumers and businesses are cautious getting back to some semblance of "normal" activities. Many hotels are affiliated with large chains, but they are often run by small business owners. Unfortunately, the government financial help for businesses so far has not been helpful to this sector, which has created a major rift between hotel owners and Treasury Secretary Mnuchin.

"Regardless of what happens near term with the virus, we think the recovery will be pretty vigorous once we get a wide rollout of a vaccine," said Daniel Manaenkov, U.S. forecasting specialist for University of Michigan Quantitative Economics.

Some economists agree but with a caveat – they think another stimulus package in the range of \$1.5 trillion is needed early in 2021 to make the recovery "pretty vigorous."

Summary

SFG is thankful that we have navigated this crazy year and unusual recession without as much of the widespread economic pain usually associated with a recession, although we recognize that some of our clients and many less fortunate individuals are struggling to make ends meet. We are thankful for the many on the front lines of the pandemic fight, including the therapy and vaccine researchers who are bringing hope when it is sorely needed. We are thankful for our resourceful SFG team who have supported each other in these challenging times.

Our coronavirus investing approach can be summed up by five themes:

- Diversification with a balance of offensive and defensive measures, depending on the desired risk tolerance of our clients,
- Underweighting, or avoiding areas of higher future concern,
- A focus on higher-quality investment themes,
- Identifying and implementing buying opportunities that may be appropriate for more growth-oriented portfolios, and,
- A more defensive stance using different portfolio tools for more conservative growth and income portfolios until we are reasonably confident the COVID-19 crisis has stabilized.

~ Dax, Dennis, Glenn, Jason, John and PJ
(the SFG Investment Committee)



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