

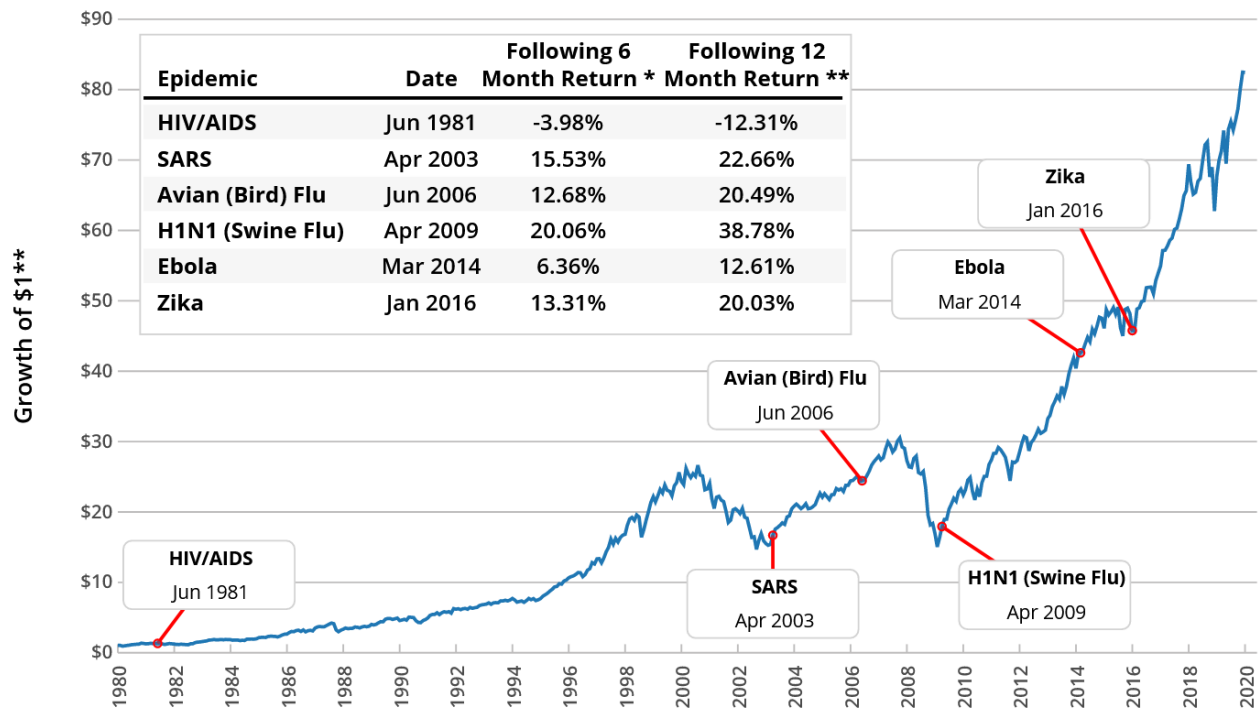
Impact of Epidemics on Stock Markets

Over the last 40 years there have been several instances where stock markets have been impacted by major epidemics or outbreaks. Given the growing concerns regarding the Coronavirus, it would be beneficial to review these past events to give some perspective on the resiliency of markets as represented by the IFA SP 500 Index and the benefits of investing for the long term. Please view the chart below showing the growth of a dollar in this index from January 1, 1980 through January 31, 2020.

As the chart below demonstrates, selling when markets have declined locks in losses and staying the course provides the opportunity for investors to benefit from long-term gains. It is important to remember that stock prices react to current news events and adjust to allow their expected return to remain essentially constant. Trying to pick the optimal time to sell stocks to avoid a decline and pick the best time to buy to maximize returns has proven over and over again to not work.

Epidemics and Stock Market Performance

IFA SP 500 Index (1/1/1980 - 1/31/2020)



*The following 6 and 12 month return is the total return starting the month after the stated date of the epidemic.

**The growth of \$1 in the IFA SP 500 index is based on total returns.

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