

A Lot Is Going on Right Now

Current influences include the virus COVID-19, economic shutdowns and re-openings, Black Lives Matter, social justice, social unrest, presidential elections, an uneven economic recovery, and resurgent financial markets.

Amid these influences, reach out to fellow humans and check in with them. Speak with friends, family, colleagues, people you meet, people you agree with, and people you disagree with. Take a breath and take a moment. Please stay positive, engaged, and connected.

New Platforms to Serve You

We have been working behind the scenes to improve our service to you. You will immediately notice your new Fortress portal login. Your new portal captures your monthly Schwab statements and your important Schwab tax documents, conveniently placing your financial information in one secure, easy to find location. We also refreshed your personalized reports.

Login to Your New Secure Portal

Get acquainted with your new portal! You recently received an email with instructions how to do



Our Continued Mission

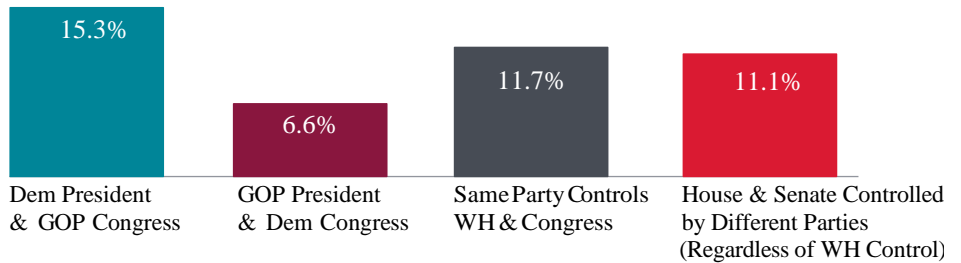
Our goal is to provide you with direction and confidence to help you increase your financial well-being and your peace of mind. We appreciate your trust and the opportunity to work with you. Feel free to reach out to us—we are here to serve you.

What Do the Upcoming Elections Mean for the Markets and Investors?

Every four years, Presidential elections take centerstage, capture the public's eye, and create excitement. Elections matter a lot; however, they are one piece of a larger puzzle. Do not let news and uncertainty lead you to abandon your discipline and conviction—rather hold them fast. History tells us that even with the influence of elections, markets rise over time.



S&P 500 Annual Return Viewed through a Political Lens (since 1936)



From *By the Numbers (BTN) Research 2016*

In Economic News

The plummet in the economy was unprecedented and its quick rebound has been surprising, too. As the Federal Reserve (Fed) and legislature's measures take hold, the recent strong and uneven economic recovery carries forward. In the short-term, we are cautious because the recovery remains fragile and risks abound. In addition to economic growth due to stimulus and support by the Fed and legislature, the economy needs to expand on its own, based on its own strength. Longer term, we remain confident in the economy.

What Happened in the Markets?

The markets' recovery carried through the 3rd quarter, with the Dow Jones Industrial growing 8.0%, the S&P 500 increasing 7.9%, and the NASDAQ climbing 10.0%. The aggregate bond market rose 0.2%. In the 3rd quarter, ten out of eleven market sectors moved higher. Consumer discretionary, information technology, industrials, materials, communication services, and consumer staples grew more than 10%. Utilities, health care, financials, and real estate ticked up single digits. Energy declined 20% plus.

FactSet reported that "for Q3 2020, the estimated earnings decline for the S&P 500 is -20.5%. If -20.5% is the actual decline for the quarter, it will mark

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To log in, your email will be the primary email address you provided to us. To create your password, on the login screen below the password entry field, click the "Forgot My Password" link. Alternately, go directly to the "Forgot My Password" via this link: https://main.yhlsoft.com/auth/users/password/new?&branch_id=c8131d4b-2204-4c38-b166-592b0870407d.

If your login or password is not working, try the "Forgot my Password" link. If that does not help, please give us a call so we may assist you. It is important to us that you have easy access to your current financial information.

Take Advantage of Historically Low Mortgage Rates

If it is advantageous for you to do so, consider refinancing or resetting your mortgage. A hot real estate market and lenders busy doing this for other lead to slower processing times. A handful of our people have done this and saved hundreds of dollars a month! See if this would benefit you, too!



the second largest year-over-year decline in earnings reported by the index since Q2 2009 (-26.9%)" FactSet noted "The forward 12-month price to earnings (P/E) ratio for the S&P 500 is 21.9. This P/E ratio is above the 5-year average (17.2) and above the 10-year average (15.5)." According to this metric, stocks are "richly valued" now. An increase in company earnings, a decrease in stock prices, or a combination of the two will bring this ratio in line with long-term historical averages.

With the support of the Federal Reserve, the bond market, bond values, and interest rates held steady for the quarter, though interest rates moved higher at quarter end.

The Crystal Ball – Our Economic and Financial Markets Outlook

US Economic Outlook: In 2020, Kiplinger projects gross domestic product (GDP) will contract by 4.9%. They estimate that retail consumer spending will grow 6% while business capital spending will decline 10 to 20%. Kiplinger said "[the] recovery has begun, but progress may slow. GDP in the second quarter dropped 31.7% at an annual rate, slightly better than first reported. It will likely be 2022 before the economy returns to its level at the end of 2019."

US Financial Market Outlook: The tension in the financial market outlook persists. On one hand, with the Fed and legislature's support and a reopening US economy, the financial markets are looking past the recent turbulence and towards further growth. Yet, presidential elections can introduce negative surprises and history shows us that financial markets retest their lows 8 out of 10 times. The markets can pullback, and it is prudent to be prepared for that possibility. Though present conditions are a toss-up, we are confident in the US financial markets in the long-term.

US Interest Rate Outlook: The Fed affirmed that interest rates are stable at historical lows. When interest rates rise, bond values fall, and vice versa.

World Economic Outlook: The World Bank is projecting a 5.2% decline for world gross domestic product for 2020 and that "per capita income in most emerging and developing economies will shrink."

Foreign Markets Outlook: As emerging and developing markets reopen, their outlook will improve. The US dollar weakened this quarter, so US goods and services cost less for foreign purchasers.

Opportunities Going Forward: For income, we favor money markets, fixed- and floating-rate preferreds, and investment grade bonds. In the stock market, we see opportunities in technology and infrastructure.

Sincerely,


Adam Amante, Founder


Ken Nesler, CFP®