



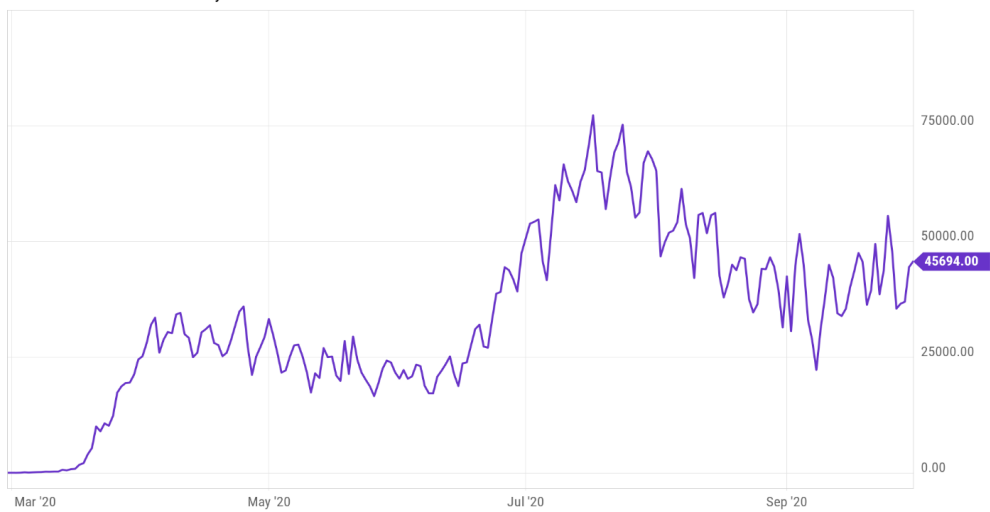
Looking Past the Trees

Robert & Roy Sokolowski

A relatively calm July and August gave way to a much more volatile September. The first three weeks of September saw the S&P 500 lose about 9.5% which, as we wrote in our last market update, probably brought us back to a more reasonable valuation level. Despite the September pullback, at the end of Q3 the S&P 500 had posted a 6.1% total return for the year. Watching the market action throughout the month of September, it almost felt like investors collectively saw the calendar change and thought “Oh yeah, we do have a lot of issues to work through this fall!” Let’s take a look at the most important issues out there today.

The stock market ran up this summer against a backdrop of the rate of new COVID-19 cases cresting and ultimately starting to slow. Decreasing daily cases fueled investor enthusiasm during the summer months. However, the trend of declining new daily cases began to reverse in early September and is on the upswing again.

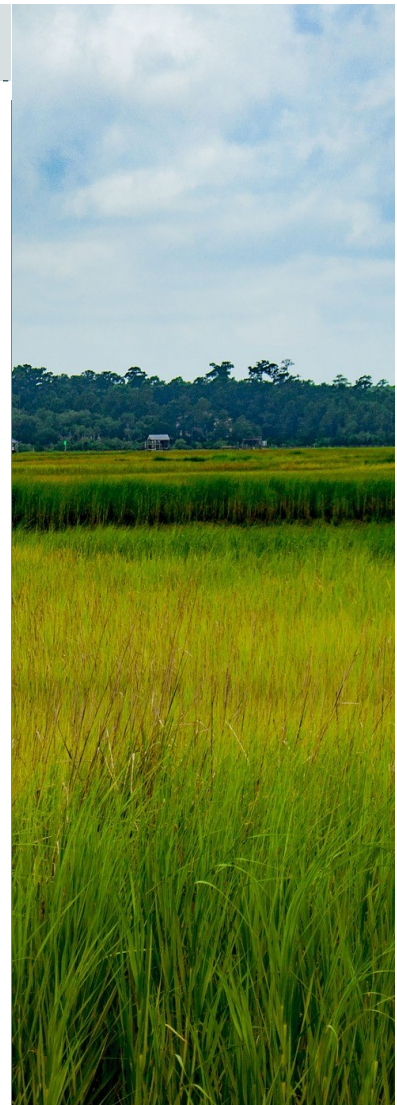
US Coronavirus Cases Per Day



Oct 02 2020, 3:26PM EDT. Powered by **YCHARTS**

Our impression is that investors are coming around to the idea that the virus is something we’ll be dealing with for some time. There are hundreds of SARS-COV-2 vaccines in development around the world which increases the probability of finding an effective one. Several of these candidates are already in phase 3 trials and some of the largest drug companies have already started to manufacture vast quantities of their vaccine, despite not yet having approvals- which should speed up delivery if they gain approval. However, even under a best-case scenario in which one of the pre-manufactured vaccines is approved very soon, it will still take months to get a critical mass of the population inoculated. While a portion of the population will be unwilling to get a vaccine under any circumstance, if the public perceives the approval process to have been rushed for political purposes, widespread vaccination will be even harder to achieve. The market seems to be coming around to the idea that the economy will be operating under the current restrictions for another 6-12 months. This is a far cry from the timeline most had envisioned in March.

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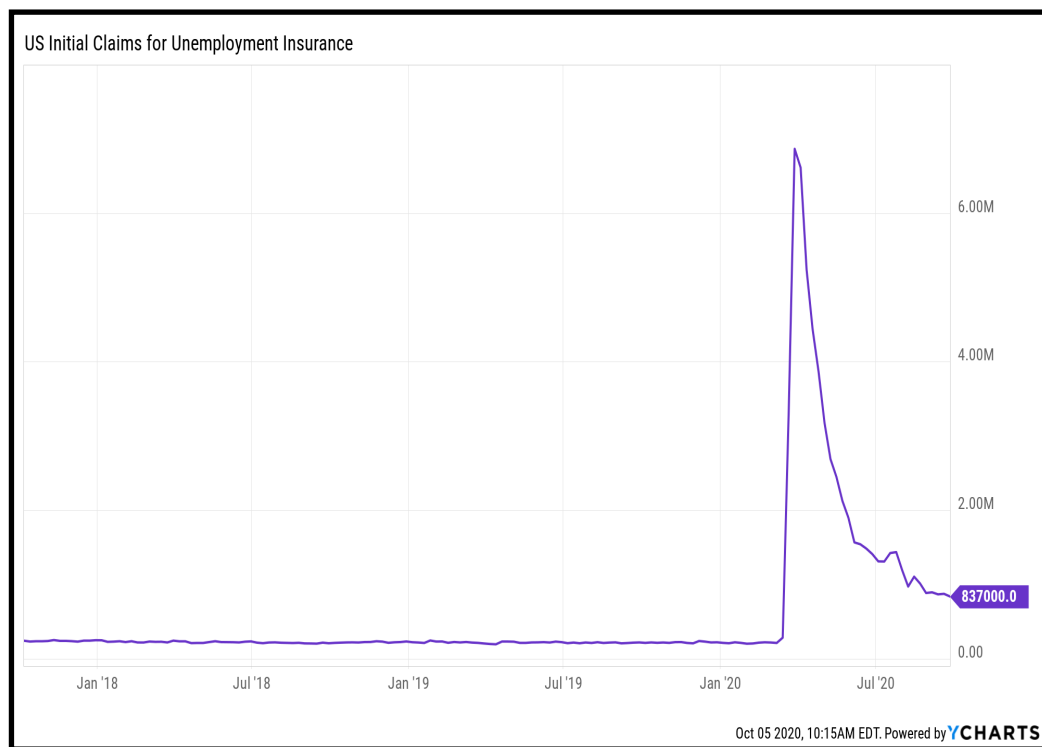
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SPECIAL POINTS OF INTEREST

- Our office will be closed Monday, October 12th, 2020.
- RMD’s suspended for 2020.
- If you would like to set up a virtual portfolio or financial planning meeting contact us!

This stretched timeline likely won't be disastrous for large publicly traded companies- even some of the industries that are more heavily affected by the pandemic are still finding easy access to capital. The problems are more present in the small business segment. While the Paycheck Protection Program (PPP) was fairly successful in providing emergency funding for small businesses in the spring, it was not without its faults. Specifically, the program stipulates that in order for the loan to be fully forgiven, 60% of the funds must be used for payroll. This remains a major problem for small businesses in cities where a very large portion of their operating costs are in the form of rent payments. Many small businesses will need substantial amounts of additional assistance to survive. The scope of the damage to small businesses, which collectively represent about half of private-sector employment, is unknown at this point.



The jobs picture has improved since April but there are still some very concerning trends out there. Initial jobless claims data measure how many new people filed for unemployment in the past week. While this number is down substantially from the previously unthinkable pace of 6.9 million per week, the rate is still roughly four times the rate we observed throughout 2018 and 2019. The most recent jobs numbers released on October 2nd indicated a slowing recovery for jobs.

On the governmental side, the federal government can respond to recessions in two ways- monetary stimulus (Federal Reserve actions) or fiscal stimulus (increased government spending, tax cuts, or both). The Fed has held up its end of the bargain- taking action unprecedented in both scale and

speed. The Fed's balance sheet has exploded and they have made it blatantly obvious they don't plan on reversing the actions they've taken until at least 2023; this has had the effect of supporting the market and inflating the prices of financial assets.

But whether we're talking about small business survival and employment or support for families who now have to provide 24/7 childcare in the absence of a normal school schedule, it's becoming increasingly clear we'll need more fiscal stimulus to sustain the recovery. With each passing day it seems less likely we'll see more fiscal stimulus out of congress. At the present juncture Republicans and Democrats seem completely at odds over not only the amount of stimulus necessary, but also what form it should take (spending and/or tax cuts) and where it should be directed. Congress will also be preoccupied with Supreme Court confirmation hearings and the November elections. These factors do not bode well for a stimulus bill in the near term.

Historically, October is the most volatile month for the stock market, and we just witnessed a volatile September. There are a lot of issues surrounding the election and the special circumstances created by the pandemic. In our view, the volatility around the election is less about the outcome of the election and more about the uncertainty and potential delays in the process. We would not be surprised to see volatility remain at a heightened level until congress certifies the presidential election results- which may be delayed until well past election day. In light of this and in conjunction with the run up in valuations at the end of August, we started to pare back positions in highly valued tech stocks at the beginning of September. Most of the proceeds were directed towards bonds, cash, or more value-oriented stocks- this strategy has worked well so far.

It's becoming increasingly clear to investors that the economy will not return to where it was until we can get control over the virus which, as we said, is probably another 6-12 months out. Upticks in the rate of new infections and data points indicating a slowing economic recovery have been viewed negatively by the market and it still remains unclear how we will fare this fall and winter with regard to the pandemic. This is not to say that it's all bad news- we're certainly in a better position than we were in April. Furthermore, we continue to believe that larger, publicly traded companies are at a significant advantage to their smaller, private counterparts. The biggest companies in the world are likely to gain market share from small businesses as a result of the pandemic and recession. The question for the economy at large remains- will the government do what it takes to get small businesses and individuals through the next 6-12 months intact?

Two New CFP® Professionals



We are *extremely excited* to announce that Robert Sokolowski and Jennifer Sokolowski completed all 4 steps to earn their official CFP® designations in September 2020. This culminates a multi-year process for them- achieving among the most difficult certifications in the financial industry. The multistep program to become CERTIFIED FINANCIAL PLANNER™ professionals began with their education requirement covering 8 principal knowledge topics and a capstone course through Bryant University.

The coursework included:

- general principles of financial planning
- education planning
- risk management and insurance planning
- investment planning
- tax planning
- retirement saving and income planning
- estate planning
- professional conduct and regulation

They then sat for and passed the rigorous 170-question 6-hour CFP® exam in November 2018. The experience requirement of 6,000 hours was accomplished working in various parts of the financial planning process and apprenticing with Pat Sokolowski over the past three years. The ethics requirement was the final piece with both Robert and Jennifer committing to act as fiduciaries, upholding the high ethical and conduct standards of their designations, and undergoing detailed background checks performed by the CFP Board.

Financial planning is an integral part of our firm, and one of the distinguishing characteristics of Metis Wealth Management & Planning. We believe that their expertise will serve our clients well for many years to come.



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Market Index	Q3 Total Return	Year to Date Total Return	1 Year Total Return
S&P 500	8.97%	6.14%	17.2%
DJIA	8.68%	-0.77%	7.22%
NASDAQ Comp	11.77%	27.13%	44.61%
MSCI EAFE	4.95%	-6.49%	1.67%
Russell 2000	7.62%	-7.25%	4.01%

Getting to Know Jenn Sokolowski, *Financial Planner & Relationship Manager*

By now many of you have met me or at least spoken with me on the phone, but I wanted to take the opportunity to share a little more about my background. Born and raised in Vermont, my favorite part of high school was sports; I played field hockey, lacrosse, and ski racing. Interestingly, I was ski racing at Middlebury Snow Bowl when I met my future husband, Rob. I attended the University of Vermont, earning a BS in Business Administration with a concentration in Marketing, graduating in 2011.

Following college, I accepted a position with Target as an Executive Team Leader in Dallas, Texas. The Dallas market is an extremely important and competitive market for Target. While this made for a challenging environment in which to learn, it was ultimately beneficial for my career. After less than two years, I was promoted to the Property Management Business Partner (PMBP) position where I was responsible for the facilities operations for 23 stores. This position gave me the opportunity to learn an entirely different aspect of the business and get exposure to a role with significantly more responsibility. I also got the opportunity to travel to different parts of the country for work, including on one of Target's private jets! In 2015, Target began the process of expanding their order fulfillment capabilities for online orders in Dallas and I got the opportunity to be a part of the team that set up, trained staff and opened the new facility. That same year, Rob and I got married near Fort Worth, Texas.

After 5 years with Target and experience in many different facets of the business, I began to realize it was time to move on. Robert and I started to talk with Pat and Roy about joining their business in 2016. I enrolled in Bryant University's Financial Planning Certificate Program shortly thereafter and began studying to become a CERTIFIED FINANCIAL PLANNER™. After two years of coursework, several months of studying for the exam, a six-hour exam, and 6000 hours of experience, I am pleased to say I am now a CFP® professional! Professionally, I feel that I have come full circle. My current position combines my college studies, with operational experience from my career, and my CFP® knowledge. I thoroughly enjoy helping clients with their financial planning needs.

Rob and I moved to South Carolina in 2017, loading our 3 horses in a trailer and making the 21-hour drive to our new state and new life. We built a home on 7 acres and a horse barn. In addition to Pat and Roy, my parents live close by, so we are lucky to be near both sides of our family. In my spare time, I enjoy spending time with our dog, Kylie (of Instagram fame!), and our horses. Over the past year, I have been learning to golf and I also enjoy traveling with Robert.



Important Disclosure: Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this newsletter, will be profitable, equal any corresponding indicated historical performance levels, or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of or as a substitute for, personalized investment advice from Metis Wealth Management & Planning. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.