

March 14, 2020

To Our Valued Clients and Friends,

Over these last decades the world has enjoyed increased prosperity through global trade. It has been apparent that the interdependence of world economies created vast opportunities. What has not been understood, because there has been no reason to do so, was that with the movement of goods and services comes the movement of people. Now in the harshest of terms, we understand that with the movement of people comes contact, and contact spreads germs. I am sure nothing in the history of mankind has focused the world population on a single event. But for a meteorite zooming towards our planet, could anything draw us so together? To realize that all lives are at risk, wherever one lives, is truly mind-boggling.

In the U.S., the private sector recognized the growing risks well before the federal government acknowledged them. We will look back at our government's unwillingness to see the tsunami, even as the tide receded and the birds flew away. Those issues will be discussed forever and consequences will be very real.

It is critical that we all prioritize what we must do. First and foremost we need to care for ourselves and our loved ones. Nothing is more important than the health and well-being of the people around us. Secondly, as citizens of the world, we must realize that, with all sectors of society gearing up for the pandemic, we will be able to confront and withstand this medical emergency. We as a people, as a country, and as citizens of the world, with the help of science, the medical industry, and our own ingenuity will defeat this virus.

If we reflect on the crisis in our country, we quickly realize that our petty disagreements disappear. There is absolutely no doubt that this crisis, like all crises before it, will recede into history. But for now, in this moment, be smart, be careful, and follow instructions.

We all need to thank the caregivers, first responders, medical officials and all those who are trying to keep us safe. They are the foot-soldiers of this invasion. Like the military of the past, or the police and firefighters after 9/11, these people risk their lives for us. We can never thank these citizen-soldiers enough.

I guess as GW&K is an investment firm managing billions of dollars I should reflect on the markets. But all those who know me know what I would say: don't panic, stay the course; our economy and civilization will be stronger and better than before the virus. Keep your health. The value of your assets will recover.



The employees of GW&K are all working from home with the same fluidity as if they were working from 222 Berkeley Street. Take comfort that we are continually watching your portfolios, and the analysts and portfolio managers are determined to make the portfolios stronger as they take advantage of opportunistic times. But they too have their priorities correct: the health and safety of themselves and their loved ones.

There will be much to say as this pandemic passes through, but for now, keep your main priority front and center: health.

A handwritten signature in blue ink, appearing to read 'Harold'.

Harold G. Kotler, CFA
CEO and Chief Investment Officer