

Southern States Savings and Retirement Plan Trust Fund

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From: Trustees of the Southern States Savings and Retirement Plan Trust Fund:

As everyone is aware, the coronavirus outbreak has created a global health crisis and has dramatically affected the global and national financial markets. Southern States Trustees and Fund professionals have carefully monitored developments and held an extended telephone conference on the afternoon of Monday, March 16, 2020, to review and discuss market and larger financial conditions.

Since the most recent market high of February 19, 2020, the S & P 500 and Dow Industrial averages have declined more than 25%. This is the steepest decline in the shortest period of time in history, and reflects significant unknowns associated with the virus. Until concerns regarding the virus emerged, our economy, labor market, and financial markets were on solid footing. There is some good news. Our nation is uniting to contain the virus—the first step towards normalization.

During our March 16 conference, Fund professionals distributed and discussed historical data which traced all modern market declines, related conditions, and recoveries. While no one can predict with certainty the time frame it will take for conditions to resume some normalcy, and the recovery process to begin, historical data assures that a full recovery will occur. Like many other experts, Fund professional managers currently believe that we will see a recovery in the second half of the year.

The Southern States Savings and Retirement Plan Trust Fund is extremely well diversified, with exposure to high quality stocks in large companies, small and midsize companies. Our equity portfolio has been less impacted than applicable indices. The Fund bond portfolio is concentrated in high quality bond instruments, government and AAA rated bonds. As with our equities, the Fund bond portfolio had performed positively, better than its targeted benchmark. Fund investment managers and the Fund investment consultant advised Trustees that we should stay with our current investment profile for the time being. We will continue to monitor the market, our portfolio and its performance daily. We are prepared to make necessary adjustments to protect and enhance Fund performance as conditions require. We believe that continuing to invest for the long run is the best course of action and will ensure that we fully participate in the recovery which will occur.

Fund Trustees and/or the Fund Administrator and financial Consultant will be available to communicate with and address participant, union, and employer groups, subject to travel and gathering restrictions, if you think it is necessary.