

**as we  see it**

Holiday 2020

THOUGHTS FROM OUR CHAIRMAN

Are we really out of the woods? Is the private sector/government partnership able to deliver vaccines in record time? Hopefully, by spring we are more comfortable about our environment but clearly that doesn't mean a full return to the "old" ways. Consumers and employers alike have developed new habits and ways of getting things done, many of which are likely to become permanent fixtures at work and home.

Investment markets currently look favorably on optimistic vaccine news. Likewise, the potential of another stimulus package appears to be viewed as a positive, yet longer-term questions and concerns remain. How resilient and rewarding will our economy be for workers on the lower end of the job spectrum? What affect will larger government debt loads have on economic growth and the inflation rate?

If the recent rise in the stock market, post-election, is any indicator investors appear optimistic about the potential for gridlock in Washington. With a divided Congress, is it possible our law makers will not be able to upset the apple cart much?

All of this will cause some volatility. However, barring war or other surprises, volatility may be somewhat muted for now. Our associate Ted Staples provides in this holiday issue of As We See It further thoughts on the broad role of technology today.

Alfred B. Van Liew

Investing in the Time of Covid

Edward K. Staples

Following on a recession, the continuing global pandemic and questions about the full impact of recent political elections, just how should investors respond to the challenge of seeking solid future investment returns? Historically low interest rates and a pro-recovery environment fostered by the Federal Reserve will significantly influence the work of structuring portfolios to meet our clients' personal investment objectives, risk tolerance and time horizon. We still emphasize quality in the diversification within each asset class to hedge against downside risk with a strong and continued overarching, positive bias toward

technology and technologically influenced market sectors.

Consider just how ingrained technology is in our lives – not just within the tech sector of the S&P 500 Index or big company players of the tech heavy NASDAQ. We note that technology literally blurs the lines of how, where and why we invest. Technology is by one Webster definition, the application of scientific knowledge for practical purposes. Put another way, technology transforms techniques and tools through automation, modernization and programming. It is a

major influence for how we continuously strive to be our best in many walks of life.

The juggernaut of technology not only touches consumers with evolving computers and social communication capabilities, but its powerful reach continues (long since creation of the integrated circuit in 1956 and development of the microprocessor in 1972) to dramatically impact the efficiency and productivity of industries like manufacturing with cost controls over product inventory and the capability to more effectively market and track consumer product initiatives. Solutions through science, mathematics and chemistry have helped resolve design issues. Technological advancement in biological research has brought important advances in healthcare initiatives and the creation and delivery of more effective approaches toward education. Technology also impacts our daily lives through broader access for sharing of the arts and entertainment and the viability of economies around the globe to promote and support the creation of jobs.

Drill down briefly to consider how technological innovation has impacted, for example, the design, implementation, construction and maintenance of energy production from wind turbines. There are innumerable steps steeped in technology to create a modern wind turbine and plan the placement of

multiple towers for wind farms. Technology enhances scientific research, enabling testing and measurement that has produced lighter, more efficient, adjustable props, stronger manufacturing resins, more durable motor brushes, powerful machine magnets and drive shafts requiring less wind to generate power.

We see a range of diverse companies throughout the investment universe relying heavily on technology for reliable, effective communication, faster data processing, consistent quality output, less costly maintenance, safer working conditions and a longer lasting return on investment. We recognize that this pandemic does not differentiate the spread of illness by a predetermined timeframe, global location or specific populace. During these extremely difficult times, investment markets will also continually shift focus and impact through the digesting of data which identifies economic trends across an ever-changing planet.

As investors during the time of Covid, we research underlying company fundamentals within market sectors (industrial, healthcare, financial, energy, communication services, etc.) seeking those companies where we see potential through the implementation of technological improvements to outpace competitors who we anticipate may lag by having difficulty effectively contending in a post-Covid world.



Happy Holidays

From All of Us at

Van Liew Trust Company

We would be delighted to meet with you to share comments about this article, or to review your portfolio in detail.

PROVIDENCE

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NEWPORT

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