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THE CORONAVIRUS IS SPREADING—AND SO ARE RELATED SCAMS

On January 30, the World Health Organization (WHO) declared the coronavirus outbreak a public health emergency – and unfortunately, fraudsters are trying to take advantage of the viral headlines.

New email phishing scams have been reported in which fraudsters are posing as the Centers for Disease Control (CDC), WHO and other well-known health organizations in order to obtain personal information.

“We commonly see fraudsters try to take advantage of global uncertainty by attempting to get people to click malicious links, enter credentials on fraudulent websites or volunteer their personal information,” explains Nate Tuting, head of the Raymond James Cyber Threat Center. “We’ve seen them impersonate a legitimate email sender by using an email address ending in ‘cdcgov.org’ – something close enough to the legitimate ‘cdc.gov’ that unsuspecting recipients don’t realize it’s fake.” Tuting also warns that the scammer might even include the real organization’s logo somewhere in the email to feign credibility.

The emails may contain links or attachments promising “safety tips” to help prevent sickness or information on “new cases around your city.” Do **not** click on or open them. These links might send you to a scammer-controlled website designed to steal your log-in information,

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KEEPING COOL: INVESTMENT STRATEGIES VS REACTION

After losing ground in 2018, U.S. stocks had a banner year in 2019, with the S&P 500 gaining almost 29% — the highest annual increase since 2013.¹ It's too early to know how 2020 will turn out, but it's been rocky so far, and you can count on market swings to challenge your patience as an investor.

The trend was steadily upward last year, but there were downturns along the way, including a single-day drop of almost 3% on August 14. That plunge began with bad economic news from Germany and China that triggered a flight to the relative safety of U.S. Treasury securities, driving the yield on the 10-year Treasury note below the 2-year note for the first time since 2007. A yield curve inversion has been a reliable predictor of past recessions and spooked the stock market.² By the following day, however, the market was back on the rise.³

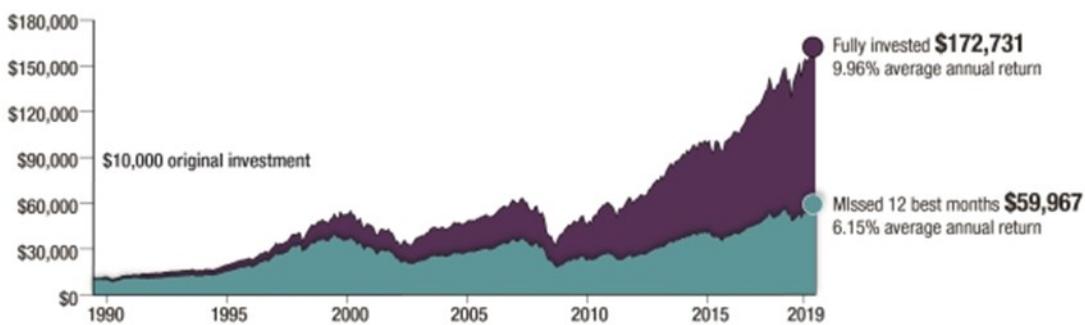
It's possible that a yield curve inversion may no longer be a precursor to a recession. Still, larger concerns about the economy are ongoing, and this incident illustrates the pitfalls of overreacting to economic news. If you were also spooked on August 14, 2019, and sold some or all of your stock positions, you might have missed out on more than 13% equity market growth over the rest of the year.⁴

Tune out the noise

The media generates news 24 hours a day, seven days a week. You can check the market and access the news anywhere you carry a mobile device. This barrage of information might make you feel that you should buy or sell investments in response to the latest news, whether it's a market drop or an unexpected geopolitical event. This is a natural response, but it's not wise to react emotionally to market swings or to news that you think might affect the market.

Long-term commitment

"Time in the market" is generally more effective than trying to time the market. An investor who remained fully invested in the U.S. stock market over the past 30 years would have received almost triple the return of an investor who missed the best 12 months of market performance.



Source: Refinitiv, 2020, S&P 500 Composite Total Return Index for the period 12/31/1989 to 12/31/2019. The S&P 500 is an unmanaged group of securities that is considered to be representative of the U.S. stock market in general. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. This hypothetical example is used for illustrative purposes only and does not consider the impact of taxes, investment fees, or expenses. Rates of return will vary over time, particularly for long-term investments. Actual results will vary. Past performance does not guarantee future results.

Stay the course

Consider this advice from John Bogle, famed investor and mutual fund industry pioneer: "Stay the course. Regardless of what happens to the markets, stick to your investment program. Changing your strategy at the wrong time can be the single most devastating mistake you can make as an investor."⁵

This doesn't mean you should never buy or sell investments. However, the investments you buy and sell should be based on a sound strategy appropriate for your risk tolerance, financial goals, and time frame. And a sound investment strategy should carry you through market ups and downs.

It can be tough to keep cool when you see the market dropping or to control your exuberance when you see it shooting upward. But overreacting to market movements or trying to "time the market" by guessing at future direction may create additional risk that could negatively affect your long-term portfolio performance.

All investments are subject to market fluctuation, risk, and loss of principal. When sold, investments may be worth more or less than their original cost. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. If not held to maturity, they could be worth more or less than the original amount paid.

1) S&P Dow Jones Indices, 2020

2) The Wall Street Journal, August 14, 2019

3-4) Yahoo! Finance (S&P 500 index for the period 8/14/2019 to 12/31/2019)

5) MarketWatch, June 6, 2017

Content prepared by Broadridge Investor Communication Solutions, Inc.

HAPPENINGS AT SHOBE

Annual Crawfish Boil and Jambalaya Social Postponed

Due to the COVID-19 outbreak, we will be postponing our Annual Crawfish Boil and Jambalaya Social previously scheduled for May 9. At this time, there isn't a timetable for rescheduling the event as we are waiting to learn more about the situation.

Thank you so much for your understanding as we navigate these quickly evolving circumstances. We look forward to rescheduling this event and getting the opportunity to see everyone!

A Quick Word from The Shobe Financial Team

Recently, we celebrated the start of our 38th year in businesses! We are thrilled to still be helping our clients pursue their life goals through good financial decisions.

We understand that the recent market volatility can be unsettling for even the most experienced, long-term investors.

In our 37 years, we have navigated turbulent markets and have strategies in place to help weather the effects. Our team of professionals understands your concerns and can help guide you through times of unease.

We have had a smooth transition into a remote work environment and continue to serve our clients. While we enjoy the ability to meet live and in-person, these remote conversations allow for convenient and social-distance-compliant communications. Our relationships and client satisfaction are based on our meeting your needs and providing value, so please let us know if you have any concerns or questions we can assist you with during this time.

and attachments might be laden with computer viruses.

A few tips to remember as you work to keep your cyber-health secure:

- **Check the details.** Thoroughly check the email sender and domain names, and keep an eye out for spelling and grammar errors – they may be a hint that your correspondent isn't legitimate.
- **Look for red flags.** Fraudsters may often try to create a sense of urgency, pose as a person of authority or even use uncommon language to try to lower your defenses.
- **Play it safe.** Do not click any links, open any attachments, reply, or otherwise provide any information unless you're absolutely sure who you're communicating with.
- **Go straight to the source.** Not sure if an email is really from the organization it claims? Do an internet search for the entity in question, like Centers for Disease Control or World Health Organization, and review information straight from the real website.

And while we're at it, a few tips for staying healthy overall:

- **Wash your hands.** Wash them frequently with soap and water. As to how long? "Count to 20," says Healthcare Policy Analyst Chris Meekins (and the CDC). "That's usually twice as long as most people do when they're washing their hands."
- **Avoid close contact with people who are sick.** This one goes the other way, too – if you're the one who's ill, it's in everyone's best interests for you to stay home.
- **Clean and disinfect the things you frequently touch.** Think your keyboard, mouse and phone, for starters. Another germy surface to target? Door handles. "Don't actively touch your face after you've touched a door knob," says Meekins.
- **Lean on the professionals.** Talk to your doctor about any concerns you have, and be sure to immediately report any symptoms of illness.

These steps may seem basic, but they're effective. By practicing these healthy habits, "you're less likely to get any type of disease, whether it's a cold or a flu," says Meekins, "and those same things apply to this coronavirus."

Sources: cdc.gov, nbcnews.com

Materials provided by Raymond James as a resource for its financial advisors.

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