



Warren Financial
Investing for a Greater Purpose®



Q4 2020 Market Strategy

We believe individuals can make a difference. We open doors for our clients, connecting them to a new world of investment opportunities. Freeing the client to achieve their individual Greater Purpose.



Warren Financial wants to help our front-line heroes:

All Emergency Department doctoral residents who come forward and talk with Warren Financial will receive FREE debt counseling regarding how best to handle their medical school loans while at the same time looking forward to beginning their regular life, possibly with marriage/family and/or purchasing a home, while also balancing investing for the future. All services at no cost through September 30, 2021.

Please TELL someone you know who is an Emergency Department doctor in residency anywhere in the USA. We want to help them. We want to give back something to thank them for their service.

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Good Riddance 2020: A Year of Angst

Get the latest updates fast,
Say, "Hey Siri, download the Warren Financial app"

We want to take time to thank our Doctors and Nurses at this time as they are on the front lines, fighting this pandemic – THANK YOU. Thank you for your tireless work to keep our communities safe and your willingness to risk your own health to help save others. May God bless you and keep you safe during these times.

At Warren Financial, we are healthy and working for you. We pray also that you, our clients, are healthy.

Warren Financial is offering free services to all Emergency Department doctoral residents: **Free debt consolidation strategies. Doctor mortgages. Free investing** through next year, Sept 30, 2021. Please help us let Resident ER Doctors know.

Before and After the Election:

Long Term Election Impact on the Stock Market: minimal
Short Term Election Impact on the Stock Market: expect some volatility

We know that everyone, on both sides, is upset and scared. And we know that whatever side loses is going to be very unhappy – and there may be lawsuits that will contest this election. And we know that there is an extremely strong recency bias about this election – everyone seems to feel that this one is more contentious, more disruptive, more disturbing than any previous election.

What should we do? Look for opportunity.

When markets gyrate, it takes courage, but the best thing to do is look for opportunity. It's hard, because when markets are selling off, there is a built in expectation that it will continue, maybe forever. *But in every case, the markets have come back stronger.*

The following examples illustrate the point that courage is profitable but panic is unprofitable. Picking the following stocks based on a \$100k investment per stock would produce the following profits six months later (as of 9/23): (Note the "bottom" of the March swoon was on 3/23.)

- Amazon (buy 3/23) for \$1676/share now worth \$3022/sh, gain \$80,310
- Zoom (buy 3/23) for \$144/share now worth \$511/sh, gain \$254,861

Ok, yea but those are high flyers, what if we picked something boring and steady

- Johnson & Johnson (3/23) \$111/sh now worth \$145, gain \$30,630



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Ok, but what if we didn't buy at the bottom?

- Home Depot (buy 3/10) \$208/sh now worth \$267, gain of \$28,365
- PayPal (buy 3/10) \$116/sh now worth \$182/sh, gain of \$56,896

Or, just think of the opposite. If you own Amazon and panic into the selling, dumping Amazon in mid-March because of the global pandemic (sounds bad, right), you missed out on an \$80k rebound and an almost doubling in the stock value.

The POINT: we have a shopping list – always ready – of great companies we want to buy, or companies we own that we want to buy more shares of – we call it the **Conviction Buy List**. We plan to hit the buy button whenever there is volatility to attempt to achieve great buy prices for our customers – to maximize long term profits.

Community Involvement Highlight

Randy is on the board of the Chester County Historical Center – I highly recommend visiting if you have not been down to West Chester for a visit. The historical society is opening up brand new exhibits as soon as Covid wanes. Join today!! Ask Warren Financial for a free pass.

Warren Financial employees are involved in all these groups and charities (not all charities but it's good to be involved in the community in various forms):

- West Chester University President's Advisory Board
- Chester County Historical Center (board and Investment Committee)
- Blue Ridge Runners Motorcycle Club
- Boy's & Girls Club of Hilton Head
- Vineyard Financial Assistance Service Team
- Mid-Atlantic Tesla Motor Club
- Hope for Christmas
- Public Policy Committee, HHI Chamber of Commerce
- Experience Bible Study Group
- BNI of HHI
- Exton Chamber of Commerce
- Church of the Apostles Men's HUB
- West Chester Univ Foundation (board and Investment Committee)
- Vistage CEO Roundtable Group in Phila
- American Legion West Chester (Investment)
- The Christian Academy (board and Investment Committee)
- Royal Glencairn Society (any Scottish out there?)
- St Andrews (scholarships for Scottish to study in America and Americans to study in Scotland)
- Dare to be Different Marriage Mentoring
- Compassion International
- Restoring Hope Child and Community

If you would like to help out, get involved, or donate to any of these groups/charities, let us know. Also, we would like to know more about YOUR favorite charities and groups. Again, free passes to visit the new exhibit at Chester County Historical Center in West Chester, PA. Please come check it out!

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Warren Safer-Equity Fund



The Warren Safer-Equity Fund

We are very happy with the performance of the Warren Safer Equity Fund.

The year-to-date SP500 (SPY with div, after fees) is now positive for 2020. The year-to-date WSEF is up sharply. Please refer to our website for regulatory disclosures.

Do you have a friend?

We absolutely LOVE referrals. Our client base has been so good to Warren Financial and continues to make many new referrals. Thank you!

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Please note: This is the best year ever for the **Warren Safer Equity Fund**, so far. We received the following email recently from a global service company named Preqin, which tracks fund return on investment.



Hi Randy,

Hope you and your loved ones are safe during the current pandemic.

We want to give you the opportunity to update the information we hold of Warren Financial Service as the latest performance data we have on our database is up until July 2020.

According to the data we currently hold for Big Dividend Hedge Strategy, the fund outperformed Preqin's Discretionary Hedge Fund industry benchmark by 14.15% during the 12-month period ending July 2020.

Strategy Update for 2020

Find more strategy updates in the App and on our website under WF Video blog.

Here are some critical insights:

- 1) Big tech is the best place to be for the upside days in the market. Naturally, there will be down days too. On those days, often the worst stocks fare the best, such as travel and leisure, and financials. But those "rotation" days don't last long – a day, a week, maybe even a month or two. But the profits are being made by big tech. Follow the money – that's our strategy – invest in great companies that are making great profits and have great growth.
- 2) Strategy around the election: We've been managing assets for longer than I care to recall, through many economic cycles, and many presidential cycles. Telling the future is a fool's game. Most of the time, elections are not a stock market event. Sometimes, there is some short-term volatility, like with the 2016 election when initially after the election the market was down 700 points overnight, but then rebounded and ended up the day after the election. There doesn't currently appear to be any obvious moves necessary, but we will stay alert for any developing trends in the market – and we will let politics be politics.
- 3) Election: Meanwhile make sure to check out our recent Forbes article about various sectors of the stock market/economy and how each sector may fare under Trump, under Biden, and after Covid. If you haven't seen it, simply say, "Hey Siri, download the Warren Financial app", and let Siri install our app on your phone. The Forbes article is in the app. And BTW, it's on our website too.
- 4) Comment on the market in general – These days a lot of new, unsophisticated traders are entering the market via Robinhood brokerage. They appear to have no idea how to value a company or which companies are "good" or "bad". They trade strictly on momentum – if it's going up, it must be good – and they pile in sending a stock soaring. But when they run out of firepower, the stock dies again. Even big stocks are not immune. For example, Apple was up 40% in August, only to fall 20% in September. These large swings indicate that traders have no idea what Apple is worth. But all that volatility again presents opportunity for Warren customers to purchase great companies on the dips.



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