

**Thoughts on Recent Events Impacting Financial Markets
From Reaves CEO Jay Rhame**

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Our portfolios were negatively impacted by the virus-induced selloff over the last few days. Our defensively-positioned portfolios provided some protection, but even traditional safe-haven equities declined as selling pressure accelerated throughout the week.

The good news is we were prepared for it, and we're well positioned if the virus continues to impact markets and economies. We believe the companies we own have growth opportunities for many years stemming from trends like renewable energy and cloud computing, and that growth will happen regardless of an economic slowdown or not. We also believe the safe dividends and steady growth look attractive with record low Treasury yields and could provide support if the selling continues. We entered the selloff with a low allocation to commodity-sensitive stocks, avoiding some equities that were hit the hardest in the selloff. We haven't made material changes to the portfolio because we're already positioned defensively.

We obviously don't know when the selling will stop, but we feel secure investing in companies that will generate strong earnings, cash flows, and dividends regardless of the impact from the virus.