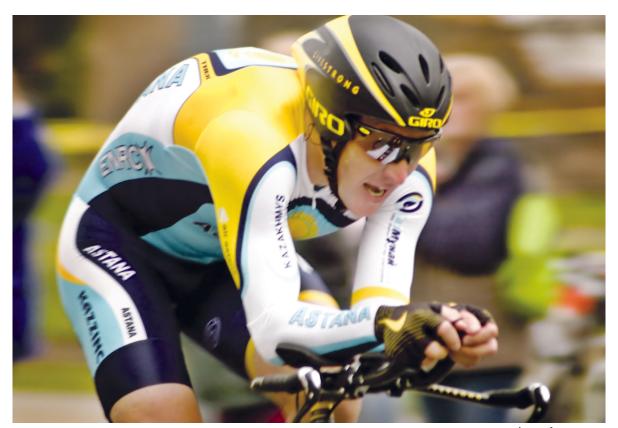
Will stimulus be too little too late?

THINK STRATEGICALLY:

Losing Greatness is an Inside Job

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Lance Armstrong

How do you define greatness?

Someone who distinguishes themselves from others and is truly eminent in their field, career or occupation.

When we see or hear a genuinely fantastic person speak at a life-changing presentation or a mind-blowing podcast, we wonder, "How did that person become who they are today?"

All around us, we live near greatness and great people, from our parents, who took care of us and raised us to become the people we are today, to the teachers who taught us to read and write, to our mentors in our careers. We all have people from whom some greatness has rubbed off on ourselves as we lead our lives and continue moving forward in our careers.

To frame our discussion and analysis, we must remind you of the eight steps

to achieve greatness in any field:

- Develop your vision
- Convert adversity to your advantage
- Pursue a winner's frame of mind
- Practice liveliness
- Master your body
- Practice positive habits
- Build a winning team
- Build a winning team
 Live a life of service

Saying that losing greatness is an inside job refers to the actions of individuals who destroy careers, companies, marriages, reputations and leave a path of destruction that everyone must avoid.

To frame how 'Losing Greatness is an Inside Job,' here are four examples:

Lance Armstrong: The former American athlete made cycling into a global sport. His seven consecutive Tour de France victories, from 1999 to

2005, and his status as a cancer survivor made him one of the most iconic and revered athletes outside of the professional sports world. How did he lose his greatness? He was found to have used performance-enhancing drugs from 2002 and lost everything.

Pete Rose: The best player in baseball achieved 4,256 hits, a 303-lifetime batting average; broke Ty Cobbs's longtime hit record. How did he lose his greatness? As a manager, he began betting on baseball games.

Bernard Madoff: At a point in time, he was considered one of the best market markers in Wall Street and was chairman of the Nasdaq Composite Index; he led the most massive Ponzi scheme in U.S. history, which went undetected for decades, losing his 4,800 clients some \$65 billion.

Puerto Rico: The island was ranked No. 18 among the world's economies in 2006; it had an A- Investment credit rating, but by 2019 had fallen to No. 65, and is rated D, meaning default.

In all these examples, they all lost their greatness from the inside, damaging their reputations, possibilities and admiration forever. Doing the right thing is always the best course of action, and as John Maxwell says, "One is too small a number to achieve greatness."

Week in Markets: Volatility, Uncertainty and Covid-19 Strikes President Trump

The U.S stock market had a highly volatile trading week, full of economic uncertainty following the recovery. However, investors seem to be focused on the hope that Congress will reach a deal and pass a new stimulus bill. We do not believe a stimulus bill will be approved before the general election. As you all know, the world's focus since Friday has been the hospitalization of President Trump after testing positive for Covid-19, and from what we have noted, his doctors have made every treatment available to the president, even an experimental one. We expect the markets to remain cautious while the president's situation is resolved.

The year of uncertainty took on new meaning as the last quarter of 2020 began, and we must analyze all of the current impediments facing investors. We must review our portfolios to prepare them to face an enhanced volatility period and an increased sense of precariousness.

When we review the economic data, we note that there is a continued economic recovery; for one, the U.S. Unemployment Rate fell to 7.9 percent,

compared to 8.4 percent last month, and Initial Claims for Unemployment Insurance fell to 837,000, or 4.12 percent less than last week.

However, on the flip side, we note that U.S. Personal Income fell to -2.71 percent, compared to 0.46 percent last month. The Personal Saving Rate fell to 14.1 percent, compared to 17.7 percent last month, and Personal Consumption Expenditures fell to \$13.1 trillion, down from \$14.55 trillion, or 9.96 percent, from the previous quarter.

As we have often mentioned, the stock rally of these past 180 days is significantly tied to the aggressiveness that the U.S. Congress and the Federal Reserve exhibited with the economic stimulus, providing \$3.89 trillion in increased spending to prop up the U.S. economy. Should the economy begin to falter, the absence of a renewed stimulus bill will factor heavily.

Uncertainty is one of the worst enemies of any investor and even more so during a pandemic with no end in sight and a total disruption to any semblance of regular economic activity. The only way to navigate the current market conditions is with a diversified portfolio with the right mix of stocks and bonds that reflect the investor's risk tolerance and overall financial goals.

The Final Word: Word of caution for the end of 2020

No one can predict how a new wave of Covid-19 will impact the economic recovery—the long-lasting effects ingrained on consumers by the pandemic will force them to be more cautious before resuming their daily routines.

The 4th quarter may not be as strong: The U.S. added 661,000 jobs in September, or 200,000 fewer than estimated and than the 1.5 million added in August. We see growth in retail and health care; however, there are 6.8 million more Americans unemployed than before the pandemic.

The stimulus bill is still in a political twilight zone: The much-needed tool to support the economic recovery remains under discussion in the other dimension that is Washington, D.C. politics, as Republicans and Democrats continue to negotiate some form of a deal that may prove to be too little too late for millions of Americans.

9/25/20 Change% Weekly Market Close Comparison 10/2/20 YTD 27.682.81 Dow Jones Industrial Average 27,173.96 1.87% -3.00% Standard & Poor's 500 3,348.44 3,298.46 1.52% 3.64% 10,913.56 11,075.02 1.48% Nasdaq 23.43% Birling Puerto Rico Stock Index 1,563.42 1,471.94 6.21% -23.28% 10-year U.S. Treasury 0.70% 0.66% 6.06% -1.20% 0.13% 0.12% 8.33% -1.20% 2-year U.S. Treasury

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