

# ***Merry Christmas and a Happy New Year to You and your Family***

***By Bob Deitrick, CEO  
Christmas Day, December 25<sup>th</sup>, 2020***

***We at Polaris Financial Partners want to wish you and yours a Merry Christmas and a peaceful and relaxing holiday as Christmas Day arrives tomorrow. For those celebrating Hanukkah, we hope that you had a blessed event over the past week ending last Friday.***

***What a year it has been. I suspect, you may feel as I do, that you will be glad to get this year over with so that we can move on to a better 2021. You may recall, two years ago, we were in the middle of a precarious correction. We came out of it successfully - as we predicted. 2020 started off very well until we learned about COVID and the devastating impact a pandemic could wreak upon our economy. We saw the market go through a horrific correction in February and March. Then, the market bottomed on March 23<sup>rd</sup>. Steven and I decided that it was the time then to be in the market as we saw the FED was going to backstop the whole shebang and that Congress was going to fund a stimulus that would keep certain pockets of the economy functioning. We foreshadowed in March that the COVID-friendly sectors would emerge as winners. We were correct. Eight months later – the DOW, the S&P 500 and the NASDAQ have appreciated significantly, and our clients have benefited as we played the right hand through this chaotic period. As we finish out 2020, it will be one of our best years in the market and for PFP in our 37-year history as well.***

***We at PFP also did some commendable things in our community as the pandemic broke. We helped our favorite restaurants by providing hams and turkeys to the staff, chefs and managers at Eddie Merlot's and Polaris Grill the first week they were laid off on March 12<sup>th</sup>. We provided Easter dinner to a group of 60 disabled veterans in Circleville on Good Friday. We then organized a team to provide 700+ honey baked ham dinners to our local veterans on Armed Forces Day weekend in May at the height of the pandemic. We did these things because we believe that "you get out of life in direct proportion to what you give back to it."***

***[Philanthropy — Polaris Financial Partners, LLC](#)***

***It has been a challenging year, yet a prosperous one. There are many lessons to be learned from misfortune and pain; indeed, good things can emerge from misfortune. In this case, I am certain we Americans will emerge stronger from the pandemic and more united at the end of the day as well. As for 2021, we are portending another solid year for stocks and the market as millions of Americans get vaccinated as we put this tragedy behind us.***

***We at PFP are optimistic about 2021. We predict another strong year for the stock market despite what is another 10 percent correction impending sometime in the first half of the new year. Bear in mind, corrections are a wholesome component to a healthy stock market, so we believe a 10% pullback would be a refreshing pause. The correction will likely be short - one to two months. It may start in February, March, or April, and then when we get past the spring, that is when we suspect that the market will likely rally further. COVID should start pulling back by late Spring...***

*Steven and I predicted in August the S&P 500 would close out 2020 near 3,800. Today, the S&P 500 finished Christmas Eve at 3,703. The index is up 14.62% year-to-date. In 2021, we agree with Tom Lee of Fundstrat that stocks may rise to 4,300 in the second half of 2021. A gain to 4,300 on the S&P 500 represents a 16% increase from the Christmas S&P 500 close of today. So next year looks promising.*

*We expect the economy to expand as the vaccine becomes more widespread. China recently boomed once people felt COVID was vanquished. We think a boom is going to happen in the United States as well. Our top sectors for 2021 will adjust somewhat as we will add renewable energy, cyclicals, discretionary, industrials and energy back to the forefront.*

*Some tech stocks will struggle because as that has become the “overcrowded” trade. The most crowded trades are large cap tech, “work at home” stocks and FANG. We are not suggesting they will be out of favor, but sectors will likely rotate somewhat next year as COVID hopefully subsides and as the new administration comes in. We remain optimistic about the future, about the market and about where Polaris Financial is and where we are going. We have just come off our best two years in the history of our company and Steven and I are immensely proud of that fact.*

*As we conclude 2020, we encourage you to support your local taverns and restaurants. They are hurting – many are in critical need of our support. We also ask that you go to Honey Baked Ham of Polaris, Eddie Merlots and Polaris Grill too. They all helped us in a meaningful way with our veteran’s project when we were trying to solicit help to pull off that event.*



*Again, Steven and I thank you for your business - it is immensely appreciated.*

*We look forward to working with you over the many months and years that follow 2021.*

*Have a wonderful Christmas and a Very Happy, Fun and Prosperous New Year!*

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