

MEMORANDUM

TO: All Clients
FROM: Meketa Investment Group
DATE: February 13, 2020
RE: Coronavirus

The coronavirus has received a lot of attention recently. We want to provide you with a brief update about it, although we are of course only in the early stages of understanding the nature and implications of the disease.

There have been a lot of comparisons between the current coronavirus and the SARS epidemic in 2003. Although there are some similarities, China's economy and its role in the global economy are very different now compared to then. Today, China's economy is much larger and more integrated with other global economies, and it has developed a greater focus on internal consumption. As a result, disruptions in China today will have a greater impact and be more far-reaching than in 2003.

China has also become one of the top importers of many commodities, including oil, creating pressures on these sectors. Elsewhere, other economies will likely be affected through trade disruptions, decreased tourism, and supply chain challenges. Although it is difficult to say now what the ultimate impact will be, many forecasters have started to revise down their estimates of growth for China's already slowing economy.

A team from the World Health Organization arrived in China this week to further understand the disease and its outbreak, as well as to assist with the response globally. However, the situation remains very fluid, and the ultimate market and economic impacts remain impossible to predict at this time.

We will continue to follow the developments of the virus closely and provide updates as appropriate. Once there is more clarity to the situation, we will provide a more robust analysis, including both short and long-term implications. In the interim, please do not hesitate to reach out to your client team with questions.



Disclaimers

The information contained herein is confidential. All information is subject to market fluctuations and economic events, which will impact future recommendations and investment decisions. These contents are proprietary Information of Meketa Investment Group (“MIG”) and may not be reproduced or disseminated in whole or part without prior written consent. All information and graphics referenced herein are derived from sources which we consider reliable; however its delivery does not warrant that the information contained is correct. This report has been prepared solely for informational purposes and no part is to be construed as a recommendation or an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any investment strategy.