



3rd QUARTER 2018

October 2, 2018

Dear Friends and Financial Advisory Clients:

With the 3rd Quarter of 2018 now complete, in one sense investors can breathe a sigh of relief that military and political unrest globally did not trigger some financial Armageddon that many strategists feared might occur. In fact, global economies are generally strong. As well, trade tensions, while still present, have eased, and in some cases been resolved. This is good news. In fact, the global investment outlook could well improve as resolutions to various trade concerns unfold.

Of course, global uncertainty has still had a telling impact on investments in 2018, by virtue of an extremely narrow financial market advance. Rising interest rates have resulted in declines in government, corporate and municipal bond prices. Trade tensions have suppressed stock markets with declines in Asia, Europe and Developing or Emerging Markets. Indeed, the one bright spot has been US stocks which have benefitted from recent tax legislation and a general inclination of investors to go where the apparent “safest risk” was available.

For a long-term investor, this overweighting to one market segment can be a source of temptation to follow the crowd towards what is working, creating an even more extreme overweight. Or, as is often the case, one can be tempted to abandon what is not performing with an assumption that the trend will continue, even though some of these other trailing asset classes may currently hold the most appeal.

Periods like these are the ones most likely to test one’s patience and commitment to a balanced approach. It is even more the case given an increasing media trend towards headlines and focus on short term results. But real wealth is generally accumulated and preserved over longer periods through disciplined allocation of assets suitable to one’s goals and time frames. Among the roles we are most proud of playing, for all of you that count on us, is to support your focus and approach to the most important financial goal – wealth accumulation and preservation. To this end, we are particularly keying on the importance of balance in our approach. We do not view this as an environment to “chase” what is working. This is in fact a chapter where discipline and balance will likely be our best long-term ally. We are here to support you in making that happen.

Wishing you all a wonderful fall season. Please let us know if there is any way we can be of additional support.

Best Wishes,



Jeffrey C. Vahanian

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