

Hello Clients and Friends,

We all hope that this finds you off to a great start in your personal and financial lives in 2019. The first part of the year is always busy for us and this year has been no exception. The combination of a broker dealer change and the return of volatility to the markets made it challenging, but I feel like we've handled things thus far.

If you follow the news, and specifically financial news, you know that the last 6 months essentially formed a "V". Most investment and account values were down sharply in the 4th quarter of 2018, but then rebounded almost as sharply in the 1st quarter of 2019. There was a point in December when things felt almost as gloomy as 2008, and it had been a while since that feeling. In retrospect, I think now that with things being at their worst right at Christmas, that possibly some folks didn't take much note of it because it was the holiday season, and then things snapped back up so quickly in early 2019 that the pain went away before it became a huge problem.

Was that pullback a signal of bad news on the horizon, or will it turn out to have been a buying opportunity for long term investors? Time will tell. As things stand for now (late April), it looks like it was a buying opportunity. Interest rates have stabilized, which calmed things, so the focus shifts back more to corporate earnings and valuations. As I write this, both the Dow Jones Industrial Average and the S&P 500 are within striking distance of record highs. In my opinion, stocks in general are close to the top end of fair prices for the short term, so for there to be a surge to new highs that can be sustained, earnings will have to continue to be strong and will have to increase. The most effective long term driver of stock prices is corporate earnings; if corporate America is profitable and able to increase profits, stock prices will move higher long term. There will be bumps in the road, but I hold to the basic premise that stocks will outperform fixed income over a long period of time, albeit with a higher station on the risk spectrum. This is why you'll hear us consistently referring to asset allocation on reviews. As clients age and retire, allocation and sequence of return become more and more important.

As you all know, we went through a broker dealer change in late 2018. Signator was sold to Royal Alliance, which is a part of a conglomerate of four broker dealers known as Advisor Group. I dislike the fact that this was our second transition in three years, because it's a distraction, however, in neither case was I involved in the decision. Since we're an independent advisory firm, I do not believe that choice of broker dealer is a factor in our success or failure; our success or failure is dependent on what we do. That said, this is the largest broker dealer I've been associated with, and we've seen some advantages as well as some challenges with that. If you have questions on our broker dealer relationship, I will be happy to explain it.

News in the office....Callie has passed both the Series 7 and Series 66 and is now fully licensed. I'm very proud of the work she's done and excited about the sharp young professional that she's become. Taylor continues to do excellent work and really helps share my load. She and her family are doing great. Vivian is a calm and pleasant presence up front in our office and provides great support on service issues and

business submission. Jennifer and I are proud that our oldest daughter, Noel, recently graduated from Auburn University this spring, and can't wait to see what the future holds for her.

Thanks for reading this and for checking out our website. Please let any of us know if anything we can do to improve or streamline your financial life.

Russell