



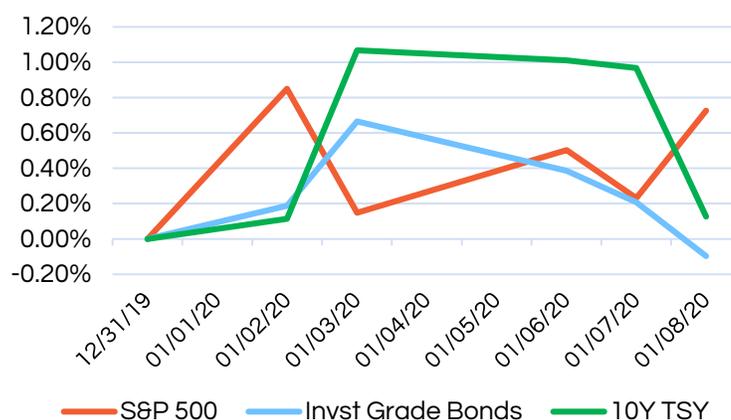
New Year, New High

Happy New Year to all our friends and clients.

2020 is beginning where 2019 left off from a geopolitical, as well as a global capital market perspective. As we highlighted in our 2020 Outlook report, the geopolitical outlook remains tenuous and poses a significant risk to any economic and capital market outlook going forward. And already in the first ten days of 2020, we have witnessed saber-rattling in the Middle East culminate with the killing of Iran's General Soleimani, and to this point, a muted response by Iran in bombing U.S. interests at the Al-Assad Air Base.

But as we also suggested in our 2020 Outlook, 2019 was the year of the "everything rally." Investors' fear of missing out (FOMO) combined with there is no other alternative (TINA) helped offset any 4Q18 sell-off, pushing the S&P and NASDAQ higher by 32% and 37%, respectively. So as tensions between the U.S. and Iran seem to be de-escalating (**for now**), equities are once again for bid while safe-haven trades into U.S. bonds are reversing.

YTD Indexed Total Returns



Source: FactSet and NEPCG

The S&P 500 Index (price-only) traded to an at all-time high on Thursday of 3,275, or almost 18.5 times next year's S&P operating earnings. **The last time the S&P traded at multiples this rich was in late 2017. However, at that time, the projected earnings growth for the S&P 500 was over 9%, compared to less than 4% currently. Further, market trends in late 2017 were a beneficiary of extra-ordinary global monetary stimulus, as well as deregulation and contrarian fiscal stimulus here in the U.S. (The Tax Cuts and Jobs Act of 2017).** Therefore, we continue to wonder for how much longer investors can support such lofty valuations, despite an economy moving somewhere through the tail-end of an economic life cycle. Please see our 2020 Outlook for more on these topics. If you would like a hard-copy of this in-depth 25-page report, please let us know. We'd love to hear your thoughts.



Disclosure: The information in this publication and references to specific securities, asset classes and financial markets are provided for illustrative purposes and do not constitute an offer to sell, or solicitation of an offer to purchase, any securities, nor does they constitute an endorsement with respect to any investment area or vehicle. This material serves to provide general information to clients and is not meant to be legal or tax advice for any particular investor, which can only be provided by qualified tax and legal counsel. Certain information contained herein is based on outside sources believed to be reliable, but its accuracy is not guaranteed. Investment products (other than deposit products) referenced in this material are not insured by the FDIC (or any other state or federal agency), are not deposits of or guaranteed by Northeast Private Client Group, and are subject to investment risk, including the loss of principal amount invested. Portfolios are subject to investment risks, including possible loss of the principal amount invested. In addition, foreign investments may be less liquid, more volatile and less subject to governmental supervision than in the United States. The values of foreign securities can be affected by changes in currency rates, application of foreign tax laws, changes in governmental administration and economic and monetary policy. Investors should consider the investment objectives, risks, charges, and expenses of ETFs carefully before investing. This and other information are contained in the fund's prospectus, which may be obtained from your investment professional. Please read it before you invest. Investments in ETFs are subject to risk, including possible loss of the principal amount invested. This information is being provided to current Northeast Private Client Group clients and should not be further distributed without Northeast Private Client Group's approval. S&P 500 Index is a market index generally considered representative of the stock market as a whole. The index focuses on the large-cap segment of the U.S. equities market. Dow Jones Industrial Average is a widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials, but also includes financial, leisure and other service-oriented firms. Russell 2000 Index measures the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization. NASDAQ Composite Index is a market value-weighted index that measures all NASDAQ domestic and non-U.S. based common stocks listed on the NASDAQ stock market. Each company's security affects the index in proportion to its market value. This commentary contains forward-looking statements and projections. Actual results may differ from current expectations based on a number of factors including but not limited to changing market conditions, leverage and underlying asset performance. Northeast Private Client Group makes no representation or warranty, express or implied that this information shall be relied upon as a promise or representation regarding past or future performance. This material contains the current opinions of the author but not necessarily those of Guardian or its subsidiaries and such opinions are subject to change without notice. Past performance is not a guarantee of future results. Indices are unmanaged, and one cannot invest directly in an index. Data and rates used were indicative of market conditions as of the date shown. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. Securities products and advisory services offered through Park Avenue Securities LLC (PAS), member FINRA, SIPC. OSJ: 200 Broadhollow Road Suite 405, Melville, NY 11747, 631-589-5400. PAS is an indirect, wholly-owned subsidiary of The Guardian Life Insurance Company of America® (Guardian), New York, NY. Northeast Private Client Group is not an affiliate or subsidiary of PAS or Guardian. 2020-91957 Exp.4/20.