

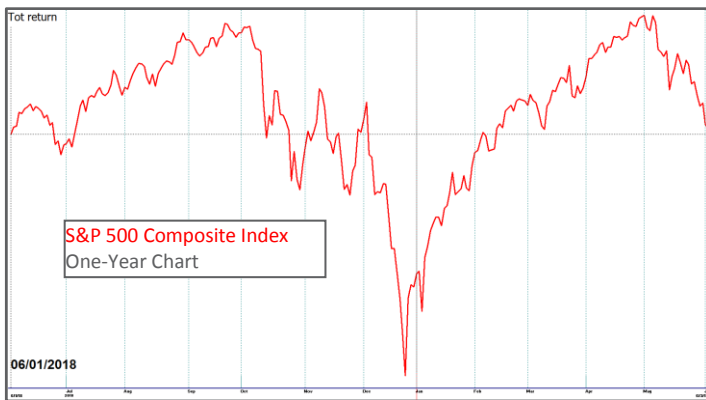


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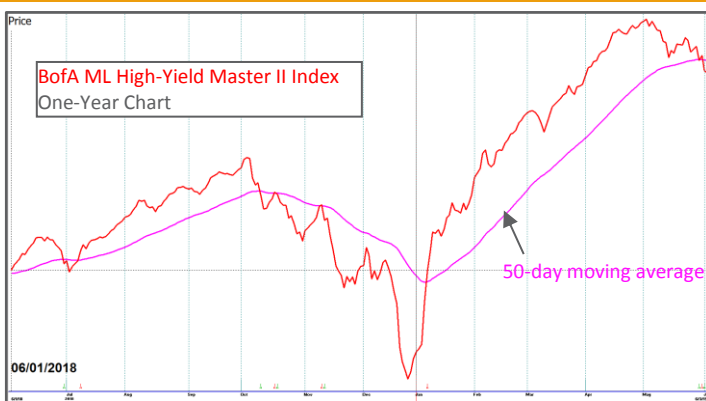
June 3, 2019

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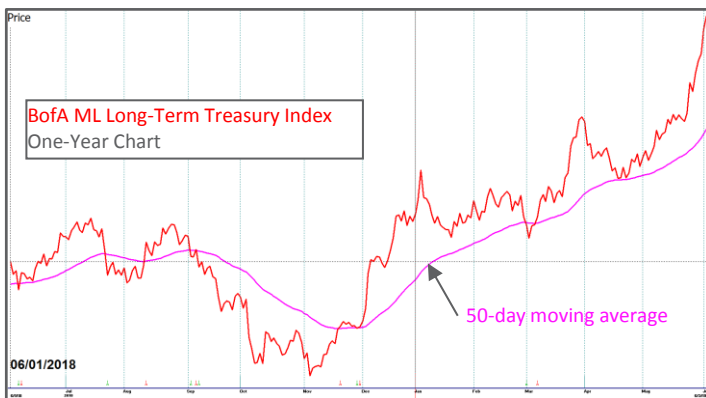
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The financial markets are in intermediate-term downtrend that started at the beginning of May. The **S&P 500 Composite Index** was down 6.6% last month with other major indices down even more than that.



This downtrend has been confirmed by the downtrend in junk bonds. The **BofA ML High-Yield Master II Index** is also declining and dropped below its 50-day moving average last week; a sign of elevated market risk. The junk bond index was down 0.9% for the month of May.



Yields on US Treasury bonds are falling as investors reduce risk and buy the relative safety of US Treasury bonds. As yields fall, treasury bond prices rise. The **BofA ML Long-Term Treasury Index** has surged higher gaining 5.3% during the past month.

I have made adjustments to our portfolio holdings in all of our investment strategies. We have eliminated our exposure to junk bonds and the equity portion of our Flexible and Flex+ strategies is in a reduced risk profile. Although I don't have the final numbers for the month of May yet, my estimates indicate that the Conservative strategies will be about break even for the month while both the Flexible and Flex+ strategies will end the month down.

We are starting to plan our 2019 annual meeting that is open to clients and others interested in learning more about the services we provide and our risk management approach. In order to organize a meeting that will accommodate as many people as possible, I ask for your assistance by completing a very short survey which can be found by clicking this link: [Take Survey](#). Thank you in advance for your participation.

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