



Q2 NEWSLETTER

Dear Clients and Colleagues:

In this newsletter, we review the First Quarter market performance and discuss the main components of a financial plan.

1Q 2019 Market Performance¹

Following across the board negative stock returns in 2018 and a dismal December in which the S&P 500 dropped nearly 13%, stocks rebounded strongly in the first quarter of 2019. By comparison, December 2018 was the worst December for US equity returns since 1931², and the first quarter 2019 was the best first quarter for US stocks since 1998.³

	<u>1Q2019</u>	<u>Trailing1YR</u>
S&P 500	13.65%	9.50%
MSCI EAFE (Dev.Int'l)	9.98%	-3.71%
MSCI EM (EmergingMrkt)	9.91%	-7.41%
BBgBarc US Agg Bnd	2.94%	4.48%

Trivia Answer

Seven teams have won back-to-back Super Bowls: Green Bay Packers, Pittsburgh Steelers, Miami Dolphins, San Francisco 49ers, Dallas Cowboys, Denver Broncos, and New England Patriots.

Financial Planning

A financial plan starts with a review of the client's current financial position and an assessment of progress towards meeting the client's financial goals and priorities. A plan typically includes the following elements:

Cash Flow Planning

Cash flow planning is the foundation of a sound financial plan. Cash flow analysis (careful review of income, expenses, savings rate and investments) is critical and drives the rest of the financial planning process.

¹Indices are unmanaged, and one cannot invest directly in an index. Past performance is not a guarantee of future results. MSCI EAFE Index serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia. MSCI EAFE Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets. Bloomberg Barclays U.S. Aggregate Bond Index represents the US investment-grade fixed-rate bond market. 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. References to specific securities, asset classes and financial markets are for illustrative purposes only and do not constitute a solicitation, offer, or recommendation to purchase or sell a security.

²See Barrons, March 4, 2019, at pg.7.

³See Barrons, April 1, 2019, at pg. M3.

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Retirement Planning

As clients mature and enter their peak income years, the focus often turns to retirement planning. Retirement planning includes analysis of longevity expectations; expenses and inflation; social security maximization; sustainable withdrawal strategies; investment asset allocation; Medicare and long term care; income tax planning; and estate planning.

Investment Planning

Investment planning includes consideration of personal risk tolerance; risk management; income and liquidity needs; asset allocation; diversification among and within asset classes; tax management; account type and security selection; and fee management.

Risk Management/Insurance

Insurance planning is a key component of financial planning and includes survivor income and needs analysis; health and disability protection; long term care risk management; and liability and property value protection.

Tax Strategies

Careful tax management can increase retirement nest eggs and retirement income and increase the likelihood of a successful retirement. Tax strategies may include: tax loss harvesting; tax efficient investing; tax efficient withdrawal strategies; account tax diversification and Roth conversions; tax-advantaged savings vehicles and accounts; pass-through business income deduction; and qualified retirement plans.

Estate Planning

Estate planning includes creating a plan to distribute assets, protecting and providing for children, dependents and loved ones, planning for emergency or end-of-life care, and in some cases strategies to minimize taxes.