September 28, 2018

Dear Investors,

This week marks the end of the third quarter of 2018. As we begin the final quarter of 2018, it is a good time to focus on ways that you can save money with the new tax laws. Despite what you may have heard or read, only about 10% of NJ residents are expected to pay more in taxes. This may be a good time to lock in some profits from the best quarter since 2013. The Dow Jones Industrial Average was -1.7% and the S&P 500 Index was up 1.7% after the second quarter. During this quarter, the large cap indices and the NASDAQ Composite all gained about 8% despite growing concerns about global trade wars and an increased monetary tightening policy. The quarter ended on a month with unusually low trading volume.

The Dow Jones Industrial Average lost 285.19 points, or -1.1%, this week to close at 26,458.31, and is up 7.0% this year. The S&P 500 Index slipped 15.69 points, or -0.5%, this week to close at 2,913.98, and is up 9.0% this year. The NASDAQ Composite gained 59.39 points, or 0.7%, to close this week at 8,046.35, and is up 16.6% this year. The Russell 2000 lost 15.75 points, or -0.9%, to close this week at 1,696.57, and is up 10.5% this year. Gold lost $7.10 this week to close at $1,196.20, and is down 8.3% this year.

The Federal Reserve raised the short-term lending rate by a quarter of a percent this week, as anticipated. It was the first time the Fed raised rates in the month of September, which is usually a challenging month for the markets. The Fed also took the word "accommodative" out of its announcement of the rate hike which seemed to temporarily spook investors. The start of the fourth quarter means that the Fed will be increasing its tightening policy by buying back another $10 billion a month.

From a technical aspect, the markets were overbought at the start of the week. All four indices are now within striking distance of their all-time highs as we approach the Fibonacci phi mate date of October 2nd. There are several bearish divergences within the market technical signs. Since bouncing off its 200-day moving average in April, the S&P has formed a five- wave pattern that looks to be near the end of its run. The first key level to watch would be the 50-day moving average or about 2,870. The markets are about 1% higher than they were in mid-January after nearly a six-month rally.

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Fibonacci Phi Date (also known as Fibonacci Time Extensions) is a technical indicator used to seek to identify the timing of significant price movement in the market, and is based on the Fibonacci Number Sequence.

The Hindenburg Omen is a combination of technical factors that attempt to measure the health of the NYSE, and by extension, the stock market as a whole. The goal of the indicator is to signal increased probability of a stock market crash.

The McClellan Oscillator is a market breadth indicator used in technical analysis by financial analysts of the New York Stock Exchange to evaluate the balance between the advancing and declining stocks.

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The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful. All performance referenced is historical and is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.

The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Blue Chip Index is a stock index that tracks the shares of the top-performing publicly traded companies. These indices are unmanaged, which cannot be invested into directly.

Precious metal investing involves greater fluctuation and potential for losses.

Past performance is no guarantee of future result.