



John H. Biebel, J.D., CFP®
Chief Client Advisor
617-791-3811
jbiebel@ridleycove.com

2019 Year-End Review

Happy New Year Dear Clients!

Investments worldwide posted exceptional returns last year, with U.S. stocks up 31.5%, world stocks up 26.6%, and U.S. bonds up 8.7%*. Most of your portfolios captured 85-90% of our global benchmarks, and we are pleased with our risk/return positioning.

Few economists and managers seem to think the rally will end in the near future, although many believe we will see slower growth this year as the effects of the 2017 tax cuts are behind us.

This positive outlook is very different from the beginning of 2019, when trade war fears, the Federal Reserve's stated commitment to interest rate increases, and inverted yield curves suggested that we were headed for a global economic downturn. Thank goodness we didn't give in to that pessimism.

Chief Allocation Strategist Steve Bobo and I have well developed senses of caution and skepticism, but we also recognize the futility in trying to time the markets. It certainly provides comfort knowing that when we experience the correction, our portfolios have all benefited from significant double digit growth in 2019.

We will continue to make measured adjustments to the portfolios. Last quarter we shifted some of our international exposure from higher valued growth stocks to less expensive value stocks. This was a continuation of the strategy that we commenced over three years ago with the addition of FPA Crescent in our US holdings.

*As represented by the S&P 500 US Large Company Index, the MSCI All Country World Index, and the Bloomberg Barclays Aggregate Bond Index.

Second Quarter 2019 Review

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I have uploaded your quarterly reports to your portals; you should have received a notification with a link. If you just started working with us, you will receive your first performance report next quarter.

Please contact us if you have any trouble accessing your report, or if you have any questions about your investments, our strategy, or your financial goals. Our money is invested right alongside yours.

Sincerely,

John H. Biebel, J.D., CFP®