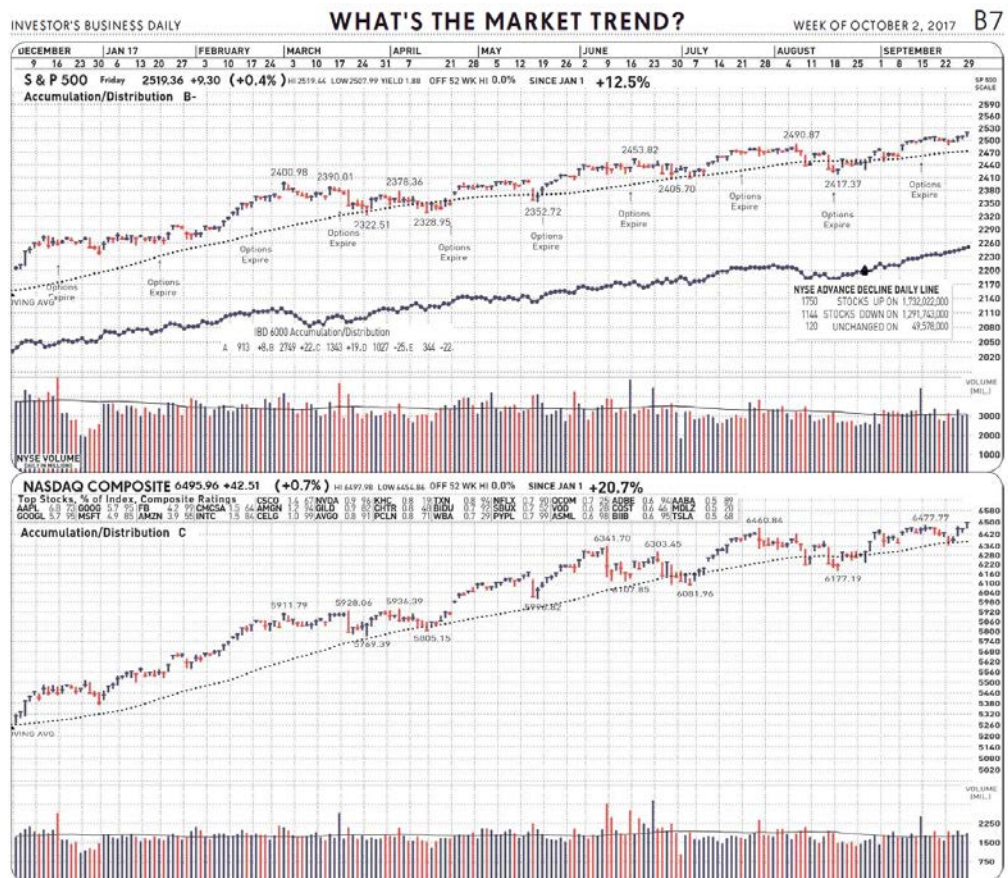


## Climbing up the Wall of Worry

Since the beginning of the year, the markets have undertaken a slow, but persistent, upward march. Historically, bull markets climb a “wall of worry,” and it seems that this time is no different. The overall slope of the current upward climb is not steep, but quite steady, as this chart from Investor’s Business Daily shows:



Remember volatility? While it was present in 2015 and 2016, it has not been present in the market at all this year. The S&P 500 has had only eight moves of 1% in either direction, the fewest for a comparable period of time in more than four decades! Markets typically do what no one expects—remember the night before Trump was elected? The futures market was down over 300 points on election eve. Markets moved higher the next day, and haven’t looked back. This is not an endorsement of our current President—it’s simply an example of how groupthink can steer you wrong, and the unpredictable nature of markets.

As markets have continued to move higher, prudence has dictated a market pullback which has still not materialized. The environment for Federal Reserve tightening has increased, geopolitical risks have increased and debt levels (especially in China) are at all-time highs. The Wall of Worry! On the other side of the equation, we're facing potential tax reform, higher levels of employment, increased consumer confidence and spending and global central banks maintaining easy monetary policies. No one expected a move like this based on last year's showing. The markets continue to defy expectations.

Investing in stocks has historically been the best place to build wealth and beat inflation. I believe this logic will continue to hold true in the long-term.

Please review your current asset allocation to make sure it is invested in the areas you feel best meet your needs and risk profile.

For help in reviewing your asset allocation and retirement planning, please contact me.

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