



First Quarter Client Letter 2017

Market Update:

The U.S. equity markets picked up right where they left off at the end of 2016, continuing their upward movement throughout the 1st quarter of 2017. The S&P 500 posted its biggest quarterly gain since the fourth quarter of 2015, extending post election gains amid a more positive economic outlook. We also saw very little volatility in the quarter.

Despite the Federal Reserve's decision to raise interest rates in March, fixed income generated positive returns for the quarter. The Barclays US Aggregate returned .8% while global high yield returned 3.2%, highlighting again the importance of diversification among both equity and fixed income asset classes. A big question we get a lot is if interest rates go up doesn't it push bond prices down? Please Note that most of your portfolios have different kinds of bonds for the diversification mentioned above.

Money Manager Due Diligence:

We continue to do ongoing research and due diligence into the money managers we recommend for our clients. This includes regular analysis of the investment companies returns and internal expenses compared to other money managers. We meet in person with representatives of the investment companies we use as well as their competitors.

We also benchmark how we are doing through annual study group* meetings with other advisers throughout the country. Jon's group met January 19-21 and Jim's group met March 8th-10th of this year. A formal analysis is then prepared and reviewed quarterly by Jim and Jon to look at our research findings.

In the month of May, Jon will be traveling to Orlando for a meeting where over 50 advisers will get together for continuing education, networking and the ability to compare notes on their practices. Jon will also travel to Chicago for SEI Private Trust Company's annual meeting. There will again be the ability to not only hear from economic and industry speakers, but to also talk with other financial advisers.

*Definition of a study group: Group of successful financial firms from all over the country who come together in one location every year to discuss and exchange ideas on performance, investment companies, planning (estate and tax) and practice management on running our firm.

Save the Date:

Please mark Tuesday, October 10th on your calendars for our annual client education event at Lockkeepers in Valley View, Ohio. More details to follow in the coming months.



Office Update:

Please note that our office will be closed on Friday, April 14th in observance of Good Friday.

Driebusch, Corri. "Stock Surge Rides the Tech Wave." *Wall Street Journal*, 1 April 2017, p. B1.
Weekly Market Recap. JP Morgan Asset management. 3 April 2017



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