

MARKET COMMENTARY

The financial markets continued their march higher in the second quarter of 2019. Whereas uncertainty surrounding trade caused a mid-quarter downturn, the Federal Reserve's cautiousness on raising interest rates and indications of progress being made between the U.S. and China on trade, drove markets higher by the end of June. More specifically, financials, materials, and technology sectors all showed healthy gains. The healthcare sector continued to struggle in the face of potential price control legislation. Energy stocks declined on lower oil prices despite a rise in tensions in the Persian Gulf.

A review of 2019's year to date results are shown below.

Benchmark Returns as of 6/30/19 YTD

Domestic Equities

S&P 500 Large Cap 20.69%

S&P 400 Mid Cap 18.02%

S&P 600 Small Cap 13.19%

International Equities

MSCI EAFE Developed Int'l 13.72%

MSCI Emerging Markets 10.22%

Bonds

Barclays U.S. Aggregate Bond 5.01%

The equity markets appear to be climbing a wall of worry. Despite continued trade tensions, the upcoming 2020 elections, geo-political tensions with Iran and North Korea and uncertainty regarding interest rates have been the source of great investor anxiety and market volatility. Yet, the market is showing great resiliency given strong economic underpinnings. For example, economic growth generally remains strong and employment data remains encouraging. The Federal Reserve did not cut rates in June. However, it did signal easier policy ahead. Looking forward, we continue to feel confident that the long-term outlook for our economy and the equity markets remains positive.

As we have written numerous times before, maintaining a diversified portfolio of high quality investments is the best way to reduce risk in all markets. We stick to the proper asset allocation for each client, taking into account their risk tolerance and return objectives, and focus on long-term fundamentals and disciplined investing.

In conclusion, we expect stocks and bonds to continue to produce the necessary returns over the long term to support our clients' investment objectives which are

local independent personal accessible
interactive creative local independent personal
knowledgeable thoughtful ethical experienced

spelled out in their Investment Policy Statement.

We are grateful for having the opportunity to serve our clients' needs.

Marisa A. Bradbury, CFA, CFP®

The views in this publication are as of July 2019 and are for informational purposes only and do not represent any recommendation of any particular security or strategy and should not be considered investment advice. The publication is prepared for educational purposes and the information presented has been gathered from sources believed to be reliable.

Please remember to contact Sigma Investment Counselors if there are any changes in your financial situation or investment objectives