Dear Client,

Driven largely by fears of slowing global growth, U.S. markets continued their selloff through Friday's trading session. Sparked initially by weaker than expected economic data from China, mounting concerns surrounding the sustainability of international economic growth triggered a broad-based market selloff. All three major U.S. indices ended the session lower. This development comes in spite of the announcement that China would formally commit to suspending additional tariffs on U.S. vehicles as well as positive U.S. economic data, including better than expected retail sales and industrial production. In short, markets continue to be pushed and pulled by competing positive and negative developments.

The U.S. economy continues to outperform in a global economy that has lost some steam. The recent negative market movement highlights the continuation of deteriorating manufacturing data around the globe. Additionally, uncertainty surrounding trade between the U.S. and China has produced both economic disruption and market volatility. Assuming a trade compromise is reached early next year, fears of a global slowdown leading to a U.S. recession appear misplaced. We continue to believe that the probability of a U.S. recession next year remains very low.

Finally, competing headlines out of Europe have continued to influence investor sentiment as well, and Brexit remains a primary focus for European markets. As with those in the U.S., markets in Europe continue to be pushed and pulled by competing positive and negative developments.

The bottom line is that it is extremely difficult to time the precise bottom of an equity market pullback, especially given the sheer number of headlines that continue to dominate the market and dictate its short-term moves. However, the market has now priced in many of these negative headlines, and these volatile market movements may provide a meaningful opportunity to rebalance portfolios for long-term investors. But periods of market volatility can trigger an emotional response, especially if things seem beyond our control. Our rational selves may understand that rough patches are to be expected, but when the stock market behaves erratically, it may be hard to retain that perspective.

To that end, we wanted to share a few ways to shine some light on things that may keep you awake at night.

1. **Know that volatility is normal.** It may feel jarring, but it's a natural part of investing. Markets move in cycles and, while the length of contractions varies, periods of growth and expansion are usually waiting on the other side.
2. **Stay calm.** We’re here to help you avoid letting emotions dictate your strategy. Short-term decisions can have long-term consequences, and discipline enables you to participate when markets rebound.

3. **Consider opportunities.** Let’s work together to assess strategic opportunities that are in line with your long-term plan.

We believe a thorough financial plan is meant to prepare you for any situation, even when doubt creeps in or market zigs and zags seem dizzying. The short-term forecast may go from clear to cloudy and back again, but a long-term, disciplined focus may be just the thing to help you avoid rash decisions during uneven periods. Any action should be undertaken thoughtfully and with your ultimate goals in mind.

Of course, we’re always available to discuss concerns, assess strategic opportunities and offer perspective when needed. Having said that, we understand if you have questions. Please do not hesitate to reach out to set aside some time to talk. Thank you for your trust in us.

Sincerely,

David B Brennan  
Managing Director  
Branch Manager

Howard Franzblau  
Managing Director

Richard Devine  
Managing Director

Wayne Froud  
Managing Director
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