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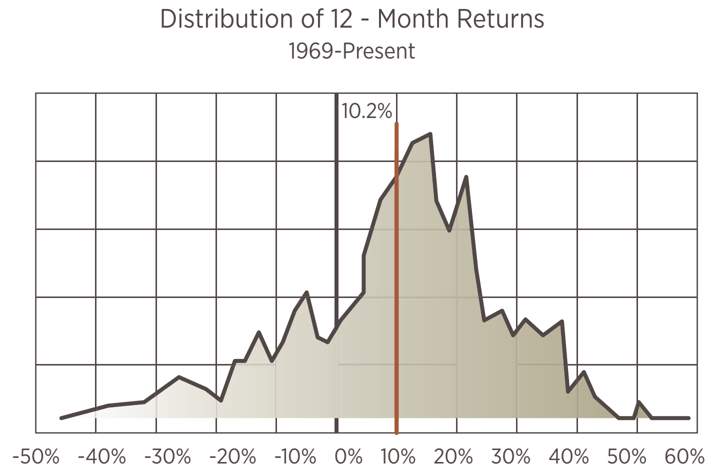
Viewpoint / June

Chart of the Month

Over the past 50 years US stocks have delivered an annualized return of 10.2%. Translated into dollars, that means if you would have invested $1,000 on 12/31/1969 it would have grown to $111,300 on 5/30/2018. The magic of compounding interest can take small amounts of money and turn it into large amounts if one is patient, disciplined and reinvests all of the dividends. This chart shows the distribution of annual returns over those 50 years. Looking at the data it shows that it doesn't' pay to be negative on the US stock market since 79% of the 12 month periods had positive returns. It also shows that despite the historic return of 10.2% the market actually rarely returns that amount in any given 12 month time frame. In fact only 6% of the time is the market up between 9% and 11%. It was actually more common for the market to be up 16% - 18%, which is good news for investors.



Source: Bloomberg; MSCI USA Gross Total Return Index

The Advisor Survey:

Sarah Hampton, CFP®, First Vice President, Wealth Advisor

One of the most difficult things about investing is keeping a long-term perspective. This is even more evident when we see volatility in the market and some periods of correction. Given that we naturally gravitate towards loss aversion, where the feeling that the pain of loss is stronger than the joy of gain, we can quickly lose sight of our long-term goals. Losing this long-term outlook in effort to ease the short-term discomfort of market volatility can lead to the detrimental habits of emotional investing, buying high and selling low, possibly creating permanent loss of capital and missed opportunity. A good way to keep your investment portfolio strategy intact, even when short-term market variability is uncomfortable, is to remember that the "average expected return" is just that, an average, and your portfolio rarely has that exact return, as the chart shows above. Also remember statistics tell us that the market is up 79% of the time which indicates you will be rewarded by staying the course with a long-term investment strategy. Keep your investing focus on your goals not the news.

	Source: FactSet 2018	May	YTD	2017	Benchmark
Stocks	United States	2.4%	2.0%	21.8%	S&P 500
	Intl Developed	-2.1%	-1.2%	25.6%	MSCI EAFE
	Emerging Markets	-3.5%	-2.5%	37.8%	MSCI Emerging Markets
Bonds	US Investment Grade	0.7%	-1.5%	3.5%	Barclays US Aggregate
	Intl Investment Grade	-1.9%	-0.6%	10.5%	Barclays Global Aggregate xUSD
	Global High Yield	-1.5%	-2.1%	10.4%	Barclays Global High Yield
	Emerging Markets $	-0.7%	-3.2%	8.2%	Barclays Emerging Markets USD Aggregate
Other	Commodities	1.4%	3.6%	1.7%	Bloomberg Commodity
	Gold	-1.3%	-0.4%	13.2%	Gold New York Spot ($/oz)
	Oil	-2.3%	10.8%	12.5%	Crude Oil WTI/Global Spot NYMEX

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