

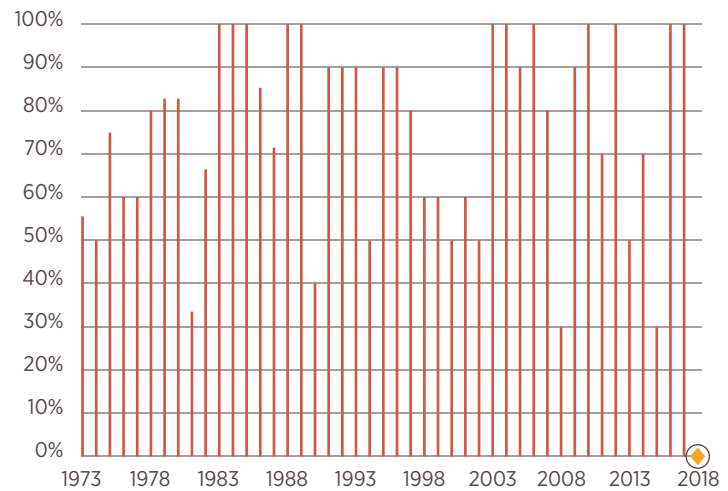


Chart of the Month →

2017 was a good year to be an investor. With most major market areas making gains, one would have had to get creative to lose money. Moving forward a year, 2018 proved to be the opposite. In fact, of the past 45 years this is the first in which zero of ten major asset classes* have posted a positive return. There are plenty of culprits to point to as causes – expensive starting valuations for both stocks and bonds, the economic effects of trade frictions and a tight labor market, and the withdrawal of easy monetary policy (most notably through Fed rate rises). The end result is that it was a bad year even for a well-diversified portfolio. That said, we continue to believe diversification is one of the best tools for investors.

*Asset classes: US Large Cap Stocks (S&P 500), US Small Cap Stocks (Russell 2000), International Developed Market Stocks (MSCI EAFE), International Emerging Market Stocks (MSCI EM), US Treasuries (Barclays US Long Treasury), US Bonds (Barclays US Aggregate), US High Yield Bonds (Barclays US Corporate High Yield), Global Bonds (Barclays Global Aggregate), Commodities (S&P GSCI), REITs (Dow Jones REIT).

Percent of Asset Classes with Positive Return



Source: Bloomberg 2018



The Advisor Survey:

Thomas H. Kirk III, Senior Managing Director, Wealth Advisor

Would you rather buy a great company at \$100 or \$85? Clearly there is more to the story than just price, but what if it was the same company in the same situation? When we invest in stocks, we buy a piece of companies that produce goods and services that people use. Nothing has fundamentally changed about that even though we've seen price volatility over the past few months. The forward P/E on the S&P 500 has gone from almost 17 in September 2018 down to 14 today, meaning the same level of earnings can be bought 15% cheaper. Volatility goes hand in hand with investing. The key is to seek value, good advice and take a long term approach.

| | Source: FactSet 2018 | December | YTD | 2017 | Benchmark |
|---------------|-----------------------|----------|--------|-------|---|
| Stocks | United States | -9.0% | -4.4% | 21.8% | S&P 500 |
| | Intl Developed | -4.8% | -13.4% | 25.6% | MSCI EAFE |
| | Emerging Markets | -2.6% | -14.2% | 37.8% | MSCI Emerging Markets |
| Bonds | US Investment Grade | 1.8% | 0.0% | 3.5% | Barclays US Aggregate |
| | US Municipals | 1.4% | 1.4% | 6.9% | Barclays Municipal Bond 15y |
| | Intl Investment Grade | 2.2% | -2.1% | 10.5% | Barclays Global Aggregate xUSD |
| | Global High Yield | -0.8% | -4.1% | 10.4% | Barclays Global High Yield |
| | Emerging Markets \$ | 1.4% | -2.5% | 8.2% | Barclays Emerging Markets USD Aggregate |
| Other | Commodities | -6.9% | -11.2% | 1.7% | Bloomberg Commodity |
| | Gold | 4.9% | -1.6% | 13.2% | Gold New York Spot (\$/oz) |
| | Oil | -10.5% | -24.8% | 12.5% | Crude Oil WTI/Global Spot NYMEX |

E / contact@6meridian.com • P / 316.776.4601 / 855.334.2110 • F / 316.776.4620

WWW.6MERIDIAN.COM • 1635 N. Waterfront Parkway, Ste. 250, Wichita, KS 67206

Securities offered through Private Client Services LLC, Member FINRA/SIPC. Advisory products and services offered through 6 Meridian LLC, a Registered Investment Advisor. Private Client Services LLC and 6 Meridian LLC are unaffiliated entities.

6 Meridian LLC is a Registered Investment Adviser. This newsletter is solely for informational purposes. Advisory services are only offered to clients or prospective clients where 6 Meridian LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by 6 Meridian LLC unless a client service agreement is in place.

Material discussed is meant for general illustration and/or informational purposes only and it is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary, therefore, the information should be relied upon only when coordinated with individual professional advice.