GGFS

A DIVISION OF BRUDERMAN ASSET MANAGEMENT

THE INVESTMENT INSIGHTS

Q4 2018 Issue

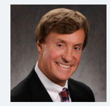
Quarter in Review

The third quarter ended in a strong place due to a positive mix of good earnings, solid economic growth, and a breakthrough in NAFTA negotiations. Continuing trends from earlier this year, we saw large cap growth companies continue to outperform their value-oriented counterparts. The momentum factor, furthermore, continued to be more favorable than quality. Across the board, the major US stock indices saw a return to their all-time highs.

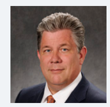
But the air is getting thinner, or so it seems, as the market's climb to new highs continues to be contested by concerns over rich valuations, rising rates, trade tensions, and political uncertainty. Attention is now on the sell-off we saw this past week, which led the indices back towards correction territory. The Nasdaq Composite, with its bulk of growth-oriented internet companies, was the first to hit correction, down north of 10% off of its high. The S&P 500 and Dow Jones Industrial Average fell approximately 7.8% and 7.6%, respectively, from their highs.

While market volatility is nothing to ignore, emotional overreactions must be avoided. An essential part of a sound investment strategy is preparation for the bumps in the road. As we often say, market corrections have an important role in maintaining a healthy market environment. Don't trade on the panic! During times like these we are reminded why we follow the investment philosophies that underpin the way we manage money. Our focus on earnings quality, balance sheet strength, and fundamental stability, gives us confidence that the portfolios we manage on your behalf should hold up reasonably well during what seems to be a short-term market correction.

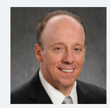
Gary Goldberg Financial Services Strategic Investment Committee



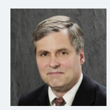
Gary M. Goldberg
Founder & CEO
Years Experience: 46



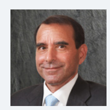
Richard Kersting
President
Years Experience: 30



Bill Krivicich, CFA
Chief Investment Officer / GGFS
Years Experience: 22



Peter Dedel
Vice President / Head of Trading
Years Experience: 39



Michael Murphy, CFA
Chief Investment Officer / BAM
Years Experience: 27

As we head into November, the focus is sure to settle on the midterm elections. A pivotal point in every presidential administration, voters will hit the polls on November 6th to determine the balance of power in Washington for the next two years. Regardless of the outcome, years of historical trend analysis indicates that the market tends to pullback in the months leading up to the midterms but this pullback is usually followed by a rally in domestic stocks.

We may be in the later stages of the economic expansion but there are reasons to stay optimistic. While continued rate hikes may cause some concern moving forward, especially for more richly valued stocks, the Fed's monetary policy remains consistent and relatively transparent. As long as corporate earnings continue to come through as expected we believe this expansion still has some room to grow.

As you know, our firm plans to change custodians next month from National Financial Services to Pershing as we believe they are a better platform for us and our clients moving forward. We are excited about this opportunity and have been putting in every effort to ensure a seamless transition. Though "new" things often give pause, nothing is changing in the way we are managing your money. The same philosophies that have driven our investment strategies will continue to do so and we believe Pershing's second-to-none technology platforms will only help us in providing an even better service to you.

As always, we encourage you to schedule a review with your advisor. A frequent review of your investment policy is key in making sure that it is still aligned with your financial goals!

On behalf of everyone at GGFS, we wish you a happy and healthy holiday season and look forward to reconnecting with you in the winter.

Don’t Forget

Schedule your quarterly review with your GGFS Investment Consultant

Visit ***ggfs.com*** to schedule your quarterly review or contant your Investor Services Representative or Investment Consulant

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Please see articles for important disclosures.

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