

INVESTMENT NEWSLETTER—JANUARY, 2017

TUMULTUOUS TIMES

Predicting investments is always fraught with uncertainty, but the turbulence of the past three months has certainly been memorable. Beginning with the Presidential election in November, the markets initially sagged, but then came roaring back and have been on a generally upward pace since. For the months of November, December, and January, stocks have risen **6.5%**, with most equities running about even, other than small caps (up 13.2%) and financials (up 19.2%). On the other hand, international equities only rose **2.0%** and bonds actually fell (**0.9%**). Your returns should be in line with these, depending on your mix of investments. **Note of Caution:** Mutual funds pay out their dividends and capital gains at the end of the year. This explains why many funds appear to show a lower increase, when in fact they actually are doing fine.

And going ahead, you might ask? It would seem that the “Trump effect” ought to continue as companies presumably face a lesser regulated environment. Some commentators are foreseeing a bubble and are predicting Doom and Gloom, but so far markets seem to be moving in stride. At this moment, it seems prudent to remain largely invested, with, as always, a well-diversified mix of investments, somewhat concentrated in US based Companies.

This is the time of year when I encourage you to request a copy of our ADV and Engagement letter, which lays out how we invest, what our fees are and the workings of our investment relationship. If you want a copy, please call Charlie or myself.

As we move out into 2017, I also encourage you to call me at any time about anything financial. Together we will seek out a brighter financial future for you!

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