Windrush Wealth Management

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It has been an interesting beginning to 2019 and I thank you for being patient during the transition process. I know it has not been easy for some of you and in some cases, we have not finished the transition process. We are almost done and hopefully, by May 1st, each and every transition will be completed. We are working directly State Street via the Cambridge Investment Research resolution team specifically provided to our team.

1st Quarter of 2019 and thoughts about the rest of 2019

We have had a nice recovery since December 24, 2018 and the volatility across the US markets has dropped off a bit. The two major concerns that caused the drop off in the 4th QTR of last year, the risk of continued rate hikes by the Federal Reserve (short term rate the government charges for borrowing) as well as the fears of major economic problems with the trade issues with China have subsided somewhat. The Federal Reserve has come out and stated that rates will be held status quo for at least the next 2 QTRs and maybe the rest of the year. The US administration has also extended out the tariff discussions and thus has not gotten worse.

The US economy compared to other areas of the world continues in an uptrend pattern and we expect the Gross Domestic Product (GDP) to continue to move upward in a high 2% rate. Inflation continues to remain at low levels. Companies overall are reporting good results and thus we do expect a positive equity return in 2019 but the results for the remaining part of 2019 could be more subdued considering we have already had a greater than 10% recovery of the S&P500 in the first quarter. We need to remember that we are now in the 10th year of a recovery and there are some soft patches in our economy such as housing, auto sales, and some other select areas. Labor market continues to be strong and, in some areas, at historical lows such as minorities. There are some other areas of concern we are watching. We do have political policy risk increasing in our healthcare sector with many democratic candidates recommending a government controlled healthcare which could affect 17% of our economy.

Chinese markets also have recovered from a loss of about 30% since June of 2018 but are still about 5% below the June highs. Europe's economies have struggled throughout the end of 2018 and we do not see a substantial recovery here and thus have remained mostly on the sidelines as to investing in companies domiciled in Europe. We do like some companies in China but have limited exposure in that market.

Sincerely,

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