



Happy Summer! Welcome to the 2nd Quarter Edition of the Rockport Newsletter.

“For those properly prepared in advance, a bear market in stocks is not a calamity but an opportunity.”

Sir John Templeton, 1962

Not a lot has changed.....

As of the close of the 2nd quarter all Rockport Risk Managed Models are still operating at slightly reduced risk levels. Not a lot has changed since the end of the second Quarter. We remain just shy of fully invested levels for the same reasons we had stated back in March: market valuation levels, the length of time it has been since we have had a 20% correction (Bull Market Duration) and the aging economic cycle.

The S and P 500 added 3.09% for the quarter and is now up 9.34% ytd. In short it has been another spectacular year (so far). It is without a doubt surprising to some that the market has largely ignored political commentary both domestic and abroad, North Korea missile tests and two Federal Reserve interest rate hikes this year. These interest rate increases will have a slowing effect on the economy and with the expectation

of further increases to come, one wonders where the tipping point might be for both the economy and the stock market. At some point rate increases will matter.

One thing that has been particularly surprising is the fact that there has not been a 5% pullback in the markets since last June (remember Brexit??). The reason this is surprising is that these type pullbacks occur on average every 7-8 months. Keep in mind the late summer months are prime time for this type of event to occur, so we would not be stunned at all if we got such a pullback in August or September.

After a first half of the year that exceeded most analyst's recommendations and those of ourselves as well, we will remain focused on the indicators we use to help guide us through the second half of the year. Currently a good number of those are still showing

positive trends so we will continue to look for divergences. For now we remain mostly concerned about the high valuation levels of the market and the wild card of what the Federal Reserve may or may not do. Stay tuned for further details on both!

As for the models, there were no changes made during the quarter. We do have several funds that are being watched closely and there will likely be a change or two with those in the 3rd Quarter.

Lastly, we have moved into the 21st century! You can find us now on Facebook and LinkedIn by searching “Rockport Wealth Advisors” or by clicking the buttons below..... As always if you have any questions or comments please email or call!



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