







	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
2016	STOCKS					BONDS	
	12.74%	2.75%	11.19%	5.77%		2.65%	5.13%
							
Since Jan. 2001							
Avg. Annual Return	7.6%	5.9%	13.3%	11.2%		4.9%	4.6%
Best Year	33.6% 2013	39.4% 2003	78.5% 2009	37.4% 2006		10.3% 2002	9.8% 2014
Worst Year	-37.3% 2008	-43.6% 2008	-53.3% 2008	-45.7% 2008		-2.0% 2013	1.4% 2013

While many are feeling that 2016 will go down in history as a very disappointing year, it certainly wasn't for financial markets and your portfolio. In a year with Brexit and Donald Trump winning elections (and the Cubs winning the World Series!), the chart above should not have happened.

Rarely do you see all green arrows in a chart like the one above. It reminds us that we shouldn't let the news – political, economic, or global – dictate our investment approach. Politics and even economies are not as correlated to financial markets as most think. Consider this nostalgic exercise, courtesy of well-respected “advisor to financial advisors”, Nick Murray:

*Look up what the S&P 500 index was the day you were born and compare to what it is today. Then, start listing all the existential crises we had in this country and in the world during this time period. You may find a powerful message in it: **pessimism has always turned out to be terribly wrong in the long run.***

The Nick Murray message is not to suggest we won't experience some dreary market days (and even years) ahead. We most certainly will. But, in the long run, an investment approach like yours will do its job as long as you stick with it.

We should be in for a very interesting 2017 news cycle, one likely dominated by politics and bad news (what else is there anymore?). Don't let it impact your enjoyment of family, friends, and retirement.

Our best wishes for a happy and healthy 2017!!! Please log in to your client portal to view your year-end 2016 report.