



Quarterly Market Review: 2018-Q1

For ClearLogic Financial

2018 Quarter 1 Market Performance

After a very positive - and in many ways, surprisingly calm - year in the markets in 2017, 2018 has gotten off to a more volatile start. While markets were mostly down at the end of the first quarter, there have already been five weeks in 2018 which produced higher performance than any week in all of 2017. There have also been four weeks which produced lower performance than any week in 2017.

While some may try to time the market or consider going to cash given the volatility and uncertainty, we again see that doing so at the wrong time can mean missing out on very positive weeks in the market. With swings from week to week, we continue to encourage staying the course and focusing on your long-term financial goals, as this type of market behavior is already modeled in your financial plan.

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2018	STOCKS				BONDS	
	-0.64%	-2.04%	1.42%	-5.79%	-1.46%	0.94%

Since Jan. 2001						
Avg. Quarterly Return	1.9%	1.5%	3.2%	2.5%	1.1%	1.1%
Best Quarter	16.8%	25.9%	34.7%	32.3%	4.6%	4.6%
	Q2 2009	Q2 2009	Q2 2009	Q3 2009	Q3 2001	Q4 2008
Worst Quarter	-22.8%	-21.2%	-27.6%	-36.1%	-3.0%	-2.7%
	Q4 2008	Q4 2008	Q4 2008	Q4 2008	Q4 2016	Q2 2015

Embarking on a Financial Plan is like Sailing Around the World

Embarking on a financial plan is like sailing around the world. Your voyage won't always go to plan, and there'll be rough seas, but the odds of reaching your destination increase greatly if you have a plan and are prepared, well-advised, and able to make adjustments.



- **Have a Plan**
 - A mistake many inexperienced sailors make is not having a plan at all. They embark without a clear sense of their destination, and once they do decide, they often find themselves lost at sea in the wrong boat with inadequate provisions.
 - Likewise, in planning your financial journey, you need to have goals and a plan to achieve them. A first step might be to consider whether the goals are realistic and achievable and consider the trade-offs you're willing to make (e.g. working longer so you can spend more vs. retiring earlier and living on less).
- **Prepare for Bad Weather**
 - With any sailing trip, preparing for bad weather is important and a sturdy vessel can help you withstand most conditions at sea.
 - Similarly, a well-diversified portfolio can act as a bulwark against the sometimes-tempestuous conditions in markets, and it is important to stress test your plan to ensure it can withstand "bad weather" along the way.
- **Utilize a Good Navigator**
 - Another key to a successful voyage is a good navigator. While a sudden squall can whip up waves, tides can shift, and strong currents can threaten to blow you off course, a good navigator can take coordinates, make adjustments, and help replot the course.
 - As with the weather at sea, markets can be unpredictable. Like a seasoned sailor, an experienced advisor works with the conditions and helps make course corrections throughout the journey.
- **Adjust Along the Way**
 - At sea, you may have to extend your voyage, take a different route, or adapt to changing weather conditions. A sailing trip around the world requires patience and flexibility to enjoy the experience and ultimately reach your destination.
 - Similarly, achieving your financial goals requires patience and flexibility. As jobs, goals, and life circumstances changes, so too must your financial plan.

Uncertainty is inherent to your financial journey, just as it is with any sea voyage, which is why preparation and planning are so critical. While you can't control every outcome, you can prepare for the range of possibilities, have a trusted advisor in your boat, and adjust when things don't go according to plan.