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July 17, 2019

Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call us at your convenience to set up your quarterly investment meeting.

Contents:

Going, Sebastien, Fisher & Le Bouef, LLP News:

GSF&L constantly researches asset classes that may be suitable for clients' portfolios to add diversification (reduce risk). We offer Insurance-Linked Securities, Alternative Lending, Market Insurance, and other Alternative Strategy Securities, so feel free to contact us for more details. Two new funds were added to the portfolio this year: Versus Capital Real Estate and Versus Capital Real Assets. Both asset classes have a history of low correlation to U.S. Equities; therefore, adding diversification to portfolios.

- Please make note of the above letterhead indicating our other office located in Lafayette. We have been operating in Lafayette since early 2017. Should you wish to meet or come visit us there please do not hesitate to do so.

- Craig attended the FNBB, Inc. Summer Conference in Sandestin, FL June 17 – 19, 2019. Sessions he attended included The Economic, Political and Business Climate; The Capital Markets; The Fiscal and Monetary Effects on Interest Rates; Regional Economic Update; Global Fixed Income, Currencies & Commodities.

- Darren attended the AICPA Advanced Personal Financial Planning Conference in Las Vegas, NV June 7-11, 2019. Sessions he attended included Practical Issues in Portfolio Structuring and Management, How Lifetime Income Streams Affect Asset Allocation in Retirement and Advanced Roth Conversion Strategies.

Investment Views:

- ***The Vanguard Group - Through June 30, 2019 - Year-to-date returns -*** Russell 2000 16.98%, S&P 500 18.54%, FTSE All-World ex US 13.49%, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Bond Index 6.25%.

- **American Institute for Economic Research Rates of Interest (As of June 24, 2019 – Average National Rates) –**

Federal Funds Rate	2.37%	10-Year TIPS	0.27%
3-Month Treasury Bill	2.14%	10-Year Muni Bonds – Nat'l	1.65%
10-Year Treasury Note	2.01%	15-Year Mortgage Fixed	3.25%
30-Year Treasury Bond	2.53%	30-Year Mortgage Fixed	3.84%

- ***Northern Trust – Weekly Economic Commentary – June 28, 2019 –*** In the third week of June, the S&P 500 closed at a record high level. After a sell-off in May, investors in equities and corporate debt regained their confidence, thanks to hints of cooling tensions between the U.S. and China and the prospect of interest rate cuts by the Federal Reserve. Government bond markets, however, did not find cheer. Interest rates across maturities were little changed. Therein lies the puzzle: How can equity markets stay bullish when bond markets are sending recession signals? Some point to dovish signals from central banks and some say fixed income markets are giving heavier weight to risk cases. But it is unclear why equity markets would not show the same respect for possible downsides.

- ***Bureau of Economic Analysis – June 27, 2019 -*** Real Gross Domestic Product (GDP) – the value of goods and services produced by the nation's economy less the value of the goods and services used up in production increased at an annual rate of 3.1% in the first quarter of 2019, according to the "third" estimate released by the Bureau. In the fourth quarter 2018, real GDP increased 2.2%. Personal income increased 0.5% in May, the same increase as in April. Wages and salaries, the largest component of personal income, increased 0.2% in May after increasing 0.3% in April.

- ***Bureau of Labor Statistics – July 11, 2019 –*** On a seasonally adjusted basis, the Consumer Price Index for All Urban Consumers increased 0.1% in June, the same increase as in May. For the last 12 months the all items index rose 1.6% before seasonal adjustment. The unemployment rate was little changed at 3.7% in June, and the number of unemployed nonfarm persons increased by 224,000. Notable job gains occurred in professional and business services, health care, and in transportation and warehousing.

Craig's Thoughts and Views:

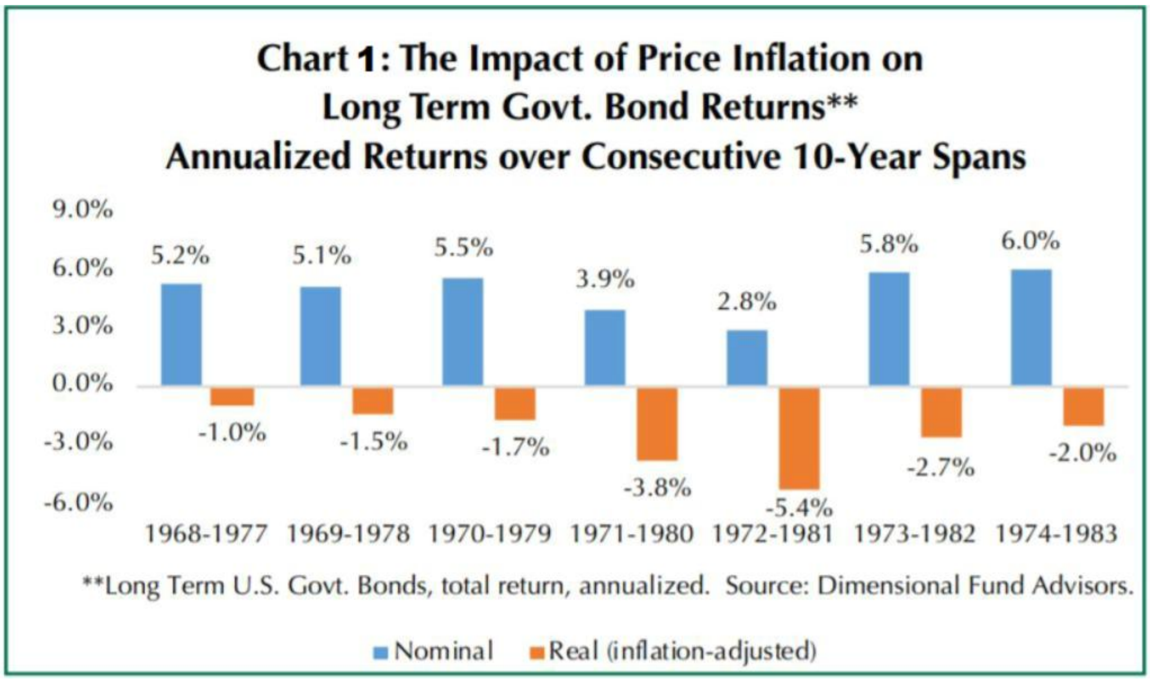
Why Price Inflation Matters

Even with strong overall U.S. economic growth and record low unemployment, the official published price inflation has been low by historical standards. Investors' outlook for future inflation has been on the lower side. Since 2012 the market has forecasted a rate that has varied between 1.3 and 2.6 percent. Currently, the market anticipates price inflation to be about 1.9 percent per year through June 2029.

Given the current low inflation environment, investors may wonder whether price inflation really matters. Price inflation does matter because it is one of the primary risks that investors face, especially those retired investors living on fixed income. While inflation is currently low, we believe it is important to build a portfolio and financial plan that mitigates this risk.

Double digit inflation during the 1970s may have faded from the memory of investors, while younger investors never experienced its effects. During certain ten year periods, rising consumer prices wiped out nominal gains in the stock market. For example, from 1969-1978 the stock market nominal returns of the S&P 500 averaged 2.8 percent per year, while real (inflation-adjusted) returns averaged -3.4%. From 1974-1983 nominal market returns averaged 5.2% per year, while the real returns averaged 0.6 percent per year.

What about fixed income investments? Well, they fared poorly also during these periods. Long term bond investors experienced real losses in each of the seven consecutive 10-year periods, as evidenced by Chart 1.



Mildly rising prices can have a dramatic affect on day-to-day costs of living over longer time frames. At a historically low inflation rate of 2 percent, a retiree who spends 35 years in retirement would see prices nearly double during retirement. Therefore, failing to plan for inflation, even at low levels, could be costly, even regrettable.

There are many unknowns that affect price levels such as technological innovations, trade policy, immigration, tariffs, and trade barriers. One good estimate of future price inflation can be found in the market itself. Currently, the bond market forecasts a 1.9 percent price inflation over the next ten years.

The return on common stocks has over the long term outpaced rising consumer prices. From 1926 to 2018, the S&P 500 delivered a real rate of return of 6.9 percent. Common stocks provide ownership in firms with cash flows generated by selling products or services and prices that can be adjusted to reflect rising costs.

Fixed income securities such as bonds on the other hand generate cash flows that are fixed by definition and therefore do not increase along with consumer prices.

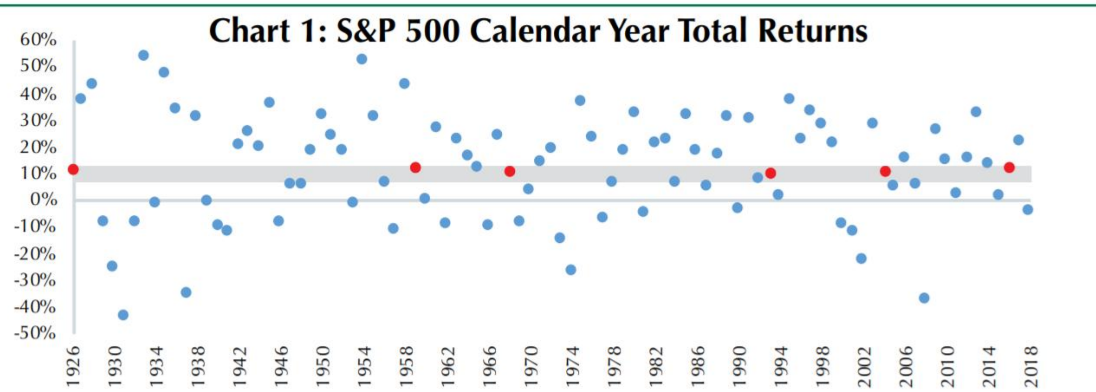
Thus, bond returns are generally more stable than stock returns, but they are more vulnerable to the risk of price inflation.

The U.S. Treasury issues Treasury Inflation Protected Securities (TIPS) to provide a hedge against unexpected inflation. These bonds pay interest and return of principal that are adjusted every six months to reflect changes in the Consumer Price Index (CPI). Retirees can also minimize inflation risk by delaying Social Security, waiting to take inflation-adjusted pension benefits, renting out real estate, and in some cases buying an inflation-protected annuity (though they are hard to find and can be expensive).

Stock Market Average

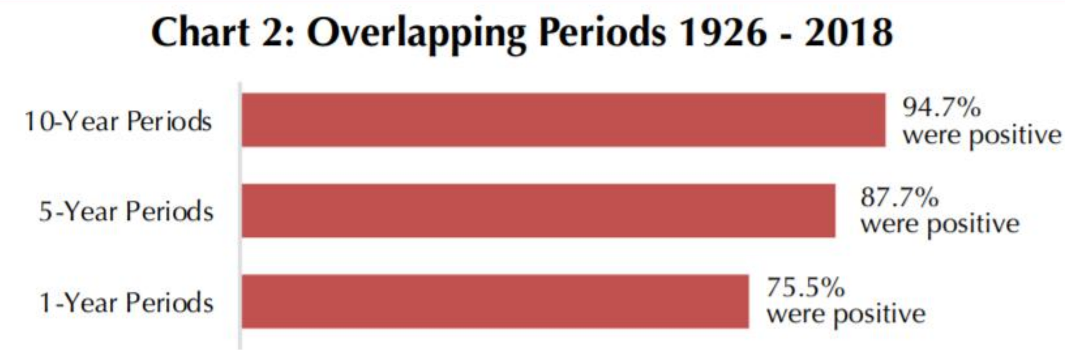
The U.S. stock market has returned on average an annual rate of about 10 percent since 1926 (as measured by the S&P 500 Index). But in the short-term, results from the average have deviated, and in any given period of time stock returns can be positive, negative, or even flat. Investors settling on portfolio return expectations should look at the range of outcomes experienced by investors historically. One example would be, how often have stock market's annual returns actually aligned with its long-term average?

Chart 1 shows calendar year returns of the S&P 500 Index since 1926. The shaded band marks the historical average of 10 percent, plus or minus 2 percent. The S&P 500 Index had a return within this range in only six of the past 93 calendar years. In most years, the index's return was outside the range. For the average investor, the data highlight the importance of looking beyond average returns and being aware of the range of potential outcomes.



Source: In US dollars. S&P data © S&P Dow Jones Indices LLC, a division of S&P Global. All data from DFA Returns 2.0 program. Indices are not available for direct investment and performance does not reflect the expenses associated with an actual portfolio. Past performance is not a guarantee of future results. Returns include dividends.

Despite year-to-year volatility of the stock market, investors can potentially increase their chances of having a positive outcome by maintaining a long-term focus. Chart 2 shows the historical frequency of positive returns over rolling periods of one, five, and 10 years in the U.S. market. The data show that, while positive performance is never assured, investors' odds do improve over longer time horizons.



From January 1926–December 2018 there are 997 overlapping 10-year periods, 1,057 overlapping 5-year periods, and 1,105 overlapping 1-year periods. The first period starts in January 1926, the second period starts in February 1926, the third in March 1926, and so on. In US dollars. S&P data © S&P Dow Jones Indices LLC, a division of S&P Global. Indices are not available for direct investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. Past performance is no guarantee of future results. Actual returns may be lower.

Staying the course in years of average or above average returns may be an easy decision for most investors. However, during periods of disappointing returns is when investor's faith in equity markets get tested. Becoming aware of the range of potential outcomes can help investors remain disciplined or better determine what the appropriate equity allocation should be in their portfolio. While there are no guarantees, understanding how markets work is a good starting point (conversations with your investment advisor can help in that regard). The bottom line is an asset allocation that aligns your personal risk tolerances and investment goals is key. Thinking about these and other financial issues may help investors be better prepared to stay focused on their long-term goals during different market environments.

GSF&L, LLP Registered Investment Advisors:

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

Craig

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The Lehman Brothers U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results. Diversification does not assure against market loss.