



# Starboard Advisors

*The Navigator*, Vol. 3

July 2018

## In This Addition:

- Annual Advisory Board Meeting
- Manager visit with Jensen
- Starboard's networking event for professionals
- Detailed Market Update

## **SUMMER DOLDRUMS?**

**Definition of Dol•drums:** *By maritime definition the doldrums are a colloquial expression derived from historical maritime usage, which refers to those parts of the Atlantic Ocean and the Pacific Ocean affected by a low-pressure area around the equator where the prevailing trade winds are calm.*

Economically speaking, I think it is safe to say we are not “there” and the volatility of 2018 continues to pour over into the summer season. Thematically we’re seeing divergences and contradictions wrapped up in a heavily contentious political climate. We are closing in on 4% GDP growth (double from just a few years ago)\* and record corporate earnings (+19%)\*\*. Stock prices (outside of big tech) have largely been held back over inflation concerns, monetary policy (increasing interest rates), and a potential trade war.

While we continue to recommend owning a healthy amount of high quality businesses/stocks, the time

for balance has never been more prudent than now. Families view their level of risk differently and because of this, at Starboard, we go to great lengths to help clients plan for a variety of market outcomes with investments that, ideally, are insulated from market volatility. Although financial planning is far from an exact science, we try to minimize “surprises” to client cashflows. For more on the markets Tom Burnett from our [Investment Committee](#) provides an excellent summary of the first half of the year further on in our newsletter.

\*U.S. Bureau of Economic Analysis

\*\*Factset July 20, 2018

## MAKING HEADWAY AT STARBOARD

*Jensen Investment Management: May 2, 2018*

On the business front, Starboard has had a very productive spring and summer. In early May, we hosted our first investment manager meeting on the waterfront in Falmouth. [Jensen Investment](#)



[Management](#) (from Portland, OR) joined the Starboard team and clients for an interactive, and lively, round table meeting on stock selection, company analysis, portfolio construction, risk abatement and much more. It proved an excellent opportunity for interested clients to get a close up look at how their money is managed on the front lines and

was a breath of informational fresh air, clear of the 24/7 news cycle we live in. Please [click here](#) to request an electronic or hard copy of the presentation.

*Portland Business Brews: June 13, 2018*

In mid-June Starboard hosted the 10th semiannual Portland Business Brews in local collaboration with [Albin, Randall & Bennett, CPAs](#) and [KMA HR Consulting](#) at [Rising Tide Brewery](#).



The evening was a light and lively networking engagement open to invited local professionals. As a co-founder of the event we felt it would be a great addition to the Starboard platform and are already looking forward our next event in late 2018.

*Advisory Board Meeting: July 12, 2018*



On July 12<sup>th</sup>, Starboard hosted its inaugural [Advisory Board](#) meeting at the [Portland Press Hotel](#) with a private reception at our offices immediately after. Outside of our local board members, individuals came in from New York City and Boston to attend. We chose a workshop format for this first formal meeting and the presenting members really delivered.

**STARBOARD ADVISORS  
ADVISORY BOARD & INVESTMENT COMMITTEE MEETING**  
Thursday, July 12, 2018  
The Press Hotel, Editorial Room

<b>11:45am Doors Open</b>		
12:00pm	Lunch is served	
12:15pm	<b>Bart Weisenfluh</b> Founder & President, Starboard Advisors	Welcome
12:30pm	<b>Whitepenny</b> Travis Coley & Jon Cofsky www.whitepenny.com	"Branding in the Digital Age: Mysteries, Myths and Best Practices"
<b>Break</b>		
1:30pm	<b>Hugh O'Donnell</b> Chief Investment Officer and Associate Vice President, Colby College	"Trends in Endowment Management"
2:00pm	<b>Dana Kerr</b> Associate Professor of Risk Management & Insurance, USM	"What is Known About Individual Financial Satisfaction"
2:30pm	<b>Russell O'Brien</b> Chief Executive Officers, Nu Paradigm	"Challenges and Solutions to Small Endowments and Foundations"
<b>Break</b>		
3:00pm	<b>Dan Doiron</b> Principal, Albin, Randall & Bennett, CPAs	"A New Tax Landscape - An Overview of the Tax Cuts & Job Act"
3:30pm	<b>Michael Ouellette</b> Family Office Executive	"Trends in Family Governance"
4:00pm	<b>Joan Benoit Samuelson</b> Professional Athlete	"Wellness in the Workplace"
4:30pm	<b>Bart Weisenfluh</b> Founder & President, Starboard Advisors	Close
<b>4:45pm/5:00pm Reception at Starboard Advisors</b>		

The day's agenda, as shown on the left, serves as a well balanced guide to an exceptional gathering. To request a full electronic or hard copy of the presentations please, [click here to contact Hannah](#) at Starboard.

It was a terrific day, contagious with energy and an excellent assembly of intellectual horse power that we look forward to sharing with, and putting to good use, for the families we are grateful to serve.

Finally, we hope you are having an enjoyable summer. If you are in the area, our doors are always open at 2 Union Street, Suite 401.

My very best regards,

Barton Weisenfluh

Founder & President

## ON TO THE MARKETS: THE WINNERS AND LOSERS OF THE FIRST HALF OF 2018

We are pleased to be partnering with the Kelleher Family and their holding company [Wall Street Access](#). Together and in collaboration with our [Investment Committee](#) we will be providing quarterly (and as needed) commentary on the capital markets. Tom Burnett, CFA & Vice Chairman of Wall Street Access, will be helping lead the charge for this portion of our client communications.

As the Table below demonstrates, the first half of 2018 saw clear winners and losers in the major stock and commodity markets. Large cap stocks barely moved while NASDAQ members like FB,

INDEX	% Change YTD as of 6/30/18
Dow Jones Industrial Avg. (TR)	-0.7%
S/P 500 Index (TR)	2.7%
Nasdaq Composite	9.4%
Nikkei Tokyo	-4.6%
China (Shanghai)	-13.9%
DAX Germany	-4.7%
CAC 40 France	0.2%
FTSE UK	-0.7%
Gold \$ per oz.	-3.8%
Crude Oil	24.7%
Rate on 10-Year Treasury Bond	2.85%
VIX Volatility Index Change	45.7%

Source: WSJ, Bloomberg LP

AMZN and NFLX moved sharply higher. The big surprise was the material decline in the Shanghai market in China. Evidently, the prospects for a global “trade war” are punishing the Asian markets more than the US market.

We note the large increase in the VIX Volatility Index which has risen by 45.7% in the first half of the year, reflecting the dramatic up-and-down movements of the large cap stock indexes. Importantly, interest rates have stayed at historically low levels despite Federal Reserve Bank public statements suggesting short-term rate increases will be necessary during the

second half of 2018. For US stocks, the corporate profits outlook remains positive as the benefits from the large US income tax begin to impact earnings reports. On balance, the markets look fairly priced, but US stocks are not selling at bargain basement prices, so investors need to keep some “dry powder” available to take advantage of “air pockets” and/or sell offs that we expect to arise over the next several months.



## STARBOARD'S DAILY REPORT

Each morning Starboard releases a Daily Report with the latest headlines in Markets, Businesses & Companies, and Global News. If you'd like to have our Daily Report delivered to your inbox each morning, you can [sign up here](#).



Starboard Advisors  
Daily Report  
July 18, 2018

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**Markets & Business**

**Stocks hit one-month high**, dollar puts squeeze on gold [Reuters](#)

**FTSE 100 rises, pound slumps** as inflation data sow doubt over August rate rise [MarketWatch](#)

**Dow aims for best win streak in 2 months** as Morgan Stanley reports quarterly results [MarketWatch](#)

**US Treasuries mixed** as investors monitor economic data [CNBC](#)

**Morgan Stanley beats estimates** on higher trading revenue [Reuters](#)

## ABOUT US

***Definition of Starboard:*** Starboard is the traditional nautical term for the "right" side of a ship's hull and represented by the color green for navigational purposes. In addition, sailing vessels must give the "right of way" to sailboats on starboard tack (where the wind is coming over the right side of the vessel) and be provided clearance for safe passage.

Starboard Advisors was founded by Barton Weisenfluh in partnership with the Kelleher Family Office and their holding company Wall Street Access. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.

**Wall Street Access**, founded by Denis Kelleher, has grown into a diversified financial service firm with a reputation as one of the best managed and best capitalized independent firms in the industry. Today the entrepreneurial spirit is alive and well where the second generation, led by Sean Kelleher, continues to press on with secure and sustained growth with likeminded professionals.

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