



### In This Addition:

- Climbing A Wall Of Worry
- Market Commentary
- Mid-Year Client Reports
- Portland Business Brews
- Advisory Board Meeting and Workshop
- Starboard’s eMoney Software

### “CLIMBING A WALL OF WORRY”

A long time friend and mentor once told me, “A market climbs a wall of worry.” Per Investopedia.com, A wall of worry is *the financial markets’ periodic tendency to surmount a host of negative factors and keep ascending. It is generally referred to in connection with the stock markets, referring to their resilience when running into a temporary stumbling block, rather than a permanent impediment to a market advance.* Upon reflection, that certainly has

been the case for the last seven months. 2018 delivered primarily positive news and record corporate earnings for the S&P 500 of +21%. Surprisingly, the market’s price performance ended the year a negative -4.4% per the below chart.

### 2018 S&P 500 Performance



By comparison, 2019 headlines have been dominated by “Concerns for an economic slowdown”, “White House facing off against the Federal Reserve”, “Declining corporate earnings growth”, and of course “Trade war with China!”. **It is no wonder that a survey by Bankrate found that 40% of Americans believe a recession has already begun, or will start in less than a year.\*\*** What is curious to see however, is that YTD through mid-year the stock market is a positive +18%.

---

*In fact, the S&P 500 had its best first half performance since 1997.*

---

## 2019 S&P 500 Performance



It is an interesting “tale of two charts” and one should note that the rolling 1-year performance of the S&P 500 is approximately 10%, closer to historical averages. Going forward at Starboard, we are looking at tepid earnings growth, but it could very well be back end loaded so we’ll be keeping a close eye on 3<sup>rd</sup> and 4<sup>th</sup> quarter corporate earnings. Valuations remain fair given the interest rate environment. In addition, we believe our continued investment in higher quality holdings remains as important as ever in the management of risk. As we hover near new highs market pundits and TV networks will do their best by issuing warnings on everything that could possibly go wrong with the economy, the markets and commonly held stocks. If one were to look hard enough, many of these short-term forecasts are offset by differences of opinion. Over the long haul, **we believe the “wall of worry” should be taken into the context of each individual family we represent and upon reflection of their total financial**

**picture** – a panorama, not just a close-up snapshot. There is no shame in holding/raising cash in this environment, however we are not pulling up the stakes for those long-term focused investors. Finding the middle ground and peace of mind for families is at the heart of what we do every day.

My very best regards,

Barton Weisenfluh  
 Founder & President

\*\*Credit to: Reynders, McVeigh Capital Management, “The Long Run”, July 2019

## ON TO THE MARKETS

<u>INDEX</u>	<u>% Change YTD as of 6/30/2019</u>
Dow Jones Industrial AVG. (TR)	15.41%
S/P 500 Index (TR)	18.53%
Nasdaq Composite	21.33%
Nikkei Tokyo	9.81%
China (Shanghai)	23.57%
DAX Germany	18.27%
CAC 40 France	21.39%
FTSE UK	14.60%
Gold \$ per oz.	10.30%
Crude Oil per bbl	28.80%
RATE on Ten-Year T Bond	2.02%
VIX Volatility Index Change	-45.20%

Sources: WSJ, Bloomberg LP, FACTSET

*We are pleased to be partnering with the Kelleher Family Office and their holding company [Kelleher Financial Advisors](#). 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 Kelleher Financial Advisors, will be helping lead the charge for this portion of our client communications.*

As shown in the INDEX Table, the world equity markets rebounded strongly in the first half of 2019. In May, there was a sharp selloff in US technology stocks which pushed the equity markets lower, but the June recovery was even more powerful, and all the major world equity indexes closed higher in the first six months of the year. No trend lasts forever, however, and many observers expect choppy markets over the second half of the 2019 year. While inflation and interest rates remain low, economic growth expectations in most of the major countries are subdued and the global trade tensions continue to dominate the financial markets news. Any slowdown in trade or GDP growth in the

major economies will put pressure on the global equity markets. Corporate profits are now anticipated to grow by only 4% this year (FACTSET June 21, 2019) after growing by 21% in 2018. Current consensus forecasts now see earnings growth of 10-11% in 2020, but a global GDP slowdown could have a material adverse impact on that growth assumption. Investors must also watch the Federal Reserve which many analysts expect will be cutting short-term interest rates. Interest rates remain historically low and rates are not expected to rise sharply over the near term. The price-earnings multiple for the S/P 500 Index, based on 2020 forecasts, is around 16.0x which is not overly expensive, given the low interest rate environment.

## MID-YEAR CLIENT REPORTS



We are in the process of mailing our mid-year client reports to our clients. Please keep your eye out for your report and contact us with any questions.

## PORTLAND BUSINESS BREWS

*June 6, 2019*



Starboard, along with [Albin, Randall & Bennett, CPAs](#), hosted Portland Business Brews on June 6, 2019. Portland Business Brews events are designed to give professionals and business owners the chance to get away from the office and network within the Greater Portland Business Community.

We did a “Tap Takeover” to celebrate the reopening of Portland’s [\\$3 Deweys](#) and we featured local specialty retailer, [The Belted Cow](#).

As we get closer to our next Portland Business Brews event, details will be available on the [Portland Business Brews website](#).

## ADVISORY BOARD MEETING & WORKSHOP

*September 9, 2019*



It has been a terrific year at Starboard since our last board meeting 12 months ago and we’re anticipating everyone’s enthusiastic participation again this year.

Working and collaborating with our Advisory Board is one of the most rewarding activities at Starboard and all of us coming together as a group is the highlight.

We will again be joined by several outside friends of the firm which we are confident will contribute to the conversations, collaboration and content.

### *Guest Speaker*



Among our outside guests will be **Brian Brogan** from St. Joseph’s University in Philadelphia where he serves as the Director of the Initiative for Family Business and Entrepreneurship and is an Adjunct Professor of Behavioral Finance, Technical analysis, and Family Business Management. With Starboard’s focus of serving as a dedicated family office for a small number of relationships that typically have a significant amount of financial and family governance needs, we think Brian will be an excellent contributor to the group.

# STARBOARD'S EMONEY

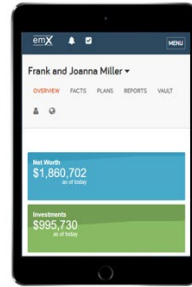


We are please to offer Starboard's eMoney software. This software gives clients and families safe, secure, mobile and desktop friendly access to near-time net worth values, real estate holdings, investment account values and account information.

Date Range: Last 30 Days | Accounts: All Accounts | Categories: All Categories | Search for transactions: ID | Reset All

Date	Description	Account	Category	Value
Aug 20, 2017	CASH WITHDRAWAL	Easy 123 Checking	CASH/ATM	-\$250.00
Aug 19, 2017	STRIDE RITE	*****	Clothing	-\$44.19
Aug 18, 2017	IRS	Easy 123 Checking	Federal Tax	-\$356.00
Aug 16, 2017	STAPLES VALLEY FORGE DUPLICATE	Easy 123 Checking	Sports & Hobbies	-\$3.22
Aug 16, 2017	STAPLES VALLEY FORGE	Easy 123 Checking	Business	-\$3.22

Transactions Found: 34 | Total Amount: \$8,542.23



With it's data aggregation feature, you have the option to link your accounts that are not managed by Starboard so you can view multiple accounts in one location.

Clients and families

will also have quick and easy access to updated Balance Sheets, Net Worth Reports, Budget and Spending Transactions\*.

If you'd like more information, or would like to sign up, please contact Hannah at [Hannah@starboardadvisorsllc.com](mailto:Hannah@starboardadvisorsllc.com)

(\*Note: Starboard by default will not have access to personal budgets and spending transactions.)

## STARBOARD'S DAILY REPORT

*Sign up for Starboard's Daily Report*



Starboard Advisors  
Daily Report  
October 01, 2018

---

### Markets & Business

**Futures point to gains** on deal to replace NAFTA [Reuters](#)

**S&P 500 could see a record session** after U.S., Canada reach Nafta deal [MarketWatch](#)

**Asia markets mixed** as US and Canada agree on renewed NAFTA [CNBC](#)

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

## 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 and partners with the Kelleher Family Office and their RIA, Kelleher Financial Advisors, LLC. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.

The Kelleher Family business interests were founded by Denis Kelleher and have 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.

Starboard Advisors, LLC a division of Kelleher Financial Advisors, LLC. Kelleher Financial Advisors is an SEC registered Investment Advisor and is an affiliate of Wall Street Access, Member NYSE, FINRA and Member SIPC. Although the information upon which this material is based has been obtained from sources which we believe to be reliable, we do not warrant its completeness or accuracy. This presentation is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of any security or investment.