

October 2019 Update

Dear Clients,

October saw positive momentum in the major domestic equity indexes with the NASDAQ, S&P 500 and Dow Industrials up 3.7%, 2% and ½% respectively. Economic data continues to be supportive of an ongoing expansion, Chinese trade negotiations seem to have favorably progressed and consumers remain buoyant as high employment levels and wage increases fuel consumption. This economic cycle continues to confound market prognosticators as it refuses to rollover in the normal fashion and extends into record duration.

Our portfolios also realized strong monthly performance with gains seen in our holdings in the technology, financial and healthcare segments. We expect the pace of gains to somewhat moderate as we approach higher, more expensive multiples in equity valuations. As such we continue to reduce the cyclicity of our portfolios, prune fully valued positions and add to defensive groups less correlated to the economic cycle thereby reducing overall portfolio volatility. We continue to hold a positive bias regarding future market gains, however, we are tempered in our enthusiasm.

Enjoy the fall and as always, please do not hesitate to call if you have any questions.

Best regards,

Beech Hill Advisors