

Dear present and future clients:

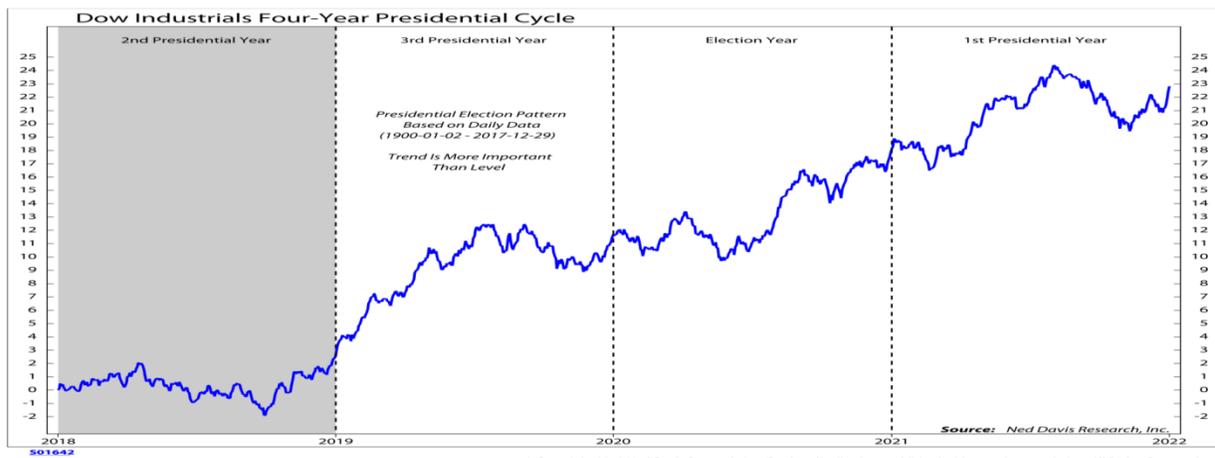
This is the first of a monthly letter addressing financial issues that may affect your life. It's not intended to be just another worthless marketing piece to clog your email account, and because of the format, it can't possibly give you every piece of relevant information on any subject. Instead, it is intended to give you food for thought. If I can spark your interest enough for you to pick up the phone and call one of us on the PM Group team, then it will have served its purpose. Let me know if there is someone you care about that might want to receive these and we will add them to the list.

Noise proves nothing. Often a hen who has merely laid an egg cackles as if she laid an asteroid.

Mark Twain

The extent of economic and market news, perspective, opinions and commentary that we hear during the course of any week is substantial and very confusing. As we move into the fourth quarter of 2018 and find ourselves firmly at the peak of political trumpeting prior to the mid-term election however, the noise level is deafening.

Only time will tell, but in the majority of past mid-term election years, the stock markets rallied after the elections – no matter which party took control of Congress. To date 2018 market activity has taken a very similar shape to the historical chart (see the first panel below). Even the current volatility looks like it's not unusual during this part of the cycle. Let's hope that, like the historical averages, Q4 2018 and early 2019 see market strength.



Since many of our retired clients worry about the 1-2 punch of market volatility and rising interest rates, we often recommend a defensive approach to both stocks and bonds. If you'd like to hear more about these strategies, please feel free to call us. Your comfort and ability to sleep at night is very important to us.

No matter what the headlines and the financial commentators say, I encourage you to stay above the noise and don't allow yourself to get rattled. Market ups and downs are the norm, not the exception and if you over-react allowing yourself to get swept up in the confusion, you may find yourself very disappointed. We never know what tomorrow will bring but in the past, market setbacks have eventually been followed by recoveries.

We appreciate your business and are always here for you.

All our best,

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