

# Quarterly Review

April 2018

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*by Jack P. Cannata, CFP®, CPA*

Several years ago, I had the opportunity to fish for large brown trout near Bariloche in the Patagonia region of Argentina with a group of friends. Patagonia is very similar to the American West with crystal clear alpine lakes, unbelievably beautiful mountains, and large, cold flowing rivers. Being near the continental divide, rivers on the leeward side (east slope) of the Andes empty into the Atlantic whereas the windward (west slope) rivers travel through Chile eventually making their way to the Pacific. The east slope rivers are much larger than the windward (west slope) rivers since they empty most of the continent's land mass of its precipitation. Like the American west, the east slope mountains flow down into high, arid plains that are very beautiful indeed and are similar to the 4 corners area of the U.S. We fished several rivers during our stay, including the Rio Limay, Rio Chiemehuin, and the Rio Manso, each with its own unique character and captivating beauty.

The Rio Manso was unique in the rivers that we visited. It is a west slope river that starts in the high alpine lakes of Argentina and flows west through Chile into the Pacific. The environment along the river is temperate rain forest, as you would experience in western Washington State along the Olympic Peninsula. Like the American Northwest, the Pacific's "ring of fire" extends through the area and is evident with several volcanos prominent in the area. I was floating the river in the back of a McKenzie style drift boat stripping streamers, with my brother-in-law Kevin upfront throwing dries for rising trout and our guide, Guillermo, on the oars. All of the rivers that hold trout are beautiful and special places, but the Rio Manso is one of those places that we dream about. It was large enough to fish comfortably, but intimate enough to feel like home water and in January (early summer in South America) all of the shoreline seemed in bloom. With mountains in the background, the scenery can only be described as breathtaking. As we floated down river and around a bend, I looked up to take in my surroundings. Peering upriver, to my amazement was Mt. Tronador, perfectly framed by the flora directly up river, with glaciers covering its slope. The volcano's perfect cylindrical shape is forever etched in my mind. I noticed that all three of us had stopped to watch the show as we slowly drifted downstream, no longer caring about rising fish or the position of the boat. Within a few, short minutes, we drifted around the next bend in the river and the near peaks obfuscated our view of Tronador. It was one of those perfect images that last a lifetime.

Economic conditions are near perfect in the United States currently. Unemployment is low, inflation is not to be found, wages are starting to increase, housing is in demand, retail sales are strong and consumers are consuming. Yes, there are political distractions and the markets appear uneasy and easily spooked of late, but they continue to reacquire lost ground quickly. Just like that day several years ago in Patagonia, we need to stop and contemplate how well things are right now. Here's to hoping for continued improvement in economic and market conditions. I know that things will not always be this picturesque, but maybe we can enjoy the view for several more bends while we drift downriver.

As always we thank you for your business and for your continued trust.

Sincerely,

Jack P. Cannata

\*All indices are unmanaged and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results.