

# Quarterly Review

October 2017

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*by Jack P. Cannata, CFP®, CPA*

Change comes in many facets, some changes are easily incorporated, others take more time and are harder to accept. Recently, Lisa and I became grandparents as we welcomed Nicholas Anthony Scola into our lives and into our hearts. He was born on March 12 to my oldest daughter, Nicole and my favorite son-in-law, Anthony (only son-in-law to be honest) and is perfect in every way. Which of course is a totally objective and unbiased opinion. At 7 months I can easily see what transpires next, having raised 3 children. Although the changes will be welcomed, I don't believe Nicholas' parents truly comprehend what lies ahead. Intellectually they know babies begin to walk at 10 to 14 months and they talk soon thereafter, but I don't think they fully grasp the significance. In short, it means their lives are over, at least the lives they have lived for the past 30+ years. I know all the parents reading this letter will fully understand exactly my meaning.

From an economic viewpoint, this year has been more of the same. Yes, the noise may be louder with the talking heads of different political persuasions seemingly shouting an endless stream of opinion, but the underlying facts speak of status quo. The markets continue to reach new highs and the economic data continues to be positive, overall. The markets have been moving generally upward since March 2009 and the U.S. economy has pretty much advanced in lockstep. Most economists point to continued economic growth and cannot foresee a recession at least for the next several quarters. In other words, economically everything seems to be going swimmingly. However, the question must be asked, "When will the inevitable change occur?"

Just as I know healthy babies begin to walk sometime after about 10 months and this "minor" change will have significant repercussions for parents, I also know a recession is in our future and markets will falter. Unfortunately, I can only watch for the signs and guess when Nicholas takes his first steps and when the economy begins to contract. For now, Lisa and I will begin to childproof our home and we will continue to rebalance your portfolio and to follow the strategy outlined in your Investment Policy Statement. Change comes in many facets.

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

Sincerely,

Jack P. Cannata