Deron T. McCoy
CFA, CFP®, CAIA, AIF®
Chief Investment Officer

SEIA
Signature Estate & Investment Advisors, LLC®
TAILWINDS

Sunnier Days

Just a few short months ago, we wrote at length about the stranglehold that fear seemed to have on both investors' psyches and on the markets at large. Despite a steady stream of encouraging economic reports showing continued growth in employment, strong consumer spending and service economy expansion, a cloud of worry that a slowdown in China might be triggering another global recession or a potential monetary policy mistake persisted.

It was enough to usher in the year with the worst first week of losses ever, and by mid-February, the S&P 500 was down 10.5% year-to-date. Volatility was running rampant with triple digit gains followed by triple digit losses seemingly an everyday occurrence. At the time, our assessment was that the market was in the midst of a tantrum and that given all the positive fundamentals, longer-term investors would be well-served to stay the course and weather the short-term storm.

Today, just a little more than two months after hitting its low-water mark for the year, the S&P has rallied more than 250 points and moved well into positive territory for the year. The clouds have parted and the sun is shining brightly for those of you who stayed the course in adhering to your long-term investment strategy.

Now's the time to assess and adjust

We are not, however, prescient visionaries. With the stock market currently hovering near an all-time high, valuations becoming more expensive and volatility still a significant concern, this may be a good time to revisit your longer-term plans and objectives and make any necessary adjustments to your investment portfolio.

While the market can certainly creep higher, less than inspiring GDP estimates don't suggest a roaring bull. Investors may want to consider adding a variety of income-producing assets (4-7% yields look quite attractive for the balance of 2016) as well as looking overseas where lower valuations, higher growth rates and larger dividend yields are more likely to be found. And with the inherent uncertainty of a presidential election looming on the near horizon, a well-diversified portfolio may offer the best hope of keeping yourself financially out of harm's way.

Speaking of presidents, in his 1962 inaugural State of the Union address, JFK talked about the importance of improving an already strong economy with the cautionary warning that "*the time to repair the roof is when the sun is shining*." Those are words that today's investor may want to take to heart. Take advantage of these sunnier days to examine where you are on the road to achieving various goals, and explore whether or not the recent run-up now affords you a better means of achieving some of your essential and important goals by employing lower-risk investment strategies and taking a few chips off the domestic equity table.

As always, if there are any questions please do not hesitate to contact your advisor or visit us online at www.seia.com.

Deron T. McCoy
CFA, CFP®, CAIA, AIF®
Chief Investment Officer
