



KEEP SAFE INVESTMENTS

Welcome to the KEEP Safe Investments Quarterly Newsletter

1st Quarter 2019

Positive Start for 2019

Rebound

The stock market came roaring back in the first quarter of 2019, with the S&P 500 index notching its biggest first quarter gains since 1998. It marked the strongest quarter for the benchmark stock index since the second-quarter of 2009, when stocks were recouping in the wake of the global financial crisis of 2008. It was also the best first-quarter for the index since 1998. The Dow Jones gained 11.2% on the quarter, while the Nasdaq gained 16.5%.

Let's not forget 4Q 2018

2019's first quarter erased most of the losses posted during the previous quarter. The Dow slumped 18.8% between Oct. 3 and Dec 24 of 2018, amid signs that the Federal Reserve would continue to raise interest rates through 2019 and the threat of a looming US-China trade war. That dramatic sell-off caused American households to lose a collective \$4.6 trillion in the value of their stock holdings during the fourth quarter.

Starting in January, the grey clouds that hung over the economy and

A closer look at which asset classes have already made up their losses of late 2018



Sources: Bloomberg Finance L.P., DWS Investment GmbH as of 3/28/19
* ICE BofA Merrill Lynch Euro Non-Financial High Yield Constrained Index
** ICE BofA Merrill Lynch US High Yield Index
*** Bloomberg Commodity Index

the financial markets began to clear up, with trade tensions between China and the US easing somewhat and the Fed signaling it's unlikely to raise rates at all this year. Those developments, coupled with a sense that the late-2018 selloff had been overdone, fueled this quarter's rebound. "The irrational moment of December was just that, a moment driven by tax selling, algorithms and people being extremely emotional about the headlines," said Phil Blancato, CEO of Ladenburg Thalmann Asset Management. "The economy is not strong enough to drive a 12% return on the stock market in an environment like this."

While many stock indices have risen by more than 10% this year, most markets continue to trade below the levels from September 2018. Comparing major equity indices, emerging markets were the only ones to fully recover the losses of the fourth quarter 2018. Corporate-credit-indices' performance exceeds the previous losses, too. Commodities, while up year-to-date, on average remain below their September prices.

The Remainder of 2019

Since 1980, there have been six other occurrences when the S&P has gained 10% or more in Q1. On month later, the index was largely mixed. However, it began to show a positive skew three months later. And by the end of the year, the index had traded positively more than 80% of the time, according to a CNBC analysis using Kensho. The average return was more than 4%. Meanwhile, the Nasdaq gained more on average, but only was a good bet 50% of the time. The Dow traded positively two-thirds of the time, but was up only around 2% on average.



Source: FactSet

Retirement Contributions

Highlights of Changes for 2019

- The contribution limit for 401(k) is increased from \$18,500 to \$19,000.
- The limit on annual contributions to an IRA is increased from \$5,500 to \$6,000.

Highlights of Limitations that Remain Unchanged from 2018

- The catch-up contribution limit for employees aged 50 and over who participate in 401(k) remains unchanged at \$6,000.
- The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.



For more information,
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www.KeepSafeInvestments.com



About KEEP Safe Investments

KEEP Safe Investments is a Registered Investment Advisor. We are dedicated to enhancing the financial lives and enriching retirement funds of our clients. We are a single fee, non-commission based firm.

As a privately held asset and financial advisory firm, we endeavor to offer independent, unbiased financial advice focusing on each individual client's retirement goals.

Kristi Berge

Founder and CEO of KEEP Safe Investments, LLC. Kristi has worked in the financial industry for 15 years at Morgan Stanley and the Guinness Family Office (Iveagh Ltd).

A graduate of Columbia University with degrees in Economics and Mathematics, Kristi is fluent in French. Upon graduation, she joined Morgan Stanley where she worked on the bond sales and trading desk in Paris, London and New York. Kristi returned to London and joined Iveagh Ltd to work on the Investment team covering a range of products: equities, fixed income, currencies, commodities, alternative investments and property.

Kristi holds the Series 63 and Series 65 as well as the SFA and Life Insurance license.

Carin Johnson

Carin serves as Chief Compliance Officer for KEEP Safe Investments. Carin is charged with being an independent and objective resource that oversees implementation of KEEP Safe Investment's compliance and regulatory efforts.

Carin's experience in the financial industry spans more than 20 years. Previously serving as a Financial Center Manager with Wells Fargo Bank, N.A., she was responsible for the overall operation and success of the branch. As a managing Assistant Vice President, she coached her team in service, sales and financial guidance. Carin was a prominent face in the Wells Fargo community, cultivating relationships with many of the area's businesses and leading her region in performance.

Carin attended Northampton Community College and East Stroudsburg University.

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Contact Us

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