Quarterly Model Portfolio Update (Continued)

Current Portfolio Stance & Outlook

Core Model Portfolios captured the upside resulting from the robust first half rally that has continued in both stock and bond markets. Our models produced total returns YTD ranging between **8.1%** and **16.1%**[1]. As the bull market now extends its run deeper into a 10th year, investors should be wondering how long the good times can last. According to the National Bureau of Economic Research, the current cycle of business expansion, which began in June 2009, just became the longest ever recorded (topping the 120-month expansion between March 1991 to March 2001.)

Betting against an historically old bull market can be tempting especially given the increased patches of downside volatility we have experienced over the last 18 months. Bear in mind, that succumbing to those temptations by selling out at the trough of last December's severe correction in the S&P 500, for example, would have cost an investor an approximately 23% gain through last Friday's close. Against a backdrop of a global economy that is slowing, though not yet stalling, heightened risk of recession in the next 12 to 24 months certainly exists. However, we would remind you that a fully invested, strategically diversified approach continues to be the safest option for three primary reasons:

- It gives an investor permission to ignore tactical or market timing-oriented moves and the potentially large opportunity costs associated with falling prey to such strategies (see example above.)
- It allows for profits to be harvested from a diversified portfolio of assets incrementally over an extended bull market such as the one we have experienced. Our portfolio rebalancing activity in April of this year represented the 5th time we've booked market gains in the last 30 months.
- Lastly, it demands that during periods of significant drawdown of risky assets, that investors buy low, by rebalancing out of safe haven assets that are part of all of our strategic allocations.

The day-to-day noise of speculation on the next ridiculous tariff threat or probability change to the Fed cutting rates will continue to drive day-to-day market price changes – and sometimes severe ones. We expect increased volatility as we continue to navigate the later innings of the longest expansion on record. Especially in such periods of increasing market volatility and higher, potentially riskier stock valuations, we remain committed to risk management via rebalancing and ongoing evaluation of the overall composition of each portfolio and its components. We encourage you to contact your advisor for information regarding your current portfolio holdings, performance or this most recent update.

NorthLanding Financial Partners, LLC

We are committed to empowering our clients to discover and direct action toward their most important financial goals. Our advisors have over 100 years of combined experience and advanced credentials in counseling clients to develop and implement strategies to meet their personal and family financial objectives.

We welcome your feedback!

Email feedback or questions to:

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1.Investment index and NLFP portfolio performance data through 6/30/2019 is provided by Morningstar and believed to be accurate as of the date of this publication, gross of any advisory fees. Other sources include the Wall St. Journal, FactSet Research, and the NBER. All investment strategies including diversified asset allocation have risk. Past performance of our investment approach, and component holdings does not guarantee future results. Advisory services are offered through NorthLanding Financial Partners, LLC, ("NLFP") Registered Investment Advisor. While all data is believed to be from reliable sources, accuracy and completeness are not guaranteed.