Dear Clients, Family and Friends:

It's hard to believe we are over two months into 2019. Our team has already set forth exciting new strategic planning initiatives while implementing meaningful change to improve our planning process, and our investment management and client services.

Additionally, we launched our new podcast series in our previous personal note. We are very encouraged by the feedback we have received from our clients. Our firm is committed to this initiative as it will help us expand our core mission, which is to be educators first in the continued pursuit of excellence in our client service initiatives. We are happy to announce that we have recorded our second podcast in which we welcomed our CEO and Principal, Andrew J. Costanzo, Jr.

Andy, Mitchell Stehly and Matthew Costanzo lead a roundtable discussion regarding best practices to consider when designing a comprehensive investment strategy that aims to serve your short, medium and long-term financial objectives. The panel discusses the role that the investment strategy plays in the retirement planning process and how it needs to be managed over time.

This podcast is audio only. Thus, **no video players or additional software are needed to enjoy our podcast series**. Just click the link below, turn up the volume on your device and enjoy:

- The CFG Podcast Series, Show #2: Constructing Your Investment Strategy

Again, we appreciate the significant amount of feedback we received for our podcast launch as over half of our audience listened to the introductory episode. In order for this to be a success, we need your feedback. We read all of the feedback you provide and hope that you will continue to share with us the topics you would like us to focus on going forward.

Market Update:

Over the past week, our team had the pleasure of meeting with some of the top institutional money managers regarding their economic outlook for 2019, and the potential impacts on the United States and international markets.

Each manager shared a similar sentiment that the outlook in 2019 remains positive and our expectations of the economy should persist with steady growth as the year progresses.

As for the United States economy, the highlights for this month included a strong consumer index, housing mortgage applications trending towards the positive, a strong jobs report and the Federal Reserve announcing they would only consider two rate changes in 2019. In addition, trade negotiations between the United States, China and the European Union continue to progress with an expected compromise to be reached by mid-spring or early summer.

Each of the managers did express some concern beyond 2019 in that our legislative congress needs to focus on additional tax or infrastructure legislation to further stimulate United States business growth and local investment. Our team will be keeping a close watch on these items as we continue to evaluate your investment strategies for 2019 and beyond.

It is our intention to bring some of these institutional managers onto our podcast series in the very near future to share their perspectives with you and provide regular updates on the United States and global markets.

Below you will find some market publications from our research team that will help reinforce some of the driving forces in the United States and international markets:

- January 2019 Recap
- Turning More Optimistic

Constructing *Your* Investment Strategy:

We understand that not everyone has the ability to listen to a podcast and/or some clients may prefer to read through our communications; therefore, we will continue to support both education mediums.

Due to the recent volatility in our markets, our team felt that it would be a great time to address the important concepts and steps that are integral in building a comprehensive investment strategy for your retirement plan.

Any time we approach this process with a client, our team aims to solve for three components: longevity, inflation and market risk. After we have identified what that means for each client, we then adjust those expectations to specific objectives laid out by the client. This due diligence process takes time, but if done correctly, it sets the tone for building a results-based investment strategy and retirement plan. By taking all of these factors into consideration, our clients are able to implement an investment strategy that can endure market risk and other events that may alter a plan over the course of a lifetime.

Once the investment strategy has been outlined in the due diligence process and clear objectives have been set, it is then time to design the actual strategy. Our team begins to assess the client's asset allocation strategy, level of diversification, estimated time horizons for retirement and the investment platforms that will be available to us. Once we have selected the proper strategy for each of these concepts, we begin to assemble an investment management process that involves three phases: ***Capital Preservation/Architect Your Foundation***, ***Medium Term/Construct Your Stretch Plan*** and ***Long Term/Build Towards the Horizon***.

Let's briefly discuss each of these areas and what they are comprised of:

Capital Preservation, Architect Your *Foundation*:

Capital preservation strategy is an investment approach that aims to help prevent losses in a portfolio by outpacing inflation and avoiding risk. This investment strategy is often used by retirees or people close to retirement who require liquidity and want to protect a portion of their assets in the short term. These types of investments are insulated from big losses in the market. They are predictable and often require the client to take minimal risk.

When choosing investments for your capital preservation, you'll want to divide your assets according to how soon you'll need your money. One portion of your funds should be immediately accessible for daily expenses, making the interest bearing FDIC insured savings account the most suitable.

For money you need within the next few months, your options start expanding. You will still want to invest in instruments with government backing, but you may be able to obtain a higher return by expanding the timeline of maturity. Options in this category include: treasury bills, CDs and money market accounts. When you expand the timeline of your needed funds past two years, your options can go a few steps further. You can begin to look into fixed annuities that may have a guaranteed percentage over a three, five or seven-year period and still allow some liquidity each year.

Medium Term, Construct Your *Stretch* Goals:

Clients often employ these strategies when they are saving towards a specific goal that will require a significant liquidity event prior to retirement. These events may be a house purchase, healthcare expenses, travel/leisure, automotive purchases and more. Often times, these assets are built after you have established your emergency savings account and begin saving for retirement.

Many of our clients that are contributing towards a retirement plan with their employer, divert some of their contributions towards these instruments. Specifically, our firm employs the following tools for building out the medium-term strategy: after-tax accounts that have Exchange-Traded Funds or Mutual Funds for growth and Roth IRAs that provide for some liquidity after five years of ownership, but grow tax-free.

It's also important to consider that if these resources end up not being used, they can then be repositioned as retirement assets or used as tools to supplement retirement income.

Long Term, Build Towards the *Horizon*:

Building towards the long term means you are not planning to use these assets for at least 10 years, but in most cases, they could be in a growth position for several decades. Often clients begin saving these assets through employer retirement plans and then transition these assets to managed platforms by their advisor or on their own. The key in building out a long-term strategy is starting early, no matter how small the dollar amount, and continuing through your last day of employment. Beginning early is punitive, and the longer you wait, the more it will draw on your income needs. Keep in mind that some of our greatest success stories are those that started at $25 per pay check, but maintained contributions for 20+ years and thus have been able to reach their retirement objectives. Everyone always wants to start fast, but retirement planning and investment management is about building for tomorrow, taking it one day at a time and finishing strong.

In summary, constructing a long-term investment strategy is an involved process and takes time, but those that go through each phase and remain engaged over time often find it to be an extremely empowering experience. Our team looks forward to working with each of you to define, modify or build your long-term investment strategy while assisting you in pursuing your retirement planning objectives.

In order to reinforce some of these important concepts, here are a couple of resources to review:

- Time-Tested Investment Strategies for the Long Term
- Fidelity: Investment Strategy

Tax Research/Inquiries Support Deadline:

The last day to submit your tax related inquiries will be on Thursday, April 4th to ensure that we can provide you with the requested information in a timely manner before the Monday, April 15th tax filing deadline.

Closing:

If you have any questions regarding your Investment and Retirement Planning efforts, please contact us or click on the following link to schedule a review using our new online booking system: Schedule Review Today.

It has been, and continues to be, an absolute honor and privilege to serve as your Investment and Retirement Planning advisors.

We wish you and your families abundant good health, peace and prosperity in 2019.

Thank you,

The CFG Team

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