

The Markets

Nine years after the market reached its low point amid the financial crisis, key indicators signal continued strength in US stocks. The broad US equity market, in spite of recent volatility in 2018, continue to show strong corporate earnings growth. According to FactSet, 77% of companies in the S&P 500 Index have posted 2017 results tracking upside revenue relative to analyst estimates and 73% of reporting companies announced a positive earnings surprise for the 4th quarter in 2017. By any metric, overall earnings growth are robust and have moved the Dow Jones Industrial Average to all-time highs in the 26,500 range in late January. Keep in mind that a 1000 point move in the Dow is less than a 4% move at these levels.



Michael Bischoff, CFP®

Investors should focus on these three critical facts about the current market and how US equity markets have responded to prior episodes of volatility.

1. The US equity markets are driven by fundamentals and strong earnings

According to FactSet, company earnings in the S&P 500 Index are expected to grow 16.8% in 2018, with increases forecasted across all sectors in the market. The estimates continue to be revised upward, as the effects from tax reform and positive economic momentum around the globe filter down to companies' bottom lines.

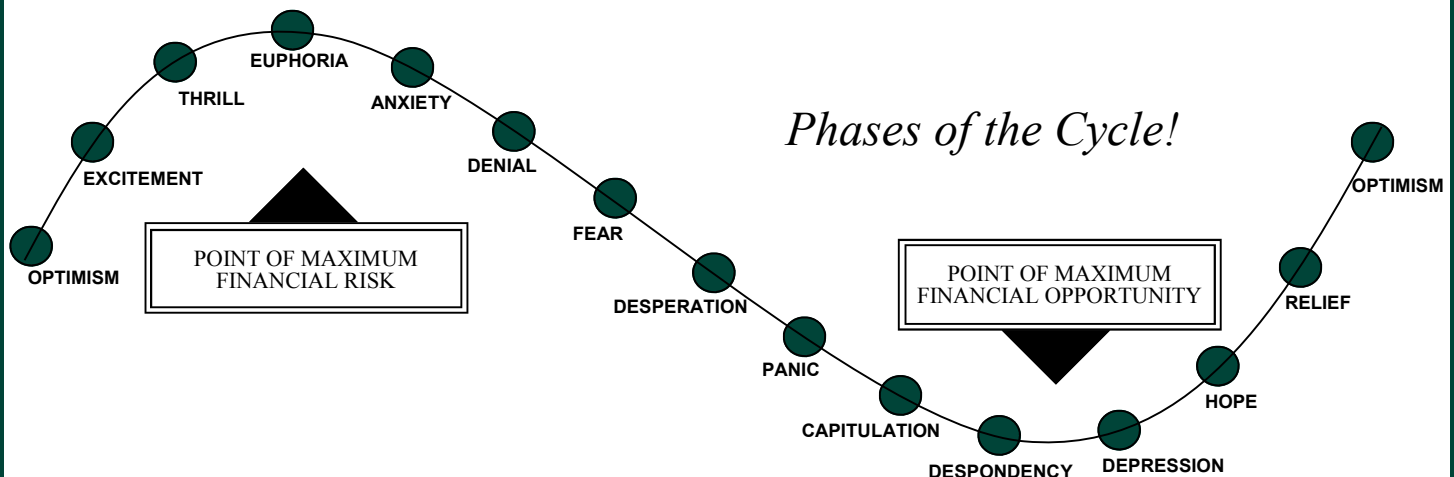
2. Market corrections are normal and they don't always translate into full-year declines

Major pullbacks during the current cycle include; 2010 **-16.0%**, 2011 **-19.40%**, 2012 **-9.90%**, 2013 **-5.8%**, 2014 **-7.4%**, 2015 **-12.4%**, and 2016 **-13.3%**. 2017 was an abnormal year with markets moving higher with steady gains in every month. The average annual return for the S&P 500 Index was **10.1%** including these pullbacks dating back to 2010.

3. Staying invested has resulted in a greater chance of positive returns while market timing is a risky game

It is impossible to predict when the markets volatility will start and stop. Investors who don't stay in the market often lose out on later gains. Equities historically have proven resilient after big declines. The S&P 500 average forward performance after a daily decline of **-3%** to **-6%** averages a **3%** gain for a three month period, **5%** gain for a 6 month period and **10%** gain for a twelve month period.

What is the key take a way? A consistent long-term perspective can help investors stay on track through this current bout of market volatility. We have seen the fear, panic and capitulation phases of the cycle in previous years. The events around them are always different. The fear and panic are temporary, however it is tough for investors to watch account values decline in the short-term.





Fun things to do in the
Twin Cities

Minneapolis Institute of Art
Minneapolis—April 26-th-29th

Minnesota Twins Games
Target Field April-September

Saint Paul Saints Baseball
CHS Field April-September

Minnehaha Falls
Minneapolis

Betty Danger's Ferris wheel
Minneapolis

Minneapolis Patio Dining
Brits Pub, Crave, Stella's

Como Zoo & Conservatory
St. Paul

Minnesota Landscape Arboretum
Chaska

Lyndale Park Rose Gardens
Minneapolis

Mystic Lake Casino
Events, Dining & Golf

Stone Arch Bridge Festival
Minneapolis Riverfront—June 15th-17th

Basilica Block Party
Minneapolis—July 6th & 7th

Minneapolis Aquatennial
Minneapolis—July 18th-21st

Uptown Art Fair
Minneapolis—Aug. 3rd-5th

www.minneapolis.org



Attention Snowbirds:

Be sure to call us with your summer address so you are able to receive your mail during the summer months.

Webb Financial Group
provides comprehensive wealth
management solutions to
individuals and businesses.
For over thirty-five years, we
have helped our clients achieve
financial security.

Michael Bischoff, CFP® & COO

Gary Webb, RFC® & CEO

Dave Verbeke, Financial Advisor

Tim Greife, Financial Advisor

Leslie Webb, Investment Advisor

Michelle Brennan, Financial Planner, FPQP™

Kristi Mattiuz, Controller

Here's how to start out on the right financial foot

- **Gather your data**

Start by taking stock of all things financial in your life, your income and expenses, your assets, including your retirement accounts, and your liabilities, your insurance policies, your income tax returns, and your wills, trusts and other estate planning documents.



Michelle Brennan, FPQP™

- **Set goals and objectives**

You especially want to categorize your goals and objectives by time horizons so that you can measure and monitor your progress.

- **Find tax efficient ways to save**

It's not what you earn but what you keep, and the same is true when it comes to saving. There are tax-efficient ways to save for retirement, which include IRA's, Health Savings Accounts and annuities.

- **Manage your risks**

Not having the right kinds and amounts of insurance in place can wreak havoc on your financial plan should you face a dramatic event.

- **Monitor progress towards your goals**

You can't measure what you don't track. Commit not to just starting the year off on the right financial foot but to monitoring your plan throughout the year.



- **Meet with your financial professional**

Reviewing your plan can go a long way toward helping you reach your financial goals.

The Value of Good Financial Advice

We tend to equate good financial advice with performance, especially short term performance. In reality, the actual value of good financial advice is measured over a lifetime of investing. As important as performance is, other factors such as tax efficiencies, interest rates, inflation, understanding goals and timelines, as well the impact of human capital. You should rely on a trusted advisor to help you consider the effect of these factors so you can make good financial decisions for today and in the future.

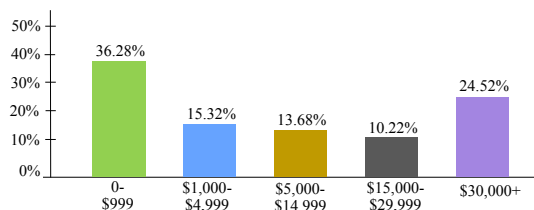


Tim Greife
Financial Advisor

Simplifying your financial life is also an important factor of good financial advice. Consolidating accounts, streamlining investment solutions and simplifying complex financial situations help reduce stress in your life and help you feel confident that you're on the right track.

Over a lifetime, good financial advice can add value in many ways. Although you may not see a direct return today, good financial advice can add to comfortability in being able to achieve and maintain one's lifestyle. As well, add a piece of sanity when it feels like the financial world is unpredictable.

SURVEY:
3006 people were asked, "Across your entire lifetime, about how much money do you think you have lost because you lacked knowledge about personal finances?"



<https://www.financialeducatorscouncil.org/financial-illiteracy-costs/>

Webb Financial Group
Southtown Office Park
8120 Penn Avenue South, Suite 177
Bloomington, Minnesota 55431

www.webbfinancial.com • 952-837-3200 • info@webbfinancial.com
1-800-927-9322