



Market Commentary November 11, 2019

Dear Investors:

Last week, major United States stock indices finished at historic highs.

According to a source cited by *Barron's*, U.S. stock markets are responsible for creating \$6 trillion in paper wealth this year. 'Paper' wealth is when an asset is estimated to be worth a specific amount. The wealth becomes 'real' when the asset is sold.

If you're having difficulty comprehending \$6 trillion, imagine this: 3,786 miles of stacked \$100 bills. That's about 15 times higher than the space station. It's roughly the distance of a drive from the East Coast to the West Coast of the United States and about halfway back again.

To date, 2019 has been an exceptional year for U.S. stocks. At the end of last week, the Dow Jones Industrial Average was up 18.7 percent year-to-date, the S&P 500 had gained 23.4 percent, and the Nasdaq Composite had risen 27.7 percent.

Returns like these sometimes inspire investors to ignore their risk tolerance and increase allocations to U.S. stocks. That may not be a wise move. In an article titled, 'How not to understand money,' *Financial Times* explained:

“One of the first things to know about equity investing is that stocks go up as well as down, and even the most successful ones never go up in a straight skyward trajectory.”

There is a theory which holds that, over time, returns revert to the mean. *Investopedia* describes the phenomenon like this:

“A reversion to the mean involves retracing any condition back to a previous state. In cases of mean reversion, the thought is that any price that strays far from the long-term norm will again return, reverting to its understood state.”

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Since the current U.S. bull market in stocks has delivered above average returns for more than a decade, some analysts anticipate future returns may be less robust as returns revert to the mean.

Suffice it to say, it's not a good idea to be lured into holding more stocks because recent returns have been exceptional. Those returns are, after all, in the past.

Data as of 11/8/19	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.9%	23.4%	10.2%	13.1%	8.7%	11.0%
Dow Jones Global ex-U.S.	0.8	14.3	6.9	6.1	2.0	2.5
10-year Treasury Note (Yield Only)	1.7	NA	3.2	1.9	2.4	3.5
Gold (per ounce)	-3.0	14.2	19.6	4.5	4.7	2.8
Bloomberg Commodity Index	-0.4	4.2	-4.0	-1.6	-7.3	-5.0

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

THE NEWEST NEW MATH. If you learned 'old' math, you may find 'new' math bewildering, and that can make helping with homework really challenging. It's possible we'll soon have an even newer math curriculum.

Many Americans learned old math: addition and subtraction, multiplication tables, and long division. Some may have absorbed linear equations in algebra and isosceles triangles in geometry. The new math entails a similar but different skill set. For instance, new math requires students to:

- Solve 12 times 37 using box multiplication
- Answer 10 minus 7 using a 10-frame
- Solve 57 minus 14 using base ten subtraction
- Explain how to decompose numbers
- Solve word problems using an open number line

If you are familiar with any of these new problem-solving methods, congratulations! You are ahead of the curve.

Unfortunately, the new math hasn't been improving Americans' performance on the Program for International Student Assessment (PISA), a standardized test administered in 70 countries. In 2018, the U.S. placed 39th in math.

Jo Boaler, the Nomellini-Olivier Professor of Mathematics Education at Stanford University, and Steven Levitt, an economist and author, think we need to change what we're teaching. In an opinion piece in the *Los Angeles Times*, they wrote:

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

“What we propose is as obvious as it is radical: to put data and its analysis at the center of high school mathematics. Every high school student should graduate with an understanding of data, spreadsheets, and the difference between correlation and causality. Moreover, teaching students to make data-based arguments will endow them with many of the same critical-thinking skills they are learning today through algebraic proofs, but also give them more practical skills for navigating our newly data-rich world.”

Get ready for 21st century math!

Weekly Focus – Think About It

“Instead of being like a circus where the trainer uses his stick to make animals do stunts to serve the interest of the audience, the system of education should be like an orchestra where the conductor waves his stick to orchestrate the music already within the musicians’ hearts in the most beautiful manner. The teacher should be like the conductor in the orchestra, not the trainer in the circus.”

--Abhijit Naskar, Neuroscientist and author

Best regards,

SYMPHONY FINANCIAL SERVICES, INC.

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

Securities offered through LPL Financial, Member FINRA/SIPC.

- * Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- * Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
- * The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- * All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client’s portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- * The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- * The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

- * Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- * The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- * The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- * The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- * International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * These views are those of Carson Coaching, and not the presenting Representative, the Representative’s Broker/Dealer, or Registered Investment Advisor, and should not be construed as investment advice.
- * This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named firm.
- * Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- * Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
- * Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- * The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
- * There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
- * Asset allocation does not ensure a profit or protect against a loss.
- * Consult your financial professional before making any investment decision.

Sources:

https://www.barrons.com/articles/stocks-keep-hitting-record-highs-where-to-find-values-now-51573261145?mod=hp_DAY_1 (or go to https://peakcontent.s3-us-west-2.amazonaws.com/+Peak+Commentary/11-11-19_Barrons-Stocks_Keep_Hitting_Record_Highs-Where_to_Find_Values_Now-Footer_1.pdf)

<https://corporatefinanceinstitute.com/resources/knowledge/valuation/paper-wealth/>

<https://www.thecalculatorsite.com/articles/finance/how-much-is-a-trillion.php>

<https://www.worldatlas.com/webimage/countrys/namerica/usstates/uslandst.htm>

<https://ftalphaville.ft.com/2019/11/07/1573161957000/How--not-to-understand-money-/> (or go to https://peakcontent.s3-us-west-2.amazonaws.com/+Peak+Commentary/11-11-19_FinancialTimes-How_Not_to_Understand_Money-Footer_5.pdf)

<https://www.investopedia.com/terms/m/meanreversion.asp>

<https://www.investopedia.com/why-morgan-stanley-says-the-60-40-portfolio-is-doomed-4775352>

<http://theconversation.com/the-common-core-is-todays-new-math-which-is-actually-a-good-thing-46585>

<https://www.understood.org/en/school-learning/learning-at-home/homework-study-skills/9-new-math-problems-and-methods>

<http://factsmaps.com/pisa-worldwide-ranking-average-score-of-math-science-reading/>

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
 330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

<https://www.latimes.com/opinion/story/2019-10-23/math-high-school-algebra-data-statistics>
<https://www.goodreads.com/quotes/tag/education-reform>



*4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com*

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.