



FOUNDATION FOCUS

A PUBLICATION OF WILLAMETTE VIEW FOUNDATION

VOLUME 17, February 2020

Decade in Review

By Michael Gallagher, CFA Director of Investments at TPG Financial Advisors, LLC

As we enter 2020 we are not only at the start of a new year, but the start of a new decade. Unlike the 2000's (which included the tech boom and the financial crisis), the 2010's were a wonderful time to be invested in U.S. stocks. The S&P 500 was up greater than 250% over the last decade, well ahead of the historic norm. Interestingly, the 2010's are the only decade on record in which we did not experience a recession. The growth in the economy and stock market came in spite of a number of tumultuous global events. To name a few:

- * European debt crisis
- * Arab spring
- * North Korean leadership change
- * Ebola outbreak
- * Russian aggression in Ukraine
- * Natural disasters
- * Acts of terrorism
- * Britain votes to leave the EU
- * Trade wars
- * Hong Kong protests
- * Donald Trump impeachment



Each of these anxiety-inducing events were/are very serious and had/have important implications. None of them, however, was a reason to panic and liquidate investments. We've written extensively about a number of these events over the last ten years and each note contained similar advice that could be summed up as follows: be in the right portfolio for you and stick with the plan. While the future is unknowable, we believe this will prove prudent advice over the next decade as well.

Year in Review

If we rewind to December 2018, things were not looking so good. The Federal Reserve seemed to be out of touch after increasing interest rates (when market forces were clearly saying no additional increases were warranted), and President Trump was well on the trade war path with China. Stocks reacted negatively, delivering the worst December for stocks in 90 years. Based on our indicators, which were negative at the time, we entered 2019 with portfolios positioned more toward defense than offense. However, at the end of last January our indicators turned positive and remained so for the majority of the year.

Continued on page 3

LETTER FROM DIANE

Here we are, 2020, that's hard to believe. I can still remember all the hype about how computers would respond as we entered the new millennium.

I've heard some good advice for this year especially. As you are dating important documents, be sure to take the time to write 2020. Even though you may be used to just using the two digit year, for 2020 you'll want to enter all four digits so that the date cannot be manipulated; all it would take is the addition of any two digits to back date a document.

Even if you've abandoned all forms of new year's resolutions, here's a good *habit* to form this year. Participate in "Pay it Forward Day". This year it is on April 28th. It's a worldwide celebration of kindness. There are lots of ways to pay it forward with small acts of kindness; pay for someone else's cup of coffee, hold the door for the next person, help a friend carry the load, give up your seat to someone in need, smile and say hello, or simply share happiness.

Share the news this year if you hear of a resident in need. Let them know about Willamette View Foundation and our mission to help them.

We are living kindness every day.

All the best to you,

Diane



Practicing Gratitude

Make Gratitude part of your routine

Taking a few minutes to focus on the good things in your life can improve your mood. Here are some tips on how to make gratitude part of your routine.

Stay on schedule but don't overdo it. Start with trying to be more patient and gentle with yourself.

Be specific and focus on both big and small things.

Being grateful isn't just about major events. Small moments can evoke big emotions.

Focus on people rather than things. The people who you are grateful for have more of an impact than the things in your life.

Dig deep and be specific. Write down the details of why you are grateful for a person or a moment you've shared with that person.

Once you have welcomed gratitude into your life, you can use it to cope during times of grief, loss or stress. By focusing on the good in your life during tough times, you can push out some of the negative thoughts.

Source: <https://renew.com/aarp>

Fast-forwarding to today, 2019 turned out to be a phenomenal year for stocks (and every other investment, for that matter). Here are the full year numbers:



Investment	Q4'19	YTD'19	2018
Cash	0.44%	2.21%	1.82%
U.S. Bonds	0.18%	8.72%	0.01%
U.S. Stocks	9.07%	31.49%	-4.38%
Developed International Stocks	8.17%	22.01%	-13.79%
Emerging Market Stocks	11.84%	18.44%	-14.58%

Cash is represented by the Bloomberg Barclays 1-3 Month T-Bill index, U.S. Bonds are represented by the Bloomberg Barclays US Agg Bond index, U.S. Stocks are represented by the A&P 500 index, Developed International Stocks are represented by the MSCI EAFE index, Emerging Market Stocks are represented by the MSCI Emerging Markets index. Indexes are unmanaged and unavailable for direct investment. Past Performance is not a guarantee of future results. Data from Morningstar.

As you can see, the pessimism at the end of 2018 turned into optimism by the end of 2019 which translated into U.S. stocks increasing more than 30%. To be fair, some of the large increases in 2019 were making up for lost ground in 2018. So what changed? Well, for one, the Fed reversed course and cut interest rates three times, which the market liked. Additionally, unemployment and inflation both remained low and GDP continued to grow (i.e. no recession). As far as the trade war, news is either positive or negative depending on the day, but the current feeling is positive.

While stocks were on sale a year ago, they are much less so now. In fact, valuation multiples are 27% higher than this time last year. Therefore, unless corporate earnings grow much more than we anticipate, we wouldn't expect a repeat of 2019 performance in 2020.

Mike Gallagher is a Foundation Board member and serves on the Foundation's Investment Committee. Advisory services offered through TPG Financial Advisors, LLC, an SEC-Registered Investment Advisor and a wholly owned subsidiary of The Partners Group, LTD.

Willamette View Foundation is helping residents

Over the past 5 years we have paid Willamette View, Inc. over \$1.7 million on behalf of residents unable to cover their monthly housing costs. We've been doing this since 1969 when the first assistance dollars were provided. If you find your resources running low due to increasing care costs, contact us for more information on our Resident Financial Assistance Program. Residents and their families have contributed and investment earnings have grown our resources so that we can be your safety net without burden to the Willamette View community.

Call us at 971.233.8956 to learn more about how we help residents.

Willamette View Foundation

11226 SE 21st Ave

Portland, OR 97222

ADDRESS SERVICE REQUESTED

IN THIS ISSUE



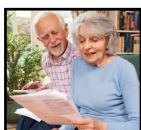
Decade in Review

Page 1



Practicing Gratitude

Page 2



WVF Helping Residents

Page 3



Friends Keep Us Healthy

Page 4

WILLAMETTE VIEW FOUNDATION

971-233-8956

Diane Wernli, Executive Director
diane@willametteviewfoundation.org

Christy Noble, Executive Assistant
christy@willametteviewfoundation.org

FOUNDATION BOARD OF DIRECTORS

Christie Geiger- President

Mike Gallagher- Vice President

Ron Gustafson- Secretary/Treasurer

Carol Cameron

Jonathan Enz

Pat Fisher

THE FOUNDATION'S MISSION *is to help qualified residents of the Willamette View Retirement Community maintain their dignity and independence through assistance in satisfying their need for housing and financial security. Aid is provided through resident assistance and financial management programs, educational seminars, financial information service, publications and grants to Willamette View, Inc. that benefit the community's residents.*

Friends Keep Us Healthy

The impact of friendship extends to the health of our body and mind —particularly as we age. Friends help us maintain healthy habits. Whether it's losing weight, cooking healthier or kicking bad habits, friends can offer a powerful dose of support, encouragement and accountability. They can also boost your self-esteem.

