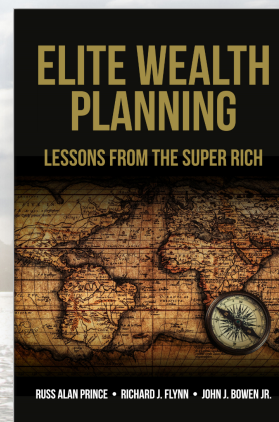




PROFESSIONAL  
FINANCIAL

*Purposeful Wealth Management*

CLARITY. CONVICTION. CONFIDENCE.



*Research underwritten  
in part by  
Paul Byron Hill*



**Paul Byron Hill**, MBA, MFP, MSFS, ChFC®, CFP®

CEO | Wealth Management Certified Professional™

**Professional Financial Strategies, Inc.**

Powder Mill Office Park

1159 Pittsford-Victor Road, Suite 120

Pittsford, NY 14534

**(585) 218-9080**

<http://www.professionalfinancial.com>



# Q3

## Global Market Review

Third Quarter 2019

# Global Market Review

Third Quarter 2019

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report leads with our quarterly topic of “Judging the Historical Performance of Value and Growth Premiums”, and shows the importance of a long-term perspective for a successful investing strategy.

## Overview:

View from the Hill: Judging the Historical Performance of Value and Growth Premiums

Market Summary

World Stock Market Performance—Quarterly & Long Term

Impact of Diversification

US Stocks

International Developed Stocks

Emerging Markets Stocks

Real Estate Investment Trusts (REITs)

Fixed Income

Global Fixed Income

Wealth Planning & Stress Testing

**Disclosure:** Professional Financial Strategies, Inc. (“Professional Financial”) is an independent investment advisor registered with the Securities and Exchange Commission. CFP professionals are fiduciaries with a duty of loyalty and care licensed by the Certified Financial Planner Board of Standards.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Professional Financial), or any non-investment related content made reference to directly or indirectly in this report, will be profitable, or equal any corresponding indicated historical performance level(s), or be suitable for your portfolio or individual situation, or prove successful. This report may include forward-looking statements that are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. All expressions of opinion are subject to change without notice in reaction to changing market conditions and/or applicable laws. Due to various factors, such as rapidly changing market, social or geopolitical conditions, content herein may no longer be reflective of current opinions or positions.

Indexes used for illustration purposes are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. You cannot invest directly in an index. Any index performance data or other third-party data appearing in or referenced in this report has been compiled by the respective copyright holder, trademark holders, or publication/distribution rights owners of each index or other third-party material owner and is presented for informational purposes only. Professional Financial makes no warranty, express or implied, for any decision taken by any party in reliance upon such material.

Moreover, you should not assume that any discussion or information contained in this paper serves as the receipt of, or as a substitute for, personalized investment advice from a CFP® professional or qualified wealth planning advisor. To the extent that a reader has any questions regarding the applicability of any specific issue discussed in this report relative to his/her individual situation, he/she is encouraged to consult with a CFP® professional or qualified wealth planning advisor. Professional Financial is neither a law firm nor a certified public accounting firm, and so no portion of the published content should be construed as legal or accounting advice. *If you are a Professional Financial client, please remember to contact Professional Financial, in writing, if there are any changes in your personal circumstances, financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.*

A printed copy of Professional Financial's current disclosure brochure discussing advisory services, processes and schedule of fees is available upon request by calling 585.218.9080.

# Judging the Historical Performance of Value and Growth Premiums

Third Quarter 2019

## How do recent returns for value and growth stocks compare with their long-term averages?

There's a popular market misconception among the investing community: value stocks have lost their vigor.

Value stocks have underperformed growth stocks over the past decade. In the US, the annualized compound return has been 12.9% for value stocks, that is, those stocks trading at a low price relative to their book value. That is not a bad return. But growth stocks having a high relative price had a 16.3% annualized compound return.<sup>1</sup>

### LESSONS OF THE PAST

Value stocks underperforming relative to growth stocks by 3.4 percentage points a year over a decade is disappointing. But long-term investors might ask themselves: how do recent returns for value and growth stocks compare with the long-term averages?

Comparing short and long-term US value and growth indices separately in **Exhibit 1**, we see that growth's annualized compound return of 16.3% over the 10-year period ending June 2019 was much higher than its recorded long-run return of 9.7%. On the other hand, performance of value indices over the past decade are close to its historical average: 12.9% vs. 12.7%. That is, value has returned short and long-term similarly to its historical performance. Growth-oriented stocks are the anomaly, with exceptional recent returns relative to their long-term history. Those investors continuing to concentrate their portfolio strategies in growth stocks hoping this recent trend will endure, rather than rebalance, may be severely disappointed. Financial theory implies for planning purposes that value stocks should have a higher long-term return.

### THE WORLD OVER

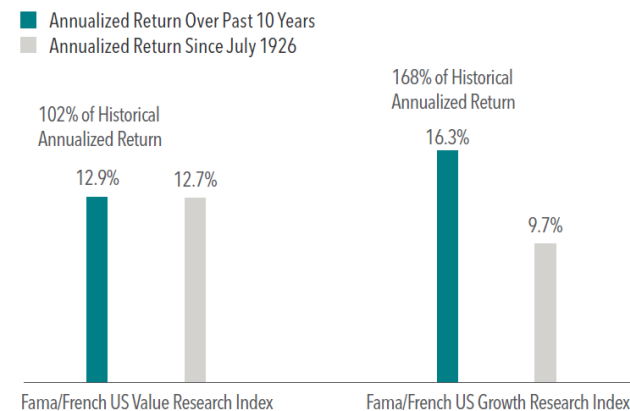
What do we see elsewhere in the world? Which markets are experiencing a low or negative value premium? The performance of value stocks in markets around the world over the past decade makes the case that the value premium is alive and well. **Exhibit 2** shows that value stocks have beaten growth stocks during the past decade in 16 of 44 developed and emerging markets, including Canada.

### A QUICK COMEBACK

While stock returns are unpredictable, there is precedent for the value premium turning around quickly after long periods of sustained underperformance. Some of the weakest periods for value stocks when compared to growth stocks have been followed by some of the strongest. **Exhibit 3** shows that as of March 31, 2000, growth stocks had outperformed value stocks in the US over the prior year, prior five years, prior 10 years, and prior 15 years. Only one year later, as of March 31, 2001 value stocks had regained the advantage over every single one of those periods as growth stock prices suddenly plunged.

### Exhibit 1: Outlier Detector

*Performance of US value stocks in past 10 years and since 1926, and performance of US growth stocks over the same periods*



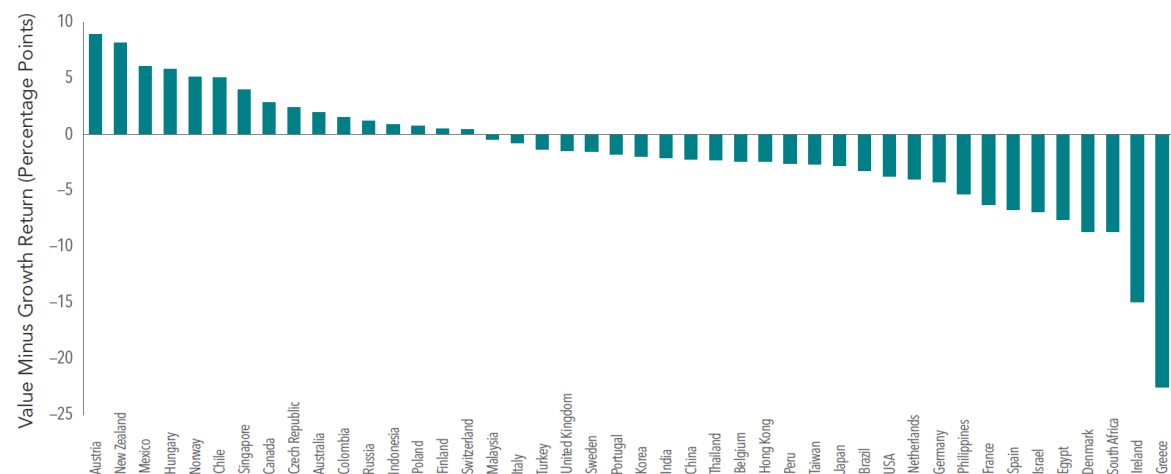
As of June 30, 2019. In US dollars. Fama/French indices provided by Ken French. See Index Descriptions in the appendix for descriptions of Fama/French index data. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.

<sup>1</sup> Value stocks' performance is measured by the Fama/French US Value Research Index. Growth stocks' performance is measured by the Fama/French US Growth Research Index. The exception is when discussing value and growth stocks' performance globally, when MSCI data is used (see note with Exhibit 2).

# Value Judgements (continued from page 3)

## Exhibit 2: Ups and Downs

Advantage or disadvantage of investing in value stocks in select global markets over past 10 years, expressed as value stocks' annualized return minus growth stocks' annualized return



Value minus Growth is the difference between the annualized net returns (local currency) of the MSCI Standard (Large + Mid Cap) Value and Growth country-specific style indices over the 10-year period ending June 30, 2019, by country. MSCI data © MSCI 2019, all rights reserved. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.

## POSITIONED FOR THE LONG TERM

The theoretical support for value investing is economically sensible—paying a lower price for earnings implies a higher expected return. However, realized returns are always uncertain. Historically, a lower relative value premium for ten years is not unusual.

The historical record shows that changing course after a prolonged disappointment can lead to costly missed opportunities. When established drivers of outperformance reverted in the past, committed investors were rewarded. A key to any successful long-term strategy is simply sticking with your plan, thick or thin. Investment owners should expect in time to be paid by investment renters.

## APPENDIX: Index Descriptions

**Fama/French US Value Research Index** provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

**Fama/French US Growth Research Index** provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission. There is no guarantee investment strategies will be successful. Investing involves risks, including possible loss of principal. Investors should talk to their financial advisor prior to making any investment decision. There is always the risk that an investor may lose money. A long-term investment approach cannot guarantee a profit. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Diversification does not eliminate the risk of market loss. All expressions of opinion are subject to change. This information is intended for educational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services.

## Exhibit 3: Leap Year

Using March 31, 2000, and March 31, 2001, as ending points, performance of US value and US growth stocks over 1- to 15-year trailing periods









In US dollars. Fama/French indices provided by Ken French. See Index Descriptions in the appendix for descriptions of Fama/French index data. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.



# Quarterly Market Summary

## Index Returns



















	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
3Q 2019	STOCKS					BONDS	
	1.16%	-0.93%	-4.25%	5.72%		2.27%	2.83%
							

Since Jan. 2001							
Avg. Quarterly Return	2.0%	1.4%	2.8%	2.6%		1.2%	1.2%
Best Quarter	16.8%	25.9%	34.7%	32.3%		4.6%	4.6%
	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q3</b>		<b>2001 Q3</b>	<b>2008 Q4</b>
Worst Quarter	-22.8%	-21.1%	-27.6%	-36.1%		-3.0%	-2.7%
	<b>2008 Q4</b>	<b>2008 Q4</b>	<b>2008 Q4</b>	<b>2008 Q4</b>		<b>2016 Q4</b>	<b>2015 Q2</b>

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2019, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

# Long-Term Market Summary

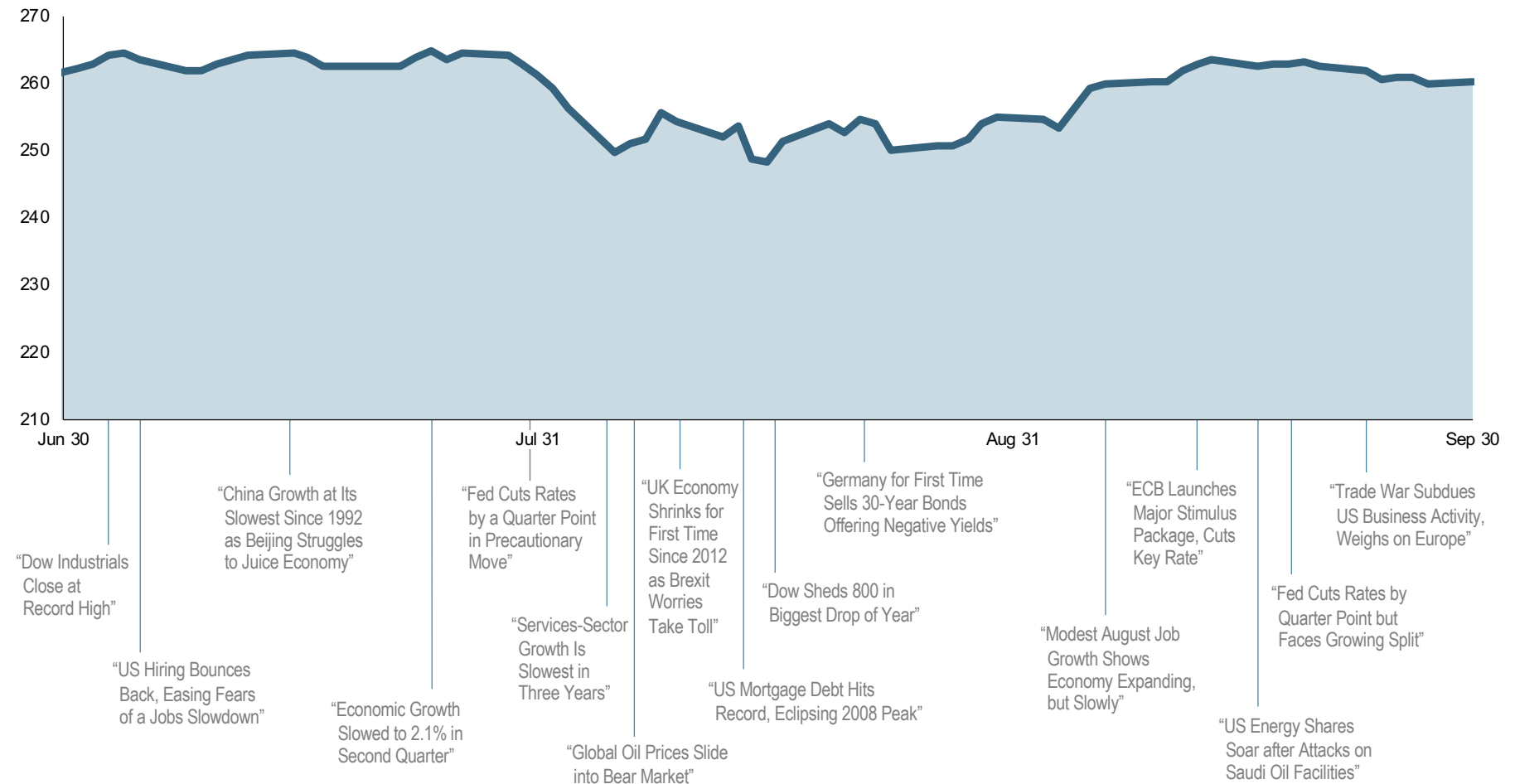
## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
1 Year	STOCKS					BONDS	
	2.92%	-0.95%	-2.02%	15.08%		10.30%	10.84%
							
5 Years							
	10.44%	3.06%	2.33%	7.36%		3.38%	4.64%
							
10 Years							
	13.08%	4.78%	3.37%	9.71%		3.75%	4.44%
							

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2019, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2019



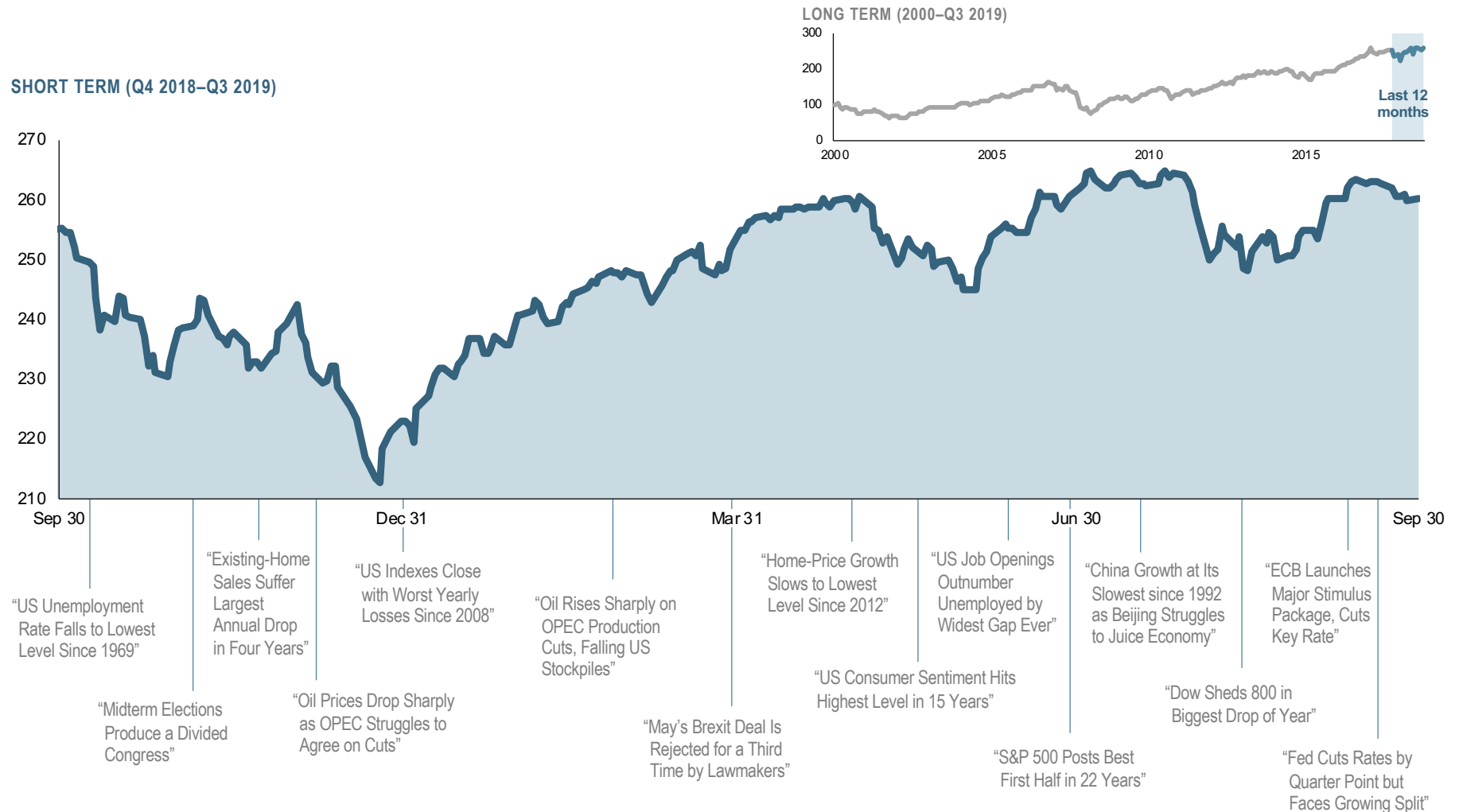
*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2019, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

# World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2019, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**



# Impact of Diversification

## Third Quarter 2019 Index Returns

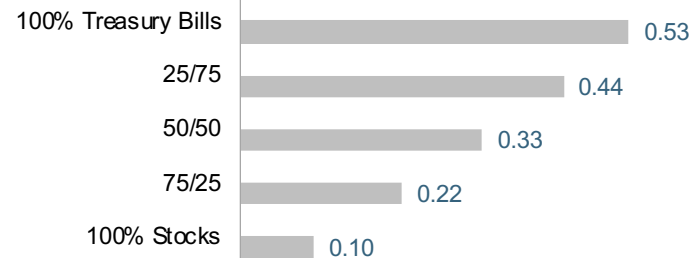
These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

### Period Returns (%)

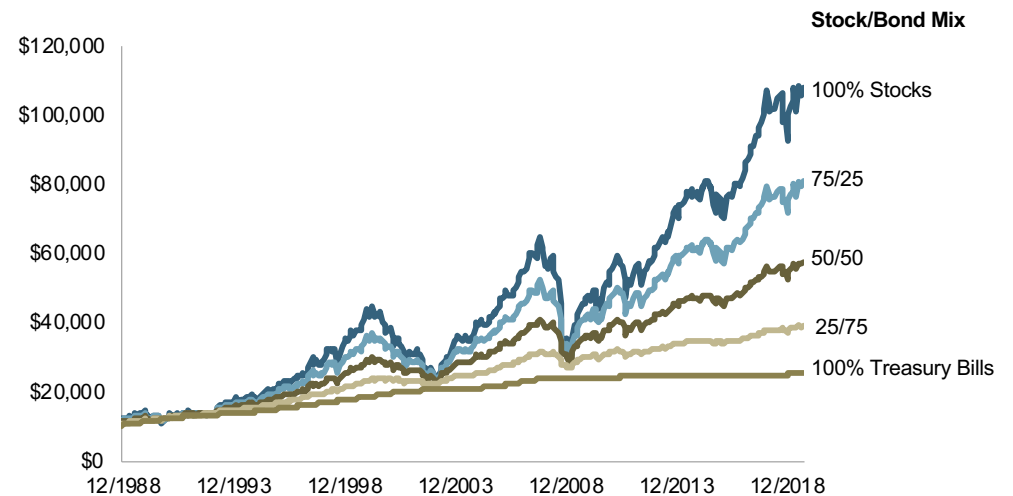
\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV <sup>1</sup>
100% Stocks	16.7	2.0	10.3	7.2	8.9	13.2
75/25	12.9	2.3	8.2	5.8	6.9	9.9
50/50	9.2	2.5	6.0	4.2	4.9	6.6
25/75	5.4	2.5	3.7	2.6	2.7	3.3
100% Treasury Bills	1.7	2.3	1.5	0.9	0.5	0.2

### Ranked Returns (%)



### Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio. Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2019, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

# US Stocks

## Third Quarter 2019 Index Returns

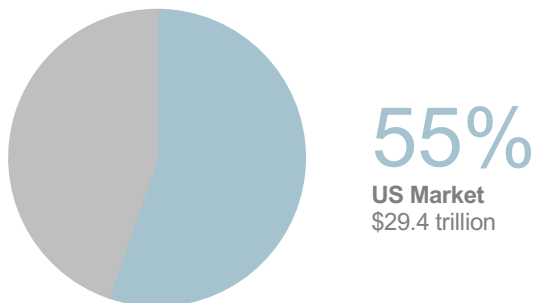
US equities outperformed both non-US developed and emerging markets in the third quarter.

Value outperformed growth on a marketwide basis in the US. However, value underperformed growth across large cap stocks but outperformed in small caps.

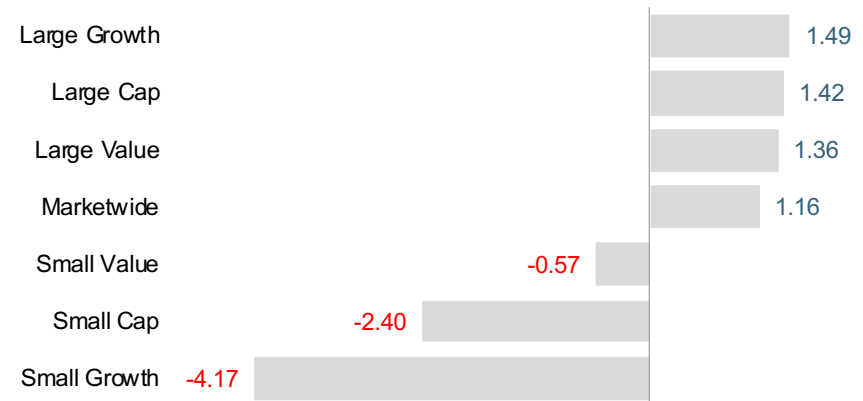
Small caps underperformed large caps in the US.

REIT indices outperformed equity market indices.

### World Market Capitalization—US



### Ranked Returns (%)



### Period Returns (%)

\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	23.3	3.7	16.9	13.4	14.9
Large Cap	20.5	3.9	13.2	10.6	13.2
Marketwide	20.1	2.9	12.8	10.4	13.1
Large Value	17.8	4.0	9.4	7.8	11.5
Small Growth	15.3	-9.6	9.8	9.1	12.3
Small Cap	14.2	-8.9	8.2	8.2	11.2
Small Value	12.8	-8.2	6.5	7.2	10.1

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Cap Value (Russell 1000 Value Index), Large Cap Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Cap Value (Russell 2000 Value Index), and Small Cap Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2019, all rights reserved.

# International Developed Stocks

## Third Quarter 2019 Index Returns

In US dollar terms, developed markets outside the US outperformed emerging markets but underperformed the US market during the third quarter.

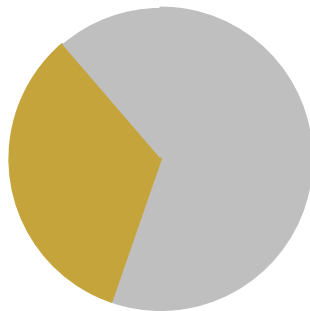
Small caps outperformed large caps in non-US developed markets.

Value underperformed growth across large cap stocks but outperformed in small caps.

### World Market Capitalization—International Developed

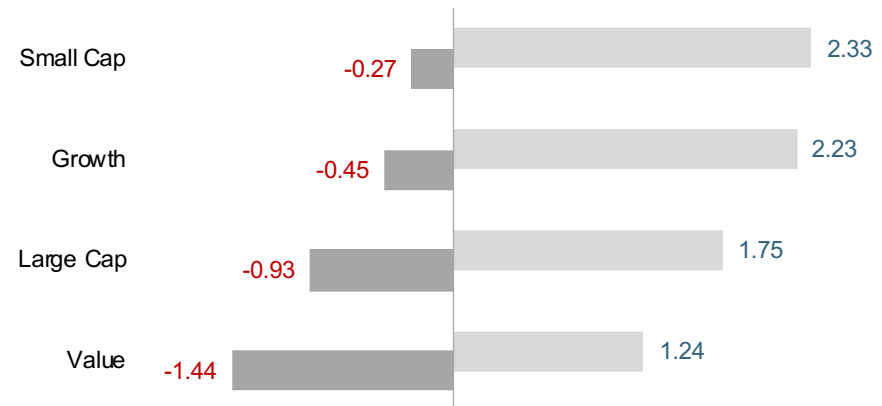
**33%**

International  
Developed Market  
\$17.7 trillion



### Ranked Returns (%)

■ Local currency ■ US currency



### Period Returns (%)

\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Growth	18.4	2.4	7.5	5.1	6.1
Large Cap	13.6	-1.0	6.5	3.1	4.8
Small Cap	12.6	-5.6	5.5	5.1	6.9
Value	8.8	-4.3	5.4	1.0	3.4

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.

Market segment (index representation) as follows: Large Cap (MSCI World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI World ex USA IMI Index is used as the proxy for the International Developed market. MSCI data © MSCI 2019, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# Emerging Markets Stocks

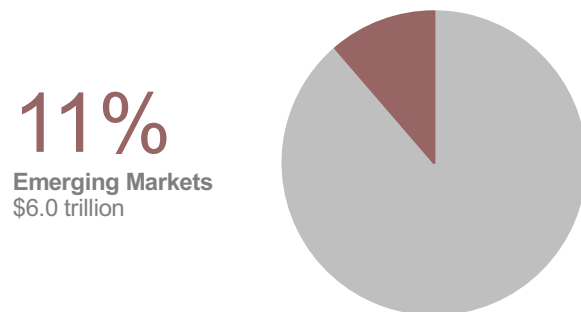
## Third Quarter 2019 Index Returns

In US dollar terms, emerging markets underperformed developed markets, including the US, in the third quarter.

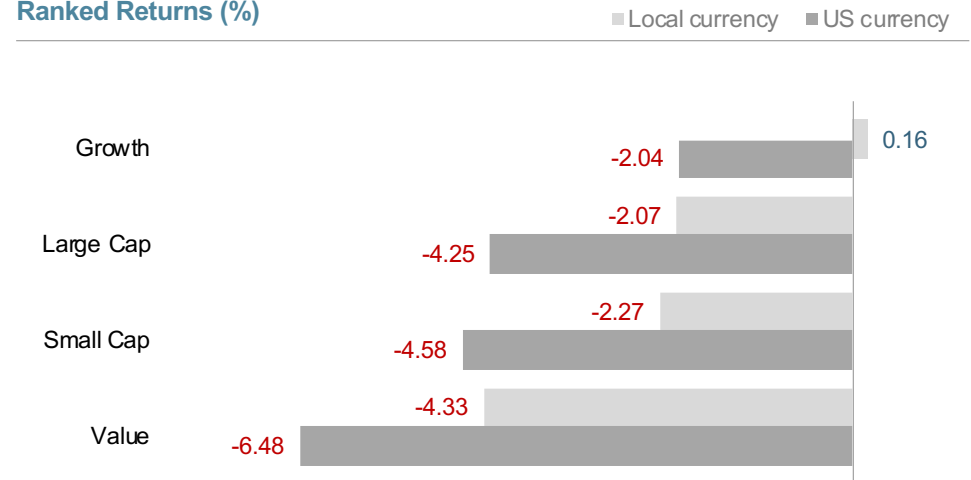
Value stocks underperformed growth stocks.

Small caps underperformed large caps.

### World Market Capitalization—Emerging Markets



### Ranked Returns (%)



### Period Returns (%)

Asset Class	* Annualized				
	YTD	1 Year	3 Years*	5 Years*	10 Years*
Growth	10.0	1.0	7.0	4.2	4.8
Large Cap	5.9	(2.0)	6.0	2.3	3.4
Value	1.8	(5.0)	4.8	0.4	1.9
Small Cap	1.8	(5.5)	1.3	(0.1)	3.2

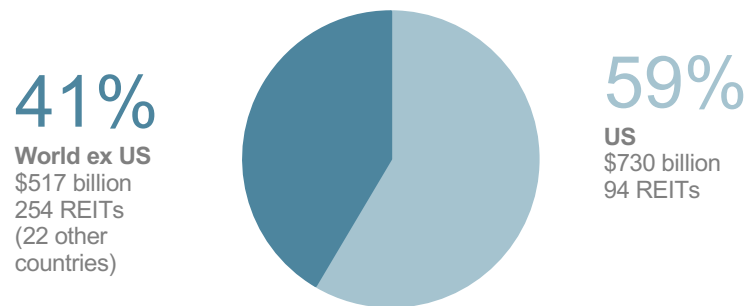
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2019, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# Real Estate Investment Trusts (REITs)

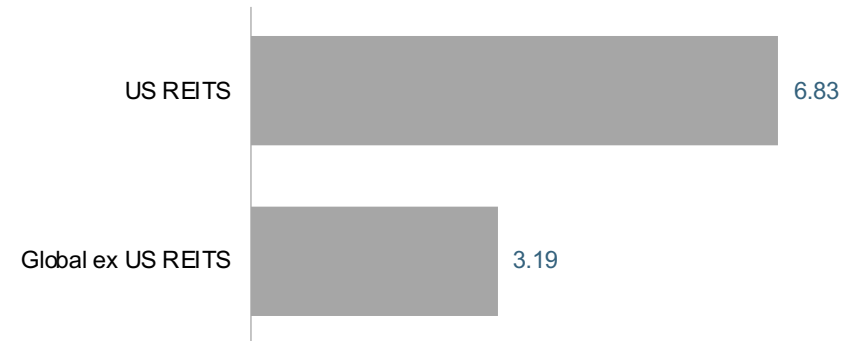
## Third Quarter 2019 Index Returns

In the third quarter, US real estate investment trusts outperformed non-US REITs in US dollar terms.

### Total Value of REIT Stocks



### Ranked Returns (%)



### Period Returns (%)

Asset Class	* Annualized				
	YTD	1 Year	3 Years*	5 Years*	10 Years*
US REITS	24.6	16.4	6.5	9.7	12.7
Global ex US REITS	18.3	12.8	5.1	5.4	7.3

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.

Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

# Fixed Income

## Third Quarter 2019 Index Returns

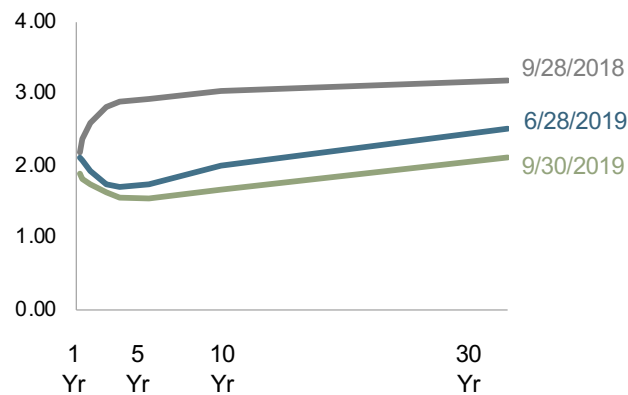
Interest rates in the US Treasury market decreased during the third quarter. The yield on the 5-year Treasury note declined by 21 basis points (bps), ending at 1.55%. The yield on the 10-year Treasury note decreased by 32 bps to 1.68%. The 30-year Treasury bond yield fell by 40 bps to 2.12%.

On the short end of the yield curve, the 1-month Treasury bill yield decreased to 1.91%, while the 1-year Treasury bill yield decreased by 17 bps to 1.75%. The 2-year Treasury note yield finished at 1.63% after a decrease of 12 bps.

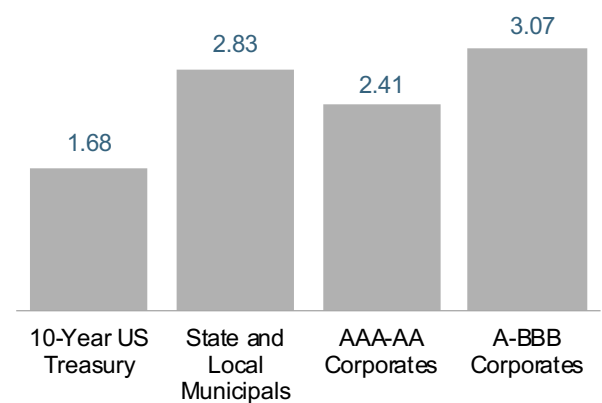
In terms of total returns, short-term corporate bonds gained 1.17%. Intermediate-term corporate bonds had a total return of 1.74%.

The total return for short-term municipal bonds was 0.33%, while intermediate-term muni bonds returned 1.02%. Revenue bonds outperformed general obligation bonds.

**US Treasury Yield Curve (%)**



**Bond Yield across Issuers (%)**



**Period Returns (%)**

Asset Class	*Annualized					
	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays US Government Bond Index Long	7.8	19.6	24.6	4.1	6.7	6.9
Bloomberg Barclays US Aggregate Bond Index	2.3	8.5	10.3	2.9	3.4	3.8
Bloomberg Barclays Municipal Bond Index	1.6	6.8	8.6	3.2	3.7	4.2
Bloomberg Barclays US TIPS Index	1.4	7.6	7.1	2.2	2.5	3.5
Bloomberg Barclays US High Yield Corporate Bond Index	1.3	11.4	6.4	6.1	5.4	7.9
FTSE World Government Bond Index 1-5 Years (hedged to USD)	1.0	3.7	5.3	2.1	2.0	1.9
ICE BofAML 1-Year US Treasury Note Index	0.6	2.3	3.1	1.6	1.1	0.8
ICE BofAML US 3-Month Treasury Bill Index	0.6	1.8	2.4	1.5	1.0	0.5
FTSE World Government Bond Index 1-5 Years	-0.8	1.4	2.4	0.3	-0.1	-0.1

One basis point equals 0.01%. **Past performance is not a guarantee of future results.** Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofAML Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2019 FTSE Fixed Income LLC, all rights reserved. ICE BofAML index data © 2019 ICE Data Indices, LLC. S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.



# Global Fixed Income

## Third Quarter 2019 Yield Curves

Interest rates in the global developed markets generally decreased during the third quarter.

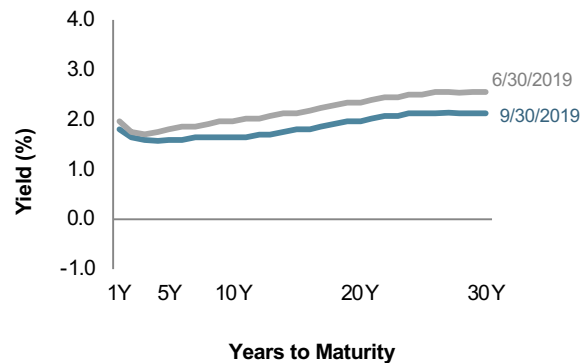
Longer-term bonds generally outperformed shorter-term bonds in the global developed markets.

Short- and Intermediate-term nominal interest rates are negative in Japan and entirely negative across the German government bond yield curve.

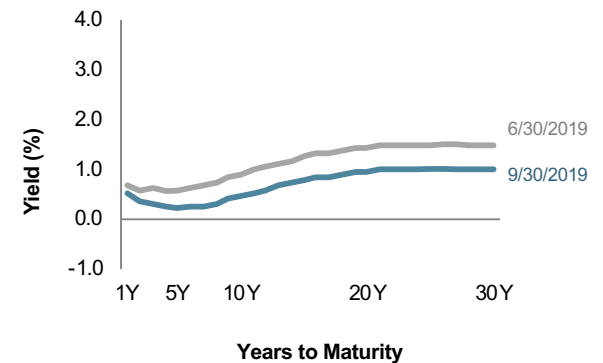
Changes in Yields (bps) since 6/30/2019

	1Y	5Y	10Y	20Y	30Y
US	-14.4	-19.2	-32.8	-37.3	-40.8
UK	-18.4	-34.6	-43.7	-48.3	-50.4
Germany	-5.9	-12.3	-26.6	-36.1	-36.8
Japan	-10.0	-10.4	-5.7	-3.1	0.2

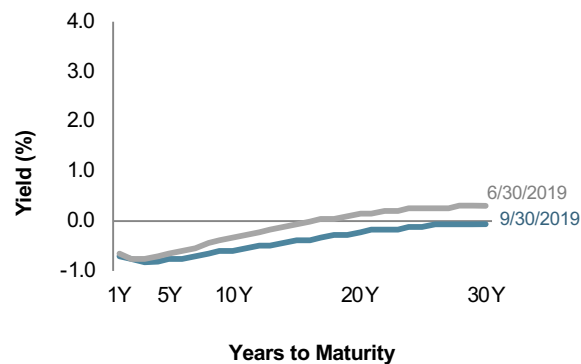
### US



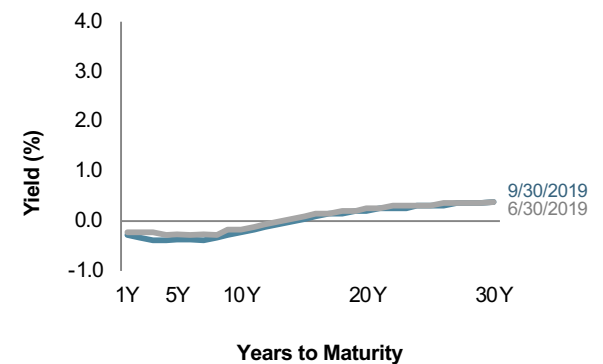
### UK



### Germany



### Japan



## Wealth Planning Stress Test

In these uncertain times, you may know a friend, family member or colleague who may have a difficult situation, or who wonders whether they are getting the right advice, or simply needs sound professional advice but doesn't get it. That's not uncommon. Studies suggest that over 80 percent of "middle-class millionaires" would value a second opinion for planning.\*

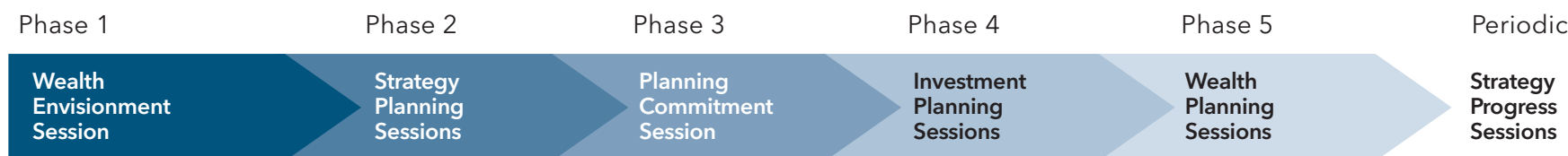
In order to help those you care about achieve their goals and dreams, we provide a complimentary **Wealth Planning Second Opinion** for those people. We're pleased to offer your friends, family and colleagues the same guidance and expertise that you've experienced as a valued client of Professional Financial.

**Paul Byron Hill**, MBA, MFP, MSFS, ChFC®, CFP® is an internationally recognized Wealth Management Certified Professional,™ Financial Educator and CEO, written about in *Fortune*, *Forbes*, *Bloomberg Business Week*, and *Money*, among others. As co-Author of *Retire Abundantly*, Paul has been interviewed by James Malinchak, of ABC-TV's hit series, *Secret Millionaire*, and been interviewed by Dimensional Fund Advisors for their "Value of an Advisor" series. Reuters recognized Paul as one of 500 "Top Advisers," and featured an interview with him on their AdvicePoint website discussing fee-only advisory firms.

Paul founded Professional Financial Strategies, Inc. in 1993 as one of the first independent financial and wealth planning advisory firms for affluent and aspiring families. Paul and his firm act as a personal chief financial officer for clients, bringing together a distinctive wealth management process and a network of experts that help families make smart decisions about money for investing wealth, mitigating excessive taxes, protecting assets from unjust loss, and passing a secure legacy to people they love and causes they care deeply about that make a difference in their community and in their world.

Paul earned pioneering designations as a Certified Financial Planner (CFP®), and ChFC® (Chartered Financial Consultant). A graduate with distinction from the University of Rochester, Paul earned an MBA in Finance from the Simon Business School. His professional education includes MFP (Master of Science in Financial Planning) and MSFS (Master of Science in Financial Services). Finally, Who's Who first presented Paul in 2018 with the Albert Nelson Marquis Lifetime Achievement Award, as seen in *The Wall Street Journal*.

### THE PROFESSIONAL WEALTH MANAGEMENT PROCESS



\*Source: Russ Alan Prince and David A. Geraciotti, *Cultivating the Middle-Class Millionaire*, 2005.

# Wealth Planning Stress Test

## Working with experts who defined the professional wealth management process

Ask ten investors to define wealth management. Rather, ask ten financial advisors you meet to do so. You'll probably get ten different answers, and most replies will focus on investing or only products. As a client of Professional Financial, however, you benefit from a team of CFPs® with a network of experts sharing a distinctive vision of integrative wealth management.

## Our professional planning process

At Professional Financial we approach each engagement with a time-tested, collaborative process. We'll have an open conversation so we can learn about your values, goals and dreams. This proven process enables us to expertly tailor an individual plan that works toward your wealth and legacy goals. As a valued client, you'll recognize each of the six steps above. In our **Wealth Planning Second Opinion**, we offer a portion of our consultative service, complimentary, to your friends, family and colleagues.

## What to expect from wealth planning second opinion

We will meet with your friends and family in a conversation to explore their concerns and opportunities to see if we can help. If there is a fit and a benefit, we will invite them back for a follow up conversation. We may confirm whether they are on the right track with their existing financial advisors. Or if we are not the right fit, we will suggest another qualified professional firm that may be more appropriate. Either way, they will receive constructive advice and recommendations regarding their planning situation—easily a value of \$5,000 or more.

### SECOND OPINION CONVERSATION

Phase 1

Phase 2

Wealth  
Envisionment  
Session

Strategy  
Planning  
Session

### INTEGRATIVE WEALTH MANAGEMENT

#### INVESTMENT MANAGEMENT

- Strategic planning
- Goal monitoring
- Performance evaluation
- Risk evaluation
- Portfolio structuring
- Manager due diligence

#### WEALTH PLANNING

- Wealth enhancement, including tax minimization and liability restructuring

- Asset Protection
- Security of Heirs' Lifestyle
- Legacy Planning
- Charitable Impact

#### RELATIONSHIP CONSULTATIONS

- Regularly scheduled calls, emails, reviews and in-person meetings
- Professional network, including accounting, tax, legal, insurance, actuarial and benefits experts

**Let us help those you care about. Contact us today.**

**Paul Byron Hill**, MBA, MFP, MSFS, ChFC®  
CEO | Certified Financial Planner™  
Wealth Management Certified Professional™

**Kam-Lin K. Hill**, MBA, ChFC®, CFP®  
Chartered Global Management Accountant  
Accredited Wealth Management Advisor™

**Professional Financial Strategies, Inc.**

Powder Mill Office Park  
1159 Pittsford-Victor Road, Suite 120  
P. O. Box 999  
Pittsford, NY 14534

**(585) 218-9080**

[planning@ProfessionalFinancial.com](mailto:planning@ProfessionalFinancial.com)

**[www.ProfessionalFinancial.com](http://www.ProfessionalFinancial.com)**



**Disclosure:** Professional Financial Strategies, Inc. ("Professional Financial") is an independent fee-only investment advisor registered with the Securities and Exchange Commission. CFP professionals are fiduciaries with a duty of loyalty and care individually licensed by the Certified Financial Planner Board of Standards.

Past performance may not be indicative of future results. Actual results, performance, or achievements may differ materially from those expressed or implied. Different types of investments involve varying degree of risk, and there can be no assurance that the future performance of any specific investment or investment strategy (including any recommended by Professional Financial) will be profitable, or equal any corresponding indicated historical performance level(s), or be suitable for your individual situation. All expressions of opinion are subject to change without notice in reaction to changing market conditions, social or geopolitical conditions, and/or applicable laws. Any awards and honors referenced above were independently granted on the basis of current professional and reference value such as position, noteworthy accomplishments, visibility, prominence, regulatory filings and/or education in the fields of finance and management.

Moreover, you should not assume that any discussion or information contained in this paper serves as the receipt of, or as a substitute for, personalized investment advice. To the extent you have any questions regarding the applicability of any specific issue discussed to your individual situation, you are encouraged to consult with a CFP® wealth professional or other qualified expert. Professional Financial is neither a law firm nor a certified public accounting firm, and so no portion of this content should be construed as legal or accounting advice.

A printed copy of the Professional Financial's current disclosure brochure discussing advisory services and fees is available upon request by calling 585.218.9080. *If you are a Professional Financial client, please remember to contact Professional Financial, **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.*