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We hope this letter finds you in good health, well rested from the holidays, and looking forward to the new year.

In the last 3 months of 2018, the market experienced more trading volatility than it had seen in the previous 7 years. Up through September, most portfolios had very healthy, positive returns. However, several factors created this quick change. The monetary effect of high tariffs started to hit companies in their cost of goods, resulting in lower profits. The Federal Reserve raised interest rates to slow rising prices, effecting purchasing power. Along with reduced future growth projections in the U.S., Europe and Asia giving the market ample short-term concern to become wary and sell.

Yet, this short-term “panic selling” is an opportunity to purchase shares of quality companies at a lower price per share.

Historically, during times when the market has gone down, rebalancing portfolios to take advantage of lower share prices has proven to be beneficial. For even though the share price may have gone down, the total number of shares owned may be greater due to reinvested dividends and interest, buying more shares at a lower price. Please keep in mind that dividends are not guaranteed and payments may fluctuate.

The same fundamental factors that have helped create our strong stock market over the last 10 years are still present. We have the highest employment in over 18 years, higher real wages in over 53 years, and interest rates are still near 50-year lows. This results in strong buying power in the U.S. economy.

We continually monitor your portfolios, and have seen where active fund managers we employ have been holding higher than normal cash during periods of market uncertainty. This is a result of selling shares of companies they felt were overvalued, and waiting until they could buy shares at a low price. As this market drops, many of them are now re-investing this cash to purchase securities at lower share prices, which is advantageous to your portfolio in the long run.

So try to ignore the highly publicized daily market movements, knowing that you are not invested in market indexes. You have our active investment managers working for you taking advantage of these buying opportunities.

Please call us with any questions or concerns. We work for you, not a large company. It is your financial health and peace of mind that is our top priority. This has been our focus for over 35 years. We remain independent so that we can provide you with unbiased, non-incentivized, trustworthy advice in your best interest.

We also want to let you know of the upcoming Financial Peace University course we will be teaching this Spring. The 9-week class will meet February 26<sup>th</sup> through April 23<sup>rd</sup>, on Tuesdays from 6-8 p.m. The purpose of this course is to help people create a plan to build savings, lower debt and increase cash flow for the future. If this is something that you, or a friend, may be interested in please contact our office at 208-746-3270 for more information.

Thank you for your trust and confidence in us. Please call if you would like to review your financial plan or discuss any changes you may have in your situation or goals.

Sincerely,

A blue ink signature of Richard G. Clifford.

Richard G. Clifford

A blue ink signature of Robert J. Clifford.

Robert J. Clifford

A blue ink signature of Douglas C. Johnson.

Douglas C. Johnson

A blue ink signature of Joe Van Ausdle.

Joe Van Ausdle