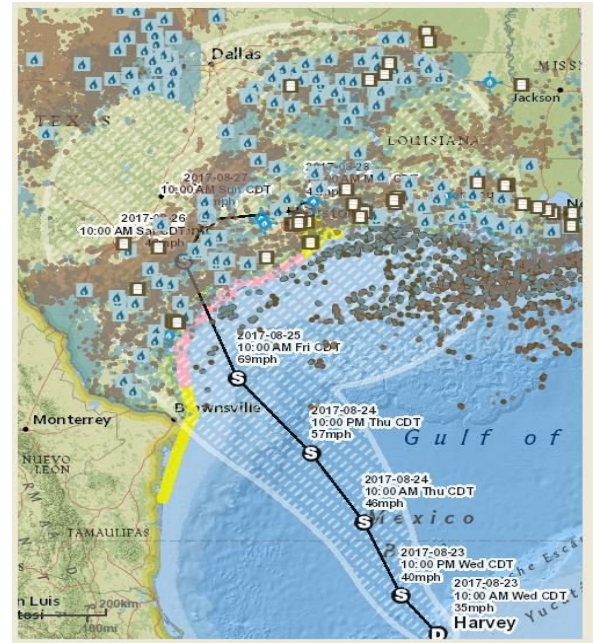


## For the week ending August 25, 2017

It looks as if we are about to experience something that has not happened in almost 12 years, a category 3 hurricane hitting the U.S. mainland. The last one was Wilma on 10/24/05. Why is this important to those of us not living in Texas? Think gasoline supply. About 1/3 of our refining capacity lies right in the path of this storm (Harvey). In the map at the right, all of the little blue flames are refining facilities. Seems that gas prices could go up a bit just in time for Labor Day. Those of you with Tesla's can ignore this unless their garage is in Corpus Christi.

Next week, we get some actual data on the economy. We haven't had real data for weeks now so this should be exciting! Next week also sees the end of August...boo.



**David A. Eckenrode**  
Director of Equity Management

## Key Economic Releases for the coming week:

### Tuesday, August 29th:

- ◆ Consumer Confidence; 120.0 expected

### Wednesday, August 30th:

- ◆ 2Q GDP Rev.; 2.7% expected

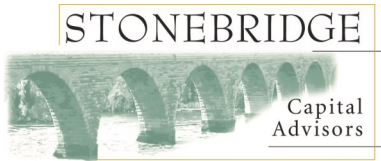
### Friday September 1st:

- ◆ Unemployment; 4.3% expected
- ◆ Nonfarm Payrolls; 185M expected
- ◆ ISM Index; 56.2 expected

## Index & Price Changes for week ending 8/25/17

DJIA- 21,813.67	Rose 113.16 points
NASDAQ- 6265.64	Rose 49.11 points
S&P 500- 2425.55	Rose 17.50 points
S&P Small Cap 600- 827.65	Rose 9.27 points
90 Day T Bill- 1.02%	Yield Rose .02%
2 yr TSY- 1.33%	Yield Rose .02%
5 yr TSY- 1.75%	Yield Fell .01%
10 yr TSY- 2.17%	Yield Fell .02%
30 yr TSY- 2.75%	Yield Fell .02%
Oil- \$ 47.79*	Fell \$.86 per barrel
Gold- \$ 1296.00*	Rose \$3.90 per oz.
Unleaded Gasoline*- \$1.67	Rose \$.06 per gallon
Euro- \$ 1.1877	Rose \$.0114 against the \$

\* Wholesale price for NY Mercantile Exchange traded contract



# Stonebridge Market Wrap

August 25, 2017

## What Goes Into Managing Your Portfolio

Recently I was in a meeting with a client, and they asked me a very valid question. How do you manage all of your client portfolios? Good question!

Stonebridge has always taken a very customized approach to managing client portfolios as every client has a unique situation and often very differing needs. To accommodate all of these different styles of portfolios, we have established the investment policy statement for each client in the Exhibit B portion of our contracts. This is where we work with clients and/or advisors to state the needs and specific styles/investments for the portfolio.

This is where Stonebridge may differ from other investment managers. Once we have the specific objectives and the investing is underway, we manage each portfolio as a team. We do have a portfolio Manager (PM) assigned as primary oversight to each client, however, we believe that the PM assigned to an account is not necessarily the primary contact and should not be the only contact. To accomplish this, we have a number of committees that meet on a regular basis to review portfolios and investment decisions across all of our clients.

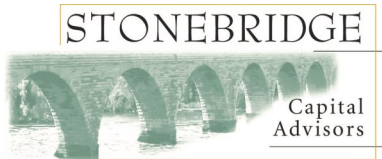
These meetings include:

*The PM Monday Review:* This is a meeting with all of the Portfolio Managers every Monday morning. The primary purpose of this meeting is to monitor and review all new accounts every week for the first 90 days to ensure compliance with the Investment Policy Statement and that each account is invested in a timely manner. We also review any accounts with new cash and higher cash balances at this time.

*The Portfolio Review Committee:* This committee meets every 2 weeks and is formally documented. At this meeting we perform an in depth review of each client (minimum of 1/year) on a rotating basis. This allows us to look at the investment policy and objectives. We discuss the last review and any changes or investments that should be considered for each portfolio.

*The Research Committee:* This meeting is designed for the managers to discuss major economic and market events, design strategies for the portfolio management team and review new investments and investment concepts.

*The Equity Research Committee:* Meetings are held on a daily basis as well as a more structured meeting once a week. The purpose of the committee is to research and analyze securities, sectors and the economy. Members are expected to support and/or refute research relative to forming a Stonebridge position. The information is provided to portfolio managers to assist them in the management of the client portfolios. These recommendations will be investigated and reviewed by the committee before a final decision to purchase or sell a particular stock is made.



# *Stonebridge Market Wrap*

*August 25, 2017*

---

*The Fixed Income Team Meeting:* The fixed income team meets regularly to establish strategy, review both taxable and tax exempt markets, discuss purchase and sales recommendations and communicate this to all portfolio managers.

We believe that the team approach ensures that each client has their account reviewed regularly by a Portfolio Manager, and has the team of PMs regularly reviewing the account for compliance with the investment strategy

Stonebridge is at all times acting as a fiduciary in the best interests of our clients and these processes help us maintain the utmost integrity from the compliance for your portfolio to your investment policy and guidelines.

**Heidi L. Hukriede, CFA**  
**Founder & Portfolio Manager**