WORLDWIDE DIVIDEND PLUS STRATEGY & OUTLOOK

STRATEGY ASSET MANAGERS

STRATEGY

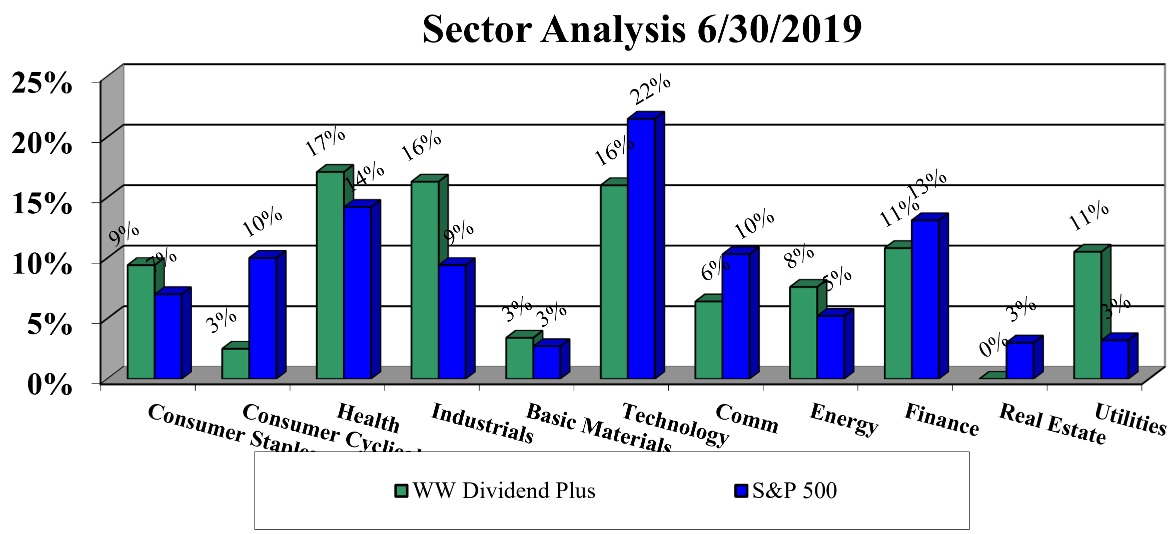
The market continued to be very strong in the second quarter of 2019 and was fueled by the expectation that the Central Banks around the world would continue to take an accommodative stance towards monetary policy. While global growth slowed in the quarter, inflation also continued to fall in the U.S. and the Fed appears to be positioning itself for potential interest rate reductions in order to counter some of the negative effects of a slowdown in global trade. The trade tensions between the U.S. and China still hang in the balance and, to date, there has been no firm resolution. We remain optimistic that both sides ultimately have a strong incentive to "strike a deal" and we believe that this would be a positive development for equity markets.

The WorldWide Dividend Plus strategy returned 4.1% in the second quarter and essentially matched the Global Equity Benchmark of 4.2%. A few of the individual names in the portfolio had very strong moves and helped drive the outperformance. American International Group had a particularly strong quarter. AIG has a relatively new management and has been in the midst of a turnaround for a few years. This past quarter, we finally began to see some real improvement in the fundamentals and the stock responded accordingly.

Our philosophy with regard to the WorldWide Dividend Plus Strategy remains the same. Our belief is that holding high quality dividend payers with strong franchises and growing cash flows will result in an increase in real purchasing power for our clients after taxes and fees are considered. While the markets will tend to go through phases over time, the WorldWide Dividend Plus Strategy will be an important tool for building both capital and wealth over time.

The second quarter saw only a minor adjustment to the portfolio. We sold DowDuPont (DWDP) out of the portfolio. While we still like DowDuPont's portfolio of businesses, we no longer believe that this is a good time cyclically to own the shares.

The sector chart below shows the sector weightings as of June 30, 2019



Below we have listed the top and bottom five performing stocks in the strategy for the second quarter of 2019.

Top 5 Performance Contributors		Bottom 5 Performance Detractors	
American International Group	24.5%	Altria	-16.3%
Lockheed Martin	21.9%	DuPont De Nemours	-12.3%
Microsoft	14.0%	Dow	-10.0%
WalMart	13.9%	Carnival	-7.3%
KeyCorp	13.9%	International paper	-5.3%

OUTLOOK

The second quarter provided a very nice continuation to a positive start to the year. Our outlook is balanced by the fact that the S&P 500 Index is already up 18.5% YTD and we believe that the earnings outlook for US corporations is more mixed going forward. The environment for equities has been strong and the key pillars of this market have been solid economic growth, low inflation, interest rates and strong corporate earnings. While we continue to believe that much of this foundation is still in place, we believe that lower global growth combined with ongoing trade issues with China will create some earnings headwinds that may be an impediment to further outsized gains over the near term.

Past performance is no guarantee of future returns. The Worldwide Dividend Plus Strategy & Outlook reflects the views of the Investment Advisor only through the date of this report, and should not be considered investment advice. The Investment Advisor's views are subject to change at any time without notice based on market and other conditions. Portfolio characteristics and holdings are subject to change, and shown for illustrative purposes only. A complete list of holdings for the past year is available upon request. Please refer to the disclosure at the end of this report.
June 30, 2019.

As we have emphasized in recent messages to clients, a slowdown in growth does NOT have to equate to lower stock prices. This is because slower growth will likely necessitate further central bank intervention which could be quite positive for equities.

The most commonly question we get from clients is : " Aren't we late in the cycle?" It is true that this economic cycle has now become the longest one in US history. However, the typical signs we would look for such as excess inventories or significant central bank tightening do not exist in this cycle- at least not as of today. Meanwhile, we are finding businesses that are capitalizing from long term secular trends and we do not see these factors abating currently. We will of course be vigilant during this upcoming earnings season to listen for what management teams are saying about their respective businesses and their outlooks. The lower inflation and willingness of the central banks to intervene if necessary appears to be giving investors some comfort that some of the slowdown can be managed to a "soft landing". Given the strong gains that the stock market has enjoyed for the year thus far, we are realistic for the balance of the year and would not be surprised to see a consolidation more broadly. However, we remain optimistic on the market longer term and continue to be very excited by the continued value realization potential in our portfolios.

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