Oct. 1st, 2018 UPDATE

"Financial freedom is available to those who learn about it and work for it."

Robert Kiyosaki/ American Businessman and Author

St. Louis Wealth Management Group

INVESTMENT MANAGEMENT SERVICES

2018 4th Quarter Investment Commentary (10-01-18)

The St. Louis Wealth Management Group at RBC Wealth Management

As sophisticated clients accumulate wealth, they are challenged by specific issues that can be complex in nature and require an integrated approach. At the St. Louis Wealth Management Group, we are well versed in the intricacies of wealth management and offer comprehensive financial strategies to help meet your objectives. No matter where you are along the wealth continuum, we can guide you on how to build, grow, preserve and transfer your wealth in line with your financial goals.

With nearly 60 years of combined industry experience, and skills refined during some of the most volatile market conditions in decades, we can deliver a differentiating and holistic client-experience to our clients. You benefit from the highly personalized service of a boutique wealth management firm whose advisors provide clients with the intimacy and personal attention of a one-on-one relationship, backed by the resources of an industry leader.

Recognizing that neither markets nor people's lives are static, the team is committed to continuous monitoring of our client's investments , adjusting strategies as needs evolve. The St. Louis Wealth Management Group welcomes the opportunity to help you achieve your financial objectives today and plan for your future. We personally invite you to explore the benefits of a relationship with us.

The St. Louis Wealth Management Group

The RBC Wealth Management Experience:

As most of you are aware the **St. Louis Wealth Management Group** transitioned our book of business to RBC Wealth Management starting in late June of this year. We have now been at RBC Wealth Management for a little over 3 months. We are very pleased with what we have seen from our new firm. RBC is definitely a service-oriented firm that has been dedicated to putting our clients first and they have committed a multitude of resources to us to ensure that our transition has been smooth.
RBC Wealth Management has allowed us the freedom and flexibility to do business in our way while providing us with quality resources that we can use to implement the top notch service that clients expect from us.

A few of the factors that led us to RBC Wealth Management was the robust comprehensive wealth planning software, which allows us to understand your overall financial goals and help you plan your life. We have more tools to understand your retirement goals, insurance planning, education funding, and estate and multigenerational wealth planning. In addition, we have a group of dedicated specialists that are knowledgeable in a variety of areas, these experts are composed of the best and brightest in the industry, and they are dedicated in helping us service our clients needs and goals. We have already met all of these specialist in our St. Louis branch and have had meetings with them and our clients to go over insurance, trust and estate planning needs.

Marketing was also an important part of the reasons why we moved to RBC. We have worked with our marketing consultant to prepare our quarterly updates, discretionary model fact sheets, investment proposals, as well as our team website, which allows us to better communicate with our current and future clients. You can access our team website at **http://us.rbcwealthmanagement.com/web/stlouiswmg** .

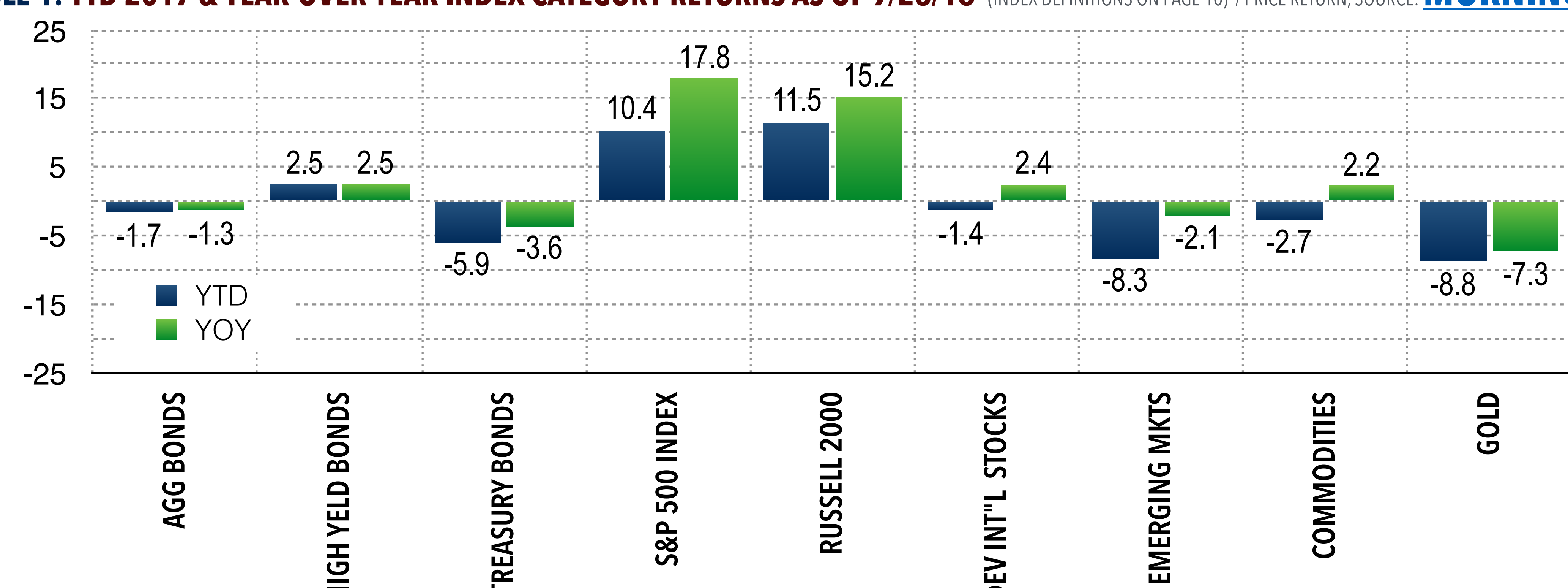
We have also heard great remarks from our clients, when it comes to the improvements in technology specifically the online access portal for our clients. RBC was named by "The Financial Times" in 2018 as the Best Private Bank for Digital Client Communication in North America and the firm has committed to an increase in technology spending for 2018. The online access for clients allows them to receive their full archive of RBC Wealth Management financial documents, receive secure email communication from their advisor, real time pricing, exclusive research from RBC analysts, as well as a commitment to providing our clients with a secure online experience. You can access all these great tools by your iPhone, iPad and Android devices. If you have not registered for online access we suggest that you do so, by going to our team website, which is in the above paragraph.

A little information about our new firm:

RBC Wealth Management has provided trusted advice and wealth management solutions to individuals, families and institutions. Our combination of small firm culture and large firm capabilities makes us unique in the financial services industry and give us a distinct competitive advantage in the way we service clients. RBC Wealth Management is recognized as one of the world's top five largest wealth managers by assets. In the U.S., RBC has approximately 1,800 financial advisors operating in 200 locations in 40 states. RBC ranks as the seventh largest brokerage by assets under administration and by number of financial advisors in the U.S. as of September 30th, 2016. Consistently strong and stable with a high-quality balance sheet, proactive risk management and a strong liquidity position has enabled RBC to consistently have a high credit rating-Moody's A1, Standard & Poor's AA- and Fitch Rating AA.

We at St. Louis Wealth Management are excited to learn more about RBC Wealth Management and relay this information to our clients to help better serve their needs.

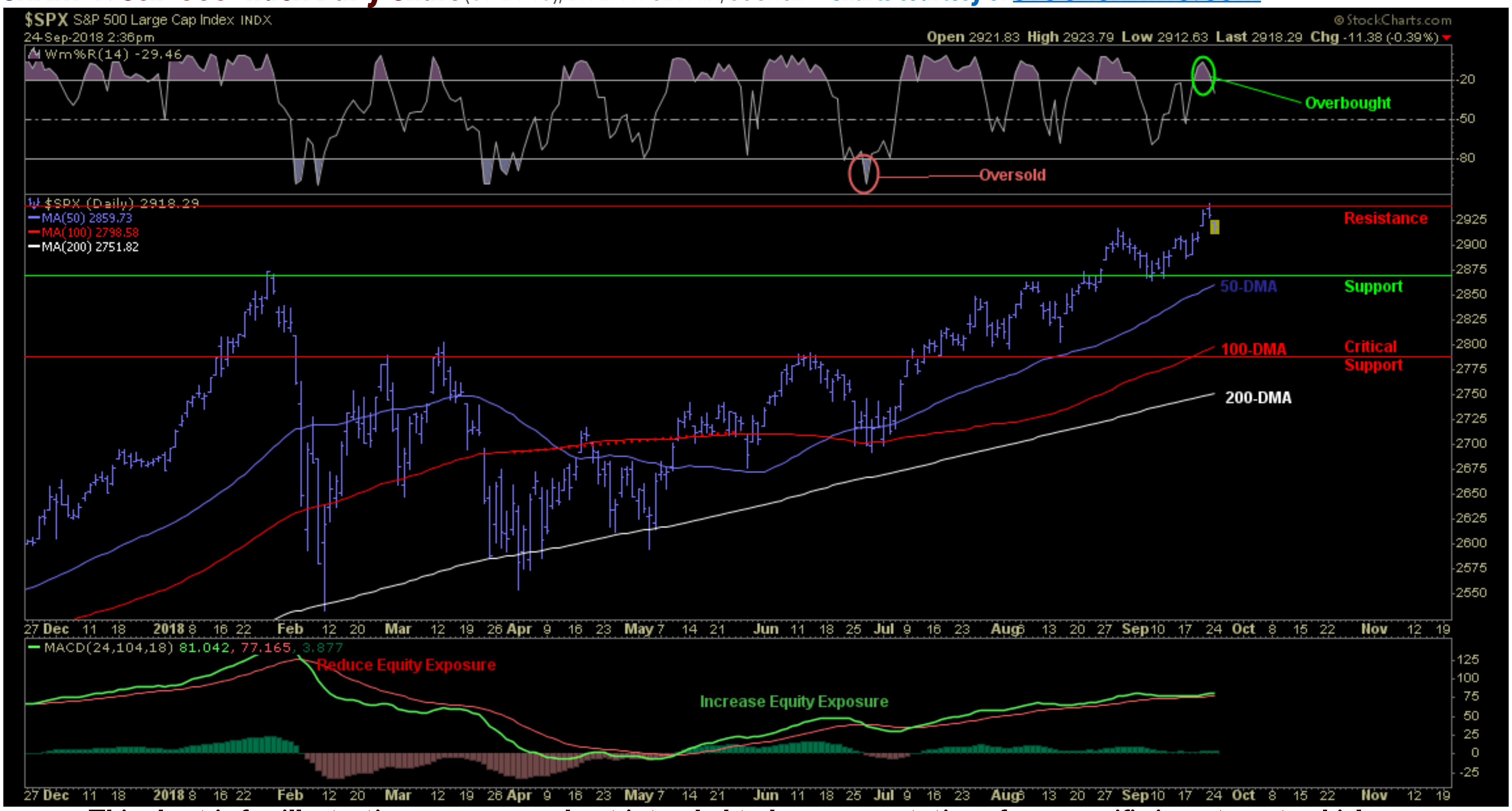
TABLE 1: YTD 2017 & YEAR-OVER-YEAR INDEX CATEGORY RETURNS AS OF 9/28/18 (INDEX DEFINITIONS ON PAGE 10) / PRICE RETURN, SOURCE: **MORNINGSTAR.COM**



Current Market Bias (AS OF 10-01-2018):

- Technically Speaking: The breakout above the January highs now puts 3000 squarely into focus for traders. This idea of a push to 3000 is also confirmed by the recent "buy signal" triggered in June on the Weekly S&P500 chart.

CHART 1: S&P 500 Index Daily Chart (09-24-18), DAILY PRICE DATA, SOURCE: **"Charts courtesy of STOCKCHARTS.COM"**



This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

With the market breaking above the January highs, this doesn't mean we are just ignoring all risk and neglecting our portfolio management process.

It is worth remembering that portfolios, like a garden, must be carefully tended to otherwise the bounty will be reclaimed by nature itself.

- ***If fruits are not harvested (profit taking) they "rot on the vine".***
- ***If weeds are not pulled (sell losers), they will choke out the garden.***
- ***If the soil is not fertilized (savings), then the garden will fail to produce as successfully as it could.***

So, as a reminder, and considering where the markets are currently, here are the rules for managing your garden.

1) **HARVEST: Reduce "winners" back to original portfolio weights**. This **does NOT** mean sell the whole position. You pluck the tomatoes off the vine, not yank the whole plant from the ground.
2) **WEED: Sell losers and laggards and remove them from the garden**. If you do not sell losers and laggards, they reduce the performance of the portfolio over time by absorbing "nutrients" that could be used for more productive plants. The first rule of thumb in investing "sell losers quickly."
3) **FERTILIZE AND WATER: Add savings on a regular basis**. A garden cannot grow if the soil is depleted of nutrients or lost to erosion. Likewise, a portfolio cannot grow if capital is not contributed regularly to replace capital lost due to erosion and loss. If you think you will NEVER LOSE money investing the markets then you shouldn't be investing to begin with.
4) **WATCH THE WEATHER: Pay attention to markets.** A garden can quickly be destroyed by a winter freeze or drought. Not paying attention to the major market trends can have devastating effects on your portfolio if you fail to see the turn for the worse. As with a garden, it is never been harmful to put protections in place for expected bad weather that didn't occur. Likewise, a portfolio protected against "risk" in the short-term, never harmed investors in the long-term.

With the overall market trends still bullish, there is little reason to become overly defensive in the very short-term. However, there are plenty of warning signs that the "good times" maybe nearing their end, which will likely surprise most everyone.

Update on the U.S. Dollar:

The US dollar has been in a uptrend since May of 2018, this has had huge implications on investing. When the dollar rises you typically see commodities, precious metals as well as international investments underperform. This has definitely been the case this year as the S&P500 is up +10.3% and broad base commodities are down -2.6%, gold down -8.8%, developed international equities are down -1.3%, and emerging market equities are down -8.3%, as of September 28th, 2018. Currently, this uptrend is still in tack and technically speaking may continue for several months.

CHART 2: U.S. Dollar Index Weekly Chart (09-24-18), DAILY PRICE DATA, SOURCE: **"Charts courtesy of STOCKCHARTS.COM"**

This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

Technically Speaking: The World Diverges From The U.S.

US Core market equity now ranks at the 95th percentile versus all other asset classes around the world. For this calendar year there is no substitute. The average US equity diversified fund is about to hit the 4.0 score threshold, which it has not done since the beginning of asset scoring 16 years ago. The enormous strength that you see in this area of investing has helped concentrated models primarily in the US equity markets.

Fixed Income weakness is very much still with us and you have to be very, very selective to stay on the right path in this area. The average score of all fixed income funds is just above the score of the Money Market asset class. But, the average score of the US Fixed Income Quality tranches is just below the score of the Money Market. Emerging Market Income holds the lowest score among the Macro asset classes with its current score at 1.37 and still dropping. The migration below the score of 1.50 began in August and has continued through September.

TABLE 2: ASSET CLASS GROUP SCORING (09-13-18), SOURCE: **"Table courtesy of Nasdaq/ Dorsey Wright"**

Group	Avg Score	Direction	% OBOS
All US Equity Diversified	3.96	0.61	42.40
All Equity Funds	3.39	-0.10	12.26
All Fixed Income	2.58	0.26	-13.89
US Money Market	2.34	0.43	0.00
All US Fixed Income Quality	2.33	0.36	-11.27
All Global & Intl Diversified	2.31	-1.63	-44.96
All Emerging Markets Equity	1.75	-3.02	-93.21
Commodities	1.63	-1.67	-33.49
Global Currency	1.48	-1.51	-37.68

Added to the pressure of a diversified portfolio, the International component is really hurting your diversified equity mix to the degree that you are involved. Some say that there was no seasonally weak cycle in 2018. Try telling that to the strategists who hold normal or elevated fixed income allocations. Right on cue, around mid-May the International groups crossed under the US counterparts and have not stopped breaking down yet **(see chart below)**. New recent score lows have been hit in September, with the average Non-US fund about to hit below the 2.0 score line. Quite a big fall from just above a score of 4.0, before May. In looking for a bottom somewhere before the November quarter, we just can't find it, but that shouldn't stop us from continuing to monitor the situation.

CHART 3: Asset Class Group Scores,(09-13-18), SOURCE: **"Charts courtesy of Nasdaq/ Dorsey Wright"**

This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

EFA, iShares MSCI EAFE ETF (Developed Int'l Equities) shown below started showing signs of weakness during the February and March global sell off, however unlike the US markets the downtrend continued as we saw a technical sell signal in April on the MACD (Moving Average Convergence Divergence) indicator shown below. This downtrend has continued into September and currently their are no signs of technical strength in the International markets. However, we will continue to monitor the situation and look for opportunities in the future.

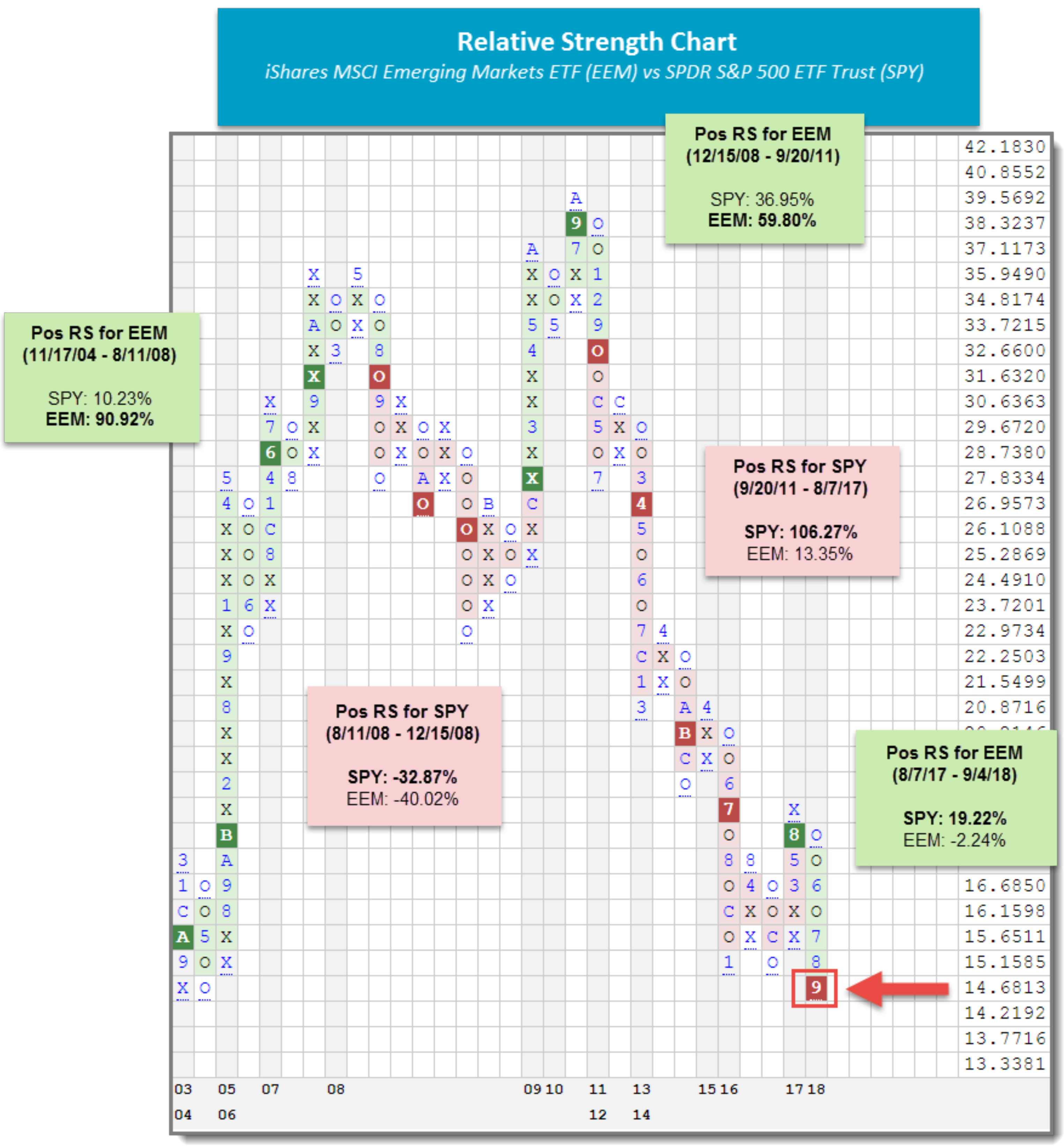
CHART 4: EFA iShare MSCI EAFE ETF Weekly Chart (09-26-18), DAILY PRICE DATA, SOURCE: **"Charts courtesy of STOCKCHARTS.COM"**

This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

As we stated previously over the past few months, we have continued to see weakness in the international space. In fact, earlier this month, we witnessed an important change in one of the key RS relationships we monitor. That relationship is the one between Emerging Markets and US Equities. You may recall back in our 4th Quarter, 2017 Update we brought the RS (Relative Strength) chart to your attention as a buy signal in favor of Emerging Markets had occurred. Now, just over a year later, we have seen US Equities continue to show superior performance, allowing for a signal change on the chart.

Below is the 3.25% RS (Relative Strength) chart between the iShares MSCI Emerging Markets ETF EEM and the SPDR S&P 500 ETF Trust SPY. When the chart is on a buy signal (highlighted in green), it indicates positive relative strength for Emerging Markets while sell signals (highlighted in red), are positive for US Equities. On September 4th, the chart returned to a sell signal, serving as further evidence for increasing or maintaining US Equity exposure within your portfolio allocation. Notice that this chart has completed five RS "cycles" over the course of the last 15 years, with this being the sixth. We have highlighted the date ranges for each signal along with the returns for funds over each time frame. Notice that four out of five signals have been "profitable" - meaning that the investment with positive RS outperformed the alternative through the life of the signal. The only period of time here where RS was "wrong" was the most recent buy signal from 8/17/17 - 9/4/18 which favored EEM over SPY. EEM returned -2.24% while SPY returned 19.22%. This reminds us that although relative strength is not perfect, it is self-correcting and is right more often than it is wrong.

CHART 5: Relative Strength Chart, iShares MSCI Emerging Markets ETF (EEM) vs SPDR S&P500 ETF Trust (SPY), (09-19-18),
SOURCE: **"Charts courtesy of Nasdaq/ Dorsey Wright"**



This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle. Past Performance is not indicative of future results.

Update on Crude Oil:

During our 2nd Quarter 2018 Update we mentioned the following for our Crude 2018 Outlook:

- Oil has clearly been in a bull market since August of 2017 with the “buy signal” noted in the chart below. We expect the bullish trend to continue into 2018 and would not be surprised to see crude oil price get between $75-$85 dollars sometime this year.
- During January, the bull run in oil prices was running way ahead of our expectations. Of course the bull run in oil was put on hold as virtually ALL markets simultaneously fell in the great correction of February 2018, which in our opinion was triggered by the Fed deciding to burst the US bond market bubble, resulting in yields soaring on US treasury bonds and rippling out across all of the market, and so the crude oil price fell as a result wiping out ALL of its gains in 2018. **(January 2nd, 2018, CL/1 Oil Sweet opened at a price of $60.20 on February 2nd, 2018 crude had a low price of $57.90, Thomson Charts)**
- Oil fell from $67 to a low of $58, which was almost a 12% correction during the February correction nevertheless in our opinion this has not caused us to revise our outlook for crude oil price. Oil has recovered strongly to $63.55 as of April 3rd, 2018, while stocks have continued to deteriorate. This type of divergence is telling us that oil is showing relative strength versus most asset classes.
- The current technical picture for oil is that the “long” MACD (Moving Average Convergence Divergence) has turned bullish, we may see resistance at previous bull market high of $67, which will cause oil price to experience some difficulty clearing. Current support for oil is in the area of $58 to $60, which should hold any type of major market correction. The 13-DMA has crossed up through the 200-DMA which is bullish. The 50-DMA is close to going through the 200-DMA which would confirm a continued bullish trend for crude oil.

TODAY:

- The uptrend is still in tact as we watch for a possible sell signal on the MACD (Moving Average Convergence Divergence), if this occurs this would be negative for crude prices. As of today this has not occurred, so we are still bullish on Crude prices and maintain our bullish outlook for oil stocks until year-end. If the dollar starts to sell off in a meaningful way this could accelerate oil prices to the upside.

CHART 6: WTIC Light Crude Oil Weekly Chart, (09-24-18), WEEKLY PRICE DATA, SOURCE: **“Charts courtesy of STOCKCHARTS.COM”**

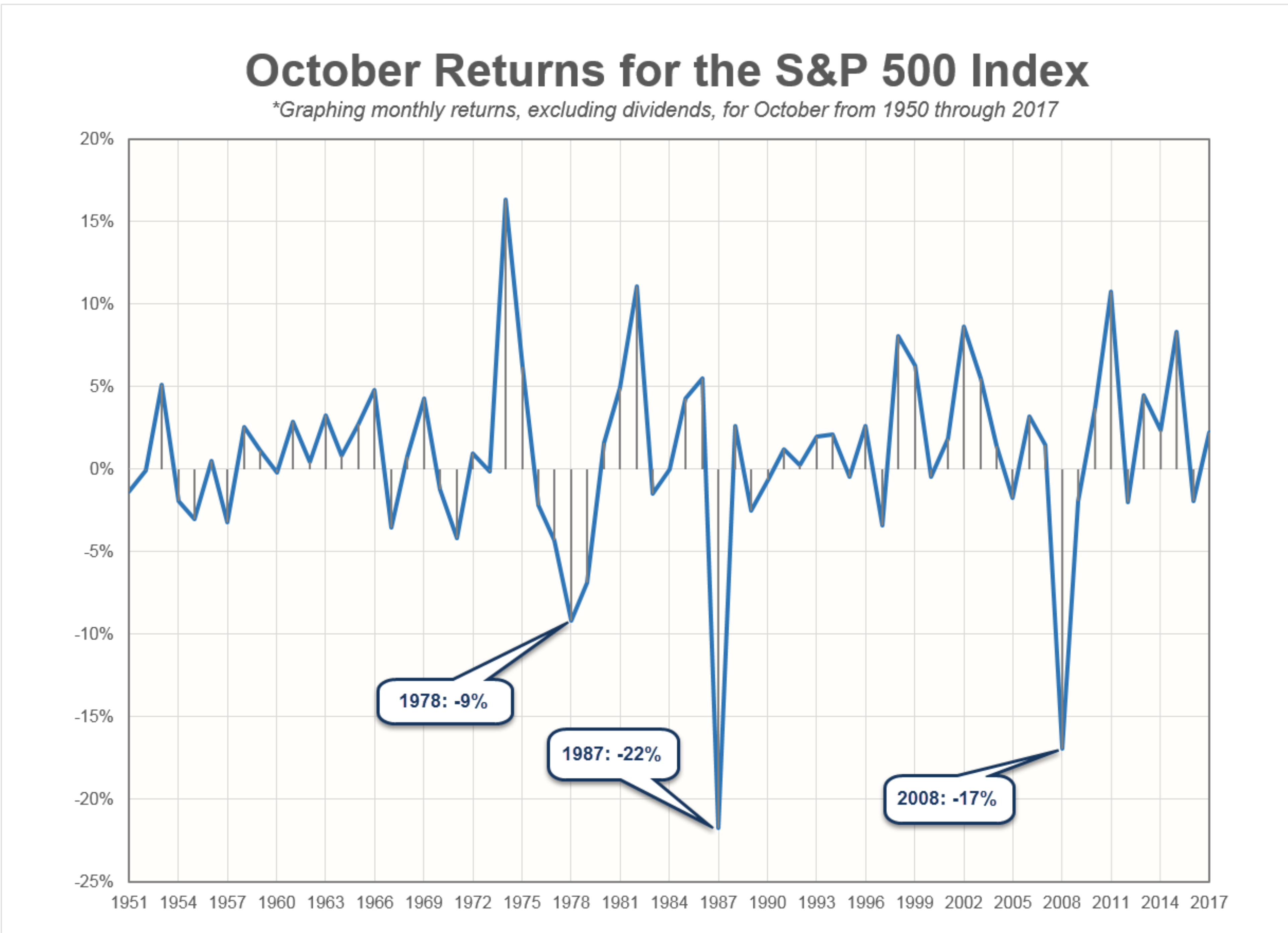
This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

Love-hate October / "Daily Equity Report" September 20th, 2018: **"Charts courtesy of Nasdaq/ Dorsey Wright"**

3 / "DAILY EQUITY REPORT " / DORSEY WRIGHT & ASSOCIATES/ DECEMBER 20TH, 2017

Investors have a longstanding love-hate relationship with the month of October. Some of the more notorious market meltdowns have occurred, or at least escalated, in October; including 1978 (-9%), 1987 (-22%) and 2008 (-17%). And several of the largest one day market declines, including Black Monday (1987) and Black Tuesday (1929), happened in October. Still, the S&P 500 SPX has had more double-digit gains in October than it has double-digit losses since 1950. In fact, October is often referred to as the "bear killer," as with its end ushers in the beginning of the seasonally-strong six months of the year.

CHART 7: October Returns for the S&P500 Index, (Monthly Returns for Oct. from 1950 through 2017), SOURCE: **"Charts courtesy of Nasdaq/ Dorsey Wright"**



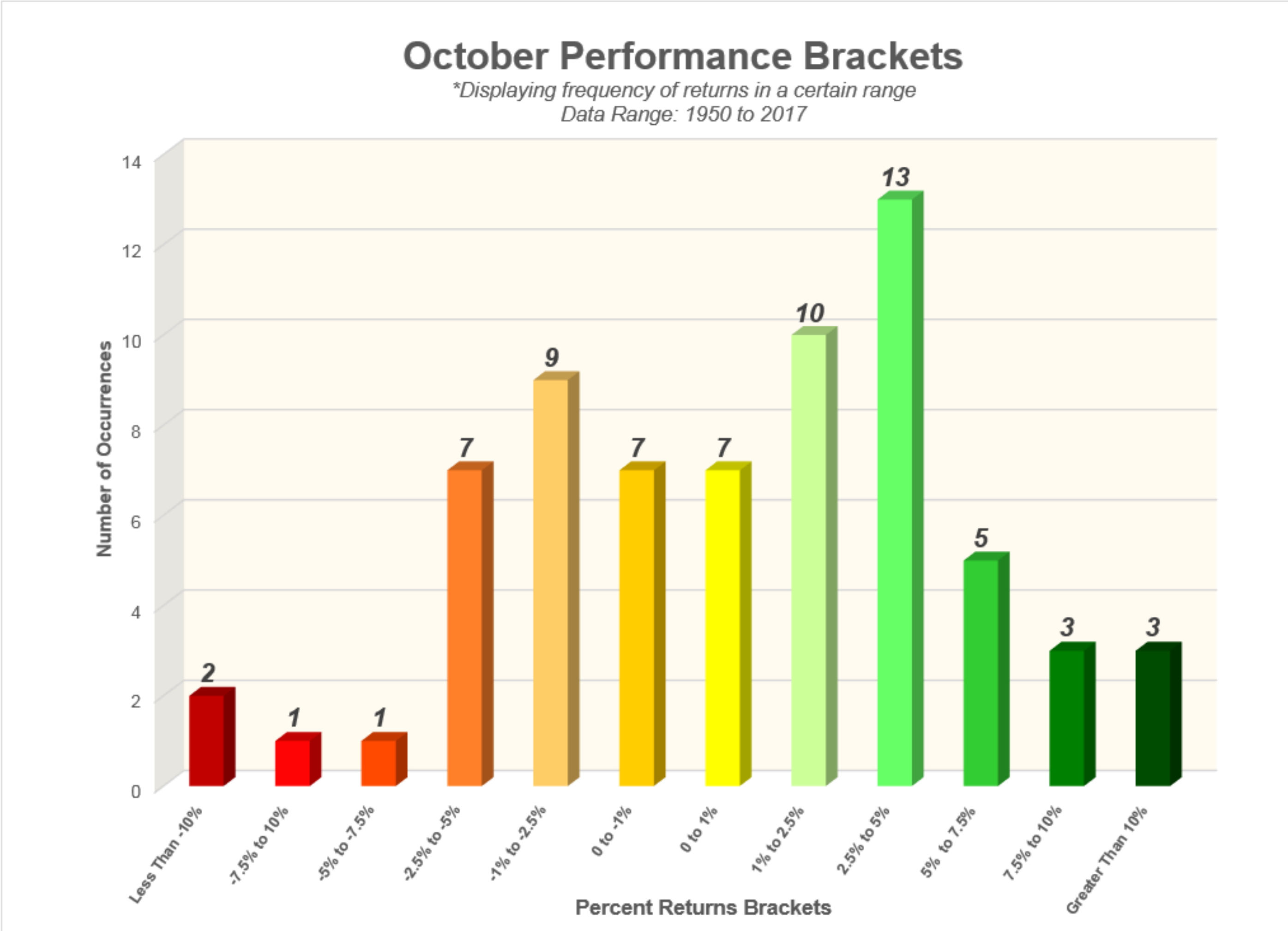
This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle. Past Performance is not indicative of future results.

October has offered some of the more meaningful buying opportunities of the current long-term bull market including 2011 and, more recently, in 2015 when the S&P 500 rallied over 8% during the month. Historically speaking, October has been positive more often than not, as the S&P 500 has logged gains in 60% of the Octobers between 1950 and 2017. The average return for the month during this time frame is +0.91%. As it currently stands, we appear poised to enter October with SPX at all-time highs, having returned more than 8.5% year-to-date.

The histogram below is another visual that helps us wrap our hands around October's past behavior. It categorizes each October's return into a performance bracket, allowing us not only to see that there have been more up Octobers than down Octobers, but also the degree to which they have been up or down. If we look at the extremes, notice that only four Octobers since 1950 have experienced a decline in excess of -5%. The most common experience in October has been a gain in the range of 2.5% - 5%.

Continued....

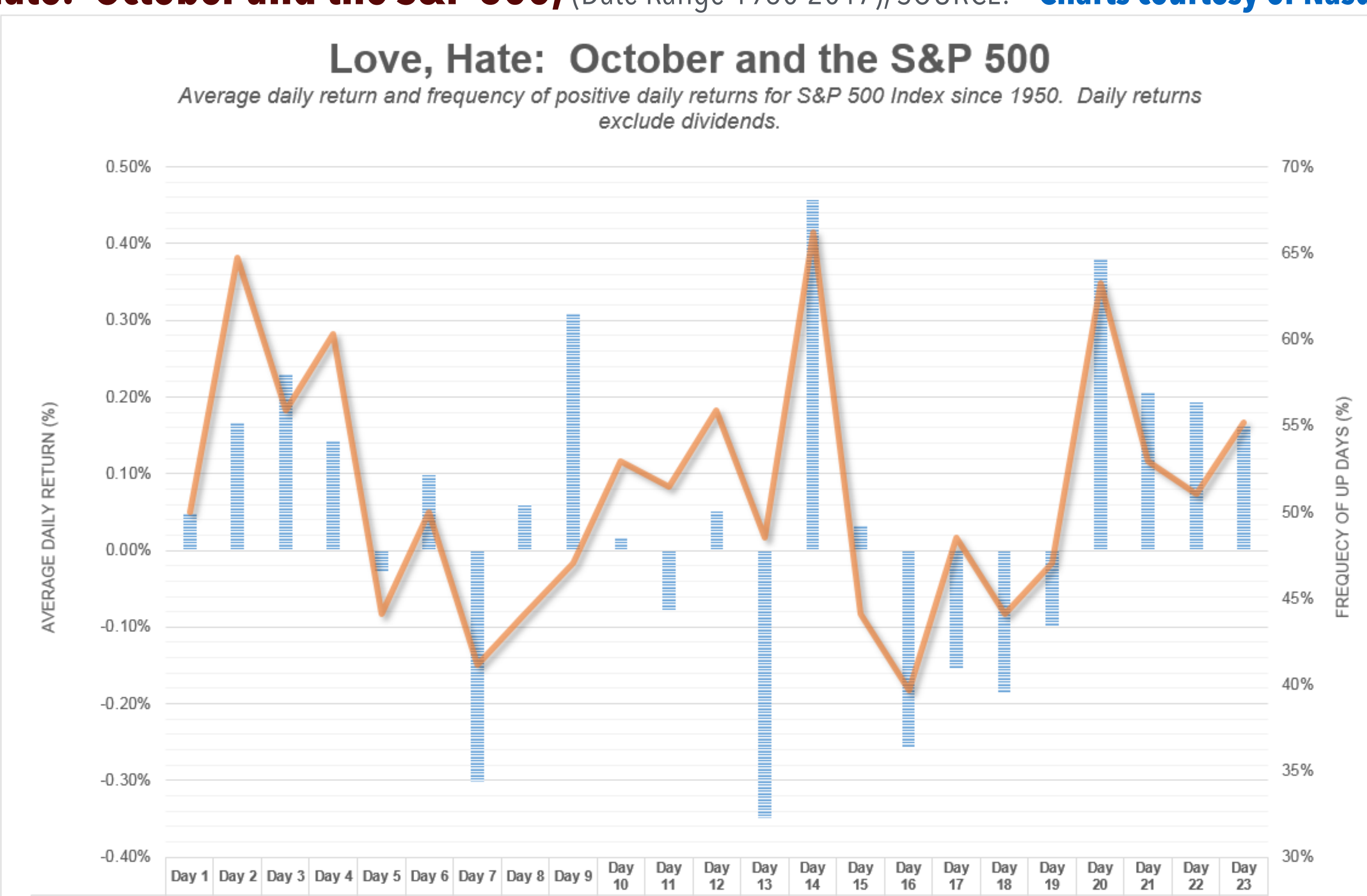
CHART 8: October Performance Brackets, (Date Range 1950-2017), SOURCE: **"Charts courtesy of Nasdaq/ Dorsey Wright"**



This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

Finally, the graphic below illustrates the average daily returns of the S&P 500 Index SPX in October going back to 1950, as well as the frequency of positive daily returns for each trading day. Historically, the month has both started and ended well, with the last four trading days of the month producing gains more times than not. The days in between have tended to produce a very different experience, with more substantial moves in both directions.

CHART 9: Love, Hate: October and the S&P 500, (Date Range 1950-2017), SOURCE: **"Charts courtesy of Nasdaq/ Dorsey Wright"**



	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12	Day 13	Day 14	Day 15	Day 16	Day 17	Day 18	Day 19	Day 20	Day 21	Day 22	Day 23
Avg. Return	0.05%	0.17%	0.23%	0.14%	-0.03%	0.10%	-0.30%	0.06%	0.31%	0.02%	-0.08%	0.05%	-0.35%	0.46%	0.03%	-0.26%	-0.15%	-0.19%	-0.10%	0.38%	0.21%	0.19%	0.16%
% Up Days	50.0%	64.7%	55.9%	60.3%	44.1%	50.0%	41.2%	44.1%	47.1%	52.9%	51.5%	55.9%	48.5%	66.2%	44.1%	39.7%	48.5%	44.1%	47.1%	63.2%	52.9%	51.0%	55.2%

This chart is for illustrative purposes and not intended to be representative of any specific investment vehicle.
Past Performance is not indicative of future results.

As we approach October 2018, we do so with a mostly positive dashboard. US Equities remains the top-ranked asset class in DALI, the BPNYSE and BPSPX each sit in a column of X's above 50%, yet below 70%, and the PTNYSE remains above the 50% line. These conditions indicate a generally offensive position with "middle" field position. Of course, earnings season will soon be upon us once again, which often portends above-average daily volatility. So continue to monitor positions closely, taking note of any signs of technical deterioration.

2018 4th Quarter Investment Commentary

Important Information

Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult your Financial Advisor if you are in doubt about the suitability of such investments or services. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. The information and services contained herein are intended only for individuals residing in the states that the Financial Advisor is properly registered. This report is not, and under no circumstances should be construed as, a solicitation to act as a Financial Advisor in any state where the Financial Advisor is not registered.

To the fullest extent permitted by law neither RBC Wealth Management nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein.

The information contained in this letter has been derived from sources believed to be reliable, but is not guaranteed as to accuracy and completeness and does not purport to be a complete analysis of the material discussed. Rates and availability are subject to change without notice. This newsletter shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of these securities in any state in which said offer, solicitations or sale would be unlawful prior to registration or qualification under the securities law of any such state. The opinions expressed herein are those of the author and do not necessarily reflect those of RBC Wealth Management, and are subject to change without notice.

INDICES / BENCHMARKS	NOTE THAT INVESTORS CANNOT INVEST DIRECTLY IN AN INDEX
Barclay's Aggregate Bond Index (AGG):	The Barclays U.S. Aggregate Bond Index provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the Untied States.
Developed Intl. Mkts-MSCI EAFE Index:	A market-capitalization-weighted index composed of stocks from 21 developed countries but excludes those from the US and Canada. The index has been calculated since Dec. 31st, 1969.
S&P 500 Index Total Return (SP500) :	A market-value-weighted index that contains 500 stocks selected on the basis of liquidity, size and representativeness of industry sector.
Russell 2000 Index (R2000) :	An index that tracks performance of the Russell 3000's 2000 smallest firms.
MSCI All Country World Index:	A market-capitalization-weighted index composed of over 2,000 companies representative of the market structure of 48 developed and emerging market countries in North and South America, Europe, Africa, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.
Dow Jones Commodity Index (DJP):	The Dow Jones-UBS Commodity Index (DJ-UBSCI) is a broadly diversified index that allows investors to track commodity futures through a single, simple measure.
The CS/ Tremont Hedge Fund Index:	Is compiled by Credit Susie Tremont Index, LLC. it is an asset-weighted hedge fund index and includes only funds as opposed to separate accounts. It tracks over 4500 funds.
Nariet Equity REIT Index:	Is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trust (REITS) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List
WTI Index:	West Texas Intermediate (WTI) crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. WTI is considered a "sweet" crude because of its low sulfur content.
ICI Global Net Equity Flows:	ICI (Investment Company Institute) conducts a unique, comprehensive survey of the U.S. Mutual Fund industry-currently consisting of more than 8,200 mutual funds-to collect and compile dollar value of investors purchases, redemptions, and exchanges of fund shares.
ETF's.	ETF's trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commission and ETF expenses will reduce returns.
DWA Energy Index:	Dorsey Wright Energy Index is an index designed to identify companies that are showing relative strength (momentum) and is composed of at least 30 common stocks from the NASDAQ US Benchmark Index.
Emerging Mkts-Ishares MSCI Emerging Mkts ETF	The MSCI Emerging Markets Index captures large and mid cap representation across 23 Emerging Markets (EM) countries. With 822 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Gold-SPDR Gold Trust	SPDR Gold Shares represent fractional, undivided beneficial ownership interests in the Trust, the sole assets of which are gold bullion, and, from time to time, cash.
Treasury Bond-US 20 year treasuries	The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years.
US High Yield Bonds-Ishares iBoxx High Yield Corporate Bond ETF	The iShares iBoxx $ High Yield Corporate Bond ETF seeks to track the investment results of an index composed of U.S. corporate bonds.