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## 2017 Second Quarter Commentary For the Clients of Majerko Investment Management

It was a good second quarter (04/01/2017 – 06/30/2017). For the quarter, the market (S&P 500) was up +2.57% on a price basis and +3.09% on a total return basis (includes reinvested dividends).

So far, we have had a very good first half of the year with the S&P 500 up 8.24% on a price basis and 9.34% on a total return basis. I hear many investors say that the market is in some kind of bubble. The fact is that if you look at the historical return of the stock market going back 80+ years, it has a compound annual rate of return in the 9-10% range on average. I think many people are still scarred from the technology bubble and bust of the early 2000s and financial crisis of 2008-2009. I actually think this is a good thing because the one thing I don't want to see is euphoria, like my Uber driver giving **me** stock tips. That would worry me.

Let's face it. Everything is cyclical and maybe, just maybe, we are in a long term stock market upcycle. Stock valuations, in my opinion, are not cheap but also not overly expensive either. As I have stated in the past, we need earnings to continue to grow to see the market move higher. I think this will happen as it has always happened over time. So let's all be happy to see our portfolios grow knowing that corrections in markets of 10% or more can and will happen at any time for any reason and we should not fear them.

As always, we will be diligently watching the markets and will be contacting our clients should changes need to be made. We appreciate your loyalty and trust.

### **Your referrals are appreciated!**

\*Stock investing involves risk including loss of principal

\*The opinions voiced in this material are for general information only and are not intended to provide specific advice for any individual.

\*S-P 500 is an unmanaged index which cannot be invested into directly. Past performance is not a guarantee of future results. Market data sources: Factset, Ibbotson, MoneyChimp

\* The economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.