The decade just concluded carried strong gains in equities/ other asset classes. The Dow Jones Industrial Average posted its *4th best decade* of the last 100 year period, rising more than *170%*.

2019 assisted with the extended run. The majority of the gains arrived in the latter half of the year, aided by a new round of quantitative easing, and better than expected progress (or viewed another way, no further escalation) with trade talks between the U.S. and China. The outsize gains of last year were achieved by stronger than expected earnings. A technical assist was provided by a depressed index level on 12/31/2018. November and December 2018 were memorable for their sharp move lower. In my opinion, a significant share of 2019 gains are the recovery of a prior year end oversold condition. Looking forward to 2020, few analysts expect significant turbulence in the near term, and fewer still predict the rally will end anytime soon. Valuations remain in check. 2019 has been a global rally for many of the world's economies, which might signal a return to synchronized global growth – lacking since the credit crisis of 2008-09.

The 5G wireless cycle is on the cusp of taking hold. Apple's initial batch of 5G-enabled iPhones will potentially ignite sales. Wedbush Securities is estimating an upgrade opportunity for 350 million out of the 900 million installed user base. Wedbush recently raised the 12 month target price on Apple to $350/share. If the prediction is realized, the implications for the technology sector could be significant.

The largest contributor to our domestic economy, personal spending increased in 3Q at a clip of 3.2% annualized growth on the heels of a 2Q annualized growth rate of 4.6%. A strong pace - originating with solid income growth / robust labor markets. Residential real estate is extending its run, with November capping the best 3 month series since 2007.

Durable orders fell 2% in November. The majority of this decline is tied to deterioration in defense aircraft orders, in conjunction with a contribution from the Boeing 737 MAX production slowdown, which for January will be a complete shutdown.

Addressing debt / fixed income: negative yielding global debt has fallen to $11 trillion, from the earlier read in June of an astounding $17 trillion. The narrowing is a direct result of a brightening world economic outlook. I imagine yields on corporate debt will be heading to higher yields in 2020, finally making way for new investments in this long overvalued segment.

A Summary of the new SECURE ACT - effective January 1st, 2020: RMDs (required minimum distributions) are now mandated to initiate withdraws starting at age 72. Those who turned 70 ½ during 2019 will still need to distribute the RMD for the 2019 tax year. One can contribute to an IRA if over 70 ½, up to their earned income for any given year. The negative component of the law is the elimination of any stretch inherited IRA. The option to have distributions over an actuarial life has been replaced by a mandatory 10 year distribution. There are exceptions for Spousal IRAs, children under age of majority (deferred to age of majority), among several other more complex rules. The 10 year distribution rule will raise significant tax revenue for the US Treasury and State coffers.

Best for a wonderful 2020! Thank you. Will Ramsdell

Ramsdell Capital Management . 505 Montgomery Street. Suite 1000. San Francisco, Ca 94111
415.568.2200 / 800.959.9950 / will@ramsdellcapital.com