



## **Happy 2020!**

I wanted to take this opportunity to recap both the final quarter of 2019 and the year as a whole. The S&P500 extended the longest bull market in history by capping its best year since 2013 and it also posted its best December gain since 2010. The Nasdaq Composite also had its strongest annual gain since 2013, powered by tech stocks. The Dow gained the most in 2 years, up more than 25%. Impressive gains were had by all. And with optimism for a US-China trade deal, favorable central bank rates and an improved economic outlook, this fueled gains through December.

In US stocks, the solid gains in the 4<sup>th</sup> quarter helped large-cap see its best yearly gain since 2013; small cap remaining roughly 4% below an August 2018 peak. Strong gains by Apple and Microsoft helped technology shares to perform best while health care stocks showed strong performances after underperforming earlier in 2019. Real estate was the sole segment to record a loss on a total return basis.

The US-China trade dispute continued to have its impact on the markets. Once the two sides reported that they were nearing a partial trade deal, averting the imposition of new tariffs, investors celebrated this “Phase One” trade deal and looked forward to “Phase Two.” Also, congressional approval of the US-Mexico-Canada (USMCA) trade agreement and the reduced threat of auto tariffs bolstered end-of-quarter sentiment.

Recession fears seem to be fading as the markets stayed high. Jobs were added at a decent pace as reported in October and payroll gains were on the upside. Unemployment was at its lowest level in 50 years and the tight labor market resulted in decent income gains with investors looking forward to a healthy holiday shopping season. The housing market also showed positive signs with permits for new construction in December at the highest level in 12 years. Manufacturing slowed with stocks falling sharply early in the quarter, but consumers stayed resilient. And while corporate earnings continue to decline, investors hope for a 2020 rebound.

## Total Returns

	4Q 2019	Year-to-Date
Dow Jones Industrial Average	6.67%	25.34%
S&P 500 Index	9.07%	31.49%
Nasdaq Composite Index	12.17%	35.23%
S&P MidCap 400 Index	7.06%	26.20%
Russell 2000 Index	9.94%	25.52%

Past performance is not a reliable indicator of future performance. Note: Returns are for the periods ended December 31, 2019. The returns include dividends based on data compiled by T. Rowe Price, except for the Nasdaq Composite, whose return is principal only. Sources: Standard & Poor's, LSE Group.

We are currently scheduling our quarterly conference calls and meetings with clients. Please contact Nicole Parascandola at [nicole.parascandola@wsaccess.com](mailto:nicole.parascandola@wsaccess.com) to schedule your appointment.

Here's to a terrific New Year!

Warmly,



Colleen Kelleher Sorrentino

## MARKETS PERSPECTIVE

<u>INDEX</u>	<u>% Change YTD as of 12/31/2019</u>
Dow Jones Industrial AVG. (TR)	24.3%
S/P 500 Index (TR)	30.4%
Nasdaq Composite	35.2%
Nikkei Tokyo	18.2%
China (Shanghai)	22.3%
DAX Germany	25.5%
CAC 40 France	26.4%
FTSE UK	12.1%
Gold \$ per oz.	18.9%
Crude Oil per bbl	34.5%
RATE on Ten-Year T Bond	1.91%
VIX Volatility Index Change	-53.3%

Sources: WSJ, Bloomberg LP

### A Look Back on the 2019 Markets

As the Table shows, 2019 was the year of the Bull. Stocks, bonds, and commodities all rallied sharply after the dramatic sell off that took place at the end of 2018.

As expected, the UK stock market was the main laggard with the uncertainties created by the Brexit events surrounding the possible exit from the EU authority. While many investors focused on stocks and commodities, the bond market also gave positive returns with investment grade bond indexes up some 13% for the year.

The long-term Treasury bond index also rose, with an 11.5% increase including the coupon payments. The Federal Reserve policies of three short-term interest rate cuts in 2019 certainly helped support the markets.

As China-U.S. trade disputes appear to be moving towards a settlement, the markets improved accordingly. By most measures, the positive performance of stocks, bonds and commodities will be hard to beat in 2020.



## PASSAGES



### **His was 'the story of America': Financial giant Denis Kelleher, benefactor to many, epitomized this country's promise**

Denis Kelleher, 80, an Irish immigrant and self-made Wall Street giant, who embodied the American dream, died on November 22<sup>nd</sup>, 2019.

Mr. Kelleher, who grew up in a small, impoverished village in County Kerry, was known as a humble, generous, but quiet benefactor to many individuals and diverse causes, ranging from immigration, to education, the Catholic Church, and the Staten Island community. He arrived in the United States in 1958, with little more than the clothes on his back. Fascinated by the beauty of the city skyline and the Statue of Liberty as he entered New York Harbor, he knew he had made the right choice, he would later say. He settled in Brooklyn, with help from an uncle who had come before him. Later he moved to the North Bronx, home to a large Irish-American community.

The day after he arrived in New York, Mr. Kelleher interviewed with Merrill Lynch and got his first job as a messenger, or runner, for the brokerage house. While he was working he also took night classes at St. John's University, graduating with a degree in marketing and finance in 1965. In between working and studying, he took two years off to serve his country in the Army, from 1960 to 1962. He was assigned to Fort Knox, Kentucky.

Not long after he returned to civilian life and his career on Wall Street, Mr. Kelleher became chief executive officer of Ruane, Cunniff & Company, a member of the New York Stock Exchange. The company is best known in the financial industry as the advisor and distributor of Sequoia Fund, for which he served as president and treasurer.

While he was forging ahead with his career in the financial industry, Mr. Kelleher would meet his future wife, the former Carol Cieslewicz, on a blind date. They married in 1966. The couple moved to Staten Island and lived in Great Kills for 10 years, relocating to Emerson Hill, and then to Todt Hill in 1988.

In 1976 he founded Discount Brokerage Corporation, also a member of the Stock Exchange, and served as its CEO. Mr. Kelleher also founded his own financial services company, Wall Street Access, in 1981, a money management and stock brokerage firm and a member of the New York Stock Exchange, that today also includes Kelleher Financial Advisors, a wealth management service led by Kelleher's daughter, Colleen Kelleher Sorrentino.

Despite his financial success, Mr. Kelleher never forgot his roots and humble beginnings. Along the way, Mr. Kelleher's community involvement and charitable contributions became legendary on Staten Island and distinguished him as a true giant in the Irish-American community, as well.

Mr. Kelleher served as chairman of the board of trustees of St. John's University and was key in funding the \$5.4 million Kelleher Center on the Staten Island campus atop Grymes Hill. He was also an affiliate of the Congregation of the Mission (the Vincentians) that sponsors St. John's, "a rare distinction bestowed on members of the laity," according to the university.

Mr. Kelleher also served on the boards of directors of Independence Community Bank and the New Ireland Fund, as well as the St. Patrick's Day Parade Inc. In 2005, Mr. Kelleher was thrilled and honored to serve as Grand Marshal of the famed St. Patrick's Day Parade, proudly marching up Fifth Avenue, along the famed "Green Line." The experience remained one of the highlights of his life.

In addition, Mr. Kelleher established the St. Brendan's American Foundation and served as an advisor to the prime minister of Ireland on economic redevelopment. He also held an honorary doctorate from the National University of Ireland, and was named to the Irish-American Hall of Fame.

In 1995, he received The Ellis Island Medal of Honor for his dedication to serving the Staten Island community, honoring his ethnic heritage, and upholding the ideals and spirit of America.

Mr. Kelleher served as a director of the Staten Island Foundation, which funds and supports a variety of community-based initiatives. Mr. Kelleher's work with the Foundation went hand in hand with his commitment to feeding and sheltering the borough's homeless and its immigrant community as a supporter of Project Hospitality.

He was also an ardent supporter of the Inner-City Scholarship Fund of the New York Archdiocese, helping to fund the education of hundreds of Catholic school children throughout the archdiocese, who might not otherwise have afforded tuition. Most recently Mr. Kelleher lent his support to the campaign to restore the landmark St. Patrick's Cathedral. Mr. Kelleher met personally with Pope Francis when he came to the cathedral during his New York visit in 2015.

## Kelleher Financial Advisors Events 4<sup>th</sup> Quarter 2019

### **Kelleher Financial Advisors November 5th Client Event: Money Mindfulness: How Individual Personalities & Family Dynamics Influence Our Financial Decisions**



At this interactive presentation on personal finance, Brian Brogan, MS, CMT, CEPA, Director, The Initiative for Family Business & Entrepreneurship, Saint Joseph's University Haub School of Business addressed how money memory and money personality influence personal finances. Brian brought his years of experience as a financial advisor and knowledge of emotional intelligence and behavioral finance to our audience in an entertaining and informative discussion. The discussion was followed by drinks & hors d'oeuvres.

### **Irish America Magazine Honors the Kellehers with their 2019 Business 100 Award**



Irish America Magazine's annual Business 100 honors the best and the brightest Irish-American and Irish-born leaders, representing some of the most innovative and influential companies and corporations in the world. Irish America celebrated the 2019 Business 100 on Tuesday, December 10 at an awards luncheon at the Metropolitan Club with Paul Boskind, CEO of Deer Oaks Behavioral Health Organization, offering the keynote remarks. Honorees included Sean Kelleher, Colleen Kelleher Sorrentino and the late Denis P. Kelleher. This year's honorees were featured in the [December 2019 / January 2020 edition](#) of Irish America.

## Kelleher Financial Advisors Announces New Advisory Board

KFA is pleased to announce the appointment of 4 new Advisory Board Members: **Paul H. Robb, Rachel Gilbert Solomon, Vikram Kuriyan** and **Bart Weisenfluh**.



**Paul H. Robb, CFP, ChFC, CLU**, is 35 year veteran of family, business and charitable planning. Starting his career with Northwestern Mutual in 1983, he then moved to Mass Mutual and AXA Equitable's open market platforms, continuing in the context of partnering on a consultative basis with other advisors nationally. During his extensive career, his concept of collaborative legacy planning evolved, culminating in the formation of PH Robb Legacy Alliance which enjoys a national reputation as a consultant to major tax, legal, banking, insurance and financial firms. As an industry innovator, Paul invented a virtual family office technology, resulting in a patent portfolio dealing with online collaboration in the financial services sector. Paul earned his Bachelors in Finance and Accounting from the University of Arizona and holds a CFP, ChFC and CLU designations from The American College. He is a certified instructor in multiple states for tax, legal and financial services continuing education, and has been invited to make frequent presentations over the years to numerous industry groups.



**Rachel Gilbert Solomon** has been a professional investor, owner and operator in residential and commercial real estate for more than 25 years. She manages her family's real estate holdings across several states and asset classes, leading their acquisition strategy in West Coast Markets. Previously Rachel served as Lennar Urban's East Coast Director of Acquisitions, overseeing key markets including Boston, New York, New Jersey and Washington DC. She was a senior member of the acquisitions team at ING Realty Partners and TPG Credit. Additionally Rachel spent several years at Rockwood Realty, a boutique real estate investment bank. Rachel is a frequent guest commentator on Bloomberg's Taking Stock with Pimm Fox and guest lecturer at Columbia University's Graduate School of Architecture, Planning, and Preservation. Rachel earned a BA at University of Vermont and MBA from New York University. Rachel sits on the board of Greater Jamaica Development Corporation in New York City.





**Vikram Kuriyan, PhD, CFA** is Chairman of GWA, a pioneer in Smart Beta strategies. He is also an adjunct Professor at NYU and at the Indian School of Business, where he founded the Investment laboratory. Previously, he was Chairman of the Global Asset Allocation Committee and global head of Quantitative Strategies at Bank of America's asset management division. His unit managed over \$30 billion of client assets, that ranged from retail to the most sophisticated institutional investors, across a multiplicity of strategies including equity, asset allocation and absolute return products. Earlier, Dr. Kuriyan served as managing director of an arbitrage and principal investing fund in Tokyo and as the global head of complex derivatives in the commodities group at Merrill Lynch. Dr. Kuriyan earned his PhD at Harvard University where he specialized in capital markets in a joint program offered by the Departments of Economics, Engineering Sciences and the Harvard Business School. He also spent a year in the MBA program at the Harvard Business School and received a Masters degree in Engineering Science from Harvard University. He has a BS in Electrical Engineering from MIT and is a Trustee of the CFA Institute Research Foundation.



**Bart Weisenfluh, CFP**, is the Founder & President of Starboard Advisors and has worked with families for over 20 years in the investment management and financial planning business. He began his career in the executive training program at Tucker Anthony, Inc. In 1998 he joined the New York based money management firm W.P. Stewart as Vice President and assisted with the opening of their Portland office. He co-founded Plimsoll Mark Capital in 2008 where he served as a fiduciary for families in North America. Bart holds a BA in Political Science with a minor in Japanese from Union College and an MBA from the Whittemore School of Business at the University of New Hampshire. He also is a Certified Financial Planner™ professional. Bart has served on the board of directors for Big Brothers Big Sisters of Southern Maine, Portland Yacht Club, Add Verb Productions and the Falmouth Youth Lacrosse Association. In addition, he serves on private advisory boards for numerous families.



## Kelleher Financial Advisors Holiday Party 2019 at Pier A Battery Place, NYC



On Wednesday, December 4, 2019, Kelleher Financial Advisors held their Annual Holiday Party at 22 Battery Place at Pier A in their State Room. It was a lovely gathering of colleagues and clients to celebrate the season.

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## Kelleher Financial Advisors Upcoming Events

### KFA Podcast Asset Allocation: What You the Investor Need to Know



In **February**, hear **Colleen Kelleher Sorrentino, CFA, Chief Investment Officer** and **Tom Burnett, Vice Chairman & Director of Research** at KFA discuss what is widely agreed to be the most important decision an investor will make. How you allocate your investments is key to overall financial success. Hear what our experts have to say in this highly topical podcast. For more information, please contact [info@kf-advisors.com](mailto:info@kf-advisors.com)

## RIA Summit February 6, 2020 – Convene MidTown East



On February 6, **Colleen Kelleher Sorrentino, CFA, Chief Investment Officer** at KFA will participate on a panel to discuss investment strategy, global trends and best practices. Open exclusively to independent RIAs with 100 million USD in AUM and a limited number of asset managers and custodians, the RIA Summit gathers the country's premier stewards of private and family wealth for discussions on alternative and traditional investment performance and portfolio construction, aligning management with demographic trends, succession, market forecasting and generational wealth transfer.

## Staten Island Advance/SILive Bizwomen Mentoring Monday February 24, 2020



**Bizwomen Mentoring Monday** is a nationwide event held on the same day in more than 43 cities that gives women mentees an opportunity to receive coaching from women mentors in a speed-coaching type format. Colleen Kelleher Sorrentino will be volunteering her time and expertise to offer advice and answer questions during conversations with mentees. The event will be on February 24, 2020 from 8:30am – 11am at The Vanderbilt, Sand Lane & Capodanno Boulevard, South Beach, Staten Island.



We started the New Year with a small group of clients testing our new financial planning and data aggregation software and by summer we had a soft release to all clients and have received positive feedback.

**KFA's eMoney** is secure, mobile and desktop friendly, so you can access to near-time net worth values, real estate holdings, investment account values and account information from any bank or custodian. Contact us at [info@kf-advisors.com](mailto:info@kf-advisors.com) to learn more about **KFA's e-Money**.

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## **100 Wall Street**

If you haven't visited yet, you're welcome to stop by our office at:

**100 Wall Street, 8th Floor**  
**New York, NY**

For more information, call us at:  
**212-232-5685** or visit us at:  
**[www.kf-advisors.com](http://www.kf-advisors.com)**

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