

KCM'S KOMMENTS—KURRENT NEWSLETTER

KELLY CAPITAL MANAGEMENT, LLC

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MARKETS AND ECONOMY:

Well, it's been quite a ride since election night. We've experienced a real "Trump Bump" which has pushed up the stock markets here in the USA. Nevertheless, there are still lots of questions unanswered and Trump has yet to be sworn in. So, like a camel, is the Trump Bump a one or two lump animal? Time will tell but we are not favorable towards raising cash now. We believe we will better serve our clients by staying invested. After all, there are studies that show when the Republicans control the White House, Senate and House, the markets have done very well. So let's hope for a second bump up and benefit from it.

RESULTS:

For the month, all our strategies mirrored the general markets' directions. Our real estate, fixed income, and emerging markets equity strategies were all down, as were their respective asset class benchmarks.

Domestic stocks were the real winner. Compared to the rest of the world, US stocks were the place to be in November and our All Cap Multi Style {"ACMS"} strategy returned almost 2 times that of the S&P 500 Index. For the year to date, ACMS is up over 15% versus the S&P 500 Index up just over 9.5%. Our Large Cap Value stock picking strategy was positive for the month and year-to-date.

Our Emerging Markets Strategy {"EMI"} November return was negative but well ahead of the Emerging Market Index and 5 percentage points ahead of the benchmark for the year to date. Our EMI strategy remains our second best performer for the year so far with a return of over 12%.

We shall remain fully invested going forward unless something material arises to change our outlook. We believe the USA equity market will continue to rise. We think there is now an 80% chance of a December FED interest rate increase. We shall keep our average maturity in our fixed income strategy around its current 4.5 year level to protect values in an increasing rate environment.

We hope all had a nice Thanksgiving! And to all our Marines, happy 241st birthday...oorah!