



**STARBOARD ADVISORS**  
— YOUR RIGHT OF WAY —  
A DIVISION OF KELLEHER FINANCIAL ADVISORS, LLC

**Starboard Advisors**

*The Navigator*, Vol. 11

July 2020

### In This Addition:

- Summer Heatwave: Trends Accelerate as Investors Brace for Continued Economic and Emotional Volatility
- Market Commentary
- COVID-19: and The CARES ACT
- Events and In The News
- Tamarac Client Portal

---

*He waka eke noa*

*(We're all in this canoe together)*

---

*-Native New Zealand Proverb*

### **Summer Heatwave: Trends Accelerate as Investors Brace for Continued Economic and Emotional Volatility**

The new year 2020 through July has already recorded historically seismic events and at Starboard we are confident there will be more to come, both positive and negative. One only has

to swipe through the endless stream of social media and increasingly bifurcated news outlets to gather a sense of the unease in our nation.

### **The Good**

The markets have staged a remarkable comeback since March, per the chart below, and most clients have somewhere between modest gains or modest losses, versus year end 2019 values.

**S&P 500**

Advanced Charting



Source: WSJ

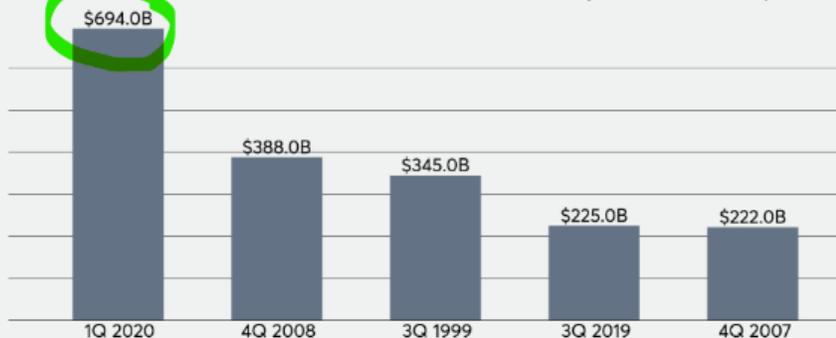
Recently, we have found ourselves in client discussions attempting to explain the disconnect with the upward trending stock market and downward trending socioeconomic environment. Most simply, our answer is, the stock market is a *leading indicator* and not a trailing indicator such as unemployment, income & wages, etc. New

economic statistics have shown a vast improvement from this spring and similar to NY's perseverance through the height of COVID, we believe FL, CA and TX will prevail as well. A portion of the economy is and will be severely hurt, but a majority of it will remain in working condition and pivot to a new reality. How long it takes for society to tamp down COVID *and* the economy to heal is where the majority of the speculation currently lies. Although it always seems to come down to the wire, we think the government will continue with some type of stimulus package, but it most likely will be more targeted, a smaller amount, and incentive laden.

On the investment front, many companies are in fact thriving including telemedicine, online shopping, home improvement, outdoor lifestyle, cleaning services, etc. In addition, there is

**Money market funds experience record flows**

● Estimated net flows (in absolute dollars)

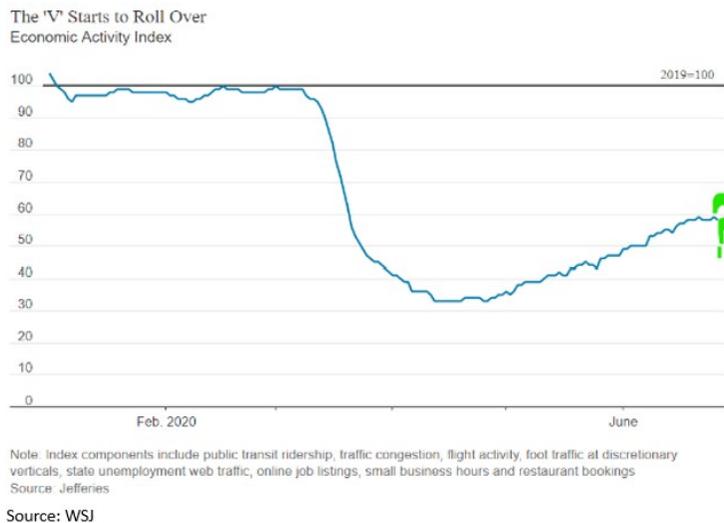


Source: Morningstar Fund Flow Report, March 2020

growing consensus that treatments and vaccines are on the near term (early 2021) horizon. Lastly, record amounts of cash remain on the investment sidelines ready to “pounce” on buying opportunities.

## The Bad

For many in the Northeast, March was the longest month “ever” and unfortunately large portions of the nation are now experiencing similar health and economic shocks creating anxiety in almost every facet of life. Until governments can effectively quell COVID while simultaneously avoiding permanent economic damage, the spread of the pandemic will be the road sign everyone is looking at and remains uncertain with each passing mile. In addition, although the stock market has rallied significantly, a valuation disparity in stocks



has unfolded leaving investors uneasy. Simply put, the P/E multiples (a method of valuing stocks) are high and 2021 corporate earnings are guess work currently. This uncertainty has led many to advocate that we’ll experience a “swoosh” (think Nike’s logo) vs. a “V” recovery and would entail a much longer period of time to get back to 2019 economic levels.

## The Great Unknown

Of course, it is the near-term future where the current foundation of uncertainty in health, the economy, society and politics that’s creating the most angst. The coming 12 months are arguably the most important for this country since 9/11 and you only have to blink at your newsfeed to see the wide disparity of views and opinions. Although the pace of reopening varies throughout the country, we believe there is little appetite for the return to full lock down and isolation measures that already affected parts of the country leaving many perpetually unsettled.

## Time to Reassess?

The question many investors and clients are asking is whether or not now is a good time to reposition their portfolios given the market rebound. **Currently, the market has provided “another bite of the apple”, so to speak, for those families looking to de-risk OR, as has more often been the case, a family’s financial circumstance has changed after COVID.** For these clients we are taking a step by step process in evaluating their positions and overall allocation to liquid safe harbor monies (cash and bonds). Given the future unknowns (both good and bad) we are not advocates for whole scale liquidations and market timing, however we believe prudent trimming based on new individual circumstances or buying on market dips will continue to be valid strategies for the families we serve.

For risk assets our philosophy remains unchanged with an allocation focused on a well-balanced portfolio of companies with strong enough balance sheets to endure the current headwinds as well as the next downturn. Financial strength and the ability to strategically pivot will most likely be the two most important factors for near-term corporate success.

Although we are maximizing the use of remote technologies, we are increasingly making a physical presence at 2 Union Street and look forward to hearing from and seeing you all soon. Please enjoy your summer and be well.

My very best,

Bart

Barton W. Weisenfluh, CFP®  
Founder & President

## ON TO THE MARKETS

We are pleased to be partnering with the Kelleher Family Office and their holding company Wall Street Access Corp and [Kelleher Financial Advisors](#). Together and in collaboration with our [Investment Committee](#) we will be providing quarterly (and as needed) commentary on the capital markets. [Thomas Burnett, CFA, Vice Chairman and Director of Research at Kelleher Financial Advisors](#), will be helping lead the charge for this portion of our client communications.

<b>INDEX</b>	<b>% Change YTD as of 06/30/2020</b>
Dow Jones Industrial AVG. (TR)	-8.6%
S/P 500 Index (TR)	-3.0%
Nasdaq Composite	12.1%
Nikkei Tokyo	-5.8%
China (Shanghai)	-2.3%
DAX Germany	-7.1%
CAC 40 France	-17.4%
FTSE UK	-18.2%
Gold \$ per oz.	18.0%
Crude Oil per bbl	-33.7%
RATE on Ten-Year T Bond	0.62%
VIX Volatility Index Change	76.4%

Source: WSJ

markets into a tailspin with the primary indexes selling off by 35-40% in five weeks. By mid-March, however, the bottoms had been reached and the stock market rallied sharply in the second quarter. In fact, the Dow Jones Industrial Average rose 18%, its best quarterly performance since 1987. Similarly, the S/P 500 Index rose 20% in the June quarter, its best quarterly return since 1998. While both the Dow and the S/P 500 remain down for the year, the NASDAQ Composite is up 12% for the year. In terms of securities, the leading performance was logged by the long-term Treasury bond with a total return of 21% for the first six months of the year. The Federal Reserve has made it clear that it will keep short-term interest rates near zero through the 2021 year. This policy has obviously helped the bond market perform so well this year.

“Pass the Dramamine, please” became the request for stock market investors who surely encountered bouts of motion sickness caused by the market’s violent movements during the first half of the year. The year began on a positive note and several indexes traded at record high levels in February. The Covid-19 outbreak quickly put the

## COVID-19 AND THE CARES ACT



According to [Treasury.gov](https://www.treasury.gov), “[The CARES Act] provides fast and direct economic assistance for American workers and families, small businesses, and preserves jobs for American industries.” This act has provided the for the Economic Impact Payment and the Paycheck Protection Program (“PPP”), but where we are seeing the most significance for our clients is the impact on the Required Minimum Distribution (“RMD”).

Daniel Doiron, CPA of [Albin, Randall, & Bennett](https://www.albinrandall.com) wrote piece titled, *IRS Provides 2020 Required Minimum Distribution Rollover Relief* which can be found on their [website](https://www.albinrandall.com). The two key features that have been implemented for RMDs by the CARES Act are:

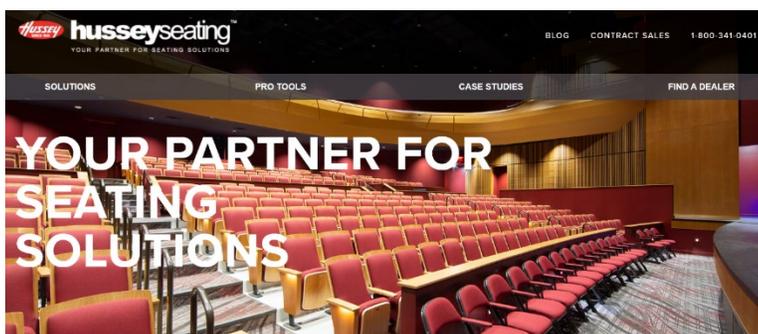
1. RMDs for have been suspended for 2020.
2. The 60-day rollover period to roll distributions back into retirement plans have been extended to August 30, 2020.

If you’d like to further discuss this with us, we invite you to set up a meeting. We are available for video calls, and socially distance in-person meetings.

## EVENTS AND IN THE NEWS

### Keynote Speaker: Hussey Seating

Bart was asked by the management of [Hussey Seating](https://www.husseyseating.com) of Berwick, Maine to be a keynote



speaker in a webinar to their top national dealers. On May 26, 2020, Bart presented Starboard’s economic forecast as well as a summary of best business practices in the post-COVID world.

## Guest Panelist: “Keys to Prevailing Through Stock Market Declines”

In April, Bart was a guest Panelist alongside alongside Kelleher Financial Advisor’s Chief Investment Officer, Colleen Kelleher Sorrentino and Capital Group|American Fund’s Stephen May.



STARBOARD ADVISORS  
— YOUR RIGHT OF WAY —  
A DIVISION OF KELLEHER FINANCIAL ADVISORS, LLC



KELLEHER  
FINANCIAL  
ADVISORS



CAPITAL GROUP® | AMERICAN FUNDS®

## Webinar: “The Future of Work in a Post-COVID World”

Starboard Advisors and Kelleher Financial Advisors hosted Rob Lawrence, from Boston-based, [LogMeIn](#) for a webinar, *The Future of Work in a Post-COVID World*. In this webinar, we went into detail on how LogMeIn is looking at the workplace in a post COVID world; how COVID has impacted our commutes, daily routines, work habits, where we live, opportunities of employment and much more.

If you were unable to join us, you can view a recording of the webinar [here](#).



### About Rob Lawrence

Rob is Senior Vice President of Corporate Strategy & Corporate Development at LogMeIn, with a focus on development and execution of the company’s strategic initiatives, including pursuit of inorganic growth opportunities. Rob joined LogMeIn from Skillsoft, Inc., a leading global provider of cloud-based learning solutions for large and small enterprises, where he served as Vice President of Strategy and Corporate Development.



Rob's prior experience was in strategy consulting. He was a Senior Principal at the Parthenon Group, a strategic advisory firm based in Boston, where he spent 7 years; his focus was on strategy formulation, operational diagnostics, M&A advisory and planning across a diverse set of industry verticals.

He earned a B.A. in American Civilization from Middlebury College and an M.B.A. from Harvard Business School.

## TAMARAC CLIENT PORTAL

We are pleased to announce that starting in August 2020 we are launching our new online secure client portal via Tamarac (powered by “Envestnet”). The portal provides a secure document vault where Starboard’s Portfolio Appraisal & Performance reports (mid-year

### STARBOARD ADVISORS

YOUR RIGHT OF WAY

A DIVISION OF KELLERER FINANCIAL ADVISORS, LLC



PORTFOLIO APPRAISAL &  
PERFORMANCE REPORT

As of June 30, 2020

and year-end) will be uploaded for you to retrieve at your convenience.

To get this started, clients will receive an email from “[noreply@envestnet.com](mailto:noreply@envestnet.com)”

Welcome

Your personal Starboard portal has been created.

To activate your account, click the “Set New Password” link below. You will be prompted to set a new password. This link will expire in 72 hours.

Please let me know if you have any questions or trouble logging in.

[Set New Password](#)

Best,  
Rita Newland



STARBOARD ADVISORS

YOUR RIGHT OF WAY

A DIVISION OF KELLERER FINANCIAL ADVISORS, LLC

From there, you will be prompted to “Set New Password”.



**SET PASSWORD**

Please set a new password for:  
**@gmail.com**

New Password

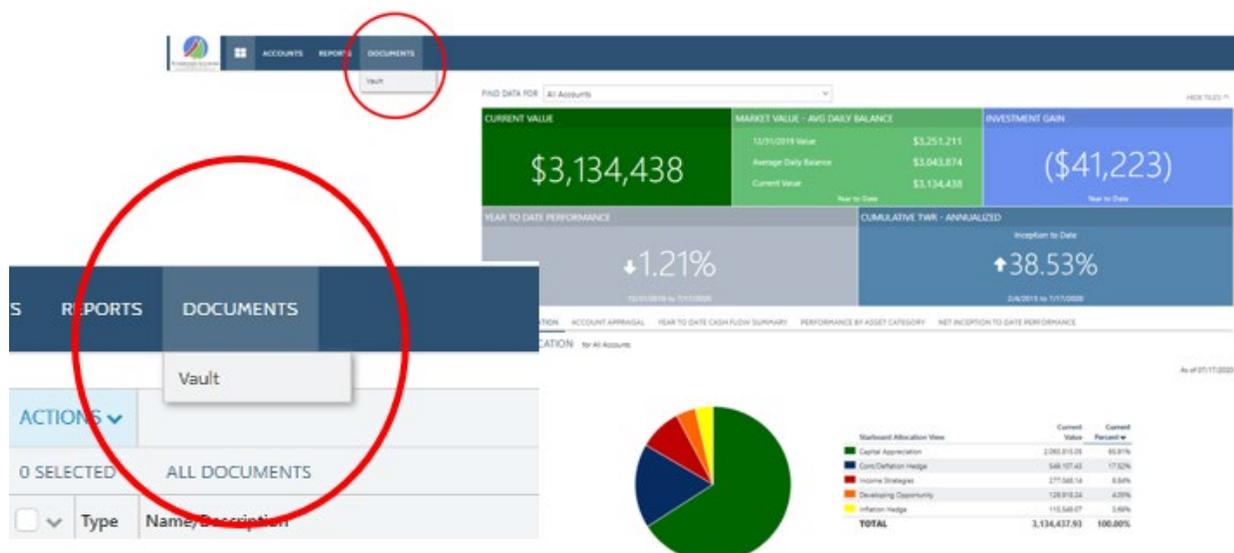
Confirm Password

**SET PASSWORD**

**Passwords must meet the following requirements:**

- Passwords must not contain your email address or parts of your full name that exceed two consecutive characters.
- Passwords must be at least 8 characters and must contain characters from three of the following four character categories:
  - Uppercase letters (A - Z)
  - Lowercase letters (a - z)
  - Numbers (0 - 9)
  - Non-alphanumeric (For example: !, \$, #, or % etc.)

Once you are logged in, you will be taken to your dashboard where you’ll find performance data and account values from the recent market close. Access to any reports or documents that have been uploaded to your “Vault” can be found under “Documents” in the upper left-hand corner. From there you can download and save your report. Additionally, the vault can be used to upload documents to share with your Starboard Team.



The dashboard displays the following information:

- Navigation:** ACCOUNTS, REPORTS, DOCUMENTS (circled in red), Vault (circled in red)
- Account Summary:**
  - CURRENT VALUE:** \$3,134,438
  - MARKET VALUE - AVG DAILY BALANCE:**
    - 12/31/2019 Value: \$3,251,211
    - Average Daily Balance: \$3,043,874
    - Current Value: \$3,134,438
  - INVESTMENT GAIN:** (\$41,223)
- Performance:**
  - YEAR TO DATE PERFORMANCE:** +1.21% (12/31/2019 to 12/31/2020)
  - CUMULATIVE TWRR - ANNUALIZED:** +38.53% (Inception to Date)
- Starboard Allocation View:**

	Current Value	Current Percent
Capital Appreciation	2,080,815.05	66.41%
World/Global Hedge	548,107.42	17.52%
Income Strategies	277,548.14	8.86%
Challenging Diversifiy	128,810.32	4.11%
Inflation Hedge	115,548.07	3.69%
<b>TOTAL</b>	<b>3,134,437.93</b>	<b>100.00%</b>
- Documents:** Vault (circled in red), 0 SELECTED, ALL DOCUMENTS

If you have any questions about the portal, or would like to continue to receive a paper copy of your Mid-Year and Year-End reports please call Rita at **(207) 358-1200** or email [\*\*rita@starboardadvisorsllc.com\*\*](mailto:rita@starboardadvisorsllc.com).

We are excited to be able to provide this new service to our clients and look forward to your comments and suggestions.

## **ABOUT US**

***Definition of Starboard:** Starboard is the traditional nautical term for the "right" side of a ship's hull and represented by the color green for navigational purposes. In addition, sailing vessels must give the "right of way" to sailboats on starboard tack (where the wind is coming over the right side of the vessel) and be provided clearance for safe passage.*

Starboard Advisors was founded by Barton Weisenfluh and partners with the Kelleher Family Office and their RIA, Kelleher Financial Advisors, LLC. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.

The Kelleher Family business interests were founded by Denis Kelleher and have grown into a diversified financial service firm with a reputation as one of the best managed and best capitalized independent firms in the industry. Today the entrepreneurial spirit is alive and well where the second generation, led by Sean Kelleher, continues to press on with secure and sustained growth with likeminded professionals.

Starboard Advisors, LLC a division of Kelleher Financial Advisors, LLC. Kelleher Financial Advisors is an SEC registered Investment Advisor and is an affiliate of Wall Street Access, Member NYSE, FINRA and Member SIPC. Although the information upon which this material is based has been obtained from sources which we believe to be reliable, we do not warrant its completeness or accuracy. This presentation is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of any security or investment.