

# THE CABANA NEWSLETTER

## AUGUST 2018

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## LETTER TO INVESTORS

DEAR INVESTORS,

Wow! What an eventful few months it has been for Cabana, not to mention investors and politicians around the world. Throughout the second quarter and into the third, there were wild swings in both equity and bond markets as investors sought to weigh the reality of a global trade war and re-alignment of centuries-old allied relationships. Just when we thought the “noise” couldn’t get louder, it did. Between our president’s tweets, Russia’s considerable menace, Canadian and European development as a United States foe, China’s omnipresent gorilla in the room, North Korea and Iran, it is very hard to think straight, much less make investment decisions. Fortunately for all of us, the incredible efficiency of world markets proves resilient. At the end of the day, earnings continue to carry more weight (as they always do) and U.S. markets are closing out the month of August higher than where we began in April.

Interest rates during the second quarter of 2018 hit a high of 3.10% on the ten-year treasury note. The U.S. dollar remained strong relative to the other currencies and while this evidences underlying strength in our economy, it puts pressure on commodities, foreign markets and large multinational companies here at home. Overall, this should result in a positive landscape for stocks. The strong dollar is putting a cap on commodity prices, which should in turn lead to lower input costs (inflation) for companies. This should also take some pressure off our Federal Reserve to keep raising rates. A pause may allow the back end of the yield curve time to catch up, thereby steepening the yield curve. A steeper yield curve will benefit banks and relieve some of the concerns that the current flat curve is signaling an imminent recession. Dividend payment increased across many sectors of the economy. As a result, they kept pace with interest rates. This causes stocks to continue to look attractive relative to bonds. Each time that we see promise for a strong second half of the year, political noise sends international bond and equity markets into a free fall. This has occurred no less than three times over the past twelve weeks. While U.S. equities remain positive for the year, I believe it is important that foreign markets participate for the bull market to continue. The last week of August has seen just that.

Now for some Cabana news—we have had a very busy and exciting few months, including new company hires, added service offerings and national firm recognition!

We continue to add talent and services across the board. Kelly Majdan joined the firm to lead Cabana’s retirement and qualified plans department. Kelly is dually licensed and has 20 years of experience as a financial adviser and qualified plan fiduciary in the 401k space. She will work directly with our business owner clients to serve them and their employees. We are determined to turn what is often times a confusing headache into an enjoyable and beneficial experience. We also have a turnkey 401k solution for our institutional adviser clients in the works. I am hopeful that the product will be ready for testing in the fourth quarter of this year and will officially roll out in the first half of 2019.

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## 2018 PORTFOLIO PERFORMANCE

(as of August 29, 2018; net of our highest advisory fees and commissions)

**CONSERVATIVE: +2.03%**

**MODERATE: +3.44%**

**BALANCED: +3.09%**

**GROWTH: +3.15%**

**AGGRESSIVE: +2.95%**

**ACCUMULATOR: +2.24%**

**ALPHA INCOME: +2.57%**

## LETTER TO INVESTORS CONT.

We recently updated our Global Investment Performance Standards (GIPS®) verification on a firm-wide basis from January 1, 2012 through December 31, 2017. Six of our core portfolios have been independently verified from portfolio inception to December 31, 2017. As of July 2018, there are fewer than 1,600 firms in the world that claim compliance with GIPS®. I could not be more proud of our team or our investment strategies. Our portfolios are now listed on Morningstar and are available on multiple other industry platforms including TD Ameritrade, Fidelity, Interactive Brokers, Mid-Atlantic's ModelXchange and Riskalyze.

Our operations department is also growing and expanding, as we have nearly completed our integration with Orion, which we began in May. Orion will streamline our investment and trading operations immensely. It will also vastly upgrade the client experience by way of a new client portal with single sign-in capabilities. This technology represents the best in the industry and will ultimately allow us to continue to scale our products and bring costs down. In addition, we began utilizing Riskalyze to evaluate risk in our clients held-away positions. We can now statistically compare our portfolios with other investments to determine how each would do in various market scenarios. This is a valuable tool to advisers when considering what is suitable for the client. There is also a retirement income analytics tool available within the platform. If you have not yet run your assets through the program, please contact us. It is incredibly insightful - and free!

Cabana continues to provide legal, tax and estate planning counsel to many of our family office clients. Our insurance practice has likewise funded solutions in areas including simple life insurance, succession planning and obligations arising from a divorce. Each month that passes, I am more confident that our holistic model of integrated services represents the future. In that regard, I am proud to state that our firm was the feature story in the August issue of Financial Advisor magazine sharing the importance of these services and why they are at the core of everything we do.

Last, but certainly not least – Cabana was ranked the No. 1 fastest-growing registered investment adviser in the United States by Financial Advisor magazine and was named one of Inc. Magazine's 500 fastest-growing private companies in America.\* We experienced growth in assets under management of more than 925.00% last year. This growth is a tribute to you (our clients), our staff of professionals who care day in and day out, our family office business model and finally, our continued focus on protecting assets **first**. Thank you for believing in us and trusting us every step of the way.

Sincerely,  
G. Chadd Mason, CEO



# CABANA IN THE NEWS

Through the years our firm has evolved from a legal practice to simply a passion for investing and investment protection (what some might call a hobby!), a hedge fund, a state-registered adviser, and in just the past two months has been nationally recognized among some of the top industry and business publications. While each step along the way was important, the past 18 months have been crucial. We have fine-tuned our services and hired expert talent so that we can provide the holistic family office experience and advice that we believe each and every client deserves. In addition, we now offer our model portfolios to firms across the country, just like ours, and in turn help clients just like you. Looking forward, we will continue to innovate, grow and learn, while staying true to what makes us unique – our steadfast commitment to helping clients and advisers alike protect and grow what they have built. We look forward to a very promising future!

- Each year Financial Advisor magazine ranks the top 50 fastest-growing registered investment advisers in the country. With more than 925.00% growth in assets last year, we came in at #1 on the 2018 list.\*
- On August 15 Inc. magazine revealed that Cabana is in the top 10% of its 37th annual Inc. 5000, a prestigious ranking of the nation's fastest-growing private companies.\*
- Cabana's leaders, Chadd Mason and Louis Shaff, were interviewed and profiled in the August issue of Financial Advisor magazine.\*



# HOW TO: Intern to Powerful Career Woman

## Advice from Cabana's Female Leaders

I can proudly state that as a young (and female) professional, very early on in my career, I have witnessed more and more women breaking stereotypes professionally and climbing ladders to success in all fields of work. I spent my summer surrounded by some of these women, and asked them to provide some insight as to how they have found their place in the financial industry as well as general career advice for young women just starting out. I hope that these words of wisdom can provide some sense of hope and direction to you in the same way they have me. Enjoy!



### What is the greatest career advice you have ever received?

*"Always be one step ahead. If your boss or client asks for it, you're too late. Give answers to questions before they are asked. Being prepared and understanding the needs and goals of your team is so valuable and will get you far!"*

-Georgia Mason, Marketing and Communications Director

### What do you wish you knew when entering the workforce?

*"I was always shy growing up. I began to speak up for myself after I had been in the workforce for 10 years or so – after my fellow ladies and I would compare notes. There are times when you need to bring issues to management, and there are diplomatic ways to do that. I'd also like to tell my younger self to be patient. You don't know where your career will take you. You will meet people along the way who will influence your career later, or will be integral in providing a new job opportunity in the future."*

-Michelle Alsobrook, VP Operations

### What are you most proud of looking back on your career thus far?

*"I take very good care of my clients. It's not just about money, but about the relationships that you build without any expectation for them to give back. Yet they always do."*

-Holly Signorelli, CPA

### What challenges have you faced and how did you overcome them?

*"There will always be an investment firm to work for, but focus on finding the firm that is making the right choices based on the client and not the dollar. This has been the biggest challenge, until Cabana. I was pushed to make changes in my career when I wasn't prepared. Looking back, I know if it weren't for those changes, I wouldn't be at a job I love."*

- Heather West, VP Operations

*"Really, the only challenge is time. It is so important to balance our time at work and at home. I am still working on this 30 years later."*

-Sonya Clements, Administrative Assistant and Paralegal

### How does it feel to be a young woman entering the workforce?

*"I feel very privileged to have grown up in a time and a household where women's equality and lacking opportunities were a part of conversation. I feel excited to pursue my dream career knowing that there are more people rooting for me to succeed than ever before. I am encouraged by the growing presence of women in all areas of work. Let this movement continue!"*

- Caroline Mason, Marketing Intern and future leader!

### What do you see for the future for working women?

*"Women need to continue to be proactive in breaking barriers once reserved for men only and make a name for themselves by proving it's not gender but rather perseverance, hard work and talent that proves the quality of the person."*

Esther Burrell, Administrative Assistant

Thank you to our wonderful staff of women here at Cabana for their words of wisdom and for being a source of inspiration every day.

- Caroline Mason, Intern





## CABANA WEEKLY MARKET COMMENTARY

Our team is always striving to provide you with the best education, updates, response and communication that we possibly can. One example of this is our weekly market commentary provided to advisers and investors alike. As of August 2018, Cabana's CEO shares his take on the market each Monday. This update is sent out via email and posted to Cabana's blog on our website ([www.cabanaportfolio.com](http://www.cabanaportfolio.com)). If you have questions or do not currently receive this commentary, but would like to, please reach out to [georgia@cabanaportfolio.com](mailto:georgia@cabanaportfolio.com).

In addition, as part of our transition to Orion, portfolio performance will be kept up to date on our website each month. While our clients will no longer receive performance on a weekly basis, you can always reach out to your adviser at any time for information regarding your individual account.



## DID YOU KNOW?

Not only was Cabana ranked in the top 10% of Inc. Magazine's 2018 fastest-growing private companies, but we were among six other Northwest Arkansas businesses. Check out the Northwest Arkansas Council's August 20, 2018 news report at [www.nwacouncil.org](http://www.nwacouncil.org) for a complete list of the region's rising companies that earned a spot on this year's Inc. 5000 list.\*

NORTHWEST ARKANSAS  
COUNCIL

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- Additional information regarding Cabana, including its fees, can be found in Cabana's Form ADV, Part 2. A copy of which is available upon request, on our website at [www.cabanaportfolio.com](http://www.cabanaportfolio.com), or online at <https://www.adviserinfo.sec.gov/>.
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