

From: **Michael Kerris** [mkerris@brightviewcm.com](mailto:mkerris@brightviewcm.com)  
Subject: The last two times this happened, it didn't end well!  
Date: May 18, 2016 at 1:43 PM  
To:

Dear Family & Friends,

I hope you are well.

*"History doesn't repeat itself, but it often rhymes." Attributed to Mark Twain*

Below you can see a weekly chart of the S&P 500 over the past 20 years. The yellow line represents the 50-week moving average, and the gray is a 100-week moving average. Earlier this month, the 50-week moving average fell below the 100-week moving average. During the last 20 years, this has happened only twice before (2001 & 2008)—each time right at the early stages of a 50+% fall in the market.

We have been warning about the risk of a major trend change since October 2014 when the first signs of a potential bear market emerged. 19 months later, and the market has not gained any ground and has had three painful falls. A seismologist would refer to these as "foreshocks."

No one knows the exact timing of the next bear market, but markets are cyclical so it is just a question of when—and we are already overdue for one. So if the past is prologue, then the market is in for some painful times ahead. It is prudent to look for market rallies to close any margin you may be using; and to redeploy into some cash.

Even safer still, consider reinvesting at least some of your capital into a hedge fund that has the ability to potentially profit from either a rising or falling market. Our strategy, for example, which has been encompassed into our proprietary automated trading technology focuses on trends. Some of its best ever performance took place during these past two bear markets.

If you have money invested in a brokerage account, IRA or 401k, we can help you protect it. And consider the prospect of even prospering during the next bear market when nearly everyone else will be hemorrhaging.



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