

Atherean

Wealth Management, LLC

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Enclosed is your portfolio summary report for the end of 2017, as well as an investment advisory fee statement for the first quarter of 2018. The portfolio summary report shows the holdings in your accounts as well as an overview of the portfolio asset allocation as of the close of the fourth quarter of 2017. It also provides a summary of your investment objectives, time horizon, and risk tolerance as per our records.

Market performance

Equity market performance for 2017 was the strongest of any year since Atherean Wealth Management began operation in March of 2014. In 2017 the S&P 500 index was up 21.71%, the Russell 2000 small cap index was up 14.58%, and the MSCI EAFE (Europe, Asia and Far East) index was up 25.07%. Such outstanding performance and high correlation is rare, and we do not expect this situation to continue in 2018. We continue to believe that growth shares are overvalued, and still hold the conviction that there is a bubble in the technology sector. As we have stated throughout the last year in our quarterly updates, we remain very skeptical of U.S. equity valuations. The cyclically adjusted PE ratio ("Shiller CAPE Ratio") is at its highest level since 2001, and continues to climb higher every quarter. As non-U.S. equities remain undervalued relative to their U.S. counterparts, we continue to hold the belief that non-U.S. equities will outperform U.S. equities over the next few quarters.

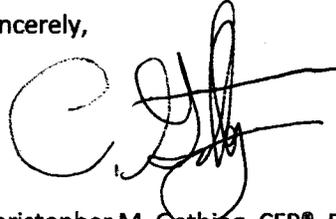
Tax reform

We believe that the tax reform bill passed at the end of 2017 will have a significant impact on American and global markets. Capital will flow away from high flying, overvalued sectors of the economy such as technology toward undervalued, fundamental sectors of the economy such as infrastructure. Our rationale for this is that companies with substantial tangible earnings will benefit tremendously from tax reform, while companies with little or no earnings will not. Overvalued tech companies consistently have little or no earnings and therefore never have to pay significant taxes regardless of corporate tax rates. Undervalued earnings generators, on the other hand, tend to have robust, consistent profits which are taxable. We expect that tax reform will benefit the undervalued, earnings generating companies in a significant manner. For these reasons, we believe that value stocks will outperform growth stocks over the next few years.

As far as managing your accounts go, we will continue, as always, to take a long-term view and a top-down approach to the allocation of the assets in your portfolio. We will continue to remain focused on your time horizon, risk tolerance, and liquidity needs as the primary factors driving the allocation and management of your accounts.

Let us know if there are any changes to your financial profile or investment objectives. If you would like to review your portfolio and/or financial plan in greater detail or have any other questions or concerns, feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Gething', with a large, stylized flourish extending to the right.

Christopher M. Gething, CFP®, EA

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