

-- Reminder: New Statements Last Year --

Dover believes our clients deserve the utmost expertise, professionalism and trust in the management of their assets. With that core belief as a backdrop, Dover has improved our secure access to timely and accurate information about your portfolio. As we highlighted in the third quarter last year, you may have noticed some changes in the way we present this information to you in our quarterly reports. The information may fundamentally look different but it is not.

As always, feel free to call us at (937) 299-4105 with any questions or comments.

MARKET REVIEW & OUTLOOK

THIRD QUARTER 2018

The U.S. economy grew at an impressive 4.2% (q/q) annualized pace in the second quarter. More current data, however, suggests forward momentum may be waning. Late-cycle signals are becoming more prevalent: rising inflation, declining consumer demand, low unemployment, rising wages, and higher interest rates.

Total Market Returns as of September 30, 2018

(annualized if greater than 1 year)

	1 quarter	Year to Date	1 year	3 years	5 years
S&P 500	7.71%	10.56%	17.91%	17.31%	13.95%
Dow Jones Industrial Average	9.63%	8.83%	20.76%	20.49%	14.57%
NASDAQ	7.41%	17.48%	25.17%	21.70%	17.72%
Russell 1000 Value	5.70%	3.92%	9.45%	13.55%	10.72%
Russell 1000 Growth	9.17%	17.09%	26.30%	20.55%	16.58%
Russell 2000 (SMID)	3.58%	11.51%	15.24%	17.12%	11.07%
MSCI EAFE Index	1.42%	-0.98%	3.25%	9.77%	4.90%
MSCI Emerging Markets	-0.95%	-7.39%	-0.44%	12.77%	3.99%
Barclays Capital U.S. Aggregate	0.02%	-1.60%	-1.22%	1.31%	2.16%
3-month T-bill	0.50%	1.29%	1.57%	0.80%	0.49%

cont'd on p 2

In This Issue:

Market Outlook	p 1	Asset Allocation	p 3
S&P 500 Sector Perf.	p 2	Market Monitor	p 4
Stock Highlights	p 3	Perf. Scoreboard	p 4
Sector Diversification	p 3		

Dover's Form ADV Part 2 is Available

(see page 2 for more info.)

Fall 2018

Volume XXXI, Issue 4

Dover's Investment Methodology

The foundation of Dover's Investment philosophy is its disciplined approach to stock analysis, beginning with a quantitative analysis of companies based on strict fundamental criteria. This is followed by a more subjective evaluation of factors including portfolio diversification and individual company characteristics.

Large Cap Value Portfolio

Dover's value philosophy bases its buy/sell decisions on four criteria: rising earnings expectations, low relative price to earnings (P/E) valuation, improving profitability, and low historical P/E valuation. Stocks passing all four screens are considered buy candidates and will be further evaluated to establish quality and appropriateness for the portfolio.

Large Cap Growth Portfolio

Dover's growth philosophy begins by considering only large capitalization companies in the top 50% of earnings per share growth over the last three years. Dover then bases its buy/sell decisions on three criteria: return on investment (ROI), net sales growth, and free cash flow. Stocks passing these screens are considered buy candidates and will be further evaluated to establish quality and appropriateness for the portfolio.

Value/Growth (Core) Portfolio

Dover's value/growth, or core portfolio utilizes a blend of the top buy ideas from both the pure growth and pure value philosophies. The intent behind this method is to maintain less volatile portfolio returns over the course of a market cycle. The portfolio is structured with an emphasis on diversification, utilizing a wide blend of high-quality holdings across the various economic sectors.

MarketLine

(Market Review & Outlook cont'd from p 1)

Based upon the Federal Reserve's statements, they plan to continue their tighter monetary policy into 2019 through balance sheet reduction and interest rate hikes. This combination of monetary policy is unprecedented and has no historical equivalent. Stock prices had a significant decline in October, as least, in part to rising interest rates and trade tariff concerns.

The correlation between bond yields and stock prices (both in the U.S. and globally) has been shifting to an inverse relationship (see graphs to right) and could be a further warning sign for investors. In the past, this inverse relationship has had good results in predicting future recessions.

Many past recessions have begun well before they became obvious. While the stock market still may have some steam, risks have been rising over the past year increasing the chances of a recession beginning sooner rather than later.



Source: Charles Schwab, Macrobond, Federal Reserve as of 10/12/2018

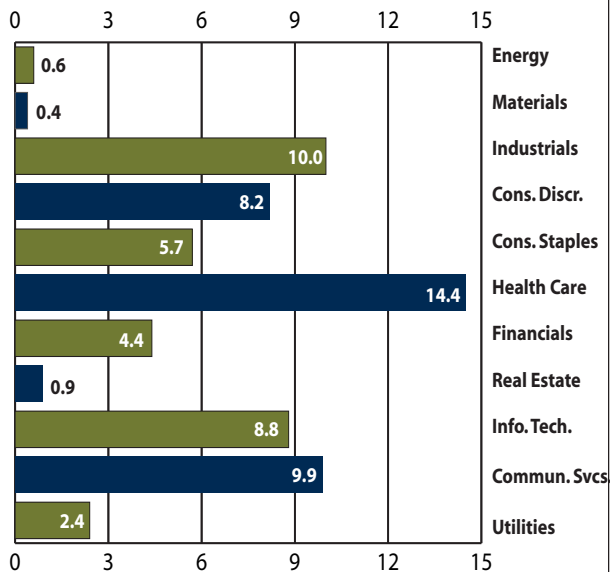


Source: Charles Schwab, Macrobond, Standard & Poor's Dow Jones as of 10/12/2018
Past performance is not indicative of future results.

S&P 500 ECONOMIC SECTOR PERFORMANCE

Three Months Ending 9/30/18

Source: S&P Index Services, J.P. Morgan



ADV PART 2 OFFER

READ ALL ABOUT US

Dover's 2018 Form ADV, Part 2 is now available. This document describes the products and services we offer, the fees we charge, and many other aspects of our business including key personnel information.

You are entitled to receive a copy of this form, which serves as Dover Partners' SEC disclosure brochure, at any time. If you would like a copy, please contact Josh Smittkamp at josh@dover-partners.com or (937) 299-4105 ext. 839.

STOCK HIGHLIGHTS

Comcast Corporation (CMCSA) - The company operates as a media and technology company worldwide. It operates through Cable Communications, Cable Networks, Broadcast Television, Filmed Entertainment, and Theme Parks segments. The Cable Communications segment offers video, high-speed Internet, and voice, as well as security and automation services to residential and business customers under the XFINITY brand. This segment also provides business services, such as Ethernet network services; and cellular backhaul services to mobile network operators. The Cable Networks segment operates national cable networks, which provide entertainment, news and information, and sports content; regional sports and news networks; international cable networks; and cable television studio production operations, as well as owns various digital properties, which include brand-aligned Websites. The Broadcast Television segment operates NBC and Telemundo broadcast networks, NBC and Telemundo local broadcast television stations, broadcast television studio production operations, and various digital properties. The Filmed Entertainment segment produces, acquires, markets, and distributes filmed entertainment under the Universal Pictures, Illumination, Focus Features, and DreamWorks Animation names. This segment also develops, produces, and licenses stage plays; and distributes filmed entertainment produced by third parties. The Theme Parks segment operates Universal theme parks in Orlando, Florida, as well as in Hollywood, California; and Osaka, Japan. The company also owns the Philadelphia Flyers, as well as the Wells Fargo Center arena in Philadelphia, Pennsylvania; and operates arena management-related businesses, as well as provides wireless phone services. Comcast Corporation was founded in 1963. Headquarters: Philadelphia, Pennsylvania

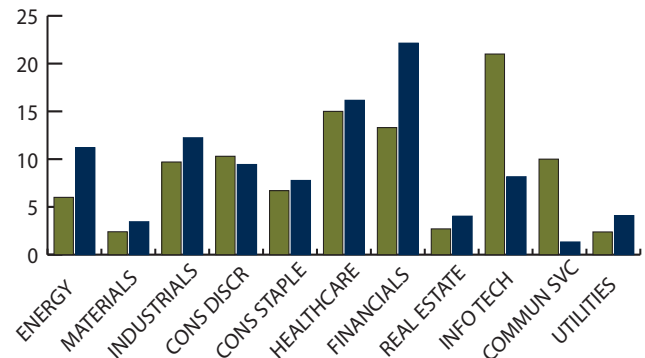
Duluth Holdings Inc. (DLTH) - DLTH sells casual wear, workwear, and accessories for men and women under the Duluth Trading brand in the United States. The company offers its products under various trademarks, trade names, and service marks, including Alaskan Hardgear, Armachillo, Ballroom, Bucket Master, Cab Commander, Crouch Gusset, Dry on the Fly, Duluth Trading Co, Duluthflex, Fire Hose, Longtail T, No-Yank, No Polo Shirt, Wild Boar Mocs, and Buck Naked. Duluth Holdings Inc. markets its products through its Website, catalogs, and retail stores. As of October 11, 2018, it operated 42 retail stores. The company was formerly known as GEMPLER'S, Inc. Duluth Holdings Inc. was founded in 1989.

Headquarters: Belleville, Wisconsin

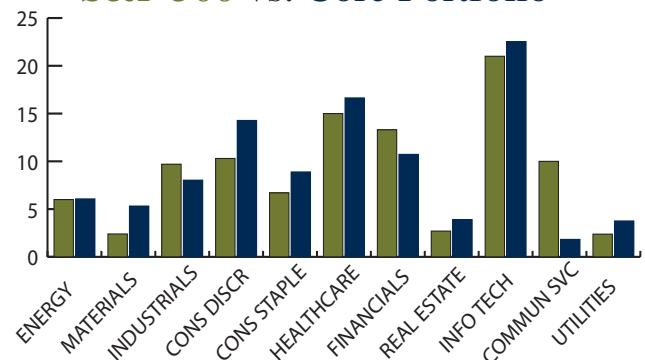
SECTOR DIVERSIFICATION

(as of 9/30/18)

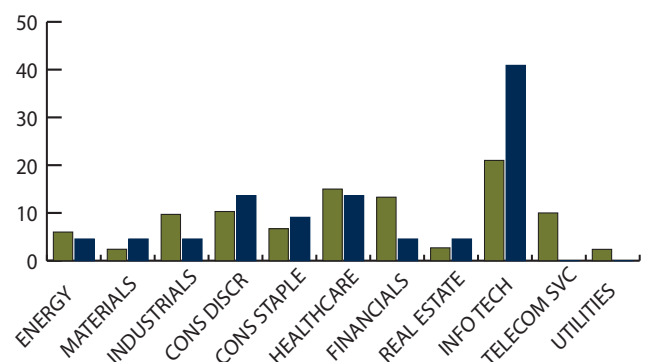
S&P 500 vs. Value Portfolio



S&P 500 vs. Core Portfolio



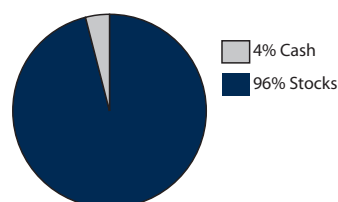
S&P 500 vs. Growth Portfolio



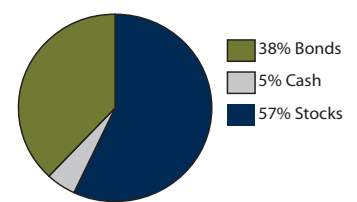
ASSET ALLOCATION

(as of 9/30/18)

Equity Accounts



Balanced Accounts



These are guidelines only and accounts are not necessarily expected to reflect the exact weightings listed above.

MARKET MONITOR

Investors in the third quarter continued to shrug off trade pressures, and a less accommodating Federal Reserve Bank. They remained committed to the outlook for continued, albeit slower, economic growth and favorable corporate earnings. But the shift to a Federal Reserve Bank intent on beating not so obvious inflation pressures makes the professionals hoping they soon become more neutral. Short term interest rates are getting very close to being higher than long term. If they get higher, the inversion of rates has been a good indicator of a slowing economy.

U. S. equities marched higher amid strong corporate earnings and continuous GDP growth. Large Cap companies dominated Small Cap, Growth continued its dominance over Value, and domestic markets trounced International. The best performing U. S. sectors for the quarter were Health Care, Industrials, and Communications Services; the worst performing were Materials, Energy, and Real Estate.

In September the Fed raised interest rates again and indicated another in December. The shift to tighter monetary policy continued the discussion of a possible recessionary economic picture in 2019. The best performing bond subsectors were U. S. High Yield Corporates, Emerging Market Debt, and U. S. Corporate Investment Grade. The worst performing were TIPS, U. S. Treasury, and Municipal Bond.

PERFORMANCE SCOREBOARD AS OF 9/30/18 (TOTAL RETURNS)

<i>Periods over 1 year annualized</i>	1 Quarter	1 Year	3 Years	5 Years
S&P 500 Index	7.71%	17.91%	17.31%	13.95%
Dow Jones Industrial Average	9.63%	20.76%	20.49%	14.57%
NASDAQ Composite	7.41%	25.17%	21.70%	17.72%
Russell 1000 Value	5.70%	9.45%	13.55%	10.72%
Russell 1000 Growth	9.17%	26.30%	20.55%	16.58%
Barclays US Gov't/Credit Bond	0.06%	-1.37%	1.45%	2.23%
Barclays US Municipal Bond	-0.15%	0.35%	2.24%	3.54%
3-month T-bill	0.50%	1.57%	0.80%	0.49%

**For information about
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MarketLine A Newsletter for Clients and Friends of Dover