

THE PEAK TIMES



PEAK
WEALTH MANAGEMENT

Our Mission

We believe by providing education and guidance, we help our clients make sound decisions which leads them on a path toward their own definition of True Wealth.

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Investing in Your Children and Grandchildren

Since 2005, we have been a part of giving back over \$25,000 to your children and grandchildren through our Invest in Others Annual Scholarship. The Scholarship remains in-force for 2017 for \$2,000 and we are accepting applications now through November 30. At PEAK, we believe in givers gain, and that is the theme for our scholarship each year. We want to invest in those who invest in themselves, as well as invest in others. That is why our independent committee evaluates students based on two broad factors - their own academic achievements and also how they have dedicated themselves to making a difference in their community. Send your student to peakwm.com and click on Invest in Others to download the application.



PEAK
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Peak Wealth is committed to supporting and investing in our community.

Each year, through our Invest In Others Scholarship, we offer two \$1,000 scholarships to students who have demonstrated exceptional commitment to their education and community.

To apply click [here](#) or call the office at 734 681 7575.

Invest In **Others**

PLAN.PROTECT.PEAK

UPCOMING EVENTS

October 29 Time TBA - Michigan vs Michigan State Viewing Party
See the invitation enclosed

New Location! More TV's! 4 flat screens and a 110 inch theater projection screen! More Food! More Space! Better Outcome! Join us to watch Michigan avenge their disastrous loss last year in the final seconds to Michigan State. This event will be hosted at Nick Hopwood's home located at 6739 Fleming Creek Drive, Superior Township.

December 1 - Christmas Party
See invitation enclosed.

Kick-off the Holidays with Peak! Our annual Holiday Delight will be held at Fox Hills in Plymouth, Michigan. Enjoy the finest quality food, drink, service, and company! RSVP Today!



Nicholas Hopwood, CFP

Hello everybody! What a great summer! In July, we had a trip to Camp Michigania (camp on Walloon Lake run by the UM Alumni Association) with water sports, horseback riding, riflery, archery, sailing, arts and crafts, etc. We hope to make this a family tradition each summer. We also had the annual boys RV trip in August up to Petoskey. The roster was my dad, Hunter, Jack, and my brother, who flew up from Florida. There is nothing like summertime in Northern Michigan! And if you have not heard by now, Jennifer and I are expecting baby number three in December - IT'S A GIRL! (Now we can be finished, LOL)



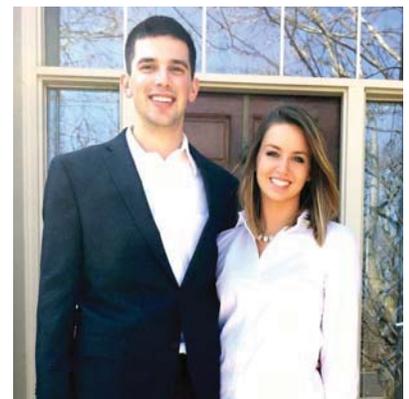
Patti Wojcik, Operations Manager

This year is going by quickly! My son has been home working in the GIS (Geographic Information Systems) field and is planning on going back to MSU next semester. Thanks to my son, I spent the 4th of July attending Plymouth Township's firework display up close at Hilltop Golf Course. The weather this summer has been awesome and allowed for some wonderful memories, especially since my daughter was able to join us from Indiana for a few days. I'm looking forward to the fall to cheer our MSU Spartan football team on to a fantastic season. In October, I am planning on traveling to Bloomington, Indiana to visit my daughter and attend MSU's football game against Indiana University.



Matthew Kraemer, Advisor Representative

Thank you to all who have welcomed me as I have started full time upon graduation from Michigan Flint! It has been different not having to sign up and map out my schedule for the school year, but I have filled that time with studying for all my state license exams. On a personal note, I am officially confirmed into the Catholic Church! My girlfriend of six years, Alexandra, was my sponsor. Throughout my life I've always been a devoted and practicing member of the church, and it feels great to be finally confirmed. Further, I am now an uncle and Godfather to my sister's son, Mackson. I spent my spare time this summer with family at my grandparent's cottage up north in Leland, MI.



Stock Markets and Election Years:

Election-related rules of thumb

When it comes to investing, there are infinite rules of thumb. Since it is an election year, you have probably encountered at least one article discussing the ways in which elections may affect stock markets and the economy. These theories include:

- *Presidential Election Cycle Theory* suggests stock markets tend to be weaker during the first two years of a presidential term and stronger during the last two. This is because, before an election, politicians tend to promote a pro-business agenda, so the economy is strong, the stock market is moving higher, and voters are feeling optimistic.³ Analysts, who crunched the data, report U.S. stock markets tend to hit bottom during the second year of a president's term, but that's not always the case. Notable exceptions have been the final years of the Clinton and G.W. Bush presidencies.³ Rodney Sullivan, editor of the Financial Analysts Journal, commented, "It is indeed true that under years three and four of a presidential cycle that stock markets do tend to perform better...What really drives performance in markets is not the presidential cycle, it's really the overall macro economy."⁴
- *Party Affiliation Theory* holds that stock markets perform better following the election of a Democratic candidate. In 2003, research published in the Journal of Finance indicated large company stocks did better under Democratic administrations. Later research from the Federal Reserve showed the difference in large company stock returns under Democratic and Republican administrations were negligible after you controlled for risk.^{5, 6}
- *Political Party Convention Theory* puts forth the idea stock market performance during political conventions may reflect investors' expectations regarding the potential impact of a particular party on the economy and stock markets. During the 16 election years since 1948, the S&P 500 Index rose 11 times during Republican conventions and seven times during Democratic ones. It's unclear whether the theorists factored other data (economic data, Federal Open Market Committee meetings, etc.) that could move markets into their analysis.
- *Presidential Approval Rating Theory* is sometimes misinterpreted. The research shows a president's approval rating rises and falls along with the stock market. A London School of Economics blog article reported, "As the stock market increases, especially when it is increasing at an accelerating rate, the president's popularity ratings tend to improve."⁸ In some cases, this has been turned around and presented as the stock market rising or falling in response to a president's approval rating.⁹
- *Presidential Election Anxiety Theory* holds that "volatility of the S&P 500 index increases as the probable winner of the presidential election becomes less uncertain." In other words, investors' anxiety increases, causing markets to become more volatile when they begin to wonder how the presumptive winner's policies may affect the economy.¹⁰
- *Post-Election Stock Market Performance Theory* postulates stock market performance following a presidential election correlates to gross domestic product (GDP) growth.¹¹ This provides little data for investors since economic growth does not always translate into strong stock returns. In part, this is because economic growth may be the result of new businesses forming rather than existing ones growing.¹²

Clearly, a lot of thought has been given to the influence of presidential cycles on the stock market. Some theories that inform rules of thumb are clearly better researched than others. Regardless, none appear to provide actionable information that has the potential to benefit long-term investors. In fact, it is our opinion investors would be better served by selecting an investment strategy that meets their long-term financial goals rather than chasing returns trying to time the markets.

"Find citation for the article at peakwm.com/blog"



Blueprinting: Live your life by design, not by default



In 2004, we joined an executive coaching program. The first thing they had us do was complete the blueprinting process. Blueprinting means "a designed plan". And just like you follow the blueprints when building your house, you have a set of blueprints when it comes to YOU, and living your life. Live your life by design, not by default. Going through the series of six exercises, you can ignite your burning desire and also help you find your "why." Hopefully a new clarity can be gained which can help make your life much more meaningful and fulfilling. If you would like to learn more, please listen to our podcast on blueprinting or if you are interested in getting started now, please call the office and we can send you the materials. Stay tuned for more information about our Blueprinting 101 Workshop.

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