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Hello Everyone,

In the past few newsletters we have been featuring one of the four pillars of our business. This edition, in the article on this page, we are highlighting our commitment to invest in people and technology to remain a state-of-the-art firm.

If you are inspired to read more financial information, visit our Learning Center at www.EyeOn Argus.com.

To suggest topics or sign up for an electronic versions of our newsletter, send an email to Joy Britton, Client Services Manager, at joy@EyeOnArgus.com or Lisa Wilkie, Marketing Associate, at lisa@EyeOnArgus.com.

Inside this issue:

ARGUS FINANCIAL CONSULTANTS

Excellence is Defined by the Success of Our Clients

Winter 2015

Remaining A State-of-the-Art Firm

At Argus Financial Consultants we take pride in "doing what we say we're going to do". This starts with our four pillars that we pledge to our clients. In past newsletters we expanded on our first two pledges of 1) Staying current in our financial education, and 2) Offering independent and objective advice. Our third pillar reads "We will invest in people and technology to remain a state-of-the-art firm".

Sounds simple right? Well, change is never easy, especially when doing what we've always done is working so well. One of the best things we have ever done at Argus Financial Consultants is hiring the best staff in the world. Investing in top notch staff allows our financial advisors to spend more time with our clients, who are the lifeblood of our business. We also continue to invest in one of the most efficient client management databases that streamlines our processes to make sure every client review is scheduled and every service need is met. Our broker dealer, LPL Financial, has also recently introduced some technology advancements which we have passed on to our clients. These include DocuSign, which allows for a secure electronic signature on many documents, and Account View, where clients can view their investment accounts.

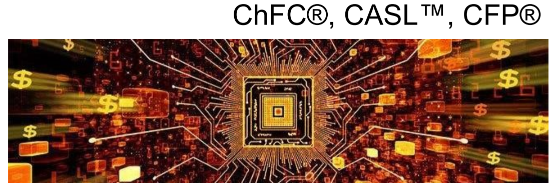
The key to technology improvements is to make sure the data is still safe. Argus Financial Consultants and LPL Financial take online privacy and security very seriously and LPL has a dedicated security team in place to ensure the protection of personal information. Our email was recently updated as part of this security process. You may also notice an email from us with "secure message" in the subject line. Although an extra step is needed in retrieving the email, rest assured that the information sent in the email is only seen by the intended party.

Another interesting add to our technology repertoire is Swift App, which allows us to obtain life insurance quotes while in a client meeting and even submit the application to the insurance company before we leave the appointment.

Remember to pay attention to emails from us, look for our content on LinkedIn, check out our weekly blog at www.EyeOnArgus.BlogSpot.com, and like us on Facebook. We use these channels regularly to share our content and keep our friends and clients up to date on happenings in "our world".

One of the great parts about our business is watching our clients grow as their lives evolve. With a combined 57 years in the business, it has been a joy to help our clients pursue their goals. It has been interesting to see how the tools and technology have changed along the way. At Argus Financial Consultants, we are constantly monitoring to make sure we are investing in technology to be as efficient and secure as possible to make sure our clients have the best financial planning experience.

-Ryan P Smith,
ChFC®, CASL™, CFP®



Your Advisor's Most Valuable Advice: DO NOTHING

On a recent morning, the broad equity market—which, as I presume you've noticed, has been making all-time record highs for much of the past twelve months—sold off rather quickly after the opening, to a point where it was down one half of one percent from the previous day's close.

This is something that happens all the time. (Indeed, the market going up one half of one percent from the previous day also happens all the time, but for some strange reason nobody calls that "volatile.") In the great scheme of things, such a movement in either direction is usually meaningless noise.

Oddly, the financial media did not post a headline saying, "Market sells off half a percent for no compelling reason; experts opine that it this is the usual meaningless day-to-day noise." It said—hold on to your hat—"Wall Street slides as Portugal bank worry triggers selloff." I could not make this up.

Seems that there was nothing particular going on that day except that a conglomerate holding company whose assets include Portugal's second largest bank had gotten itself into an overleveraged pickle, as conglomerates somewhat routinely do. The bank itself seemed to be relatively OK, but that was not a distinction the 24/7 financial media make. (For the record, the holding company filed for creditor protection a couple of weeks later, while the bank went about its business.)

Up close, this absurdity may and should be taken as just another (if particularly grotesque) example of financial journalism's limitless ability and willingness to hallucinate a causality for any and every market squiggle, no matter how bizarre. But suppose this had gone on for a week. Suppose it had been trumpeted as an impending bank failure which threatened to spread through the already fragile banking system of southern Europe. And suppose the market had sold off, say, ten percent: the long awaited, much ballyhooed "correction."

It might easily have happened, regardless of the catalyst or catalysts: the average annual intra-year decline since 1980 has been in excess of 14%. But we haven't even had a ten-percenter since 2012. I need hardly add that since 1980, the S&P 500 has gone from 135 to 1,985—not even counting dividends. If this suggests to you, at least anecdotally, that all corrections fade into noise in the long run, you may already have anticipated the point of this little essay.

What I'm directly interested in today—as I believe you should be as well—is not the ordinariness of corrections, nor even their ultimate meaninglessness. (Those are facts, and facts have precious little to do with what ultimately happens to the individual investor.) It is how you react to them as they play out—or, with the good counsel of an empathetic advisor, how you do not react to them.

The function of a financial advisor is not to identify the onset and/or the trough of this year's meaningless correction. (He can't do that, and neither can anyone else. The market in general, and market corrections in particular, cannot be consistently timed.) What the great advisor does is to help his clients make long term (and even lifetime) investment plans. But his greatest contribution to the long term financial success of his clients is in dissuading them from chucking that plan overboard when the storm of this year's meaningless correction blows up.

Your financial advisor knows, from long and sometimes bitter experience, that virtually all investors who succeed in the long run do so by ***continuing to act on their plan,*** while investors who fail most often do so by setting the plan aside and reacting to the markets. Thus, at critical junctures, the financial advisor's best advice will always be: ***If your plan has not changed, do not change your portfolio. Continue to act on your plan rather than reacting to the market.***

That is, your advisor has learned, with the late Sir John Templeton, that among the four most dangerous words in investing are "It's different this time." His response will almost always be four alternative words: **This too shall pass.**

Although in financial media's perspective the year 2011 is already an era of geologic time in the past, your memory of it may still be fresh, or at least it can be brought quickly back to mind if I remind you

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of the three "it's different this time" crises of that year. In no particular order, we experienced (a) the financial collapse of the Eurozone and the existential threat to the euro itself; (b) the Congressional budget standoff which threatened a government shutdown and default on our Treasury debt, and (c) Standard & Poor's downgrade of our sovereign debt, based on S&P's baleful fiscal outlook for the United States.

Against this backdrop, the equity market declined 19.2% from peak to trough between April and October. You would not be human if you hadn't asked your advisor how on earth these crises were ever going to get resolved. He or she would not have been honest if the reply wasn't essentially, "I can't know that, and neither can anyone else." You might then have asked what you should do. And the world-class advisor would have answered, "You should do nothing different from what you've been doing. I cannot tell you ***how*** these crises will get resolved, but only ***that*** they will. This too shall pass. You should continue to act on our plan rather than reacting to the market. ***If your plan has not changed—and it hasn't—do not change your portfolio."***

I would be the first to acknowledge that what I'm about to point out doesn't prove anything. For that matter, no factoid about the past proves anything about the future. But the fact remains that on October 3, 2011—at the trough of the trifecta of crises outlined above—the S&P 500 closed a hair below 1,100. Let us examine what the advisor's counsel to do nothing might have been worth to you since that day.

As I write, the S&P is around 1,985, up some 80% since the trough of early October 2011. Dividends have added another roughly two percent a year to your results; shall we call the total 85%, give or take? My guess is that your advisor has charged you about one percent of your (rapidly growing) invested assets annually for just the kind of goal-focused, planning-driven behavioral advice I've outlined above. You decide: was the advice right? And was it not worth huge multiples of what you paid for it?

"Your financial advisor knows, from long and sometimes bitter experience, that virtually all investors who succeed in the long run do so by continuing to act on their plan, while investors who fail most often do so by setting the plan aside and reacting to the markets."

I do not minimize the difficulty of standing still and doing nothing on the word of the advisor who has told you, in effect, "I have no more idea than you do how any particular crisis will be resolved" (or, come to think of it, when and why any particular market bubble will burst, e.g. the internet mania of 1999). That's just another reason why all genuinely functional advisor-advisee relationships are based on respect and trust: at moments of maximum uncertainty, you have to abide by advice which your advisor can't prove will work, and which goes against your every instinct. Most investors can't do that, which is one key reason most investors fail.

The relatively few individual investors who achieve their lifetime goals do so, in many cases, because they ultimately accept the advisor's consistently best advice:

If your goals and your plan for achieving them haven't changed, don't change your portfolio.

Social Security Tip

You can get Social Security retirement benefits and work at the same time. However, if you are younger than full retirement age and make more than the yearly earnings limit, Social Security will reduce your benefit. The yearly limit in 2015 for those under their full retirement age is $15,720. Starting with the month you reach full retirement age, they will not reduce your benefits no matter how much you earn.

To learn more about getting benefits while working, go to http://www.socialsecurity.gov/retire2/whileworking.htm.

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Excellence is Defined by the Success of Our Clients

Income Tax Return Changes

Affordable Care Act: Five new tax forms were released by the IRS for the 2014 tax year. If you received a Form 1095 from any issue or agency, please provide all copies to your tax professional. If you did not receive a 1095, please be prepared to answer several additional questions about insurance coverage to help in avoiding any penalties for failure to obtain health coverage.

Charity: All deductions of any amount must have a receipt. Any individual contribution over $250 must also have an acknowledgement letter from the charity, and the letter must be dated by the date your return is filed. The letter needs to show the date and dollar amount of the contribution, as well as state that no goods or services were received in return for the contribution.

Rental Property: The IRS is requiring substantially more information if you own rental property. You will need to provide to your tax professional, for each property separately, the physical location, the type of property (single-family, duplex, etc), all forms 1099-K received, a record of the number of days rented, and a record of the number of days used for personal purposes.

Submitted by Troy A Ginzer, CPA
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This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor. Troy Ginzer and Tag Accounting & Tax Services are not affiliated with LPL Financial

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