

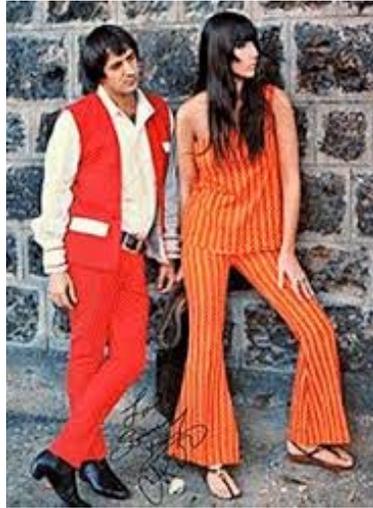
SCENE 2017, TAKE 3

WINDS IN THE MARKET



The Quarterly Profit

Do you remember the early 70's saying, "You don't have to wear bell bottoms to tell which way the wind blows!"? Not many bell bottoms left after 45 years, but other indicators might help us read the prevailing market winds. Let's start with the Talking Heads. Their stream of hot air is relentless, and no matter what the economic data



shows, they keep calling for the next big correction. Quite a record too, as they've predicted at least fifteen of the last two market downturns. But the Heads keep telling us that a big correction is coming this year, and that we'd be well advised to exit the markets. After all, our political dysfunction is in the early stages, stocks are at an all-time high, market growth in 2017 has been excessive, and North Korea is threatening us with nuclear weapons. The reality is that the markets have prevailed despite these headwinds, and there is an excellent chance that we will continue to experience a reasonable degree of positive trending.

We'll begin with the politics and my usual disclaimer against making political statements. There were several instances earlier this year when a tweet or a comment caused minor volatility, but the markets are showing increasing resistance to these pressures. Politics takes a back seat

to the economy, and if we can look beyond the political finger pointing and the chest thumping, we find a strong U.S. economy and increasing evidence that the global economies are finally recovering from 2008's frightening meltdown. But what about NAFTA, the Wall, (remember when the Wall was in Germany?) the Paris Accords, a resurgence of populism, social unrest

and continued job migration to emerging markets? These are all very serious issues indeed, and they invoke fundamental, conflicting, and raw emotions in all of us. But other than creating relatively minor short term volatility, they have little influence upon the market's performance. Despite the clouds of biting controversies plaguing us since November's elections, we're moving into September with the Dow still hovering around the 22,000 mark.

The financial pundits eagerly remind us that the markets are at an all-time high, and that our gains have been exceptional and excessive. To these tired old warnings, I'll offer my tired old response, that the markets are always rising except when they're not. And to the "exceptional and excessive" argument, let's see how excessive these gains really are.

(continue...)

The markets have averaged about 10% per year since WWII, so our 10-11% gain in the first eight months is certainly comfortable. But excessive was 52% in 1954, and exceptional was 43% in 1958. Our annualized returns of 13%-15% in 2017? Not so much!

How fearful should we be of North Korea's missile program, and how will the growing nuclear threat affect the stock market and our financial security? As truly horrifying as the threat of a nuclear conflict is and has always been, little has changed except for a new player in this deadliest of games. Not to be dismissive of North Korea's threats, but we've been living under a dooms day scenario since the end of WWII. Many of us recall the air raid drills in grade school. As we hid under our tables in preparation for an attack, little children in Russia were hiding under their tables too. Whether the threats emanate from Russia, China, Iran or North Korea, we can only hope that advanced military deterrence, strong alliances, and careful diplomacy will continue to prevail. But enough of this Dr. Strangelove mindset! Let's return to the first paragraph, and consider whether or not there is a reasonable basis for positive market trending.



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The latest figures show that our Gross Domestic Product (sum of all goods and services) increased more than projected in the last quarter. Inflation remains low, retail sales continue to climb, residential and commercial construction activity is strong, and unemployment numbers continue to fall. This is all very encouraging and suggests a continued positive influence upon the markets. But the ace in the hole may be the strengthening global and emerging markets. While the Dow didn't recover its pre-2008 level until the spring of 2013, many global and emerging markets have only recently demonstrated enough strength and consistency to give us grounds for optimism. For the first time since 2008, the global winds might be at our backs, increasing trade and offering the potential for positive market returns. In our next meeting, let's review the data from India, the Pacific Rim and China and discuss the relative advantages of adding modest investments to our portfolios.



positive market returns. In our next meeting, let's review the data from India, the Pacific Rim and China and discuss the relative advantages of adding modest investments to our portfolios.

Winds will shift, economies can change, and threats may become real, but until the data indicates otherwise, let's look forward to some degree of positive trending into 2018. Van Mason, CFP®, CLU, MBA

Required Minimum Distributions (RMD)



You turned 70 ½ this year. Happy Birthday! The calculation of your Required Minimum Distribution (RMD) is simple enough. There is an IRS table that shows the percentage you must take each year, based upon your IRA account(s) balance on December 31 of the previous year.

The RMD rules can get a little confusing with varying circumstances. If the distribution is not made on time, there will be a 50% penalty on the distribution that should have been made. Each year StoneRidge calculates the Required Minimum Distributions you

must take from your IRA accounts. Many of you will have already satisfied your requirements, because you are taking regular distributions throughout the year, or have taken one or more lump sums. For those of you who have not yet taken the minimum amount necessary, or have just turned 70 ½ in 2017, there is no need to call in advance. We'll be notifying you around mid-October, verifying the required distributions, and making sure it happens on time.

StoneRidge Wealth Management and LPL Financial do not offer tax advice. We suggest you discuss specific tax issues with a qualified tax advisor.

Equifax Data Breach: What Should You Do?

Last week, one of the big four credit reporting agencies, Equifax, announced it experienced a security breach resulting in criminals accessing personal information of approximately 143 million Americans between May and July of this year. The compromised information included names, addresses, Social Security numbers, and dates of birth. In some instances, driver's license numbers, credit card and credit dispute information were also compromised. This information is nearly everything that is needed to open an account in your name.



While my office does not have a direct relationship with Equifax, due to the sheer size of the breach, I felt it important to reach out and let you know what you can do to protect yourself.

First, visit the Equifax breach website at www.equifaxsecurity2017.com to determine whether you have been impacted. Keep in mind that the full impact of this breach may not be known yet, so consider revisiting the site periodically for the next few weeks.

If you are impacted, consider placing a freeze on your credit with all of the following credit reporting agencies. Freezing your credit is the only way to prevent those with your personal information from opening accounts in your name.

Equifax: https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp

Transunion: <https://freeze.transunion.com/sf/securityFreeze/landingPage.jsp>

Innovis: <https://www.innovis.com/securityFreeze/index>

Experian: <https://www.experian.com/freeze/center.html>

Consider obtaining credit monitoring services. Equifax is offering free credit monitoring to all Americans, whether impacted by the breach or not. Several companies also offer similar services for a fee. Please note that credit monitoring does *not* prevent ID theft; it simply alerts you when events occur that may impact your credit.

If you believe your information has been compromised, contact our office to discuss options to further protect your investment accounts. If you wish, we can place restrictions on your account(s) that will prevent anyone from being able to effect transactions or withdrawals without our office's awareness and approval.

Be on high alert for impersonators or phishing attempts by fraudsters. Be on the lookout for emails that appear to be from these companies, telling you that you've been impacted, or otherwise creating a sense of urgency, and to "click here" for more information. When in doubt, do not click the link. Any legitimate company will have another way for you to contact them to be sure the email is safe.

In addition, we offer you the ability to see all of your financial information in one place with WealthVision. This allows you to see any unusual account balance changes daily and customize alerts for areas of concern. We would love to get you started; please contact Heather in our office and she will walk you through each step.

As always, thank you for your business and trust. If you have any additional concerns, don't hesitate to reach out directly.

LPL Financial is not affiliated with any of the credit reporting agencies listed.

Your Personal Financial Website

Investments Page
Interactive charts and detailed views provide a clear picture of accounts.

Interactive Design
Your complete financial picture comes to life.

Intraday Price Updates
Investment prices update throughout the day, not just nightly.

Budgeting Tools
Track your progress in reaching your goals.

Financial Connections
Intuitive data entry makes it easy for you to connect your accounts.

Track Spending
Bank and credit card transactions import so you can see what you're spending. You can also create custom categories to track where your money is going.

Rewards Manager
Track frequent flyer miles, hotel rewards, and credit card points, and get alerted before they expire.

Educational Library
Review videos and articles to build your financial knowledge.

WealthVision
Powered by eMoney

HALLOWEEN PET DRESS-UP CONTEST

Pet's like Halloween too! StoneRidge announces our first annual Halloween Dress-up Contest for your pets. With their best foot (feet) forward, email us a photo of your little buddy's Halloween costume and **enter to win some great prizes for all entries. Top Three contestants win \$100 Ruth's Chris Dinner Certificates!** (you come for the dinner and bring a doggy bag home for your photogenic friend) **Entries must arrive by Nov. 5, and we will feature the winning photos in December's Quarterly Profit!**



Recently we have had the pleasure of meeting a number of your Fury Family members! If you would like to share special stories and pictures with all our clients, please send them to Amy Treat to be showcased in a Fur-ture Feature article.

GET TO KNOW OUR BOO-CREW...

Lucy (9) Labradoodle

Owner, Chantel

Lucy loves to be outside but does not like to swim or fetch. Lucy loves to be petted all the time.



Charli Girl (13) Std Poodle & Elsa (5) Maltese

Owner, Van & Anna

Charli Girl used to be a frisbee catching nut, but at 13 her jumping days are over. Now she partners with Elsa as fierce protectors of the grounds. The squirrels and deer can't stop laughing.



Obi (5) Boston Terrier & Gracie (2) French Bulldog

Owner, Amy & Rollie

Obi is a little love and Gracie packs a punch! She has a kickstand leg when she sits! Obi and Gracie love on each other and wrestle all the time.



Clifford (7), Weimaraner/Lab Mix

Owner, Heather

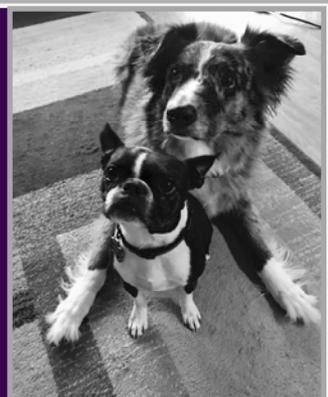
7 years old and doesn't like to get out of the car. He is a Mama's boy and likes to fight with the cat for Heather's attention.



Romeo (6) Aussie & Maggie Moo (5) Boston Terrier

Owner, Alisa & Ben

They fight like siblings, and think they are human. They love to bark at trains, or if you say Choo, Choo!



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Securities and Financial Planning Offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC



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