

Monthly Update

November 2016



Found Money

Sara B. Thomas, JD, CPA

Financial Consultant

State unclaimed property programs are holding more than \$40 billion in property that has been lost or forgotten. Could some of that belong to you?

Unclaimed property refers to accounts in financial institutions and companies that have had no activity generated or contact with the owner for a specified period of time. Common types of unclaimed property include savings or checking accounts, stocks, uncashed dividends or payroll checks, refunds, insurance payments or refunds, life insurance policies, annuities, certificates of deposit, customer overpayments, utility security deposits, mineral royalty payments, and contents of safe deposit boxes.

To protect these assets from reverting back to the company, each state has enacted some form of unclaimed property statute. These laws require companies to turn the assets over to a state official who will then make an effort to find you or your heirs. Most states hold the funds until the rightful owner is found although the property may end up in the general funds of certain states if it remains unclaimed.

So, how do you find out if a state is holding unclaimed property that belongs to you? This is easier than you might think. Even though you may receive an unsolicited phone call or mailing offering to help you recover your unclaimed property, you do not need to pay a company a fee to recover your own property. Just this week, I was meeting with a client who had received one such letter. When she contacted the company, they asked for personal information such as social security numbers. She would not share this information and was just going to let the property remain unclaimed. While she was in the office, I did a search of the Kentucky unclaimed property database and a national database of participating states, missingmoney.com

Both of these websites allow you to search for unclaimed property by your name alone. A listing of all unclaimed property in that name will be provided along with the address of record and/or source of the funds.



This information helps you to identify the listings that may belong to you. We located a listing that appeared to belong to our client based on the address of record provided and the name of the company that had escheated the funds to the state. All we needed to do was complete and submit the provided claim form with the state official and she can recover whatever funds are being held.

With the holidays approaching, why not take a few minutes to see if your state is holding unclaimed property that belongs to you or a relative?

Sara is a Financial Consultant with an extensive background in estate and tax planning. She graduated from the University of Kentucky College of Law in 1995. Sara obtained her Certified Public Accountant designation in 1997.

Key Points From Our Investment Meeting – 11/11/16

Macro Viewpoint

- US equity markets rally post election as Trump outlines his pro-growth agenda.
- The Fed seems set to raise rates in December, given continued improvement in the unemployment numbers.
- The world watches as Donald Trump becomes president elect...

Asset Class Comments

- The considerable move up in interest rates makes us wonder if the 30+ year fixed income bull market is coming to an end.
- Individuals should know the risk in their portfolios and decide if they are comfortable.
- We are now over 7½ years into this economic cycle without a bear market. Be careful and consider low to negatively correlated assets.



Performance Update

	Investment Vehicle	Total Return (%)							
		October	QTD	YTD	1-Year	Annualized			
						3-Year	5-Year	7-Year	10-Year
TRADITIONAL ASSETS									
Cash									
Vanguard Reserve Prime Money Market		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	1.0%
Fixed Income									
Domestic (Barclays US Agg)		-1.1%	-1.1%	4.3%	3.8%	3.3%	2.8%	3.8%	4.6%
Vanguard Total Bond Market	VBMFX	-1.0%	-1.0%	4.0%	3.4%	3.0%	2.5%	3.6%	4.4%
Eaton Vance Floating Rate	EIBLX	0.6%	0.6%	5.5%	2.5%	1.6%	3.4%	4.4%	3.4%
US Preferred Stock ETF	PFF	-1.4%	-1.4%	3.1%	3.7%	6.7%	6.7%	8.0%	3.9%
High Yield (Barclays US Corp HY)		-1.3%	-1.3%	10.4%	5.1%	2.4%	5.9%	7.6%	6.9%
Short Term High Yield	SJNK	-0.8%	-0.8%	10.0%	5.0%	-	-	-	-
Equities									
Domestic Large Cap (S&P 500 TR)		-1.7%	-1.7%	4.8%	3.0%	8.3%	13.2%	13.0%	6.5%
S&P Equal Weight	RSP	-2.4%	-2.4%	6.7%	4.3%	7.6%	13.3%	14.0%	7.4%
Domestic Mid Cap (S&P 400 TR)		-2.7%	-2.7%	9.4%	5.5%	6.8%	12.8%	14.2%	8.3%
Vanguard Mid-Cap ETF	VO	-3.1%	-3.1%	4.9%	2.4%	7.3%	12.8%	14.2%	7.4%
Domestic Small Cap (S&P 600 TR)		-4.5%	-4.5%	8.1%	5.8%	5.9%	13.4%	14.8%	7.6%
Vanguard Small-Cap ETF	VB	-4.1%	-4.1%	6.2%	3.6%	5.1%	12.3%	13.9%	7.4%
Developed Intl. (MSCI EAFE)		-2.1%	-2.1%	-0.5%	-3.4%	-1.4%	5.0%	4.1%	1.2%
MSCI EAFE	EFA	-2.2%	-2.2%	0.5%	-2.6%	-1.4%	5.2%	4.2%	1.1%
Emerging Intl. (MSCI EM)		0.2%	0.2%	16.2%	9.2%	-2.1%	0.5%	2.3%	3.5%
Vanguard FTSE Emerging Markets ETF	VWO	0.3%	0.3%	16.2%	9.6%	-1.1%	0.9%	2.5%	3.3%
Real Assets									
Real Estate (FTSE NAREIT US REIT)		-5.4%	-5.4%	3.7%	5.8%	9.5%	11.3%	14.8%	4.6%
Mortgage Real Estate	REM	0.6%	0.6%	20.1%	18.8%	8.3%	8.4%	8.0%	-
REIT ETF	VNQ	-5.7%	-5.7%	3.5%	4.7%	9.4%	10.9%	15.0%	5.0%
Commodities (Thomson Reuters/Jefferies CRB Index)		-2.4%	-2.4%	13.2%	-7.8%	-16.7%	-12.9%	-7.2%	-6.2%
DBC	DBC	-0.3%	-0.3%	12.0%	-0.5%	-17.9%	-12.6%	-7.7%	-5.2%
Gold	GLD	-2.9%	-2.9%	11.6%	17.1%	-0.4%	-6.8%	0.5%	6.4%
DIVERSIFYING STRATEGIES									
Hedge Funds									
HFRI WCI		-0.6%	-0.6%	3.8%	2.7%	2.5%	3.8%	4.0%	3.6%
INFINITY*	OCEAN	0.9%	0.8%	1.9%	3.2%	5.9%	7.6%	7.2%	7.6%
Boston Partners Long/Short Equity	BPLEX	-0.5%	-0.5%	11.5%	7.1%	4.9%	7.4%	9.8%	10.1%
QIM Tactical Aggressive*	QIM TA	-4.2%	-4.2%	49.5%	51.2%	15.7%	13.3%	16.2%	19.1%
Hedge Fund Plus*	HF+	-0.4%	-0.4%	13.4%	12.7%	8.1%	9.1%	10.0%	10.6%
Boston Partners Global Long/Short	BGLSX	-0.6%	-0.6%	3.2%	1.4%	4.6%	5.0%	4.9%	4.2%
Managed Futures									
Barclays CTA Index		-2.5%	-2.5%	-2.0%	-0.1%	2.6%	0.7%	1.1%	3.0%
WINTON*	WINTON	-3.0%	-3.0%	-4.2%	-3.3%	0.5%	-1.0%	0.6%	2.8%
QIM*	QIM	-1.7%	-1.7%	8.3%	9.9%	2.9%	0.3%	-1.4%	3.4%
AQR Managed Futures Strategy	AQMNX	-3.5%	-3.5%	-4.2%	-4.5%	4.2%	4.0%	2.7%	4.1%
Natixis ASG Managed Futures Strategy	ASFYX	-4.4%	-4.4%	-5.6%	-7.4%	5.6%	3.2%	3.3%	4.6%

= Benchmarks
 = Lanier Selections

* For Accredited Investors

Our Team



Mark R. Hoffman
CEO, Principal



Junius V. (Trip) Beaver, III
Co-Chief Investment
Officer, Principal



Carl W. Hafele, CFA, CPA
Co-Chief Investment
Officer, Principal



John E. Thompson
Director, Private Client
Group



Dr. Daniel L. Bauer
Financial Consultant



Sara B. Thomas, JD, CPA
Financial Consultant



Deidre M. Durbin
Chief Compliance Officer



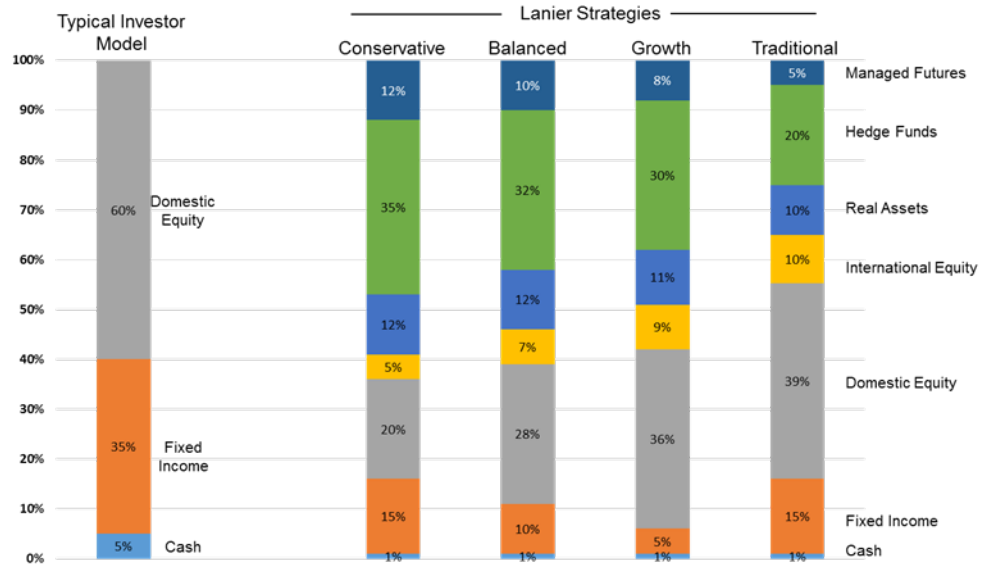
Stephanie E. Milby
Investment Associate

Building Confidence and Security in Your Financial Future



Our Approach

At Lanier, we believe that portfolios designed to deliver superior performance and lower correlation with the overall markets must decrease reliance on stocks and bonds and be complemented with a set of diversifying strategies and alternatives



Each of our clients has a unique set of needs (based on age, risk tolerance, income need, etc.) and an asset allocation model designed specifically to meet those needs. Consequently, actual client investment models can and do vary from the allocation percentages listed above.

Lanier Asset Management is an independent Registered Investment Advisory firm. Our mission: **To Build Confidence and Security in our Clients' Financial Future.** We use an open architecture investment structure to combine the best of proprietary and independent investment strategies. At Lanier, we deliver superior service and performance to our clients as a result of four distinguishing elements:

- **People:** we are an independent firm, providing objective advice from experienced investment professionals working in your best interests
- **Investment Philosophy:** we seek to smooth investment returns, providing superior investment performance and a significantly lower correlation to the overall market
 - Focus on projected returns rather than historic for all asset classes
 - Similar to the largest U.S. endowments
- **Investment Process:** combine active and passive management in traditional asset classes; complement with diversifying strategies/ alternatives
- **Conviction:** we believe in our approach – this is how we invest our own money

Past performance is no guarantee of future results. Investing entails risk, including possible loss of some or all principal. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges. It should not be assumed that your account holdings correspond directly to any comparative indices.

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