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DREAM. PLAN. GROW.

October 2017

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529 Contribution Reminder!

Don't forget to make your 2017 CollegeChoice 529 contributions by December 31st! Indiana taxpayers are eligible for a state income tax credit of 20% of contributions to a CollegeChoice 529 account, up to a $1,000 credit per year. Contribution deadlines include the following:

- **ELECTRONIC BANK TRANSFERS (EBT):** Submit before 11:59 p.m. Eastern Time on 12/29/17.
- **AUTOMATIC INVESTMENT PLANS (AIP):** Must have debit date of no later than 12/29/17.
- **BY MAIL:** Must be RECEIVED by the plan BEFORE 12/29/17 and in good order. We recommend that you allow at least 7-10 business days for mail and processing time if you choose to make your contribution by regular mail.

If you are interested in making contributions or have questions regarding your CollegeChoice 529 account, please give us a call at 260-347-2265.

** This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a rollover to another state's 529 plan or a non-qualified withdrawal.*

Third Quarter is in the Books

Large cap U.S. equities, as measured by the S&P 500, managed a total return of 4.48% for the quarter. Small cap U.S. equities also finished in positive territory for the quarter gaining, 5.67%, as measured by the Russell 2000.

International equities finished in positive territory for the fifth quarter in a row, with developed international equities ending the quarter up 5.40% and emerging market equities ending the quarter even higher at 7.89%, as measured by the MSCI EAFE Index and MSCI EM Index, respectively. Year-to-date performance in the international equity markets have easily outpaced the performance in the U.S. equity markets.

The U.S. bond market posted a return of 0.85%, as measured by the Barclay's US Aggregate Bond Index.

Index	Q3 2017 Return	Index Description
S&P 500	4.48%	Tracks 500 leading large cap companies in the U.S.
Russell 2000 TR	5.67%	Tracks 2000 of the smallest companies in the U.S.
MSCI EAFE NR	5.40%	Tracks 21 developed international equity markets including France, Germany, Spain, the U.K. & Japan
MSCI EM NR	7.89%	Tracks 25 emerging market counties including China, India, Brazil, Mexico, Russia, Turkey & Greece
Barclays Aggregate Bond TR	0.85%	Tracks investment grade bonds trading in the U.S.

Lessons for the Next Crisis

It will soon be the 10-year anniversary of when, in early October 2007, the S&P 500 Index hit what was its highest point before losing more than half its value over the next year and a half during the global financial crisis.

Over the coming weeks and months, as other anniversaries of major crisis-related events pass, there will likely be a steady stream of retrospectives on what happened, as well as opinions on how the environment today may be similar or different from the period leading up to the crisis. It is difficult to draw useful conclusions based on such observations; financial markets have a habit of behaving unpredictably in the short run. There are, however, important lessons that investors might be well-served to remember: Capital markets have rewarded investors over the long term, and having an investment approach you can stick with—especially during tough times—may better prepare you for the next crisis and its aftermath.

BENEFITS OF HINDSIGHT

In 2008, the stock market dropped in value by almost half. Being a decade removed from the crisis may make it easier to take the past in stride. The eventual rebound and subsequent years of double-digit gains have also likely helped in this regard. While the events of the crisis were unfolding, however, a future of this sort looked anything but certain. Reading the news, opening up quarterly statements or going online to check an account balance were, for many, stomach-churning experiences.

While being an investor today (or during any period, for that matter), is by no means a worry-free experience, the feelings of panic and dread felt by many during the financial crisis were distinctly acute. Many investors reacted emotionally to these developments. In the heat of the moment, some decided it was more than they could stomach so they sold out of stocks. On the other hand, many who were able to stay the course and stick to their approach recovered from the crisis and benefited from the subsequent rebound in markets.

It is important to remember that this crisis and the subsequent recovery in financial markets was not the first time in history that periods of substantial volatility have occurred. Other crises include the Stock Market Crash in October 1987, the U.S. Savings and Loan Crisis in August 1989, the Asian Contagion in September 1998, the Dot Com Crash in March 2000, and the September 11th terrorist attack in 2001.

Although a globally diversified, balanced investment strategy invested at the time of each event would have suffered losses immediately following most of these events, financial markets did recover in each of these crises. In advance of such periods of discomfort, having a long-term perspective, appropriate diversification and an asset allocation that aligns with their risk tolerance and goals can help investors remain disciplined enough to ride out the storm. A financial advisor can play a critical role in helping to work through these issues and in counseling investors when things look their darkest.

CONCLUSION

In the mind of some investors, there is always a “crisis of the day” or potential major event looming that could mean the beginning of the next drop in markets. As we know, predicting future events correctly, or how the market will react to future events, is a difficult exercise. It is important to understand, however, that market volatility is a part of investing. To enjoy the benefit of higher potential returns, investors must be willing to accept increased uncertainty. A key part of a good long-term investment experience is being able to stay with your investment philosophy even during tough times. A well thought out, transparent investment approach can help people be better prepared to face uncertainty and may improve their ability to stick with their plan and ultimately capture the long-term returns of capital markets.

Required Minimum Distribution Reminder!

What is a required minimum distribution (RMD)? An RMD is the minimum amount that a retirement plan account owner must withdraw annually starting with the year that he or she reaches 70½. RMD rules apply to employer sponsored retirement plans (such as 401k, 403b and 457 plans) as well as Traditional IRAs, SEPs, SARSEPs and SIMPLE IRAs.

Dekko Investment Services will be contacting all clients who have yet to take their RMDs. We want you to avoid the stiff penalty that the IRS imposes if an RMD is not taken by December 31, 2017. The penalty imposed by the IRS requires a 50% tax on the amount not distributed. To avoid this, we will work with you to ensure your RMD is taken by year end.

Wishing you a Profitable Fall,

Erica D. Dekko, CFP®

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The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance reference is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Stock investing involves risk including loss of principal.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price.

Portions of this newsletter have been prepared by Dimensional Fund Advisors.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

The Morgan Stanley Capital International ('MSCI') Europe, Australia, Far East Index ('EAFE') is an unmanaged index of over 900 companies, and is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas markets included in the index on a U.S. dollar adjusted basis. The index is calculated separately: without dividends, with gross dividends reinvested and estimated tax withheld, and with gross dividends reinvested, in both U.S. dollars and local currency.

The Morgan Stanley Capital International ('MSCI') Emerging Markets Index adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group, in global emerging markets countries. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indexes: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

The Barclays Capital U.S. Aggregate Index is comprised of the U.S. investment-grade, fixed-rate bond market.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

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