

Market Recap Q4

In 2018, US investors experienced negative returns in almost every major asset class. The exception was US bonds which had a 2018 return of 0.0%.

As we begin 2019, the US economy looks remarkably healthy.

- Unemployment is at a 50-year low and still falling
- Inflation seems well under control
- Leading economic indicators are still positive and do not show a recession on the horizon
- Economic growth is slowing but still growing

For those investors particularly concerned about the volatility they are experiencing in their portfolios, a conversation with their advisor could be particularly helpful. Discussing prudent steps within their overall financial plan could be reassuring and helpful to staying the course which is often the best course of action.

Jerry Chafkin – AssetMark CIO

Index	Q4 2018	YTD 2018	5 Year	10 Year
S&P 500	(13.52%)	(4.38%)	+8.49%	+13.12%
MSCI ACWI	(12.45%)	(9.42%)	+4.20%	+9.46%
Barclays Global Bond Agg	0.91%	(2.15%)	(0.01%)	+1.74%
Bloomberg Commodity	-9.41%	(11.25%)	(8.80%)	(3.78%)

Clark Capital Benchmark Review

Sister Gets The Money – Not What He Intended!

A charity that I am especially close to was notified a few months ago of a bequest in a lovely man’s will. The money was to be disbursed soon but unfortunately the charity was just informed that, although it was intended they receive a sizeable bequest, it was not to be.

The bulk of the benevolent man’s assets were in his 401k. He had named his “estate” as his primary beneficiary. He and his attorney felt sure that upon his death the assets would be sent to his estate and disbursed to the charities as was so stipulated in his will. The 401k plan administrator deemed naming the client’s “estate” as his primary beneficiary meant disbursing to his “next of kin”, an estranged sister the man hadn’t spoken to in 20+ years. Hugely disappointing for the charity and not the intent of this kind man.

ACTION – Leave Nothing to Chance!

1. Review your beneficiaries annually and/or when life changes occur, i.e. a beneficiary pre-deceases you, your desires change, divorce occurs, you get sick, etc.
2. Call and discuss with your 401k administrator how they will disburse your funds at your death. Have you named your beneficiaries in the right way with the administrator? If not, make the necessary changes.

For more in depth information on this very important subject, read my upcoming blog on our website, Facebook or LinkedIn

Important Tax Dates

April 15, 2019:

- Last day to contribute to tax-advantaged accounts (IRA, HSA, etc.)
- Last day to file completed tax returns or file for an extension

Form	AssetMark Trust	Pershing
1099-R	January 31	January 31
1099	February 28	February 15- March 15
Revised 1099	Mid to Late March	Mid to Late March

Crush Your Resolutions – Research Can Help

January – the time of year everyone starts thinking New Year – New Me. Oh to be more fit, save more money, be kinder, accomplish more. Resolutions are based on habits, the good ones and the bad ones. Research has shown that there are strategies you can use to make those habits stick.

1. Think big – What change would you be most grateful for next New Year’s Eve? Pick a “theme” that would make you happy. Say you want to “reduce stress” and you try meditating 10 minutes a day, but you hate it. You don’t have to abandon the resolution – you could try yoga instead.
2. Be patient – Don’t just try to “break” bad habits, find the cues and rewards that go along with them. You crave a cookie every afternoon. Is that because you are hungry or bored? If it is because you are bored, time to get up and take a short walk.
3. Break it down – Break down the steps to forming a habit into small chunks and build on them. If you want to read more, read a page a day – slowly build to a chapter.
4. Embrace rewards – Every habit should have an immediate reward to make you want to repeat it. Volunteer to build trails if you love the outdoors and hiking. Don’t volunteer at the animal shelter if you are afraid of dogs.
5. Prime your environment – The people who have the most success are those that are tempted the least. Unplug your TV, don’t go to the mall, clean out your candy drawer.
6. Plan to fail – No one is perfect; have a plan- what’s next, what’s my recovery? Write down obstacles and how to overcome them.
7. Celebrate often – Celebrations can actually change your memory of an experience and make it more positive. If you pass an exam – share the good news with friends. If you have a great workout – take a sweaty selfie.

Be kind to yourself – you will more than likely stumble. Just remember habits are not a finish line to be crossed, they are a lifestyle to be lived.

Credit to Susan Shain – NY Times

Disclaimer: This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events. Index returns are for illustrative purposes only. Indexes are unmanaged and cannot invest directly in an index. Past performance does not guarantee future results.

11900 NE 1st Street, Suite 300, Bellevue, WA 98005 • (425) 214 – 7579 • www.kshadvisors.com

Client Corner – Steve and Linda



Kayaking in Florida

What's not to like about a dirt bike riding girl raised on a mink farm and a surfer dude from Southern California whose favorite childhood memory was seeing the moon rock? He thought she had beautiful hair, an outgoing personality and a great and welcoming family. She thought he was pretty darn good looking, always said nice things and loved that they had so much in common. But, she played hard to get right up until the moment her sister-in-law asked if she could introduce Steve to her sister. "Over my dead body!"



Alaska



Margaritaville

The priest called it during pre-marriage counseling when he told them, "You guys are going to make it!" Having celebrated their 30th Wedding Anniversary last summer, I guess he was right. Linda and Steve attribute it to their mutual enjoyment of each other, shared interests of almost all outdoor athletic pursuits and traveling. They LOVE to travel.

So when Steve was diagnosed with a brain tumor 5+ years ago, it was especially brutal. These guys are hitched at the hip. I vividly remember Linda saying to me, "He's my best friend. I really like him and genuinely enjoy spending time with him. He can't die." Recently when I asked what he liked about her, he said simply, "She's my best friend."

"In the beginning, it didn't seem real. I didn't feel sick. How could I have cancer?" But he did and after a year of treatments, he decided he was going to live a long time so he got back to living and setting goals. For Linda, it was tougher. She worked with someone whose family member recently died of this type of cancer. She couldn't escape it, either at home or work. She had no control and she didn't like it. So, she got busy. She researched the best doctors and treatments, made some job changes and made new travel plans.

Today, Steve is happy. He water skis year round, feels great (regular MRIs confirm that) and his beautiful wife is by his side. Linda agrees, "Life is good but different." Every 5 months, at MRI time, it's hard, "like a grenade in your pocket". And, everyone agrees Steve is more outgoing than ever before.

They will soon celebrate Linda's retirement at age 60, (a shared life-long goal) and are making plans for more travel and adventures. African safari, time in Europe and US travel with friends. Life is precious!



Doing what they love....

Kathy's Corner

Life is a funny thing. You're in physical therapy for a foot issue and the next thing you know a neurosurgeon tells you "surgery within 4 weeks" for "sinister" spinal compression. Nah – really?

That was my situation a month ago. Turns out the normal aches and pains you attribute to normal aging and a little arthritis, had a more sinister genesis. My spinal column was being compressed at C4, C5, C6 and it had to be addressed immediately. So, like everyone does, you get second opinions, talk to your network, do some research and ask your surgeon hard and direct questions like "convince me why you are the best person for the job?"

Now, on the other side of the surgery, I am happy to report that I am well on the mend. Taking it as slow as I can (not easy), making some life modifications, wearing a strong neck brace to remind me of my limitations and hiring a dog walker for the time being (what a luxury!).

I have decided my theme for 2019 is "grateful". I am grateful for excellent medical care and insurance coverage, grateful to know I have dodged some potentially life altering events, grateful for clients, friends and family who are supportive and caring and finally, grateful for a new year ahead of opportunities, adventures and our son's upcoming wedding. Life is good!