



The ASSET
PRESERVATION
GROUP, INC.

Estate, Tax and Retirement Planning Specialist

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Dear Valued Clients,

We just thought we would pass on a few ideas and comments, both current and past, to you at this time. It seems that all the “noise” created by the news media may have a lot of people very anxious, distraught and worried! See our P.S. at the bottom of this letter.

We are certainly in the “unfavorable” period – usually the second and third quarters of the year – as the markets have been all over the place. The DOW was barely up for the quarter while NASDAQ soared. The kinds of markets we have been in YTD have been very difficult for most tactical managers to keep from getting whipsawed frequently. Their programs/strategies are computer driven and the signals just keep changing too frequently.

The following two comments are more about the media than about politics.

What affect will the trade wars with China have on the USA? Are we indeed in a trade war? The same goes for the EU. Trade war or not? I believe that the USA has been in a trade war for decades with foreign countries and losing. Why not try to level the playing field and stick up for our country’s companies. Again, it seems the news media is more concerned about sensationalism and entertainment rather than being informational.

Is Russia going to affect our mid-term elections? Did they affect the 2016 election? It seems to me that most countries around the world try to affect the elections of other countries all the time (we do too) – so what’s new? Again, the media seems to be more concerned about ratings.

“Don’t take life too seriously. You’ll never get out alive.” Bugs Bunny

Oil prices should be lower. More production should mean lower prices, but that is not happening. Oil prices affect most produced goods one way or another, so this is important and investors are a little jittery right now.

On the positive side, our fundamentals are still good, manufacturing is strong, inventories are stable, inflation is measured, interest rates are rising slowly to a more normal level, corporate earnings are still strong, etc.

So, what’s out there to worry about? Global events to be sure, but most world economies are still showing resilience. However, we have been in a very long bull market in spite of all the turmoil along the way keeping everyone on edge. The longer this bull market keeps rising the closer to a big correction/recession we get and the steeper it would be. THAT has many concerned, but enjoying the ride for now. Every once in a while, we hear/read about a manager or economist saying that they are getting out and/or shorting the markets, but so far it’s just a few – but more than we’ve had in the past. Just one more thing for us to keep an eye on.

While our tactical managers are getting whipsawed right now, they are positioned, and have the strategies in place, to protect our clients against major stock market losses. That’s why we have them – as insurance protection for the “what ifs”. As usual, we will stay on top of events to make sure we are prepared for any changes that might be necessary to protect your retirement goals.

“Obstacles are what you see when you take your eyes off the goal”

Remember, for those over 70 ½ and having to take your IRA RMDs, you can “donate” your RMD to a qualified charity (church, organization, food bank, etc.) and save income taxes on those dollars. If you are already giving to these organizations, why not do it with pre-tax dollars? Want to learn more? Give us a call.

Also, remember it is a good idea to protect yourself when you travel. Make a copy of your passport, driver's license and medical health cards and put them in an envelope with a copy of your medical power of attorney inside the lining of each suitcase. This way, whenever you travel by car, plane, boat, etc. you will always have your necessary documents with you!

Another item worth considering: please make sure your adult children, single or married, have their Wills and Powers of Attorney drafted properly. While we always think that our children will outlive us, sometimes it doesn't work out that way, and the hardships it creates are enormous. Avoiding probate makes it a little easier.

As you know, the 4th quarter last year was spent moving all our clients to PKS when NPC was sold. The first quarter of this year was spent moving assets to TD Ameritrade, the custodian for our RIA. Now, since April, we have been enduring an audit by the Securities Exchange Commission. We had a 16-page inquiry to provide all kinds of documents, then a two day on-site visit and now more specific requested documents. This might be followed by another one-day visit and then the final summation by the two investigators. It has required a tremendous amount of research and work by all of us, so we thank you for your patience and understanding during this period. We have every reason to believe we will come through this exam with very positive results, but it may take another month or so.

Thank you for your greatest compliment – referring us to your friends and acquaintances!!! Thank you to those who have done so in the last several months – *we appreciate your trust and confidence!*

Mark, Mike, Russell, Steve, Steve & Gina

P.S. Our gratitude to this lady from Ann Arbor, Michigan for putting it so well!

“HERE IS HOW I COPE WITH MY ANXIETY: I turn off the TV and put down the newspaper. I go for a walk, talk with friends, read a book or take a nap. There are disadvantages to being plugged in all the time. You set yourself up for panic attacks and ulcers. So instead of being driven to taking antianxiety medicine, just unplug. You'll be amazed.”

Amen!

Enjoy your summer!