

Market Recap Q2

The current rally in the US stock market is now in its 9th year and appears to be on track to become the longest in US history.

From its official start on March 9th, 2009, the current rally has returned a whopping 302% from the market's low... and has grown uninterrupted by a decline of 20% or more.

This presents a double-edged sword for investors. Although grateful for the rewards provided, investors are anxious about what they can look forward to in such an old rally. This anxiety may be especially acute today with global equity markets having returned (0.8%) for the first half of 2018, when for the same period last year they had already returned +11.8%.

Investors may be fretting about this geriatric market, assuming death is near and debating whether the cause of death will be:

- Rising interest rates
- Excessive valuation
- Trade policy

But market returns are not earned evenly over time and and debate over the cause of death seems highly premature given the economy doesn't currently seem to be suffering from any of the above illnesses. Like people, market rallies don't die because they're old, they die when an illness becomes acute.

Jerry Chafkin – AssetMark CIO

Index	June 2018	Q2 2018	YTD 2018
S&P 500	+0.62%	+3.43%	2.65%
MSCI ACWI	(0.54%)	+0.53%	(0.43%)
Barclays Global Aggregate	(0.38%)	(2.85%)	(1.86%)
Bloomberg Commodity	(3.50%)	+0.40%	0

Clark Capital Benchmark Review

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.

Annuities

Annuities, a life insurance contract, were first developed to provide guaranteed income payments to individuals during their retirement years. In their purest form, they still do. However, there are many more iterations and bells and whistles today and this makes it hard to know what you are truly buying. In the end, they can be right for some but they are certainly not right for everyone.

Who could consider an annuity? Primarily, I think those who fret and worry that they will run out of money in retirement or constantly worry about fluctuations in their retirement account values and/or simply want to create a consistent and predictable income stream. For such people, annuities could be one tool in the tool kit to consider (for a portion of their assets).

For instance, I had a client who wanted to cover their basic retirement expenses with guaranteed income sources and their social security benefits were not sufficient. Thus we discussed utilizing an annuity, in conjunction with their social security, to cover those basic needs in full. They still maintained a significant retirement account balance accessible in an emergency with the potential to provide a long term inflation hedge. But now they knew, regardless of what happened, (subject to the financial strength and claims-paying ability of the issuer) their basic needs were covered. Mission accomplished? For this couple, I think so.

But, the guarantees can come with some potentially significant drawbacks and high fees. If we have not discussed annuities yet and you have some questions and interest on the subject, I hope you will give me a call soon.



You Need An Estate Plan For Your Digital Assets

Computers, the internet, and smartphones have become critical tools for all of us. A Pew Research foundation study showed that 25% of all U.S. adults are constantly online and 77% are online daily. The internet has become a basic tool for us and more and more of our personal and financial information is stored online. Those items we have stored include email accounts, online banking and brokerage accounts, frequent flier miles or cash back credit card accounts, Facebook and other social media accounts, even photos. It is important to include these assets in your estate planning documents.

Due to federal privacy laws, most internet companies won't assure access to your assets unless arrangements have been made in advance. RUFADAA (Revised Uniform Fiduciary Access to Digital Assets Act) is a statute that most states have adopted addressing this issue. Under this statute, the digital property owner can give authorization to family or fiduciaries to access and manage their digital assets.

So, decide who you want to manage such assets – it could be one or several people. Next, organize your digital assets. Make a list of your digital assets, don't forget computers and mobile devices, including user IDs, passwords, owned internet domain names or blogs which are intellectual property. This list should be securely stored, updated frequently and periodically shared with your entrusted parties.

Consult an estate attorney and add language to your will and power of attorney so your executor or agent can access and handle your digital assets. Do not include access data to your online accounts, such as usernames or passwords in your will as it becomes a public document upon your death. Be sure to review the policies of your online service providers surrounding death or disability. The instructions in your will should match the information provided to the online service provider or they might not accept the terms in your estate planning documents.

Proactive planning will help to preserve the legacy you have created in digital form and your family will thank you.

Client Corner – Detria and Erin

Wholesome and physically fit parents to Lauren, Erin and Detria work hard to stay fit so they can model an active lifestyle for their daughter. Engaging and warm, the couple has enjoyed professional success too. Detria (a once aspiring model) was recently part of her bank’s market-



ing campaign, including being “the face” on local billboards and commercials! And Erin, a Pharmaceutical quality control manager, played college basketball on scholarship, joined the army and finished up her degree playing ball while utilizing the GI Bill. Impressive!

When Erin moved back from the South, Detria, a born and bred “southern” gal, came too. Whereas the South is “hot and flat” the Northwest is green and lovely and

facilitates their outdoor lifestyle. They take full advantage of our area’s proximity to state and national parks and get outside whenever they can. And, I take full advantage of their experiences to add to my own list of “must take” hikes.

What makes a good hike? The “Wow” factor! Thus it is no surprise that the North Cascade’s Maple Pass Loop hike is a family favorite. The trail initially takes you through dense forest and then “WOW” – it opens up to a hiking ridge that loops around the lake below. “You’re awe-struck!” Whether wildflower meadows, snow fields dotting the hills, mountains in the distance or Lake Ann with its tiny island and gorgeous blue water below, everywhere you look is spectacular. Despite burning legs, such incredible beauty made the hike worthwhile. Further afield, they love the Avalanche Lake hike in Glacier for much the same reasons.

“What’s next” you ask? If you ask the parents, it’s more trips to the national parks, specifically Utah and N. Arizona. “When you



go to a national park you understand why it has that status. They are really spectacular and usually allow for people of all ages, health and mobility to enjoy.” They have found the trails safe and well maintained along with plenty of lodging choices for those who prefer, like them, “not to rough it”.

If you ask Lauren, her “bucket list” trip is Australia. Not entirely surprising, since one of the family favorite trips was Maui where Lauren first snorkeled and surfed. So, like all families, you begin to save for these special trips, research and plan. With 4 years to go, they have plenty of time and intend that Lauren will take the lead on some of the preparations. After all, this is her “bucket list” trip.



Elizabeth’s Corner



Several weeks ago, my family and I travelled east to watch my oldest son’s incredible First Regimental Formation ceremony. Watching these “Quiet Professionals” march, into the auditorium, led by bagpipes, across the stage and finally don their Green Berets for the first time was a moving experience. They have worked hard and sacrificed a lot to achieve this honor.

Looking back, I can see all the signs of his future career. A picture of him as a baby with a camo uniform including a Special Forces beret, so many little green army men in the house, in the yard – giant bins of them along with many G.I. Joes. Always playing soldier... I should have known. His commitment to his

goals has been inspirational to me and I am extremely proud.

Do I worry? Of course! Many trainings, including long periods without connection, make for trying times. I know “It’s Classified” will be a fact of life for a long time, but it is not easy. Knowing he will deploy quietly and frequently, worries me. However, my strength lies in the fact that he is one of the best trained, best equipped soldiers in the world. Not only a soldier but a diplomat as well – the crux of his job being to teach and educate foreign forces on peace-keeping, counter-terrorism, even hostage rescue. “De Oppresso Liber”

What is the hardest thing for me? Saying goodbye – I always choke up. But we all need to be strong. It is important for him to know all is well at home when he is doing his job. My parting words will always be, “Be Safe, Love, Mom”.