

Travel & Adventure *by Gina Pafundi*



If you're lucky, you find a place that becomes 'your spot'. If you're really lucky, that spot is in your own backyard! I was sure my best tent camping days had already come and gone, but Mother Nature proved me wrong when I moved up to the Pacific Northwest! When we discovered Lake Merwin and Cresap Bay Recreation Area, I knew there were plenty of adventures still to come. Perfectly nestled in the foothills of Mt. St. Helens, Lake Merwin's crystal clear waters and beautiful landscape absolutely takes your breath away! We love our lakeside campsite and the community of friends we share our time with each summer. Nothing works up an appetite for camp fire food better than floating on the lake with friends! #happytotentcamp!

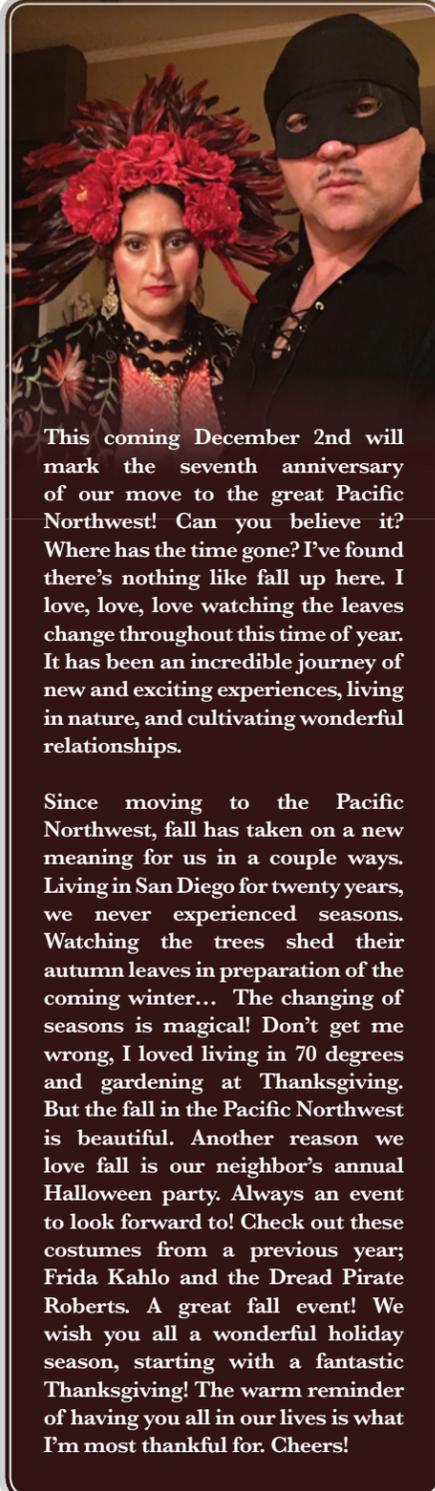


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the synapses, which are crucial in helping nerve cells communicate. But Bredesen believes that amyloid is only produced after the brain is invaded by pathogens. The amyloid buildup is simply a protective mechanism, he says, and when its production goes into overdrive, the synapses are destroyed and Alzheimer's develops.

The goal, then, is to prevent the invasion of the brain by pathogens—or to reverse it if it's already started.

How can we protect our brains? Bredesen says cognitive decline can be the result of any of three dozen factors—or "holes in the roof," as he terms them. By abandoning the one-size-fits-all approach to Alzheimer's, we can guard against many of these factors on an individual level through lifestyle practices such as better sleep, lower stress levels, more activity and changes to diet. We can also correct imbalances when they occur.



This coming December 2nd will mark the seventh anniversary of our move to the great Pacific Northwest! Can you believe it? Where has the time gone? I've found there's nothing like fall up here. I love, love, love watching the leaves change throughout this time of year. It has been an incredible journey of new and exciting experiences, living in nature, and cultivating wonderful relationships.

Since moving to the Pacific Northwest, fall has taken on a new meaning for us in a couple ways. Living in San Diego for twenty years, we never experienced seasons. Watching the trees shed their autumn leaves in preparation of the coming winter... The changing of seasons is magical! Don't get me wrong, I loved living in 70 degrees and gardening at Thanksgiving. But the fall in the Pacific Northwest is beautiful. Another reason we love fall is our neighbor's annual Halloween party. Always an event to look forward to! Check out these costumes from a previous year; Frida Kahlo and the Dread Pirate Roberts. A great fall event! We wish you all a wonderful holiday season, starting with a fantastic Thanksgiving! The warm reminder of having you all in our lives is what I'm most thankful for. Cheers!

What's Happening Now



by James Pafundi

There is a lot we can learn from Warren Buffett, who many consider to be one of the greatest investors of all time. To me, one of the most important lessons, and there are many, is that there are no called strikes on Wall Street. In other words, in liquid markets, you are not penalized for "missing" a trade. You're going to get another try tomorrow. That lesson took me many years to finally understand and it is something that has helped me tremendously.

Think about this: you're a right handed hitter and a lefty pitcher back-doors a curve ball for a strike. It wasn't your pitch, but it's a strike against you. Even worse, the umpire may call a strike you felt was too low, or high, or away. Again, it wasn't your pitch. In fact, it wasn't even a strike. But it still counts against you.

Fortunately in the markets, we don't have that problem. If we don't like a pitch, we don't have to swing. We can literally stand there all day in the batters box and watch pitch by pitch go by without any consequence. We have the advantage of waiting for our perfect pitch.

Waiting for opportunities like this requires the patience to sit there watching many imperfect pitches pass you by. That "FOMO" (Fear of Missing Out), can be detrimental to your returns. Why chase? Why blindly bottom-fish? Why not wait for the

perfect pitch and THEN swing for the fences? With responsible risk management procedures, this is the approach we want to take.

The financial media wants you to believe that there are perfect pitches all the time. They even go out of their way to try to make you feel stupid for not participating in certain trades or investments. Don't let that get to you. They're just there to sell ads and try to increase page views. They don't care about your portfolio. That's not their problem. We are responsible for ourselves and our families no one else.

There is nothing wrong with raising cash and having it ready for that perfect pitch. Why? Because the great Warren Buffett taught us, "There are no called strikes on wall street."

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In our last newsletter, we wrote about Ellen's departure from the office. However, as many of you already know, we just couldn't let her go! After a short break, we've asked Ellen to return to our office on a part time basis as our operational assistant. We're proud to work with her again, and she's excited to continue putting her skills to use for you!



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Home Equity & Total Mortgage Debt

by James Pafundi

Following the debacle of the housing crisis from ten years ago, homeowners have become less ambitious and more conservative. Equity levels in homes across the country have respectfully increased past mortgage debt levels over the past few months. The latest data from the Fed shows that household equity is now approaching \$16 trillion, exceeding the level of mortgage debt standing at \$15.1 trillion.

Contributing to the rise in home equity includes rising real estate values, a sustained low rate environment, limited housing supply, and an improving economic environment.

The amount of mortgage debt held by homeowners has not yet returned to the levels seen since before the housing crisis. Homeowners have become more conservative and less ambitious as they were during the crisis. Americans are also staying in their homes longer which helps build equity faster as opposed to moving and taking out a new loan laden with fees and interest payments. The Fed report notes that homeowners are taking much less equity out of their homes relative to the crisis period. The Fed data has also identified that more cash buys are prevailing throughout the market, helping to somewhat reduce the reliance on mortgage loans.

Sources:
FRED; Federal Reserve Bank of St. Louis

Products Exempted From New Tariffs..... For Now - Trade Policy

by James Pafundi

Of the 5,745 products that have been tagged with tariffs as they arrive in the U.S. from China, a handful have been omitted from tariffs. Among the exempted products are ibuprofen, barite, fluorine salts, and smartwatches.

As newly imposed tariffs became effective in late September, numerous industries and companies have realized how vulnerable the U.S. is to various products and materials exclusively supplied by China.

Fluorine salt, an essential chemical used to manufacture electrolytes for electric car batteries, is exempt from tariffs for the time being. Certain auto manufacturers and battery manufacturers located in the U.S. lobbied heavily to keep the chemical off the tariff list.

The mineral barite is used widely in the U.S. energy industry for the purpose of facilitating the use of drilling fluids in oil and gas exploration.

Department of Commerce data reveals that 90% of ibuprofen consumed in the U.S. is imported from China. Even though actual pills and tablets are produced in the United States, the key ingredient is imported directly from China. Various medical groups lobbied to have ibuprofen exempt from tariffs since it is widely used as a safe and easily available medication.

Because of its broad medical application, the World Health Organization has placed ibuprofen on its list of Essential Medicines.

A range of businesses from enormous energy companies to smaller suppliers of specialty parts have lobbied for tariff exemptions ever since the tariff wars began. Many have agreed that China has become an indispensable supplier of many raw and essential products used in the U.S. China has become a global producer of relatively obscure industrial commodities used in a host of numerous products, which the U.S. has become increasingly reliant on.

Recently imposed tariffs currently affect about \$250 billion of Chinese imports, with an additional \$267 billion proposed by year end. China has thus far retaliated with \$110 billion in tariffs on U.S. products, yet exempted certain products such as oil. The ratio of trade between the U.S. and China stands at 4-to-1, meaning that for every 4 Chinese products the U.S. buys, China buys 1.

Source: Commerce Department, World Health Organization

The economic forecasts set forth in the presentation may not develop as predicted.

Equity & Total Mortgage Debt (Trillions) 2014-2018



Book Corner

by James Pafundi

“The End of Alzheimer’s”
by Dale E. Bredesen, MD

The statistics are sobering. More than five million Americans have Alzheimer’s disease, and that toll could rise to 16 million by 2050. Perhaps the scariest fact of all is that every 66 seconds, someone in the US develops Alzheimer’s.

It doesn’t have to be so, says Dale E. Bredesen, MD. His new book, “The End of Alzheimer’s,” bears the bold subtitle, “The First Program to Prevent and Reverse Cognitive Decline.”

His Alzheimer’s prevention program is based on lifestyle changes to guard against or even reverse the disease—and it runs counter to prevailing wisdom in the medical community.

Bredesen is well known in his field. He’s a professor of neurology at UCLA and the founding president of the Buck Institute on Aging.

Bredesen’s concept of how Alzheimer’s develops differs from the traditional view. For decades, he says, many experts have clung to the amyloid hypothesis. They believe that Alzheimer’s disease occurs when sticky plaques made up of the protein amyloid-beta accumulate in the brain. In this model of the disease process, the amyloid-beta destroys

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What’s Cooking

by Gina Pafundi

Food trends will always come and go, but one that recently had me on the fence was cauliflower rice. Even after some experimentation, I was still unsure. Until I found this recipe! Add a runny egg and you have my husband’s favorite breakfast, or include it in your next taco Tuesday for an instant hit! We’ve all heard the age old adage to ‘eat your

vegetables’, and now it’s tastier than ever. A one-cup serving of cauliflower has roughly 80% of your daily vitamin C! Wow! This dish is a great way to avoid traditional rice if you’re living with diabetes, high insulin, or just want a healthier alternative. Give this recipe a try; I know you’ll enjoy it as much as we do!



Cauliflower Rice

Ingredients:

- 2-3 tablespoons of olive oil
- 1 large white or yellow onion, chopped
- 5-6 cloves of garlic, chopped
- 1 bag of cauliflower rice
- 2-3 cans of black beans, rinsed
- 1 large jar of salsa verde (or 2 smaller ones, if needed)
- 1 bunch of cilantro

Note:

Cauliflower rice is readily available in the freezer section of most grocery stores. You can also easily make your own. Grate large florets on a box grater, finely chop with a chef’s knife, or pulse small batches in a food processor. Pick the method that best suits your needs and tools!

Directions:

Heat olive oil in a large skillet over medium heat. Add chopped onion and sauté for about 4-5 minutes, then add chopped garlic. Add cauliflower rice and sauté for about 10 minutes. Add black beans and salsa verde. Stir to combine and continue sautéing for about 5 more minutes. Turn to low and simmer for about 15 minutes. Once cooked through, add salt and pepper to taste and top with chopped cilantro! Enjoy.

