



## As I see it—Fall 2017

This time of year can seem quiet, with summer vacations and back to school behind us, but the buzz of the holiday season still a few weeks away. Although this sense of calm may be a welcomed break, there is plenty of activity in the U.S. and around the globe that could impact markets through the end of the year.

Potential policy changes in the U.S. continue to garner attention, as Republicans in Congress work toward tax reform with an aggressive goal of getting a package on the president's desk by New Year's. Although success is far from assured, progress has been made toward securing a 2018 budget resolution in the House and Senate in order to pave the way for tax reform via the reconciliation process, which enables passage with only 50 votes in the Senate, rather than 60.

Should Congress pass a budget resolution, several factors increase the odds of a successful tax deal. Republicans are seeking a signature win after unsuccessful attempts at healthcare reform, and there is general agreement across the party that tax reform is needed. In addition, there are a large number of elements of the tax code that present negotiation opportunities to secure the toughest votes. Markets have exhibited sensitivity to tax reform's prospects, so we will be watching progress closely.

Third quarter earnings season is also underway and we expect solid results relative to expectations, given the strong recent manufacturing data and resilience of analysts' estimates over the past month. Although earnings growth for S&P 500 Index companies is expected to slow in the third quarter from the double-digit pace in the second quarter, mid-single-digit earnings growth would be a good outcome considering insurers' losses from Hurricanes Harvey and Irma and disruptions to economic activity in Houston and the Florida coast. Expectations are for particularly strong results for the energy and technology sectors.

Global central banks remain a focus for investors as well, and the calendar from late October into early November is jam packed with central bank meetings. No significant changes are expected from the Federal Reserve (Fed); however, the next Fed chair is expected to be announced on November 3, prior to the anticipated rate hike in December. Some of the candidates are more hawkish than others, suggesting that the news could easily be market moving. Regardless, further rate increases—even if gradual—and tightening labor markets are likely to put some upward pressure on inflation and interest rates in coming months and perhaps provide support for the U.S. dollar.

Along with the Fed, the European Central Bank (ECB), the Bank of Japan, and the Bank of England (BOE) will all meet over that same one-week stretch (October 26 through November 2)—putting global monetary policy front and center. We may get more guidance on the ECB's plans to taper its bond purchases, while the BOE will likely respond to the latest pickup in inflation in the U.K. There is some risk for markets as global monetary conditions tighten and the global economy increasingly stands on its own, so this will be a key development to watch over the next several months and throughout 2018.

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While it has been a relatively quiet year for markets, with no major pullbacks in the broad stock market, it remains important to monitor events around the globe that could be catalysts for change. In the midst of the fourth quarter, and with the busy holiday season approaching, let's remain mindful of these developments without letting them distract us from our long-term goals.

As always, please contact me with any questions you may have.

Let's make it a great quarter.



David E. Purdy

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**Purdy Residence  
Friday, December 8, 2017  
2:00-6:00 pm**



**Summer Cooking Parties  
At The Purdy's**



From the Desk of Chad Olson, President/Operations Manager:

**Who pack's your parachute?**



Captain Charles Plumb was a US Navy jet pilot in Vietnam. After 75 combat missions, his plane was destroyed by a surface-to-air missile. Plumb ejected and parachuted into enemy hands. He was captured and spent 6 years in a communist Vietnamese prison. He survived the ordeal and now lectures on lessons learned from that experience.

One day, when Plumb and his wife were sitting in a restaurant, a man at another table came up and said, "You're Plumb! You flew jet fighters in Vietnam from the aircraft carrier Kitty Hawk. You were shot down!"

"How in the world did you know that?" asked Plumb.

"I packed your parachute," the man replied. Plumb gasped in surprise and gratitude. The man pumped his hand and said, "I guess it worked!" Plumb assured him, "It sure did. If your chute hadn't worked, I wouldn't be here today."

Plumb couldn't sleep that night, thinking about that man. Plumb says, "I kept wondering what he might have looked like in a Navy uniform: a white hat, a bib in the back, and bell-bottom trousers. I wonder how many times I might have seen him and not even said 'Good morning, how are you?' or anything because, you see, I was a fighter pilot and he was just a sailor."

Plumb thought of the man hours the sailor had spent on a long wooden table in the bowels of the ship, carefully weaving the shrouds and folding the silks of each chute, holding in his hands each time the fate of someone he didn't know.

Now, Plumb asks his audience, "Who's packing your parachute?" Everyone has someone who provides what they need to make it through the day. Plumb also points out that he needed many kinds of parachutes when his plane was shot down over enemy territory—he needed his physical parachute, his mental parachute, his emotional parachute, and his spiritual parachute. He called on all these supports before reaching safety.

Sometimes in the daily challenges that life gives us, we miss what is really important. We may fail to say hello, please, or thank you, congratulate someone on something wonderful that has happened to them, give a compliment, or just do something nice for no reason.

As you go through this week, this month, this year, recognize people who pack your parachute.

<http://www.inspire21.com/stories/truestories/WhoPacksYourParachute>

**A Hunting We Will Go!**



Gnatt after his first place run from his recent barn hunt trial.

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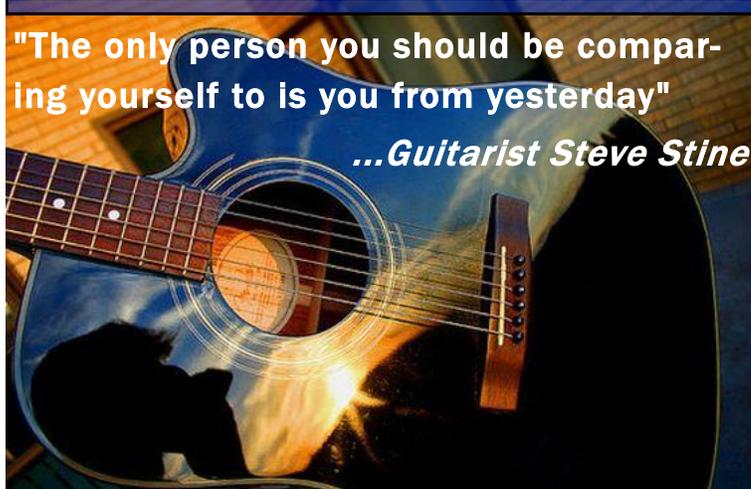


**What an experience, getting to drive a military war tank!**



## QUOTE OF THE QUARTER

"The only person you should be comparing yourself to is you from yesterday"  
*...Guitarist Steve Stine*



## SAVING SUCCESSFULLY WITH A PLAN

See below how those with a savings plan with specific goals save more successfully than those without a plan.

	PLAN	NO PLAN
Know net worth	61%	33%
No or reducing consumer debt	85%	64%
Spending less than income, saving difference	84%	46%
Sufficient emergency saving	79%	46%
Automatic saving outside of work	60%	26%
Making good or excellent saving progress	55%	23%

Source: <http://americasaveweek.org>

From the desk of Dave Purdy:



### Good News For Minnesota College 529 Plan

*Minnesota introduces new state tax benefits for residents.*

Minnesota taxpayers now have the option of claiming either a tax credit or deduction for contributions to any state 529 plan. Only one tax benefit can be claimed in a given tax year. Minnesota taxpayers may:

- Deduct up to \$3,000 for a married couple filing jointly or \$1,500 for all other filers for contributions made to a qualified 529 account.
- Instead, may opt for a non-refundable tax credit of half contributions up to \$500, subject to phase-out starting at a federal adjusted gross income of \$75,000 (single filer). The credit is reduced by any withdrawals made by that taxpayer during the taxable year.

All prior year tax benefits are subject to recapture in the event of a nonqualified distribution.

#### State tax deduction or credit for contributions:

Minnesota taxpayers may claim either a tax deduction or a tax credit depending on their income. A \$1,500 tax deduction (\$3,000 for a married couple filing jointly) can be claimed against Minnesota income tax.

Alternatively, a tax credit equal to 50% of the contributions to accounts, reduced by any withdrawals, may be claimed with a maximum credit amount of up to \$500, subject to a phase-out schedule starting at a federal adjusted gross income of \$75,000.

#### State tax recapture provisions:

In the case of a nonqualified or taxable distribution, the taxpayer is liable to state recapture of their tax benefit in the form of an additional tax for all prior years in which the benefit was claimed.

Please note that I am not a CPA and that the above information is for your general knowledge only. Please consult your CPA or tax preparer for specific details and to see if this would make sense for your particular situation.

Source: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

## After the Diagnosis: Making a Plan for Alzheimer's

Alzheimer's is the most common type of dementia. It affects more than five million people, of all ages, in the United States. Those who suffer from the disease develop memory, thinking, and behavior issues. As the disease progresses, the symptoms and challenges intensify.

Coping with Alzheimer's can be an extraordinary and often painful journey for patients, families, and caregivers. If you, or someone you love, has been diagnosed with the disease, act quickly to develop a plan of action that encompasses financial, legal, and end-of-life wishes.

Creating an Alzheimer's action plan can help restore a sense of control after an unwelcome diagnosis and help protect loved ones from potential uncertainty and conflict in the future. A good place to begin is by learning more about the disease.

**Empower yourself.** As you experience the gamut of emotions that often accompany a diagnosis, try to be proactive. Educate yourself about dementia and Alzheimer's. Join a support group. Keep a journal. Share information with loved ones. Understanding what may be ahead can help re-establish a sense of order and control.

**Begin building a care team.** An Alzheimer's team may include family members, close friends, neighbors, doctors, professional caregivers, members of community organizations, and others.

Building a team means talking with potential team members about what may be needed and when. In the early stages, people with Alzheimer's may need assistance with:

Planning and organizing	Managing money	Keeping appointments
Shopping and preparing meals	Taking medications	Exercising and relaxing

**Review your financial plans.** Once you have familiarized yourself with care options, take time to review your financial plans. Check in with your insurance provider to ascertain exactly what costs will be paid by insurance and what costs will be paid out of pocket.

**Double-check legal documents.** Make sure you've dotted the 'i's and crossed the 't's when it comes to your estate plan. Make sure to review:

- ◆ **Your will.** Make sure you have named the correct beneficiaries for your valuables and guardians for children and also have provisions in place for pets.
- ◆ **Beneficiary designations.** In many cases, the beneficiaries named on retirement plan accounts and insurance policies take precedence over heirs named in a will, so make sure the correct person or people are named.
- ◆ **Your living will or advance directive.** This legal document provides instructions that are implemented if you are unable to communicate or make decisions. An advance directive may include end-of-life wishes.
- ◆ **Your Power of Attorney** gives another person the right to act on your behalf if you become incapacitated.
- ◆ **Your digital executor.** If you have digital accounts or assets, name a digital executor to access, manage, delete, or archive digital files after your death.
- ◆ **Any trusts.** Depending on the complexity of your estate, you may have established a trust and a means for funding it after death.

Put critical financial documents in a safe place, and make sure at least one other trusted individual knows where they are.

**Apply for Social Security Disability benefits.** It has become easier for people who are younger than age 65 to qualify for benefits than it once was. Early-Onset Alzheimer's Disease was recently added to the Social Security Administration's Compassionate Allowances List.

Alzheimer's is the most expensive disease in America, according to *CNBC*. It's critical to put a plan in place to help provide comfort and care for the person with Alzheimer's, and protect family and loved ones.

*Source: alz.org (Alzheimer's Association 2017)*

This information is not intended to be a substitute for individualized legal advice. Please consult your legal advisor regarding your specific situation.



## Personal Notes

### Dave Purdy



Lori and I wrapped up a great summer with an RV trip to McKinney, Texas for the Barn Hunt National. We enjoyed the trip staying in RV parks in Missouri and Oklahoma before setting up at the McKinney, TX Barn Hunt show site. It was quite a spectacle seeing dogs from all over the nation compete in the sport of Barn Hunt. I am proud to report that Gnatt had a qualifying run and earned a ribbon. Lori has spent hours training and working with Gnatt to become a “Master Hunter” and hopes to complete that title soon. Lori has the patience of a saint, because that dog is a handful! I enjoyed a couple out of the ordinary events the last couple of months; I caught an 18 inch Small Mouth Bass on the Rum River, courtesy of my fishing guide, Jim Steffen. Wow, that fish was a fighter! Also, I had the opportunity to drive a military war tank! It was like driving a bulldozer with a big barrel! Really fun! I want to especially thank Chef Denny and Lori for the wonderful cooking events at our home. We planned for three events, but because we had so many people sign up so fast, we added an additional event. I even participated in the “all guys” class and had a blast! I wish everyone a great fall!

### Chad Olson

I hope everyone enjoyed the summer! We had a chance to finish up some landscaping projects late in the summer and enjoyed some very nice evenings outside this fall. I never was able to find time to golf, so this will be the first time in many years I didn't make it out on the course at least once. In September, I was able to attend a Research and Due Diligence meeting hosted by LPL Financial in Charlotte, NC. I had never traveled to Charlotte before and the meetings were very educational and worthwhile! Brielle started Kindergarten in the fall and really seems to love going to school. Aria (2) is growing and changing quickly and never too far behind her big sister Brielle. Here is a fun picture from earlier this summer when Brielle and Aria came to the office to bring me lunch.



### Stephanie Thiel



*Life with a two-year old and another one on the way in January has turned me towards having everything being more convenient. Sadie is our 2-year old who is very excited to meet her baby sister. She practices with her baby dolls and I couldn't be more excited to see the two of them interact. My husband, JT, built our deck this summer and is just finishing putting the railings up in time for the snow. At least we get to enjoy it next year! It's been a long project and my husband's first deck, but I'm also excited for the snow because things tend to settle down a little and we get to enjoy more family time. I hope all of you enjoy time with your family this winter and take time to appreciate the small things in life. As my father always tells me, “don't forget to stop and smell the roses.”*

### Kayla Hauble

Happy Fall! In late September, Ben and I went to the Renaissance Festival. This was my first time and it was spectacular! Probably the warmest day of the whole summer and I enjoyed every part of it. If anyone has attended this festival before, you know how entertaining it can be from the shows, shops, people, and of course, the food. I truly enjoyed my experience and would go again. This picture was taken in “The Sherwood Forest” when we visited the fairies.





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