



FINANCIALLY POWERED. RELATIONSHIP FOCUSED.

Our Viewpoint – This is Boring

Second quarter has ended along with the usual mixed-bag of “what’s next” news (or, as we often call it, the “crisis of the moment”). There were the typical ugly players such as trade wars and rising interest rates. There was also the usual market hype, such as the “hot” tech stock and the newest IPO. Any of these can tempt you to cringe, chase something new or veer off-course.

Our prudent investment approach is intended to help you avoid emotional reactions to recent news. At the same time, we understand how hard that can sometimes be. No matter how often we’re faced with uncertainty or how well we think we’ve prepared, new threats and opportunities have real ramifications in our lives; it’s natural to wonder whether “this time” is different – and influence our investment decisions.

But what really caught my attention recently was a prospective client who – after listening to our initial presentation and asking a few questions – said, “This is boring!” He continued, “Why don’t you trade stocks, try to pick the next Amazon, and time the markets to avoid the obvious recession that’s going to happen?”

The fact is, decades of robust evidence exists advising our approach suggests otherwise. **To best pursue your personal goals, we must continue to consider the latest news within the greater context of how global capital markets have delivered their eventual returns.**

Building and maintaining a globally diversified portfolio is usually neither fun nor entertaining, but boring? We admit it isn’t glamorous (at least

not on the surface), but the results speak for themselves. It’s mostly “smart” to stick with a well-crafted investment portfolio, year in, year out.

Here’s a fun stat to remember next time you’re tempted to bet against the proverbial house by guessing where the market is headed next: “Since 1928, the [U.S.] stock market has risen on 54% of days, 58% of months **and 73% of years.**” This comes from a recent Wall Street Journal article, along with this important observation, **“The distinction between an investment and a gamble lies in the odds of success.”** (WSJ: *Investors Can’t Get Enough of Wall Street’s Sucker’s Bets*; by Spencer Jakob, June 29, 2018)

Our goal is to keep investment odds in your favor. It may appear boring, nor is success guaranteed, but all evidence suggests you’re best off investing on the house and its expected favorable outcomes, rather than placing concentrated bets on every hand played. As always, please contact us any time you experience a change in your plans, have a question or simply want to talk. We’re here to help make life easier – not harder!





Inherited IRAs

Often, we are asked what happens to an IRA account when you die and what are the tax consequences for your loved ones.

Proper planning can defer or delay taxes on IRA accounts. If a spouse is a beneficiary, spouses can treat the IRA as their own. If under age 70.5, there are no Required Minimum Distributions (RMDs), thus delaying RMDs. (If the surviving spouse is under age 59.5, the spousal rollover is not the best option. Check with your CPA and your Odyssey advisor before acting.)

Non-spouse individual beneficiaries (children or grandchildren) have different rules. Ideally, they should set up an inherited IRA to receive the IRA funds. The beneficiary will begin RMDs in the year after the IRA owner's death. These RMDs are calculated on the IRS determined life expectancy of the beneficiary. For example, a 45-year old beneficiary has an IRS determined life expectancy of 38.8 years. They will have to withdrawal 1/38th of the IRA value in the year after death (e.g., \$100k IRA balance x 1/38th = \$2,577). Ordinary income taxes are due on the amount withdrawn. The younger the beneficiary, the lower the RMD and the longer the IRA can continue to grow tax deferred.

Make sure to designate an IRA beneficiary, leaving your IRA to no one or to your estate can cause significant tax consequences. Consult with your Odyssey advisor and CPA before acting on inherited IRAs.

A Silver Lining for RMDs

We recently wrote about the silver lining for required minimum distributions (RMDs) in our *Current Hub* newspaper article. If you missed it, here are the highlights. Please contact us for details/questions or to implement this strategy into your plan.

- Over age 70 1/2, you can make a Qualified Charitable Distribution (QCD) up to \$100,000 from your IRA to a qualified charity or multiple qualified charities.
- Depending on the amount of your RMD and your donation, QCDs can automatically satisfy part or all of your required minimum distributions (RMDs) for the year.
- Giving a portion of your RMD to a charity through a QCD may allow you to reclaim the lost charitable deduction that the new tax laws eliminated.
- The amount of the QCD is subtracted from the RMD amount on your taxes, thereby reducing your adjusted gross income (AGI).
- QCDs also may reduce your Medicare premiums. Since you've lowered your MAGI, your premiums are calculated on a lower income base.

Market Summary – Index Returns*

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
2018	STOCKS				BONDS	
Q2	3.89%	-0.75%	-7.96%	6.05%	-0.16%	0.48%
SINCE JAN 2001	STOCKS				BONDS	
Avg. Qtr. Return	2.0%	1.5%	3.0%	2.6%	1.1%	1.1%
Best Qtr.	16.8% Q2 2009	25.9% Q2 2009	34.7% Q2 2009	32.3% Q3 2009	4.6% Q3 2001	4.6% Q4 2008
Worst Qtr.	-22.8% Q4 2008	-21.2% Q4 2008	-27.6% Q4 2008	-36.1% Q4 2008	-3.0% Q4 2016	-2.7% Q2 2015

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2018 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2018, all rights reserved. Bloomberg Barclays data provided by Bloomberg. FTSE fixed income © 2018 FTSE Fixed Income LLC, all rights reserved.



We encourage you to Follow Us on Facebook (search @odysseypfa) to stay current with what is going on with Your Odyssey Team

Team Updates

JAN, WE MISS YOU! She may be on a cruise, hiking the Appalachian Trail or simply enjoying the view from her back deck, but we know one thing for sure – Jan is happy and planning for the next adventure. We thank her for 18 years at Odyssey and we thank the many of you who came out to celebrate her at Brookwood Grill. It was fun to share some stories and to present Jan with a proclamation from Lori Henry, Mayor of the City of Roswell. Jan would love to keep in touch with you if you are interested. Please feel free to reach out to her at janetingersoll@windstream.net or 404-217-9883.

Robert: Matthew graduated high school in May. An exciting time for all of us with graduation parties for he and his friends. Next stop for Matthew is Kennesaw State. Currently he's learning the value of hard work at a grueling summer job for a landscape company. Megan finished a stellar school year with almost all A's. We're very proud of both of them. To celebrate, we took a family vacation to Hawaii (Oahu and Maui). I tried surfing for the first time and eventually had success. The kids picked it up instantly and showed me the way. Hope your summer is going well!

Steve: I hope you are enjoying Atlanta's HOT summer! We had a great beach trip to NC in late June with Lynne's entire family. The girls had fun with their cousins and we all enjoyed some R&R. We're off to see my mom in OH soon. We can't wait to pick some fresh corn and taste

the homemade ice cream at the local dairy farm. Lexie just turned 11 and enters middle school next month. Grace (12) wrapped up travel softball and begins 7th grade at Milton Feeder very soon. Oh, and yes – our kitchen renovation is complete (so that's how a real stove works...)! I can't wait to hear all about your summer fun. See you soon!

Janeen: The Blecker household is enjoying the summer schedule and break from the school routines. JD is keeping busy with his adventure camps and doing a little reading and a lot of relaxing. After a big push from me, Alex got a job working as a cashier at Target and seems to be enjoying it. Rob and I just returned from a short getaway to St. Louis. We went to Busch Stadium to see the Braves sweep the Cardinals. I made it to the top of "The Arch"; we toured Anheuser Busch and saw the Clydesdales; it was great to get away. I hope everyone is having a wonderful summer!

Anne: Happy summer! For Memorial Day weekend, we stayed in a cabin in the Pisgah National Forest near Asheville. We had a great time relaxing and enjoying the cooler temperatures. We'll head back to the mountains in mid-July to celebrate my father's 70th birthday. We celebrated July 4th with a family BBQ (John made ribs) and a spectacular fireworks display at St. Ives Country Club. Looking forward to hearing about your summer travel and family BBQs when you're in the office!



As parents of adult children, you want to respect your children's financial independence, but can't help but worry if they're setting up their financial futures for success. We understand how

you feel, which is why we created Odyssey NexGen – where we independently help guide your children on their journeys to financial freedom. Could your NexGen family member benefit from speaking with someone about their finances? We're here to help! **Contact Anne Simpson at anne.simpson@odysseypfa to learn more or schedule a meeting.**

Everplan: Own a Pet?

Feel at peace that your pet sitter and family members know everything that is important to care for your beloved family pet by entering, then sharing, all your pet's information in your Everplan under section: My Life / Pets. Enter their unique traits – medications, vet contact info and favorite treat, then "share" just that section with your pet sitter (temporarily if you'd like). Everplans is a free service from Odyssey where you can store and share everything important. Need help getting started? **Contact Anne at anne.simpson@odysseypfa.com.**

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The opinions expressed herein are solely those of the author and not those of Cetera Financial Specialists, LLC.

Life is a Journey. Navigate it Wisely.

Each one of us has our own story. A story no one else can tell. It's about life, faith, family, careers, hobbies, experiences, successes, failures, joys and heartaches. It's a journey that lasts a lifetime. One that hopefully will leave the world a better place because of the contributions you've made – your own personal odyssey!

Money and finances influence decisions along the way. Having a guide to walk with you can help you stay on course. We're excited you have chosen (or are considering choosing) us as your financial guide: to watch over your finances, to encourage you to dream and set goals, and to help you achieve them.

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Our Mission Statement
Serving God and our clients to identify and fulfill life's dreams in a caring and personalized environment.

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