

Retirement Point

NEWS FOR PLAN SPONSORS AND PARTICIPANTS

April 2019

Your Financial Co-Pilot

If anything happens to you, your family has someone to consult.

THE MONTH IN BRIEF

The Federal Reserve altered its outlook on interest rates in March, and the stock and bond markets certainly took notice. Both the Fed and the European Central Bank communicated that they saw economic growth moderating. Even so, the S&P 500 managed to advance 1.79% for the month. Trade talks continued between the U.S. and China, but without much in the way of real developments. New reports revealed a sudden slowdown in hiring and only mild inflation. Existing home sales accelerated, crude oil gained value, and the Brexit saga took yet another turn.¹

MARKET INDEX	Y-T-D CHANGE	1-MO CHANGE	2018
DJIA	+11.15	+0.05	-5.63
NASDAQ	+16.49	+2.61	-3.88
S&P 500	+13.07	+1.79	-6.24
YIELD	12/31 RATE	1 MO AGO	1 YR AGO
10 YR NOTE	2.41	2.73	2.74

Sources: wsj.com, bigcharts.com, treasury.gov – 3/29/19 ^{1,16,17,18}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends. 10-year TIPS real yield = projected return at maturity given expected inflation.

Monthly Quote

“He who knows that enough is enough will always have enough.”

- Laozi

Monthly Tip

In view of possible extended care needs, you may want to look at a hybrid life insurance policy that can potentially give you a pool of money to pay those costs. Unused benefits may be paid to the policy’s beneficiaries after your death.

Monthly Riddle

It is filled with garb, and the price is free; you can take whatever you like and return what you don't need. What is it?

Last month’s riddle:

What has four legs, bears weight without complaint, and never makes a peep when food is brought its way?

Last month’s answer:

A Table

April 2019

Bad Money Habits to Break

Behaviors worth changing.

If you weren't around, what would happen to your investments? In many families, one person handles investment decisions, and spouses or children have little comprehension of what happens each week, month, or year with a portfolio.

In an emergency, this lack of knowledge can become financially paralyzing. Just as small business owners risk problems by “keeping it all in their heads,” families risk problems when only one person understands investments.

A trusted relationship with a financial professional can be so vital. If the primary individual handling investment and portfolio management responsibilities in a family passes away, the family has a professional to consult – not a stranger they have to explain their priorities to at length, but someone who has built a bond with mom or dad and perhaps their adult children.

You want a professional who can play a fiduciary role. Look for a financial professional who upholds a fiduciary standard. Professionals who build their businesses on a fiduciary standard tend to work on a fee basis or entirely for fees. Other financial services industry professionals earn much of their compensation from commissions linked to trades or product sales.¹

Commission-based financial professionals don't necessarily have to abide by a fiduciary standard. Sometimes, only a suitability standard must be met. The difference may seem minor, but it really isn't. The suitability standard, which hails back to the days of cold-calling stock brokers, dictates that you should recommend investments that are “suitable” to a client. Think about the leeway that can potentially provide to a commission-based professional. In contrast, a financial professional working by a fiduciary standard always has an ethical requirement to act in a client's best interest and to recommend investments or products that clearly correspond to that best interest. The client comes first.¹

You want a professional who looks out for you. The best financial professionals earn trust through their character, ability, and candor. In handling portfolios for myriad clients, they have learned to watch for certain concerns and to be aware of certain issues that may get in the way of wealth building or wealth retention.

Many investors have built impressive and varied portfolios, but lack long-term wealth management strategies. Money has been made, but little attention has been given to tax efficiency or risk exposure.

April 2019

As you near retirement age, playing defense becomes more and more important. A trusted financial professional could help you determine a risk and tax management approach with the potential to preserve your portfolio assets and your estate.

Your family will want nothing less. With a skilled financial professional around to act as a “co-pilot” for your portfolio, your loved ones will have someone to contact should the unexpected happen. When you have a professional who can step up and play a fiduciary role for you, today and tomorrow, you have a financial professional whose service and guidance can potentially add value to your financial life.

If you’re the family member in charge of investments and crucial financial matters, don’t let that knowledge disappear at your passing. A will or a trust can transfer assets, but not the acumen by which they have been accumulated. A relationship with a trusted financial professional may help to convey it to others.



For more information on investment choices for your retirement plan, please call our plan’s advisor at 703-595-4444 or email at info@pointoak.com

April 2019

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